2010 Final Legislative Report

61st Washington State Legislature
2010 Regular Session
2010 First Special Session

This edition of the 2010 Final Legislative Report is available from the:

Legislative Information Center
106 Legislative Building
PO Box 40600
Olympia, WA 98504-0600

In accordance with RCW 42.56.120, this report is available for a fee based on actual reproduction costs.

The reports for this publication are prepared by non-partisan legislative staff after final passage of bills. The reports are not a part of the legislation and do not constitute statements of legislative intent.

For more detailed information regarding 2010 legislation, contact the:

House Office of Program Research
230 John L. O'Brien Building
PO Box 40600
Olympia, WA 98504-0600
(360) 786-7100

Senate Committee Services
447 John A. Cherburg Building
PO Box 40466
Olympia, WA 98504-0466
(360) 786-7400

This document is printed on recycled paper and is recyclable.

Image credits to: •Whatcom Museum image #1993.66.1 •Washington State Historical Society

Sixty-First
Washington State Legislature
2010 Regular Session
2010 First Special Session

61st Washington State Legislature

This Page Intentionally Left Blank

Table of Contents

61st Washington State Legislature

Statistical Summary

2010 Regular Session of the 61st Legislature
2010 First Special Session of the 61st Legislature

Bills Before Legislature	Introduced	Passed Legislature	Vetoed	Partially Vetoed	Enacted
2010 Regular Session (January 11 - March 11)					
House	826	151	2	13	149
Senate	694	149	2	9	147
TOTALS	**1520**	**300**	**4**	**22**	**296**
2010 First Special Session (March 15 - April 12)					
House	8	19	0	4	19
Senate	8	18	0	5	18
TOTALS	**16**	**37**	**0**	**9**	**37**

Joint Memorials, Joint Resolutions and Concurrent Resolutions Before Legislature	Introduced	Filed with the Secretary of State
2010 Regular Session (January 11 - March 11)		
House	27	5
Senate	23	5
TOTALS	**50**	**10**
2010 First Special Session (March 15 - April 12)		
House	2	2
Senate	2	2
TOTALS	**4**	**4**
Initiatives/Referendums	**2**	**1**
Gubernatorial Appointments	**Referred**	**Confirmed**
2010 Regular Session (January 11 - March 11)	**108**	**63**
2010 First Special Session (March 15 - April 12)	**11**	**20**

Historical - Bills Passed Legislature

Ten-Year Average				Actual			
	Odd Years	Even Years	Biennial	2009	2010	2010 1st Special	2009-10 Total
House Bills	280	173	453	313	151	19	483
Senate Bills	212	166	378	270	149	18	437
TOTALS	**492**	**339**	**831**	**583**	**300**	**37**	**920**

Section I: Legislation Passed

61st Washington State Legislature

This Page Intentionally Left Blank

Numerical List

HOUSE JOINT MEMORIALS AND RESOLUTIONS

SENATE BILLS

SENATE JOINT MEMORIALS AND RESOLUTIONS

HB 1080
C 86 L 10

Allowing impact fees to be used for all fire protection facilities.

By Representatives Simpson and Williams.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Impact Fees. Counties, cities, and towns that plan under the major provisions of the Growth Management Act are authorized to impose impact fees on development activity as part of the financing of public facilities. Impact fees are payments of money required of developers as a condition of development approval. Local governments are required to use impact fees to pay for certain public facilities that are made necessary as the result of a development and must ensure that such fees are:

- used only for system improvements that are reasonably related to the impact of the development on the use of public facilities;
- do not exceed a proportionate share of the cost of system improvements made necessary by the development; and
- are used for system improvements that reasonably benefit the new development.

In determining how system improvements are to be financed, a local government must provide for a balance between impact fees and other sources of public funds and may not rely solely on impact fees. Additionally, local ordinances must also include a fee schedule for each type of development activity subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule must be based upon a formula or other method of calculating the prorated impact fee.

The types of "public facilities" that may receive funding from impact fees are limited to specified types of capital facilities owned or operated by government entities. Such public facilities are the following:

- public streets and roads;
- publicly owned parks, open spaces, and recreation facilities;
- school facilities; and
- fire protection facilities in jurisdictions that are not part of a fire district.

Fire Protection Districts. Fire protection districts are created to provide fire and emergency services to protect life and property in locales outside of cities and towns. A fire protection district may be established through a process involving a petition by the residents of a proposed district, a public hearing, and voter approval.

Summary: The definition of "public facilities" for which impact fees may be collected and spent is modified to include all fire protection facilities, rather than only fire protection facilities in jurisdictions that are not part of a fire district.

Votes on Final Passage:

House	63	33
House	59	38
Senate	31	14

Effective: June 10, 2010

E2SHB 1096
FULL VETO

Enhancing small business participation in state purchasing.

By House Committee on General Government Appropriations (originally sponsored by Representatives Hasegawa, Green, Kenney, Chase, Hudgins and Moeller).

House Committee on Community & Economic Development & Trade
House Committee on General Government Appropriations
Senate Committee on Government Operations & Elections
Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means

Background: The Department of General Administration (GA) establishes overall state policy for state purchasing. It contracts with individuals and companies outside state government to provide goods and services to the state. Under delegated authority, other state agencies and the institutions of higher education also contract for goods and services. The state's purchasing authority is generally organized into categories based on the type of service. Among these categories are:

- *Purchased goods and services.* These goods and services are ones provided by a vendor to accomplish routine, continuing and necessary functions.
- *Personal services.* This term refers to professional or technical expertise provided by a consultant to accomplish a specific study or project.
- *Information services.* These services include data processing, telecommunications, office automation, and computerized information systems.
- *Printing services.* This term refers to the production of the state's printed materials.

The Office of Minority and Women's Business Enterprises (OMWBE) has a statutory purpose of providing minority and women-owned business enterprises the maximum practicable opportunity for increased participation in public contracts. The OMWBE is the sole authority for certifying minority, women-owned, and socially and economically disadvantaged businesses for participation

in public contracting programs. The OMWBE may only certify "small business concerns," which are defined to be consistent with the definition used by the U.S. Small Business Administration.

Summary: The departments of General Administration (GA), Information Services, and Transportation must develop a plan to increase the number of small businesses receiving state contracts for goods and services. The goal of the plan is have the number of small businesses receiving state contracts be at least 50 percent higher by 2012 and at least 100 percent higher by 2014, compared to the number of contracts awarded to small businesses in 2009. This plan requirement expires July 1, 2015.

By July 1, 2011, and each July 1 thereafter, the GA must report on progress in carrying out the plan to the Governor and Legislature.

For the purposes of the plan, "small business" is an in-state business that has either fifty or fewer employees or gross revenues of less than $7 million or is a business certified by the Office of Minority and Women's Business Enterprises.

Votes on Final Passage:

House	84	10	
Senate	42	5	(Senate amended)
House	87	10	(House concurred)

VETO MESSAGE ON E2SHB 1096

April 1, 2010

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 Second Substitute House Bill 1096 entitled:

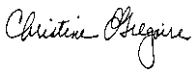
"AN ACT Relating to enhancing small business participation in state purchasing."

I support the intent of this bill and believe that state government can and should be more active in promoting state contracting procurement with small businesses. Small businesses are a vital component in building and stabilizing Washington's economy. State agencies already provide outreach and training to the small business community. Earlier legislation I signed imposed a freeze on contracts at this time to save money. In addition this bill requires a collection of data that is burdensome, resource-intensive, and lacks accountability. Further, the Departments of General Administration, Information Services, and Transportation were not appropriated funds for this purpose and would each be required to absorb the cost to implement the bill.

I am vetoing this bill but I urge the Legislature during the next session to develop legislation that provides appropriate reporting requirements and that can be implemented within appropriated funds.

For these reasons I have vetoed Engrossed Second Substitute House Bill 1096 in its entirety.

Respectfully submitted,



Christine O. Gregoire
Governor

E2SHB 1149

C 151 L 10

Protecting consumers from breaches of security.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Williams, Roach, Simpson, Kirby, Dunshee, Nelson and Ormsby).

House Committee on Financial Institutions & Insurance
Senate Committee on Labor and Commerce & Consumer Protection

Background: State Security Breach. In 2005 a security breach law was enacted. The law requires any person or business to notify possibly affected persons when security is breached and unencrypted personal information is (or is reasonably believed to have been) acquired by an unauthorized person. A person or business is not required to disclose a technical breach that does not seem reasonably likely to subject customers to a risk of criminal activity.

"Personal information" is defined as an individual's first name or first initial and last name in combination with one or more of the following data elements, when either the name or the data elements are not encrypted:

- Social Security number;
- driver's license number or Washington identification card number; or
- account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.

"Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

The notice required must be either written, electronic, or substitute notice. If it is electronic, the notice provided must be consistent with federal law provisions regarding electronic records, including consent, record retention, and types of disclosures. Substitute notice is only allowed if: the cost of providing direct notice exceeds $250,000; the number of persons to be notified exceeds 500,000; or there is insufficient contact information to reach the customer. Substitute notice consists of all of the following:

- electronic mail (e-mail) notice when the person or business has an e-mail address for the subject persons;
- conspicuous posting of the notice on the website page of the person or business, if the person or business maintains one; and
- notification to major statewide media.

A customer injured by a violation of the security breach law has the right to a civil action for damages.

State Disposal of Personal Information Law. State law places restrictions on disposal of certain types of personal. If a person or business is disposing of records containing personal financial and health information and personal

identification numbers issued by a government entity, the person or business must take all reasonable steps to destroy, or arrange the destruction of, the information.

An individual injured by the failure of an entity to comply with the disposal or personal information law may sue for:

- $200 or actual damages, whichever is greater, and costs and reasonable attorneys' fees if the failure to comply is due to negligence; or
- $600 or three times actual damages (up to $10,000), whichever is greater, and costs and reasonable attorneys' fees if the failure to comply is willful.

The Attorney General may bring a civil action in the name of the state for damages, injunctive relief, or both, against an entity that fails to comply with the law. The court may award damages that are the same as those awarded to individual plaintiffs.

Additional Federal and State Privacy Protections. Federal and state health privacy laws generally include security provisions and safeguards for health information, including information relating to an individual's identity and payment information. These duties are imposed on health insurers, providers, and others in the health system.

Federal banking and insurance laws generally include security provisions and safeguards for individually identifiable health and financial information. These duties are placed on individuals and businesses in the banking community.

Payment Card Industry Security Standards Council. The Payment Card Industry Security Standards Council (Council) is a limited liability corporation with the mission of enhancing payment account data security by fostering broad adoption of its standards for payment account security. The Council was established in 2004 by American Express, Discover Financial Services, JCB, MasterCard Worldwide, and Visa International. The Council developed the Payment Card Industry Data Security Standards (PCI DSS). According to the Council, there were six principles and requirements in developing the requirements for security management, policies, procedures, network architecture, software design and other measures:

- build and maintain a secure network;
- protect cardholder data;
- maintain a vulnerability management program;
- implement strong access control measures;
- regularly monitor and test networks; and
- maintain an information security policy.

The Council does not enforce the PCI DSS. Individual payment systems establish contractual terms and penalties for noncompliance.

Summary: A number of definitions are created, including "account information," "breach," "businesses," "encrypted,""financial institution," "processor," and "vendor."

Businesses that process more than six million credit and debit card transactions and processers are liable to a financial institution for a failure to exercise reasonable care through encryption of account information when such failure is the proximate cause of a breach of security.

Vendors are liable to a financial institution to the extent that the damages are due to a defect in the vendor's software or equipment related to the encryption. A claim against a vendor may be limited or forestalled by another provision of law or by a contract with the financial institution.

A financial institution may recover reasonable actual costs for issuing new credit cards and debit cards to its account holders that live in Washington. If an action is brought, the prevailing party is entitled to recover its reasonable attorneys' fees and costs incurred in connection with the legal action. A trier of fact may reduce any award by any amount already recovered by a financial institution from a credit card company for the breach.

There is immunity for a business, processor, or vendor if:

- the breached account information was encrypted; and
- the business, processor, or vendor was certified compliant with security standards adopted by the Council. The compliance must have been established by an annual security assessment that occurred less than 12 months prior to breach of security.

There is nothing that prevents:

- any entity responsible for handling account information on behalf of a business or processor from being sued; or
- a business, processor, or vendor from asserting any defense including defenses of contributory or comparative negligence.

Votes on Final Passage:

House	63	31	
Senate	45	0	(Senate amended)
House	65	30	(House concurred)

Effective: July 1, 2010

E2SHB 1317

C 257 L 10

Regarding the disclosure of public records containing information used to locate or identify employees of criminal justice agencies.

By House Committee on Ways & Means (originally sponsored by Representatives Kessler, Rodne, Simpson, O'Brien, Hunt, Hurst, Ormsby, Moeller, Chase, Sullivan and Kelley).

House Committee on State Government & Tribal Affairs
House Committee on Ways & Means
Senate Committee on Government Operations & Elections

Background: The Public Records Act (PRA) requires that all 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.

The PRA requires agencies to respond to public records requests within five business days. The agency must either provide the records, provide a reasonable estimate of the time the agency will take to respond to this request, or deny the request. Additional time may be required to respond to a request where the agency needs to notify third parties or agencies affected by the request or to determine whether any of the information requested is exempt and that a denial should be made as to all or part of the request. For practical purposes, the law treats a failure to properly respond as denial. A denial of a public records request must be accompanied by a written statement of the specific reasons for denial.

Any person who is denied the opportunity to inspect or copy a public record may file a motion in superior court, and the court may require the agency to show cause regarding why the agency has refused access to the record. The burden of proof rests with the agency to establish that the refusal is consistent with the statute that exempts or prohibits disclosure. Judicial review of the agency decision is de novo and the court may examine the record in camera. Any person who prevails against an agency in any action in the courts seeking the right to inspect or copy any public record must be awarded all costs, including reasonable attorneys' fees. In addition, the court has the discretion to award such person no less than $5 but not to exceed $100 for each day he or she was denied the right to inspect or copy the public record. The court's discretion lies in the amount per day, but the court may not adjust the number of days for which the agency is fined.

An agency or its representative, or a person who is named in the record or to whom the record specifically pertains, may file a motion or affidavit asking the superior court to enjoin disclosure of the public record. The court may issue an injunction if it finds that such examination would clearly not be in the public interest and would substantially and irreparably damage any person, or would substantially and irreparably damage vital government functions.

Summary: The photograph and month and year of birth found in employment or licensing records of employees and workers of criminal justice agencies are exempt from public disclosure. Newspapers shall have access to photographs and the full date of birth of criminal justice agency employees. However, persons in the custody of a criminal justice agency are not considered to be the news media for the purposes of this act. A criminal justice agency is a court or a government agency which performs the administration of criminal justice pursuant to a statute or an executive order and which allocates a substantial part of its annual budget to the administration of criminal justice.

Votes on Final Passage:

House	95	0	
Senate	45	1	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2010

E2SHB 1418

C 20 L 10

Establishing a statewide dropout reengagement system.

By House Committee on Education (originally sponsored by Representatives Kagi, Priest, Sullivan, Walsh, Pettigrew, Roberts, Dickerson, Quall, Seaquist, Sells, Appleton, Hunt, Haler, Pedersen, Orwall, Ormsby, Hasegawa, Conway, Kenney, Maxwell, Santos, Probst, Driscoll, Goodman and Nelson).

House Committee on Education
House Committee on Ways & Means
House Committee on Education Appropriations
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: Students are eligible to receive education in a public school until the age of 21 or completion of a high school diploma, whichever is sooner. School districts have authority to contract with colleges, community-based organizations, or other education providers to provide educational services. School districts that use basic education dollars for these services must meet certain criteria established by rules that are intended to assure that the contracted services meet the purpose of basic education program requirements.

A number of school districts have created programs for older youth who have dropped out of school and are so far behind in accumulating credits that graduation before the age of 21 is unlikely. Some districts offer their own programs through an alternative high school; others contract with community and technical colleges or community-based organizations. In some cases, one school district acts as a contracting and fiscal agent on behalf of multiple districts in the region, and students from other districts enroll in the non-resident.

In recent years a number of school districts have terminated their contracted dropout re-engagement programs. Reasons cited include lack of clarity in state laws and rules governing these contracts. At least one school district has been the subject of audit findings for noncompliance with rules governing expenditure of basic education dollars. The Office of Superintendent of Public Instruction (OSPI) has made several special adaptations to the rules, including on an emergency basis, in an attempt to provide clarity. School districts that have enrolled non-resident students express concerns about assuming

liability for these students, especially if the students are eligible for special education. There are no standardized contracts or agreements.

One of the recommendations from the Building Bridges Dropout Prevention, Intervention, and Retrieval Workgroup in its 2008 report to the Legislature was to establish a statewide dropout retrieval system with a single, comprehensive regulatory framework to govern retrieval programs.

Summary: A statutory framework for a statewide dropout re-engagement system is created to provide education and services to older youth who have dropped out of school or are not expected to graduate from high school by the age of 21. Under the system, school districts are authorized but not required to enter into model inter-local agreements with an Educational Service District (ESD), community or technical college, or other public entity to provide a dropout re-engagement program for eligible students, or enter into a model contract with a community-based organization. Current authority of school districts to contract for program services is not affected.

If a school district does not contract to provide a dropout re-engagement program for its resident students, an ESD, community or technical college, other public entity, or community-based organization may petition another school district to enroll those students and contract with the petitioning entity to provide a program.

For the purposes of the system, dropout re-engagement programs offer at least the following:

- academic instruction, including GED preparation, academic skills, and college and work readiness preparation, that generates high school credit for a diploma and has the goal of academic and work readiness;
- instruction by certified teachers or college instructors whose credentials are established by the college;
- case management, counseling, and resource and referral services; and
- opportunity for qualified students to enroll in college courses tuition-free if the program provider is a college.

Students eligible for dropout re-engagement programs are those aged 16 to 21 who are so credit deficient that completion of a high school diploma before age 21 is not reasonable, or are recommended by social service or juvenile justice system case managers. Students may enroll in their resident school district or another district. The OSPI must adopt criteria defining a full-time equivalent (FTE) student for purposes of dropout re-engagement programs based on college credits or planned programming and minimum attendance, but not based on seat-time.

The OSPI must develop model inter-local agreements and contracts for the dropout re-engagement system, which must at a minimum address the following topics:

- responsibilities for identification, referral, and enrollment of eligible students;
- instruction and services to be provided by a dropout re-engagement program;
- responsibilities for data collection and reporting, including transcripts and the student information system;
- administration of state assessments;
- uniform financial reimbursement rates per-FTE student, using statewide average basic education allocations and allowing for a uniform district administrative fee;
- responsibilities for providing special education and accommodations;
- minimum instructional staffing ratios for community-based programs, which are not required to be the same as for basic education; and
- performance measures reported to the state, including longitudinal monitoring of student progress and post-secondary education and employment.

Students in a dropout re-engagement program are considered regular students of the district in which they are enrolled, but they do not count against a district's basic education staffing ratio compliance.

The OSPI must adopt rules to implement these provisions and must consult with the State Board for Community and Technical Colleges, the Workforce Board, dropout re-engagement programs, school districts, approved providers of online learning, and ESDs.

Votes on Final Passage:

House	82	13
House	96	2
Senate	46	0

Effective: June 10, 2010

HB 1541

C 103 L 10

Granting half-time service credit for half-time educational employment prior to January 1, 1987, in plans 2 and 3 of the school employees' retirement system and the public employees' retirement system.

By Representatives Seaquist, Conway, Crouse and Simpson; by request of Select Committee on Pension Policy.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Public Employees' Retirement System (PERS) provides benefits for all regularly compensated public employees and appointed and elected officials unless they fall under a specific exemption from membership, such as qualification for another of the state

retirement systems. Covered employers include all state agencies and subdivisions and most local government employees not employed by the cities of Seattle, Tacoma, and Spokane.

The School Employees' Retirement System (SERS) was opened to membership on September 1, 2000. At that date, all employees of a school district or an educational service district (educational employees) that were previously members of PERS Plan 2 were transferred into SERS Plan 2. The SERS Plan 2 members were also given an option to transfer into SERS Plan 3. The PERS Plan 2 members were given an option to transfer to PERS Plan 3 when that plan was opened in 2002.

Before 1987 members of PERS Plan 2 who were employed by a school district or educational service district received 12 months of service credit if they were continuously employed for a period of nine months and worked at least 90 hours a month in each of those nine months of the school year. Members who did not qualify for a full 12 months of service credit would receive one month of service credit for each month that they worked at least 90 hours. No service credit was awarded for months in which a member worked fewer than 90 hours.

Currently, educational employees belonging to PERS or SERS Plan 2 or 3 who work at least 810 hours over the course of a full school year receive 12 months of service credit. Members working at least 630 hours but fewer than 810 hours over the course of a full school year or at least 630 hours over the course of five months in a six-month period are eligible for six months of service credit.

Service credit is also available on a monthly basis for members who work for less than a full year or fewer than 630 hours. A month of service credit is awarded for each month in which a member works at least 90 hours. Members working at least 70, but fewer than 90 hours, are eligible for a half month of service credit. A quarter month of service credit is given for any month in which a member works fewer than 70 hours.

Summary: The Department of Retirement Systems is directed to recalculate the service credit of currently active PERS and SERS Plan 2 or 3 members who worked in an eligible school position prior to 1987 in order to provide half years of service credit for those members who would have been eligible under current rules. A member will receive a half year of service credit for any school year prior to January 1, 1987, in which the member was employed for at least nine months and worked at least 630 hours in an eligible position with a school district, educational service district, the state school for the blind, the state school for the deaf, or an institution of higher education or community college.

The new calculated half years of credit replace whatever credit a member was previously awarded for the relevant period of service. The recalculation of past service credit may not reduce a member's accumulated service credit. To be eligible for a half year of service credit, the member must not have withdrawn contributions for the period in question. The service credit and retirement allowance of a retired member are not affected.

Votes on Final Passage:

House	97	0
House	97	0
Senate	47	0

Effective: June 10, 2010

SHB 1545
C 21 L 10

Authorizing the higher education coordinating board to offer higher education annuities and retirement income plans.

By House Committee on Ways & Means (originally sponsored by Representatives Conway, Seaquist, Bailey, Crouse, Hasegawa, Kenney, Simpson, Morrell and Ormsby; by request of Select Committee on Pension Policy).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Public Employees' Retirement System (PERS) provides retirement benefits to all regularly compensated employees and appointed and elected officials of included employers, unless they fall under a specific exemption. One of the categories of exemption from PERS coverage is for employees that are provided coverage by another state retirement plan such as the Teachers' Retirement System (TRS) or the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF).

One retirement plan that exempts an employee from mandatory inclusion in the PERS system is called the Higher Education Retirement Plan (HERP). The higher education laws of Washington permit the governing bodies of the public institutions of higher education, including the boards of regents of the state universities, the boards of trustees of the regional universities, The Evergreen State College, and the State Board for Community and Technical Colleges to define certain employees of their institutions as eligible to participate in the HERP plans. Once positions have been defined as eligible for the HERP, the employees are mandated into the HERP plan with the exception that employees with prior service in the PERS are offered the choice to remain in the PERS. Unlike the other state retirement systems which are described in detail in state law, each employing institution has somewhat more authority to offer particular plan features to employees with the HERP, including choice of investment options.

The HERP plan has two main components. The first is a defined contribution plan that generally provides individuals with an individual account with employer matching contributions. Generally, for employees under age 35, employers and employees each contribute 5 percent of

salary to the defined contribution account, between ages 35 and 50, each contribute 7.5 percent of salary, and after age 50, each contribute 10 percent of salary.

The second is a defined benefit "supplemental plan" that provides members with additional benefits if a member's base benefit from the defined contribution account does not equal at least 50 percent of a members two-year average final compensation. To be eligible for the full supplemental defined benefit, a member must earn 25 years of service. Between 10 years and 25 years of service, a partial supplemental benefit is provided. In addition, the full supplement is available at age 65, and partial supplemental benefits are available at the federal Social Security early retirement age (62) on a reduced basis. The supplemental benefit is also available in cases of disability without reductions for age.

Among the most common benefit offerings in the HERP is participation in the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF) program, though other programs may be offered by institutions.

The Higher Education Coordinating Board (HECB) is a 10-member citizen board and state agency that administers the state's student financial aid program and provides planning and policy analysis for the higher education system in Washington, but it is not a board governing the state's higher educational institutions, and so it may not offer employees participation in the HERP plans. The HECB employs about 85 employees that belong to the PERS system.

Summary: The HECB is authorized to offer its employees participation in a higher education retirement plan under two conditions: first, the employee must have previously contributed to a qualified retirement plan similar to the higher education retirement plan; and second, the HECB is prohibited from offering the plans to a retiree that is receiving or accruing a retirement allowance from another Washington state public employee retirement system.

Votes on Final Passage:

House	94	4
Senate	48	0

Effective: June 10, 2010

E2SHB 1560

C 104 L 10

Regarding collective bargaining at institutions of higher education.

By House Committee on Ways & Means (originally sponsored by Representatives Conway, Wood and Simpson).

House Committee on Commerce & Labor
House Committee on Ways & Means
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Personnel System Reform Act of 2002 (Act) provides for collective bargaining with representatives of civil service employees in general government and institutions of higher education.

For purposes of negotiations, state agencies are represented by the Governor. Institutions of higher education may be represented by either their governing boards or by the Governor. The Act provides for multi-employer bargaining involving state agencies and coalition bargaining involving state agencies and institutions of higher education represented by the Governor. Representatives of more than one bargaining unit must negotiate one master collective bargaining agreement covering all of the represented employees. Representatives of fewer than 500 employees must bargain in one coalition. The coalition must bargain for a master collective bargaining agreement covering all represented employees.

The Governor must submit requests for funds necessary to implement collective bargaining agreements to the Legislature. The requests must not be submitted to the Legislature unless two conditions are met. First, the requests must be submitted to the Director of the Office of Financial Management (Director) by October 1 prior to the legislative session at which the requests are to be considered. Second, the requests must be certified by the Director as being financially feasible for the state.

Summary: Changes are made to permit multi-employer bargaining involving certain universities and colleges, and to provide for legislative action on initial agreements between institutions of higher education and certain new bargaining units.

The procedures for universities and colleges that elect to have their negotiations conducted by the Governor are modified. If the parties mutually agree, the Governor and a bargaining representative must negotiate one master collective bargaining agreement for all of the bargaining units that the representative represents at multiple universities or colleges.

The requirement that requests for funds be submitted by October 1 is modified for institutions of higher education and certain new bargaining units. If a bargaining representative is certified during or after a legislative session and the compensation and fringe benefit provisions of the bargaining unit's initial agreement with an institution of higher education are submitted before final legislative action on the budget, the Legislature may act upon the provisions.

Votes on Final Passage:

House	64	33
Senate	33	15

Effective: June 10, 2010

HB 1576
C 23 L 10

Determining the amount of motor vehicle fuel tax moneys derived from tax on marine fuel.

By Representatives Clibborn, Liias, Roach and Rodne.

House Committee on Transportation
Senate Committee on Transportation

Background: Any person who uses motor vehicle fuel for marine purposes that has paid fuel tax on the fuel may apply for a refund. At least once every four years, the Department of Licensing (DOL) determines the amount of fuel tax that has been paid on marine fuel. The DOL will perform studies, surveys, or investigations to assist in determining the amount of fuel tax to transfer monthly to the Marine Fuel Tax Refund Account. Marine fuel users may apply to the DOL for a refund of the taxes they have paid on fuel for marine use. Applications for refunds must be filed with the DOL no later than the close of the last business day of a period 13 months from the date of purchase. Average annual total refunds are $340,000.

The DOL, after taking into account past and anticipated refunds from the Marine Fuel Tax Refund Account, will request the State Treasurer to transfer monthly from the Marine Fuel Tax Refund Account to the Recreational Resource Account based on 21 cents per gallon from July 1, 2007 through June 30, 2009; 22 cents per gallon from July 1, 2009, through June 30, 2011, and 23 cents per gallon beginning July 1, 2011, and thereafter. Over the last four years, the average annual tax transfer to the Recreational Resource Account has been $4.7 million. Any remaining amounts are transferred to the Motor Vehicle Account.

Money in the Recreational Resource Account may be used after appropriation by the Legislature. The funding is used for acquiring, improving, and renovating marine facilities.

Between 1965 and 2008, the DOL conducted 12 studies, with the last study being conducted in 2008. Based on the studies, the marine fuel consumption rate is approximately 1 percent of the fuel purchased.

Summary: The requirement for the DOL to determine the amount of motor vehicle fuel tax to be transferred to the Marine Fuel Tax Account is removed. The amount of motor vehicle fuel tax collected on marine fuel is deemed to be 1 percent of the total motor vehicle fuel tax collected annually, and that amount is to be deposited into the Marine Fuel Tax Refund Account.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: June 10, 2010.

2SHB 1591
C 105 L 10

Concerning the use of certain transportation benefit district funds.

By House Committee on Transportation (originally sponsored by Representatives Upthegrove, Clibborn, Simpson and Liias).

House Committee on Transportation
Senate Committee on Transportation

Background: A transportation benefit district (TBD or district) is a quasi-municipal corporation and independent taxing authority that may be established by a county or city for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district.

A "transportation improvement" means any project contained in the transportation plan of the state or regional transportation planning organization, and may include investments in city streets, county roads, new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance, as well as the operation, preservation, and maintenance of these facilities or programs. The proposed improvement must also be consistent with any state, regional, and local transportation plan, and must be necessitated by existing or reasonably foreseeable congestion.

The legislative authorities proposing to establish a TBD, or to modify the boundaries of an existing TBD, must first issue public notice of that intent and then hold a public hearing. Following the public hearing, the TBD may be formed or modified if the legislative authorities find that such action is in the public interest and if an ordinance providing for such action is adopted. When establishing the district's area, the county or city proposing to create the TBD may only include other jurisdictions through interlocal agreements. The TBD may include areas within more than one county, city, port district, county transportation authority, or public transportation benefit area. A TBD may be comprised of less than the entire area within each participating jurisdiction.

A TBD is governed by the legislative authority of the jurisdiction proposing to create it, or by a governance structure prescribed in an interlocal agreement among multiple jurisdictions. If a TBD includes more than one jurisdiction, the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions. Port districts and transit districts may participate in the establishment of a TBD but may not initiate TBD formation.

Any transportation improvement provided by a TBD is owned by the jurisdiction where the improvement is located or by the state if the improvement is a state highway. A TBD dissolves and ceases to exist 30 days after the

financing or debt service on the improvement project is completed and paid. If there is no debt service on the project, the TBD must dissolve within 30 days from the date construction of the improvement is completed.

Revenue Measures Generally. A TBD has independent taxing authority to implement the following revenue measures, all of which are subject to voter approval, except as otherwise noted:

- a local sales and use tax of up to 0.2 percent;
- a local annual vehicle fee of up to $100 on vehicle license renewals, $20 of which may be imposed without voter approval;
- excess property taxes, for a period of up to one year; and
- tolls, subject to legislative authorization and approval by the Transportation Commission if imposed on state routes.

A TBD may impose the following revenue measures without voter approval:

- transportation impact fees on commercial and industrial development; and
- except for passenger-only ferry improvements, up to $20 in local annual vehicle fees.

Unless approved by the voters, a sales tax may not be imposed for a period exceeding 10 years. In no event may a sales tax be imposed for more than 20 years. A TBD may issue general obligation and revenue bonds. In addition, a TBD may form local improvement districts (LID) to provide transportation improvements, and may impose special assessments on all property specially benefitted by the improvements. The district may form a LID only if a petition process is used, which requires that property owners representing a majority of the area within the proposed LID initiate a petition process.

Transportation Impact Fees. Transportation impact fees are charges imposed by local governments on new development projects for the purpose of mitigating off-site transportation impacts that are a direct result of the proposed development. A TBD is authorized to impose impact fees on the construction of commercial or industrial buildings, or the development of land for commercial purposes. The impact fees must be used exclusively for transportation improvements constructed by the district, and must be reasonably necessary as a result of the construction or development. If a county or city within the TBD is levying a fee for a transportation improvement, the fee must be credited against the amount of the fee imposed by the TBD.

Summary: It is clarified that a transportation improvement means, in addition to any project contained in the transportation plan of the state or regional transportation planning organization, any project contained in the transportation plan of a city, county, or any jurisdiction eligible to be included in a TBD.

It is clarified that TBDs are authorized to impose impact fees for transportation improvements within the district that are constructed by any entity, not only for those improvements constructed by the TBD itself.

It is established that TBDs that initially impose a voter-approved sales and use tax after July 1, 2010, are authorized to impose the sales and use tax beyond the 10-year limitation if the tax revenues are dedicated to the repayment of general obligation bonds.

Votes on Final Passage:

House	56	38
Senate	44	2

Effective: June 10, 2010.

E2SHB 1597

C 106 L 10

Improving the administration of state and local tax programs without impacting tax collections by providing greater consistency in numerous tax incentive programs, revising provisions relating to the confidentiality and disclosure of tax information, and amending statutes to improve clarity and consistency, eliminate obsolete provisions, and simplify administration.

By House Committee on Finance (originally sponsored by Representatives Springer and Hunter; by request of Department of Revenue).

House Committee on Finance
Senate Committee on Ways & Means

Background: Confidential Taxpayer Information. The Department of Revenue (DOR) is prohibited from disclosing excise tax returns or tax information about specific taxpayers to unauthorized persons. Circumstances under which documents may be disclosed are enumerated in statute. Generally all excise tax information is confidential and may not be disclosed to the public without the taxpayer's permission or other statutory authorization.

Property Tax. All real and personal property in Washington is subject to property tax, unless a specific exemption is provided by law. In general, the property tax is administered on a local level by county assessors, who assess property for tax purposes, and county treasurers, who are responsible for collection of the property tax. However, the DOR is responsible for the general supervision and control over the administration of property tax.

Technical Corrections and Clarifications. Legislation frequently includes statutory references to tie new laws or amendments to existing definitions or related statutory provisions. If changes are subsequently made to these statutes, the references may become incorrect. Also when statutes include provisions tied to expiration dates, they may later become obsolete for purposes of any statutory references.

Summary: Various tax laws are amended as summarized below. In addition to these changes, technical corrections are made to various provisions related to excise, estate, and property tax laws. These changes include:

- correcting drafting errors, structural problems such as RCW strings that are not in numeric order, inaccurate references to terms that have been changed, and inaccurate cross-references;
- adding or modifying language to clarify statutory provisions; and
- repealing several obsolete provisions of code.

Part One - Confidentiality. Various statutes are modified that relate to confidentiality of tax information. Miscellaneous changes to tax returns and tax information include:

- adding the estate tax to the list of confidential tax returns; and
- authorizing cities to make taxpayer information for municipal business and occupation (B&O) taxes confidential.

The DOR is authorized to disclose:

- tax information to the Streamlined Sales Tax Governing Board and member states for purposes of conducting sales tax audits, and auditing certified service providers, or certified automated systems providers;
- estate tax information to a person against whom the DOR has asserted estate tax;
- limited real estate excise tax (REET) information to filed REET affidavits; and
- names of taxpayers with unpaid tax warrants (by removing the current $5,000 threshold).

Part Two - Clarifications. Various substantive changes are made, and several drafting ambiguities and statutory references are clarified. Substantive changes include:

- expanding the B&O tax exemption for fundraising sales to include public libraries;
- allowing non-residents to use a uniform streamline sales tax agreement exemption certificate to qualify for sales tax exemption;
- changing the diesel fuel exemption for farmers from non-highway uses to agricultural purposes;
- allowing utility-owned community solar electrical projects to participate in public utility tax credits for renewable energy system cost recovery;
- requiring enhanced food fish taxpayers to file returns electronically;
- allowing sellers of advertising and promotional direct mail to source in-state sales to the place the mail was delivered or the location of the printer; and
- changing the responsibility to administer any local fuel taxes from the Department of Licensing to the DOR.

The section clarifies:

- that vending-machine sales of soft drinks and dietary supplements are taxed on 100 percent of the gross sales;
- the estate tax deduction for property used for farming by eliminating redundant language about tangible personal property in unrelated subsections;
- that the motor vehicle fuel tax and the special fuel tax do not pre-empt other state taxes, such as the B&O tax, on the business of manufacturing, selling, or distributing motor vehicle fuel; and
- that sellers are not required to collect use tax from purchasers on sales that are exempt from sales tax but not use tax.

Part Three - Property Tax. Various property tax statutes are modified that deal with or affect administering the property tax laws of the state. The transfer of property is allowed to a surviving domestic partner without triggering the higher farm income thresholds in the farm and agricultural current use program. Duplicate audits of the low-income property tax deferral program by the Joint Legislative Audit and Review Committee are eliminated and the reporting is made consistent with the review of tax preferences schedule, and the requirement for county assessors to furnish the State Auditor with an abstract of the tax rolls is eliminated. Two reference dates to federal law are made the same within the senior property tax relief law, and the DOR is allowed to update the reference by rule in a way that is consistent with the purpose.

The time period for exemption renewal is extended under the senior property tax relief program from four to six years. Recovery of back taxes is also allowed for up to five years if an exemption was based on erroneous information. The special assessments eligible for deferral under the low-income property tax deferral program are limited to those that are listed on the annual property tax statement.

In addition, the requirement is removed that the county legislative authority levy taxes "at its October session," making the law consistent with another law that states counties have until November 30 to certify their levy to the county assessor, and language is repealed that adjusts the 1 percent limit calculation for a now unused tax increment financing law. Finally, a property tax exemption is provided for property leased to a county hospital, and child day care center is defined for property tax exemptions.

Part Four - Miscellaneous. Several miscellaneous provisions such as severability clauses, application date clauses, effective and expiration dates, and codification directions are amended.

Votes on Final Passage:

House	59	37
House	98	0
Senate	48	0

Effective: July 1, 2010
January 1, 2011 (Section 212)
January 1, 2014 (Section 236)

EHB 1653

C 107 L 10

Clarifying the integration of shoreline management act policies with the growth management act.

By Representative Simpson; by request of Department of Ecology and Department of Community, Trade and Economic Development.

House Committee on Local Government & Housing
Senate Committee on Environment, Water & Energy

Background: Growth Management Act - Introduction. The Growth Management Act (GMA or Act) is the comprehensive land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, the GMA establishes numerous requirements for local governments obligated by mandate or choice to fully plan under the Act (planning jurisdictions) and a reduced number of directives for all other counties and cities. Twenty-nine of Washington's 39 counties, and the cities within those counties, are planning jurisdictions.

Directives applying to all counties and cities require the designation and protection of critical areas, a term defined in statute to include the following areas and ecosystems:

- wetlands;
- areas with a critical recharging effect on aquifers used for potable water;
- fish and wildlife habitat conservation areas;
- frequently flooded areas; and
- geologically hazardous areas.

The protection of critical areas is accomplished through mandatory development regulations enacted by counties and cities. These development regulations are often referred to as "critical area ordinances."

Comprehensive Land Use Plans, Development Regulations, and Selected Elements. The GMA directs planning jurisdictions to adopt internally consistent comprehensive land use plans that are generalized, coordinated land use policy statements of the governing body. Comprehensive plans must address specified planning elements, each of which is a subset of a comprehensive plan. The implementation of comprehensive plans occurs through development regulations mandated by the GMA.

Shoreline Management Act. The Shoreline Management Act (SMA) governs uses of state shorelines. The SMA enunciates state policy to provide for shoreline management by planning for and fostering "all reasonable and appropriate uses." The SMA prioritizes public shoreline access and enjoyment, and creates preference criteria, listed in prioritized order, that must be used by state and local governments in regulating shoreline uses.

The SMA involves a cooperative regulatory approach between local governments and the state. At the local level, the SMA regulations are developed in local shoreline master programs (master programs). All counties and cities with shorelines of the state, a term defined in the SMA, are required to adopt master programs that regulate land use activities in shoreline areas of the state. Counties and cities are also required to enforce master programs within their jurisdictions. Master programs must be consistent with guidelines adopted by the Department of Ecology (DOE), and the programs, and segments of or amendments to, become effective when approved by the DOE.

The DOE must approve the segment of a master program relating to critical areas if the segment is consistent with specific requirements of the SMA and applicable shoreline guidelines, and if the segment provides a level of protection of critical areas that is at least equal to that provided by the local government's adopted and amended critical areas ordinances.

Policy Integration. In 1995 the Legislature enacted environmental regulatory reform legislation that implemented recommendations of the Governor's Task Force on Regulatory Reform. The legislation added the goals and policies of the SMA as an additional goal to the planning goals of the GMA. The legislation also specified that the goals and policies of a master program required by the SMA were deemed an element of a planning jurisdiction's comprehensive plan.

2003 Legislation. Legislation adopted in 2003 (*i.e.*, ESHB 1933, enacted as chapter 321, Laws of 2003) in response to a 2003 decision of the Central Puget Sound Growth Management Hearings Board, established new provisions pertaining to the jurisdiction, implementation, and partial integration of the GMA and the SMA. Among other provisions, the legislation specified that as of the date the DOE approves a local government's master program adopted under applicable shoreline guidelines, the protection of critical areas within shorelines of the state must be accomplished only through the local government's master program and, with limited exceptions, must not be subject to the procedural and substantive requirements of the GMA.

The 2003 legislation also specified that critical areas within shorelines of the state that have been identified as meeting the definition of critical areas and are subject to a master program adopted under applicable shoreline guidelines must not be subject to the procedural and substantive requirements of the GMA. Limited exceptions to this directive were established in ESHB 1933.

Furthermore, ESHB 1933 specified that master programs must provide a level of protection to critical areas located within shorelines of the state that is at least equal to the level of protection provided to critical areas by the local government's adopted and amended critical area ordinances.

Supreme Court Action. On July 31, 2008, the Washington Supreme Court (Supreme Court) ruled in *Futurewise v. Western Washington Growth Management Hearings Board* that a superior court erred when it reversed a decision of the Western Washington Growth Management Hearings Board and held that the GMA controls procedures inside shorelines *until* new SMA plans are formulated and approved.

In its 2008 trial court reversal, the Supreme Court held that the provision of ESHB 1933 specifying that *as of the date the DOE approves a local government's master program adopted under applicable shoreline guidelines*, *the protection of critical areas within shorelines of the state must be accomplished only through the local government's master program*, is curative and immediate, not prospective. The Supreme Court further held that a prospective interpretation of ESHB 1933 would change the effective date of the ESHB 1933 from July 27, 2003, to a much later date based upon the DOE's processing and approving of master programs, and that a prospective interpretation would, in part, contradict the clear language and intent of the Legislature in ESHB 1933.

Summary: With limited exceptions, development regulations adopted under the GMA to protect critical areas within shorelines of the state apply within shorelines of the state until the DOE approves one of the following:

- a comprehensive master program update, a term defined to mean a master program that fully achieves the procedural and substantive requirements of guidelines adopted by the DOE, and subsequent amendments, that are effective January 17, 2004;
- a segment of a master program relating to critical areas; or
- a new or amended master program, provided the master program is approved by the DOE on or after March 1, 2002.

The adoption or update of development regulations to protect critical areas under the GMA prior to the DOE approval of a master program update is not a comprehensive or segment update to a master program.

Until the DOE approves a master program or segment thereof as provided above, a use or structure legally located within shorelines of the state that was established or vested on or before the effective date of the local government's development regulations to protect critical areas may continue as a conforming use and may be redeveloped or modified if the redevelopment or modification is consistent with the local government's master program, and if the local government determines that the proposed action will result in no net loss of shoreline ecological functions. The local government may waive this determination requirement if the redevelopment or modification is consistent with the master program and the local government's development regulations to protect critical areas. An agricultural activity that does not expand the area being used for the agricultural activity is not a redevelopment or modification.

Upon approval by the DOE of a master program or critical area segment of a master program, critical areas within shorelines of the state are protected under the SMA and, with limited exceptions, are not subject to the procedural and substantive requirements of the GMA.

Master programs must provide a level of protection to critical areas within shorelines of the state that assures no net loss of shoreline ecological functions necessary to sustain shoreline natural resources.

A specific provision of the GMA act is expressly identified as governing the relationship between master programs and regulations to protect critical areas that are adopted under the GMA.

Votes on Final Passage:

House	58	39
Senate	35	10

Effective: March 18, 2010

SHB 1679

C 259 L 10

Reimbursing medical expenses for certain totally disabled public safety personnel.

By House Committee on Ways & Means (originally sponsored by Representatives Simpson, Van De Wege, Ericks, Williams, White, Kelley, Sells, Ross, Hope and Conway; by request of LEOFF Plan 2 Retirement Board).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The surviving spouses of emergency service personnel killed in the line of duty on or after January 1, 1998, may purchase health care benefits from the Public Employees' Benefits Board (PEBB). "Emergency service personnel" for this purpose includes fire fighter and law enforcement members of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) and the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System, and the Washington State Patrol Retirement System (WSPRS). The cost of the insurance is paid by the surviving spouses and dependent children.

Legislation enacted in 2006 added reimbursement for the cost of participating in a PEBB health insurance plan to the retirement allowance paid to survivors of all LEOFF Plan 2 members killed in the course of employment. The survivors of members killed in the line of duty prior to January 1, 1998, as well as on or after January 1, 1998, are eligible to participate in PEBB health insurance plans. A similar reimbursement benefit was added by legislation enacted in 2007 for similarly situated survivors of the WSPRS members.

A member of 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 Department of Fish and Wildlife Enforcement Officers' compensation insurance benefits are also reduced for any disability benefits received from LEOFF Plan 2.

Total disability is defined as a member's inability to perform any substantial gainful activity due to a physical or mental condition that may be expected to result in death or last for at least 12 months. Substantial gainful activity is defined as average earnings of more than $860 per month, adjusted annually based on federal Social Security standards.

The LEOFF Plan 2 does not provide access to or pay for any health care insurance for any disability retirees. A disability retiree may have access to health care insurance through employer or employee associations or the open market. The LEOFF Plan 2 does pay for PEBB benefits for survivors of members that were killed in the course of employment.

Summary: The act may be known as the Jason McKissack Act. 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 after the relevant effective date. This includes medical insurance offered under the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and Medicare Parts A and B.

For members of the Washington State Patrol, the compensation of an officer totally disabled during the line of duty includes reimbursement for any payments of premiums for employer-provided medical insurance. An officer is considered totally disabled for purposes of the reimbursement benefit if he or she is unable to perform any substantial gainful activity due to a condition expected to last at least 12 months. Substantial gainful activity is defined as average earnings in excess of $860 per month adjusted annually by the Director of the Department of Retirement Systems based on federal Social Security standards.

Members of LEOFF Plan 2 that are totally disabled in the line of duty must, if eligible, be enrolled in Medicare Parts A and B in order to remain eligible for reimbursement of medical insurance costs from LEOFF Plan 2.

The Legislature reserves the right to amend or repeal the reimbursement benefits for LEOFF 2 and Washington State Patrol for any distributions not granted prior to the amendment or repeal.

Votes on Final Passage:

House	97	0	
House	96	0	
Senate	46	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2010

EHB 1690

C 21 L 10 E1

Concerning public works projects.

By Representatives Hasegawa, Hunt, Hudgins, Anderson and Kenney.

House Committee on State Government & Tribal Affairs
House Committee on Capital Budget
Senate Committee on Government Operations & Elections

Background: Public Works Contracting. State law provides that public bodies must generally award contracts for public works following a competitive process in which the contract is awarded to the bidder submitting the lowest responsive bid. A public body's specific statutes generally define the process for competitive bidding and often set forth the specific dollar amount that necessitates a public bid.

Contracting Procedures. The traditional contracting method of awarding a public works contract to the lowest responsible bidder is typically referred to as the design-bid-build (DBB) contracting method. Under the DBB procedure, the architectural design phase of a project is separate from the construction process. After the detailed design and construction documents are completed by an architectural firm, the construction phase of the project is put out for competitive bid. A construction contract is awarded to the lowest responsible bidder.

There are three alternative procedures authorized by law: Design-Build (DB), General Contractor/Construction Manager (GCCM), and Job Order Contracting (JOC).

The DB method 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. The contract is awarded following a public request for 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.

The GCCM method is one in which the public entity employs the services of a project management firm that bears significant responsibility and risk in the contracting process. The public entity first contracts with an architectural and engineering firm to design the facility and, early in the project, also contracts with a GCCM 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.

Under the JOC method, the public entity awards a contract to a contractor who agrees to perform an indefinite quantity of public works jobs, defined by individual work orders, over a fixed period of time.

Housing Authorities. Each city and county is authorized to create a local housing authority for the purpose of addressing housing issues within the community, especially those affecting low income and elderly persons. Specifically, a housing authority may be created to address myriad housing issues, including:

- the existence of unsafe or unsanitary housing conditions;
- the shortage of affordable, safe, and sanitary housing for low-income persons; and
- the shortage of appropriate, affordable housing for senior citizens.

The powers granted to a housing authority include the power to:

- enter into contracts, partnerships, and joint ventures;
- sue and be sued;
- create, acquire, operate, manage, and/or lease housing projects;
- invest surplus funds;
- investigate, study, or examine housing conditions within its jurisdiction;
- buy and sell property; and
- participate in the organization or operation of a nonprofit entity whose purpose is to provide housing to low-income persons.

The Davis-Bacon Act of 1931 is a federal law which establishes the requirement for paying prevailing wages on public works projects. All federal government construction contracts, and most contracts for federally assisted construction over $2,000, must include provisions for paying workers on-site no less than the local prevailing wage and benefits paid on similar projects, as determined by the federal Department of Labor.

Under Washington law a contractor is required to pay the prevailing wage as determined by the Department of Labor and Industries for all state and local public works contracts.

Capital Projects Advisory Review Board. The Capital Projects Advisory Review Board (CPARB) was established in 2005 to evaluate public capital projects construction processes and to advise the Legislature on policies related to alternative public works delivery methods. Specifically, the CPARB must develop and recommend to the Legislature:

- criteria that may be used to determine effective and feasible use of alternative contracting procedures;
- qualification standards for general contractors bidding on alternative public works projects; and
- policies to further enhance the quality, efficiency, and accountability of capital construction projects through the use of traditional and alternative delivery methods, and recommendations on expansion, continuation, elimination, or modification of alternative public works contracting methods.

The CPARB must also evaluate the future use of other alternative contracting procedures, including competitive negotiation contracts.

Summary: The stated intent is to clarify that, unless otherwise specifically provided for in law, public bodies that want to use an alternative public works contracting procedure may use only those procedures as specifically authorized under the statutes for alternative public works. Evaluations of and recommendations for alternative procedures not authorized specifically by law must be submitted by the CPARB to the appropriate committees of the Legislature.

Housing authorities are subject to the alternative public works contracting procedures except where alternative requirements or procedures of federal law or federal regulation are authorized. Housing authorities also must abide by the state prevailing wage laws except where specifically preempted by federal law or federal regulation.

Votes on Final Passage:

House	97	0	
House	97	0	

First Special Session

House	96	0	
Senate	40	5	(Senate amended)
House	97	0	(House concurred)

Effective: July 13, 2010

ESHB 1714

C 172 L 10

Concerning association health plans.

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

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means

Background: An association health plan is health insurance coverage that is offered to members of an association. The association must exist for some purpose other than to sell insurance. For example, the National Association for the Self-Employed is an association that offers a variety of discounts and benefits to its members – and one of these benefits is the opportunity to buy health insurance coverage.

Washington state small group insurance rules require adjusted community rating which permits premium

variation based on the following factors: age, geography, family size, and wellness activities. Age brackets must be at least five-year increments from age 20 to 65. The adjustment for an age group may not exceed 375 percent of the lowest rate for all age groups. A wellness activity discount must reflect actuarially justified differences in use or cost attributed to such programs. For small group plans, the waiting period for pre-existing conditions is nine months.

Large groups are experience rated. Experience rating is a rating method under which a group's recorded health care costs are analyzed and the group's premium is set partly or completely according to the group's experience. Under experience rating, sicker people are charged higher premiums and healthier people lower premiums. For large group plans the waiting period for pre-existing conditions is three months.

In Washington it is unclear whether association health plans should operate under rules that apply to small group insurance products or large group insurance products. As a result, there is a lack of public transparency as to how association health plans operate, or how many people receive health care coverage through this option. It is also not possible to determine whether they are complying with small group rules, large group rules, or some combination of the two.

Summary: The Insurance Commissioner must gather information on the performance of the small group market and association health plan market from health carriers for the calendar years 2005 through 2008. The data must be aggregated and not identify specific small group or association health plans. The information must include: the number of persons covered through each block of business for each year; the age groups of covered persons; the enrollment by employer size for each year; calendar year earned premium and incurred claims; the number of association health plans that limit eligibility to employer groups by size or a subset of industries; and elements used in health plan rating such as claims, employer size, or health status factors. The information collected is exempt from public disclosure.

The Office of the Insurance Commissioner (OIC) is prohibited from collecting data from carriers if any rules necessary to implement the data submission have not been adopted. The Insurance Commissioner must allow carriers a minimum of 90 days to submit data once carriers have received instructions.

The third-party experts that prepare the analysis and report for the OIC must submit the report directly to the appropriate committees of the Legislature and the OIC by October 1, 2011. The authority to collect the information terminates on September 30, 2011.

Votes on Final Passage:

House	59	37	
Senate	47	1	(Senate amended)
House	60	35	(House concurred)

Effective: June 10, 2010

2SHB 1761

C 185 L 10

Addressing the ethical use of legislative web sites.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Hasegawa, Appleton and Hurst).

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: State ethics laws and legislative ethics rules prohibit the use of any person, money, or property under a legislator's official control or direction or in his or her official custody for the private benefit or gain of the legislator. However, there are exceptions to this prohibition, and the Legislative Ethics Board (Board) has general rules interpreting the exceptions. For example, if there is no actual cost to the state or the cost is de minimis, if there is a public benefit, and if the use does not interfere with the performance of official duties, then infrequent and incidental use of state resources for private benefit may be permissible.

In addition, a legislator may not use or authorize the use of state facilities, directly or indirectly, for the purpose of assisting a campaign for election of a person to office or for the promotion of or opposition to a ballot proposition. Knowing acquiescence by a legislator with the authority to direct, control, or influence the actions of the state officer or state employee using the public resources constitutes a violation. Facilities of an agency include stationery, office space, publications, and use of state employees. Among the exceptions to this prohibition: a legislator may use state facilities for activities that are part of the normal and regular conduct of the office; and he or she may have de minimis use of public facilities incidental to the preparation or delivery of communications.

Recent Board Complaint Opinions have held that a "legislator's use of legislative press releases, prepared with the facilities of the House of Representatives or of the Senate, through the posting of those releases on a legislator's campaign website constitutes a use of the facilities of an agency (public resources) in support of his or her campaign in violation of RCW 42.52.180."

Summary: An exception to the prohibition against the use of public facilities of an agency, directly or indirectly, for the purpose of assisting a campaign for the election of a person to an office or for the promotion of or opposition to a ballot proposition is added. Official legislative

websites may be maintained, unaltered, throughout the year, regardless of pending elections. The websites may contain any discretionary material which was also specifically prepared for the legislator in the course of his or her duties as a legislator. This includes newsletters and press releases. However, the website may not be used for campaign purposes. The websites must not be altered after June 30 of an election year for legislators seeking re-election.

Votes on Final Passage:

House	54	42	
House	97	0	
Senate	41	7	(Senate amended)
House	97	0	(House concurred)

Effective: June 10, 2010

2EHB 1876

C 90 L 10

Providing funds for disabled veterans through voluntary donations.

By Representatives McCune, Miloscia, Haler, Klippert, Campbell, Rodne, Schmick, O'Brien, Roach, Warnick, Short, Conway, Cox and Orcutt.

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

Background: The Washington State Department of Veterans Affairs (DVA) is a Governor cabinet-level agency that provides assistance and services to veterans and dependents of veterans. The agency accepts grants, donations, and gifts from any person, corporation, government, or governmental agency, made in behalf of a former member of the armed forces.

Summary: Any retailer in the state may provide an opportunity for patrons to make voluntary donations to the newly-created Disabled Veterans Assistance Account on Veterans' Day and any additional days the retailer decides would be appropriate.

The DVA may also request and accept non-dedicated contributions, grants, or gifts in cash or otherwise. All moneys deposited into the Account must be used by the DVA for activities that benefit veterans including, but not limited to, providing programs and services that assist veterans with the procurement of durable medical equipment, mobility enhancing equipment, emergency home or vehicle repair, service animals, or emergency food or emergency shelter. The first priority for assistance provided through the Account must be given to veterans who are experiencing a financial hardship and do not qualify for other federal or state veterans programs and services. Funds from the Account may not be used to supplant existing funds received by the DVA.

Votes on Final Passage:

House	97	0
House	96	0
Senate	46	0

Effective: June 10, 2010.

HB 1880

PARTIAL VETO

C 125 L 10

Concerning ballot envelopes.

By Representatives Armstrong, Hunt, Appleton, Alexander and Nelson.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: Two envelopes are provided for returning mail ballots. The inner envelope is provided for secrecy of the ballot, and the outer return envelope contains a space for the voter to sign the oath and to include a telephone number. In 2005 a law was enacted that required the outer return envelope to have a "flap" that would cover the signature and optional telephone number.

Summary: County auditors are no longer required to provide ballot return envelopes that have a privacy flap to cover the voter's signature and optional telephone number.

Votes on Final Passage:

House	93	2	
House	90	0	
Senate	45	3	(Senate amended)
House	94	2	

Effective: June 10, 2010

Partial Veto Summary: Section 2 of the bill is vetoed removing the emergency clause.

VETO MESSAGE ON HB 1880

March 19, 2010

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 2, House Bill 1880 entitled:

"AN ACT Relating to ballot envelopes."

This bill provides that county auditors may, but are no longer required to, provide return ballot envelopes that have a privacy flap to cover the voter's signature and optional telephone number. There is no emergent need for the bill to become effective immediately, and therefore the emergency clause in Section 2 of this bill is unnecessary.

For this reason, I have vetoed Section 2 of House Bill 1880.

With the exception of Section 2, House Bill 1880 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SHB 1913
C 108 L 10

Changing provisions relating to process servers.

By House Committee on Judiciary (originally sponsored by Representatives Warnick, Flannigan and Simpson).

House Committee on Judiciary
Senate Committee on Judiciary

Background: A person who serves legal process for a fee must be registered with the auditor of the county in which the process server resides or operates his or her principal place of business. This registration requirement does not apply to:

- sheriffs and other government employees acting in the course of employment;
- attorneys or the attorney's employees who are not serving process on a fee basis;
- persons appointed by the court to serve the court's process;
- employees of a registered process server; and
- persons who do not receive a fee or wage for serving process.

Summary: All process servers who serve process for a fee must be Washington residents at least 18 years of age or older. The residency requirement does not apply to those persons who are exempt from the requirement to register with the county auditor. Employees of a registered process server are no longer exempt from the registration requirement.

Votes on Final Passage:

House	96	0
Senate	44	0

Effective: June 10, 2010

ESHB 1956
C 175 L 10

Authorizing religious organizations to host temporary encampments for homeless persons on property owned or controlled by a religious organization.

By House Committee on Local Government & Housing (originally sponsored by Representatives Williams, Chase, Ormsby, Darneille, Van De Wege, Dickerson and Simpson).

House Committee on Local Government & Housing
Senate Committee on Human Services & Corrections

Background: Constitutional Protection of the Right to the Free Exercise of Religion. Both the Washington Constitution and the U.S. Constitution recognize that the free exercise of religion is a fundamental right, and both extend broad protection to this right. Notably, the Washington courts have recognized that with respect to freedom of religion, the Washington Constitution extends broader protection than the first amendment to the federal constitution.

Homeless Housing and Assistance Act. In the prelude to the Homeless Housing and Assistance Act, the Legislature makes the following findings:

"Despite laudable efforts by all levels of government, private individuals, nonprofit organizations, and charitable foundations to end homelessness, the number of homeless persons in Washington is unacceptably high. The state's homeless population, furthermore, includes a large number of families with children, youth, and employed persons. The Legislature finds that the fiscal and societal costs of homelessness are high for both the public and private sectors, and that ending homelessness should be a goal for state and local government.

The support and commitment of all sectors of the statewide community is critical to the chances of success in ending homelessness in Washington. While the provision of housing and housing-related services to the homeless should be administered at the local level to best address specific community needs, the Legislature also recognizes the need for the state to play a primary coordinating, supporting, and monitoring role."

Summary: A religious organization is authorized to host temporary encampments for the homeless on any real property owned or controlled by such organization. "Religious organization" is defined to mean the federally protected practice of a recognized religious assembly, school, or institution that owns or controls real property.

In regulating homeless housing encampments hosted by religious organizations, counties, cities, and towns are prohibited from:

- enacting ordinances or regulations that impose conditions other than those necessary to protect the public health and safety and that do not substantially burden the decisions or actions of a religious organization with respect to the provision of homeless housing;
- imposing permit fees in excess of the actual costs associated with the review and approval of the required permit applications; or
- requiring a religious organization to obtain insurance pertaining to the liability of a municipality with respect to homeless persons housed on its property or otherwise requiring the organization to indemnify the municipality against such liability.

Local governments, public agencies, and specified public officials are granted immunity from civil liability for damages arising from permitting decisions and activities occurring within homeless encampments.

The act does not supersede current consent decrees or negotiated settlements entered into between a public agency and a religious organization prior to July 1, 2010, pertaining to temporary homeless encampments.

Votes on Final Passage:

House	56	41	
House	57	39	
Senate	40	5	(Senate amended)
House	57	38	(House concurred)

Effective: June 10, 2010

HB 1966

C 184 L 10

Adding wheelchair users to the types of individuals for whom drivers must take additional precautions.

By Representatives McCoy, Ormsby and Simpson.

House Committee on Transportation
Senate Committee on Transportation

Background: A driver is required to stop and allow a pedestrian or bicyclist in a crosswalk to cross the roadway when the pedestrian or bicyclist is in or within one lane of the driver's half of the roadway. Regardless of whether a pedestrian is in a crosswalk, all drivers are required to take due care to avoid colliding with a pedestrian in the roadway.

The Washington "White Cane Law," among other requirements, creates a higher duty of care for drivers approaching totally blind or partially blind pedestrians using a predominantly white cane, totally blind or partially blind or hearing impaired pedestrians using a guide dog, or persons with physical disabilities using a service animal. Such drivers are required to take all necessary precautions to avoid injury to these individuals. Drivers who fail to take such precautions are specifically stated to be liable in damages for any injury caused to such an individual.

When a totally blind or partially blind pedestrian using a predominantly white cane, a totally blind or partially blind or hearing impaired pedestrian using a guide dog, or a person with physical disabilities using a service animal enters a crosswalk, drivers are also forbidden from entering the crosswalk.

Summary: Wheelchair users and power wheelchair users are added to totally blind or partially blind pedestrians using a predominantly white cane, totally blind or partially blind or hearing impaired pedestrians using a guide dog, or persons with physical disabilities using a service animal as individuals for whom drivers must take all necessary precautions to avoid injury when approaching such individuals. Drivers who fail to take such precautions are specifically stated to be liable in damages for any injury caused to such wheelchair users or power wheelchair users.

Wheelchair users and power wheelchair users are also added to totally blind or partially blind pedestrians using a predominantly white cane, totally blind or partially blind or hearing impaired pedestrians using a guide dog, or persons with physical disabilities using a service animal as persons for whom drivers may not enter a crosswalk while such an individual is in it.

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House	95	0	(House concurred)

Effective: August 1, 2010

2SHB 2016

PARTIAL VETO

C 204 L 10

Concerning campaign contribution and disclosure laws.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Flannigan, Appleton, Hurst, Miloscia and Hunt).

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: Reorganization. Initiative 276, passed by the voters in 1972, established disclosure of campaign finances, lobbyist activities, financial affairs of elective officers and candidates, and access to public records. That initiative also created the Public Disclosure Commission (PDC), a five-member, bipartisan citizen commission, to enforce the provisions of the campaign finance disclosure law.

Twenty years later, in 1992, the Fair Campaign Practices Act was enacted following passage of Initiative 134. Initiative 134 imposed campaign contribution limits on elections for statewide and legislative office, further regulated independent expenditures, restricted the use of public funds for political purposes, and required public officials to report gifts received in excess of $50.

Since the enactment of these initiatives numerous changes and additions have been made, including the enactment of Substitute House Bill 1133 in 2005 resulting in a recodification of the public records portion of the Public Disclosure Act into chapter 42.56 RCW.

Political Advertising. Provisions for reporting political advertising and electioneering communications were enacted in 2005. Political advertising undertaken as an independent expenditure by a person or entity other than a party organization, and all electioneering communications must include a statement indicating that the ad is not authorized by any candidate, as well as information on who paid for the ad. If an ad is an independent expenditure or electioneering communication sponsored by a political committee, the top five contributors must be listed.

Contribution Limits. The dollar amount that a person may give to a candidate is governed by law. These dollar amounts are adjusted for inflation every two years by the PDC. A political party has different limits than a person. Certain contributions are exempt from any limits,

including contributions for the purpose of voter registration, get-out-the vote campaigns, or expenditures by a political committee for its own internal organization or fundraising without direct association with individual candidates. Any expenditure or contribution for independent expenditure or electioneering communication made by a political party for a candidate is considered to be a contribution to that candidate.

Summary: Reorganization. Chapter 42.17 RCW is reorganized. Obsolete provisions relating to the information technology plan and electronic filing are removed. The provisions in repealed statutes are included in other statutes. The contribution dollar amounts are updated and technical changes are made to clarify language.

Definitions. The definition for "bona fide political party" is changed as it relates to minor parties. A minor political party is an organization that has been recognized as such by the Secretary of State. In addition to a bank, a "depository" means a mutual savings bank, savings and loan association, or credit union doing business in this state. The definition for "person in interest" is moved from chapter 42.17 RCW to chapter 42.56 RCW as the term is applicable to the public records statutes. The definition for "writing" is removed.

Political Advertising. Requirements pertaining to independent expenditures and electioneering communications that require listing of the top five contributors are modified. If the sponsor of a communication is a political committee established, maintained, or controlled directly or indirectly through the formation of one or more political committees by an individual, corporation, union, association, or other entity, the full name of that individual or entity must be listed.

Contribution Limits. An expenditure or contribution for independent expenditures or electioneering communications are exempt from contribution limits.

Public Service Announcements. State and municipal elected officials are prohibited from making public service announcements beginning January 1 of a reelection year through the general election, or until the official is no longer a candidate. If the elected official does not control the broadcast, showing, or distribution of the announcement, he or she must contractually limit the use of the public service announcement. The restrictions do not apply to public service announcements that are part of the regular duties of the officer that only mention or visually display the office or office seal or logo, and do not mention or visually display the name of the elected official in the announcement.

Votes on Final Passage:

House	63	35	
Senate	32	16	(Senate amended)
House	58	37	(House concurred)

Effective: March 25, 2010 (Sections 505, 602, and 703)
January 1, 2012

Partial Veto Summary: Sections 309, relating to preserving campaign finance statements and reports, 412, relating to special reports of independent expenditures, and 415 relating to independent expenditure disclosure with county election officials are vetoed as these same sections of law were amended or repealed in SB 6243.

VETO MESSAGE ON 2SHB 2016

March 25, 2010

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 309, 412 and 415 Second Substitute House Bill 2016 entitled:

"AN ACT Relating to campaign contribution and disclosure laws."

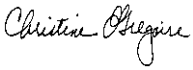
This bill reorganizes and recodifies chapter 42.17 RCW, provides for the listing of the controlling entity on independent expenditures if the sponsor is a political committee, and allows bona fide political parties to use exempt funds for independent expenditures and electioneering communications.

Two bills delivered to me by the Legislature amend the same sections of existing laws in inconsistent ways. Section 309 (amending RCW 42.17.450), Section 412 (amending RCW 42.17.100), and Section 415 (amending RCW 42.17.550) amend the same sections of existing law that are amended or repealed in Senate Bill 6243 which will be signed today. These sections are technical changes with clarifying language which can be vetoed without affecting the policy changes in Second Substitute House Bill 2016.

For these reasons, I have vetoed Sections 309, 412 and 415 of Second Substitute House Bill 2016.

With the exception of Sections 309, 412 and 415, Second Substitute House Bill 2016 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SHB 2179

C 251 L 10

Authorizing cities located in counties having a population of more than one million five hundred thousand to provide and contract for supplemental transportation improvements.

By House Committee on Transportation (originally sponsored by Representative Eddy).

House Committee on Transportation
Senate Committee on Transportation

Background: Cities, Generally. Cities are granted express and general authority to provide a wide variety of services and facilities, including transportation services. A city has broad authority to provide these services or facilities itself, or it may contract for the provision of these services and facilities.

Transportation Benefit Districts. A transportation benefit district (TBD or district) is a quasi-municipal corporation and independent taxing authority that may be

established by a county or city for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district.

A "transportation improvement" means any project contained in the transportation plan of the state or regional transportation planning organization, and may include investments in city streets, county roads, new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance, as well as the operation, preservation, and maintenance of these facilities or programs. The proposed improvement must also be consistent with any state, regional, and local transportation plan, and must be necessitated by existing or reasonably foreseeable congestion.

When establishing the district's area, the county or city proposing to create the TBD may only include other jurisdictions through interlocal agreements. The TBD may include areas within more than one county, city, port district, county transportation authority, or public transportation benefit area. A TBD may be comprised of less than the entire area within each participating jurisdiction.

A TBD is governed by the legislative authority of the jurisdiction proposing to create it, or by a governance structure prescribed in an interlocal agreement among multiple jurisdictions. If a TBD includes more than one jurisdiction, the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions. Port districts and transit districts may participate in the establishment of a TBD but may not initiate district formation.

Any transportation improvement provided by a TBD is owned by the jurisdiction where the improvement is located or by the state if the improvement is a state highway. A TBD dissolves and ceases to exist 30 days after the financing or debt service on the improvement project is completed and paid. If there is no debt service on the project, the district must dissolve within 30 days from the date construction of the improvement is completed.

A TBD has independent taxing authority to implement the following revenue measures, all of which are subject to voter approval:

- a local sales and use tax of up to 0.2 percent;
- a local annual vehicle fee of up to $100 on vehicle license renewals, $20 of which may be imposed without voter approval;
- excess property taxes, for a period of up to one year; and
- tolls, subject to legislative authorization and approval by the Transportation Commission if imposed on state routes.

A TBD may impose the following revenue measures without voter approval:

- transportation impact fees on commercial and industrial development; and
- except for passenger-only ferry improvements, up to $20 in local annual vehicle fees.

Unless approved by the voters, a sales tax may not be imposed for a period exceeding 10 years. In no event may a sales tax be imposed for more than 20 years. A TBD may issue general obligation and revenue bonds. In addition, a TBD may form local improvement districts (LID) to provide transportation improvements, and may impose special assessments on all property specially benefitted by the improvements. The district may form a LID only if a petition process is used, which requires that property owners representing a majority of the area within the proposed LID initiate a petition process.

Summary: Certain cities are specifically authorized to provide or contract for supplemental transportation improvements to meet the mobility needs of the city, and may contract for such improvements with private and nonprofit entities and may also form public-private partnerships. The authorized cities are those located in counties having a population of more than 1.5 million.

A supplemental transportation improvement (or supplemental transportation service) is defined as any project, work, or undertaking to provide public transportation service in addition to any existing or planned public transportation service provided by public transportation agencies and systems serving the city. For cities that plan under the Growth Management Act (GMA), the proposed supplemental improvements must be consistent with the city's comprehensive plan adopted under the GMA.

Prior to taking any action to provide or contract for supplemental transportation service, the legislative authority of the city must conduct a public hearing. Following the hearing, if the legislative authority of the city finds that the proposed supplemental transportation service is in the public interest, it may adopt an ordinance providing for the supplemental service. The legislative authority of the city may then either provide the supplemental transportation service itself or it may contract with other entities to provide the service. In both instances, certain public transportation systems serving the city or border jurisdictions must coordinate their services with the supplemental services provided or contracted for by the legislative authority of the city. The public transportation systems that must coordinate their services with the supplemental services include metropolitan municipal corporations, public transportation benefit areas, and regional transit authorities.

If a city that is authorized under this act to provide supplemental transportation service is also a member of a TBD, the city may petition the TBD to adopt and incorporate supplemental transportation service with the TBD's planned or authorized transportation service. The cities that are authorized to petition a TBD are those that are located in counties having a population of more than 1.5 million. Two petition processes are established: (1) one process is created for proposed supplemental services funded entirely by the petitioning city, including ongoing

operating and maintenance costs; and (2) a separate process is created for proposed supplemental services for which the petitioning city seeks full or partial funding from the TBD.

If the city proposes to fully fund the supplemental transportation service, the TBD must hold a public hearing and, if the petition is approved by a majority of the members of the TBD, the TBD must adopt an ordinance incorporating the supplemental transportation service. If the city's petition seeks partial or full funding for those supplemental transportation improvements from the TBD, the TBD must first hold a public hearing and then submit a proposition to the voters for approval. The proposition to the voters must specify the supplemental services to be provided and must estimate the capital, maintenance, and operating costs to be funded by the TBD. If a majority of the voters within the boundaries of the TBD approve the supplemental transportation service, the TBD must adopt an ordinance incorporating the supplemental service into any existing services.

Under both petition processes, if the TBD adopts an ordinance providing for the requested supplemental transportation service, the TBD must:

- enter into agreements with transportation service providers to coordinate existing services with the supplemental transportation service; and
- unless otherwise agreed to by the petitioning city or a majority of the TBD members, maintain existing transportation service levels in locations where supplemental improvements are provided.

Votes on Final Passage:

House	92	4	
Senate	43	5	(Senate amended)
House	97	0	(House concurred)

Effective: June 10, 2010

SHB 2196

C 260 L 10

Including service credit transferred from the law enforcement officers' and firefighters' retirement system plan 1 in the determination of eligibility for military service credit.

By House Committee on Ways & Means (originally sponsored by Representatives Ericks and Ormsby).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Law Enforcement Officers' and Firefighters' Retirement System, Plan 1 (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. The Public Employees' Retirement System (PERS) provides retirement benefits for most regularly compensated employees in ongoing positions who work for most public employers in Washington, except for employees covered by one of the other state or first class cities' retirement plans. Since 1977 eligible PERS members have had to enter PERS Plans 2 and 3. The Washington State Patrol Retirement System (WSPRS) provides retirement and disability benefits to fully commissioned officers of the Washington State Patrol. The WSPRS Plan 1 was closed to new members on December 31, 2002.

Only two plans in the Washington retirement systems allow for the inclusion of up to five years of prior, or non-interruptive, military service when determining a member's total service credit for calculating their retirement allowance — PERS Plan 1 and WSPRS Plan 1. Members of PERS Plan 1 and WSPRS Plan 1 must have at least 25 years of member service before the prior military service may be included. No other of the remaining plans, including LEOFF Plan 1, allow for the inclusion of prior military service. All systems and plans allow for the inclusion of up to five years of interruptive military service, as long as the member makes the necessary member contributions.

Service credit that has been transferred from LEOFF Plan 1 does not apply to the eligibility requirements for inclusion of prior military service in either PERS Plan 1 or WSPRS Plan 1.

Summary: Members that transferred service credit from LEOFF Plan 1 to PERS Plan 1 between July 1, 1997, and July 1, 1998, are permitted to include the years of transferred service in meeting the 25 years of member service requirement to qualify for up to five years of prior, or non-interruptive, military service credit.

Votes on Final Passage:

House	96	0
House	96	0
Senate	48	0

Effective: June 10, 2010

SHB 2226

C 264 L 10

Issuing firearms certificates to retired law enforcement officers.

By House Committee on Judiciary (originally sponsored by Representatives Orcutt, Blake, Maxwell, Williams and Hope).

House Committee on Judiciary
Senate Committee on Judiciary

Background: In 2004 the U.S. Congress enacted the Law Enforcement Officers Safety Act (LEOSA) which authorizes qualified law enforcement officers and qualified retired law enforcement officers to carry a concealed firearm

in any state under certain conditions. The LEOSA specifically preempts conflicting state laws, except those state laws that restrict the possession of firearms on government property, or allow private persons or entities to restrict concealed firearms on their property.

With respect to retired law enforcement officers, the federal law states that a "qualified retired law enforcement officer" may carry a concealed weapon in any state if the retired officer carries both a photographic identification issued by the agency from which the officer retired and a firearms certification issued by the state in which the retired officer resides. The state firearms certification must indicate that the retired officer has been found by the state to meet the state's standards for training and qualification for active law enforcement officers to carry a firearm of the same type as the concealed firearm. A "qualified retired law enforcement officer" is one who meets certain service and retirement requirements and is not ineligible under federal law to possess a firearm.

In 2005 the Legislature passed a bill establishing a process for issuing firearms certificates to retired law enforcement officers for the purpose of satisfying the certification requirement in the federal LEOSA. The legislation directed the Washington Association of Sheriffs and Police Chiefs (WASPC) to develop a firearms certificate form to be used by law enforcement agencies when issuing the firearms certificate.

A law enforcement agency may issue a firearms certificate to a retired law enforcement officer if the retired officer: (1) has been qualified or otherwise found to meet the standards established by the Criminal Justice Training Commission (CJTC) for firearms qualifications for active law enforcement officers in the state; and (2) has undergone a background check and is not ineligible to possess a firearm. Law enforcement agencies have been unable to issue these certificates because the Federal Bureau of Investigation has determined that they are not authorized to conduct the required background checks.

Summary: The procedures for a retired officer to apply to a local law enforcement agency for issuance of a firearms certificate, including the requirement for the officer to undergo a federal background check, are eliminated.

The WASPC must develop, and make available on its website, a model certificate to be used as a firearms qualification certificate for retired law enforcement officers. A retired law enforcement officer is deemed to satisfy the federal certification requirements if the officer possesses a firearms qualification certificate that:

- uses the model certificate developed by the WASPC;
- provides that either a law enforcement agency, or an individual or entity certified to provide firearms training, acknowledges that the bearer has been qualified or otherwise found to meet standards established by the CJTC for firearms qualification for the basic law enforcement training academy; and
- indicates that the determination of qualification was made within the previous year.

A law enforcement agency is not required to complete the firearms qualification certificate.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: June 10, 2010

EHB 2360

C 3 L 10 E1

Concerning consolidation of administrative services for AIDS grants in the department of health.

By Representative Darneille.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: In 1988 regional AIDS service networks (AIDSNETs) were established to serve as local entities that conduct planning activities for coordinating the availability of community services for individuals who are HIV-positive or have AIDS. The boundaries of the AIDSNETs reflect the Department of Social and Health Services' six-region service system. The most populous county in each region is designated as the lead county to coordinate with the local health departments within the region to develop a regional plan. The regional plans include components related to administration, available services, a service delivery model, and budget, staffing, and caseload projections.

The Department of Health contracts with the AIDSNETs to implement the plans within each region. The plans emphasize contracting with community service providers, such as hospitals, major volunteer organizations, and health care organizations, to implement the plans. The Department of Health provides funding to the community providers through the AIDSNETs to conduct plan-related activities

Summary: As of January 1, 2011, regional AIDS service networks (AIDSNETs) are eliminated and the requirement to conduct regional planning for community services for individuals with AIDS is discontinued. The Department of Health (Department), rather than the AIDSNETs, is responsible for distributing grants to support community services for people who are HIV-positive or have AIDS. The Department must establish criteria for awarding the grants for testing, counseling, education, case management, notification of sexual partners regarding infected individuals, planning, coordination, and intervention strategies for high risk individuals.

Votes on Final Passage:

House	97	0
House	97	0

First Special Session

House	93	0
Senate	40	0

Effective: January 1, 2011

2SHB 2396

C 52 L 10

Regarding emergency cardiac and stroke care.

By House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Morrell, Hinkle, Driscoll, Campbell, Cody, Van De Wege, Carlyle, Johnson, Simpson, Hurst, O'Brien, Clibborn, Nelson, Maxwell, Conway, McCoy and Moeller).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: The Department of Health (DOH) and regional emergency medical services and trauma care councils oversee the state emergency medical services and trauma care system. The DOH has established minimum standards for level I, II, III, IV, and V trauma care services. A facility wishing to be authorized to provide such services must request an appropriate designation from the DOH. Facilities authorized to provide level I, II, or III trauma care services within an emergency medical services and trauma care planning and service region must establish a quality assurance program to evaluate trauma care delivery, patient care outcomes, and compliance with regulatory requirements.

The Emergency Medical Services and Trauma Care Steering Committee (Steering Committee) advises the DOH regarding emergency medical services and trauma care needs, reviews regional emergency medical services and trauma care plans, recommends changes to the DOH before it adopts the plans, and reviews and recommends modifications to administrative rules for emergency services and trauma care. The Steering Committee is composed of representatives of individuals knowledgeable in emergency medical services and trauma care appointed by the Governor.

In 2006 the Steering Committee created an Emergency Cardiac and Stroke Work Group (Work Group) to evaluate and make recommendations regarding emergency cardiac and stroke care in Washington. In 2008 the Work Group issued a report containing recommendations including the establishment of a statewide comprehensive and coordinated system of cardiac and stroke care that includes prevention and public education, data collection, standards for pre-hospital, hospital, and rehabilitative care, and verification of hospital capabilities.

Summary: The Emergency Cardiac and Stroke Care System. By January 1, 2011, the DOH must endeavor to enhance and support an emergency cardiac and stroke care system through:

- encouraging medical hospitals to voluntarily self-identify cardiac and stroke capabilities, indicating which level of cardiac and stroke service the hospital provides. Hospital levels must be defined by the previous work of the Emergency Cardiac and Stroke Technical Advisory Committee and must follow the guiding principles and recommendations of the Work Group report;
- giving a hospital "deemed status" and designating it as a primary stroke center if it is receiving a certification of distinction for primary stroke centers issued by the Joint Commission. When available, a hospital must demonstrate its cardiac or stroke level through external, national certifying organizations; and
- adopting cardiac and stroke pre-hospital patient care protocols, patient care procedures, and triage tools, consistent with the guiding principles and recommendations of the Work Group.

A hospital that participates in the system:

- must participate in internal, as well as regional, quality improvement activities;
- must participate in a national, state, or local data collection system that measures cardiac and stroke system performance from patient onset of symptoms to treatment or intervention, and includes nationally recognized consensus measures for stroke. Data submitted to the collection system are exempt from public inspection and copying; and
- may advertise participation in the system, but may not claim a verified certification level unless verified by an external, nationally-recognized, evidence-based certifying body.

Reports. By December 1, 2012, the DOH must share its Centers for Disease Control and Prevention-funded report concerning emergency cardiac and stroke care with the Legislature.

Quality Assurance Programs. Regional emergency medical services and trauma care systems quality assurance programs may evaluate emergency cardiac and stroke care delivery. Emergency cardiac and stroke care providers may participate in regional emergency medical services and trauma care quality assurance programs.

Votes on Final Passage:

House	95	0
Senate	46	0

Effective: June 10, 2010

ESHB 2399

C 24 L 10

Prohibiting and prescribing penalties for engaging in, or advertising to engage in, solid waste collection without a solid waste collection certificate.

By House Committee on Ecology & Parks (originally sponsored by Representatives Upthegrove, Rodne, Finn, Armstrong, Rolfes, Haler, Driscoll, Chase, Morrell, Maxwell, Simpson and Hudgins).

House Committee on Ecology & Parks
Senate Committee on Environment, Water & Energy

Background: The collection of solid waste for compensation is regulated by the state. Solid waste includes garbage, rubbish, ashes, industrial wastes, swill, sewage sludge, demolition and construction wastes, abandoned vehicles, and source separated recyclable materials. A solid waste collection company must be certified by the Utilities and Transportation Commission (UTC) before it can start operation. Solid waste collection companies include any person transporting solid waste for compensation, except septic tank pumpers.

The UTC is authorized to issue a cease and desist order should a person operate as a solid waste collection company without the necessary certification. A person who violates the solid waste collection law is guilty of a gross misdemeanor.

Summary: Operation as a solid waste collector is clarified to include advertising, soliciting, offering, or entering into an agreement to provide a solid waste collection service. A solid waste collection company must be certified for operation by the UTC before it may engage in, or advertise to engage in, solid waste collection.

Each advertisement reproduced, broadcast, or displayed constitutes a separate violation and is subject to the established penalties for a gross misdemeanor.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: July 1, 2010

SHB 2402

C 186 L 10

Concerning a property tax exemption for property owned by a nonprofit organization and used for the purpose of a farmers market.

By House Committee on Finance (originally sponsored by Representatives White, Rolfes, Armstrong, Haler, Nelson, Roberts, Maxwell, Dickerson, Crouse, Jacks, Walsh, Wallace, Sells, Ormsby, Kenney, Williams, Blake, Chase, Morris, Campbell, Appleton, Carlyle, Conway, Bailey, Hope and Haigh).

House Committee on Finance
Senate Committee on Agriculture & Rural Economic Development
Senate Committee on Ways & Means

Background: Property Tax Exemptions for Nonprofit Organizations. All property in Washington is subject to property tax each year based on the property's value unless a specific exemption is provided by law. Several property tax exemptions exist for nonprofit organizations.

Public Assembly Halls or Meeting Places. Nonprofit public assembly halls or meeting places are exempt from property taxes. To qualify for the exemption the property must be used for public gatherings and be available to all organizations or persons desiring to use the property.

Generally, the property may not be rented out for a business purpose (pecuniary gain) except for no more than 15 days each year. The collection of rent, donations, or income received from the use of the property for pecuniary gain must be used for capital improvements of the exempt property, maintenance and operations, or exempt purposes. The tax exempt status of the property is not affected by use of the property for fundraising activities conducted by a nonprofit organization.

Churches. The property tax exemption available for churches is limited to five acres including grounds covered by the church, parsonage, convent, maintenance buildings, and parking. Unoccupied ground cannot exceed one-third acre (120 by 120 feet). Church property may be loaned or rented to nonprofit organizations for charitable purposes if the rent received for the use of the property is reasonable and does not exceed maintenance and operation expenses.

Qualifying Farmers Markets. A qualifying farmers market is an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in Washington directly to the consumer. Several minimum requirements must be met including: (1) at least five participating vendors are farmers selling their own agricultural products; (2) the total combined gross annual sales of vendors who are farmers must exceed the total combined gross annual sales of vendors who are processors or resellers; (3) the total combined gross annual sales of vendors who are farmers, processors, or resellers must exceed the total combined gross annual sales of vendors who are not farmers, processors, or resellers; (4) the sale of imported items and secondhand items by any vendor is prohibited; and (5) no vendor is a franchisee.

Summary: Public Assembly Halls or Meeting Places. Nonprofit organizations operating public assembly halls or meeting places may retain their exemption from property taxation if the property is used by qualifying farmers markets for not more than 53 days each assessment year. Income from rental or use by qualifying farmers' markets must be used for capital improvements, maintenance and operation, or exempt purposes.

Churches. Church property loaned or rented to a nonprofit organization for use by a qualifying farmers market is exempt from property taxation. Use for this purpose may not occur more than 53 days each assessment year. Rental income must be reasonable and devoted solely to operation and maintenance of the property.

Limited Term. The act applies to taxes levied for collection in 2011 through 2020. The exemptions expire on December 31, 2020.

Votes on Final Passage:

House	97	0	
Senate	46	1	(Senate amended)
House	94	0	(House concurred)

Effective: June 10, 2010

SHB 2403
C 91 L 10

Concerning military leave for public employees.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Morrell, Kelley, Armstrong, Bailey, Hope, O'Brien, Klippert, Morris, Hurst, Hunt, Green, Roberts, Sells, McCune, Campbell, Nelson, Rolfes, Chase, Smith, Appleton, Maxwell, Sullivan, Dammeier, Upthegrove, Carlyle, Conway, Simpson, Orwall, Kenney, McCoy, Ormsby, Kretz and Haigh; by request of Military Department).

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: Any officer or employee of state or local government who is a member of the Washington National Guard, Army, Navy, Air Force, Coast Guard, or Marine Corps Reserves of the United States, or of any organized reserve or armed forces of the United States, is entitled to 21 days of military leave of absence from employment each year. The leave is granted so the person may report for active duty or active training duty and is in addition to vacation or sick leave. Taking leave will not result in any loss of efficiency rating, privileges, or pay. The employee receives his or her normal pay during this leave.

Active state service or active training duty is construed to be any service on behalf of the state or at encampments whether ordered by state or federal authority, or any other duty requiring the entire time of any organization or person except when called or drafted into the federal service by the President of the United States.

Summary: Military leave is granted for required military duty, training, or drills including those in the National Guard under Title 10 U.S.C., Title 32 U.S.C., or state active status. An officer or employee of state or local government is charged military leave only for the days that he or she is regularly scheduled to work for the state or local government.

Votes on Final Passage:

House	96	0
Senate	48	0

Effective: June 10, 2010

HB 2406
C 26 L 10

Concerning the joint legislative audit and review committee.

By Representatives Kelley, Alexander, Miloscia and Haigh.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: The Joint Legislative Audit and Review Committee (JLARC) is a statutorily created committee of eight senators and eight representatives, equally divided between the two major political parties. The JLARC staff conducts performance audits, program evaluations, sunset reviews, and other policy and fiscal studies.

Membership. Senate members of the JLARC are appointed by the President of the Senate and the House members are appointed by the Speaker of the House. Members are appointed before the close of each regular session during an odd-numbered year. The timing of appointments may be delayed if the Legislature is called into special session following a regular session. If members are not appointed, committee members for their respective house having the un-appointed position must elect members to fill the position.

Members serve terms beginning at the close of the regular session in which they are appointed until the close of the next regular session or an immediately following special session during an odd-numbered year. If a seat is vacated, it is filled by appointment by the remaining members from the same house and the same party as that of the member vacating the seat.

Performance Audit Work Plan. During each regular legislative session in an odd-numbered year, the JLARC develops a performance audit work plan for the next 16 to 24 months. Factors considered in preparing a work plan are:

- whether a program should be monitored because of significant fiscal impact, or it represents a high degree of risk in meeting the goals and objectives of the program;
- whether implementation of an existing program has failed; and
- whether a follow-up audit would ensure that recommendations for improvement are implemented.

The plan must be submitted to the appropriate policy and fiscal committees of the Legislature by day 60 of a regular session in an odd-numbered year.

Access to Documents and Inspection of Property and Facilities. Agencies are required to provide reports concerning program performance to the JLARC as requested. The JLARC has authority to examine and inspect property and documents and to subpoena witnesses and the production of documents.

Transportation Audits. The Transportation Performance Audit Board (Board) was repealed in 2006. References to the JLARC's interaction with the Board remain in statute.

Summary: Membership. Members are appointed before the close of the regular session in an odd-numbered year. A member's term is two years from his or her appointment or for a shorter time if the member ceases to be a member of the Legislature. Members continue to serve until a successor is appointed. Vacancies are appointed by the President of the Senate for Senate members and by the Speaker of the House for House members.

Performance Audit Work Plans. Work plans are developed and approved at the end of the regular session of each odd-numbered year. The plan must cover the ensuing biennium. The work plan may be modified at the end of other legislative sessions to reflect legislative action. The work plan must include a description of the performance audit and the cost of completion that reflects the funds appropriated to the JLARC. Approved plans must be transmitted to the Legislature by July 1 following each regular session of an odd-numbered year.

An additional factor to be considered when developing a work plan is whether the performance audit was mandated by legislation.

Access to Documents and Inspection of Property and Facilities. Authority to access documents, property and facilities, and subpoena witnesses and the production of documents, includes those of local governments as well as state agencies. The authority extends to confidential records. This access to confidential records does not change their confidential nature, and they are treated as confidential by the JLARC.

Transportation Audits. Reference to contracting for transportation-related audits is eliminated.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: June 10, 2010

HB 2419

C 93 L 10

Modifying the exemption to the three-year active transacting requirement for foreign or alien insurer applicants.

By Representatives Bailey, Nelson and Kirby.

House Committee on Financial Institutions & Insurance

Senate Committee on Financial Institutions, Housing & Insurance

Background: The Insurance Commissioner (Commissioner) regulates insurance in this state.

A "foreign" insurer is one formed under the laws of:

- the United States;
- a state other than this state; or
- the District of Columbia.

An "alien" insurer is one formed under the laws of a nation other than the United States.

An insurer may not transact business in the admitted market without a certificate of authority. State law requires a foreign or alien insurer applicant for a certificate of authority to have actively transacted business for three years in the classes of insurance for which it seeks to be admitted. This is known as the "seasoning" requirement. The requirement does not apply to any subsidiary of a seasoned, reputable insurer that has held a certificate of authority in this state for at least three years.

Summary: The seasoning requirement does not apply to any applicant for a certificate of authority that has:

- surplus reserves of not less than $25 million; and
- provided a deposit to the Commissioner of $1 million that is for the sole benefit of the applicant's policyholders in this state.

The Commissioner must release the deposit to an authorized insurer who originally met the deposit requirement for seasoning if the:

- certificate of authority was issued at least three years prior to application for release of the deposit; and
- insurer is in good standing with the Commissioner.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 10, 2010

SHB 2420

C 187 L 10

Promoting industries that rely on the state's working land base.

By House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Kenney, Orcutt, Van De Wege, Conway, Kessler, Blake, Hope, Herrera, Liias, Sullivan, Campbell, Schmick, Quall, Dammeier, Chase, Takko, Morrell and Smith).

House Committee on Community & Economic Development & Trade

House Committee on General Government Appropriations

Senate Committee on Economic Development, Trade & Innovation

Background: 2008 Green Economy Jobs Growth Initiative. The 2008 Green Economy Jobs Growth Initiative (2008 Initiative) was one component of E2SHB 2815 which outlined a framework for reducing greenhouse gas emissions in the Washington economy. The 2008 Initiative: (1) established a goal of increasing the number of clean energy jobs in the state to 25,000 by 2020; (2) directed specific actions related to the green economy by a number of state agencies; (3) established a Green Industries Job Training Account in the State Treasury for green economy competitive grants; and (4) identified six categories of targeted workers.

2009 The Evergreen Jobs Initiative. Engrossed Second Substitute House Bill 2227, enacted in 2009, established the Evergreen Jobs Initiative (2009 Initiative). Its goals were to: (1) create 15,000 new green economy jobs by 2020; (2) target 30 percent of these jobs to veterans, National Guard members, and low-income and disadvantaged populations; (3) secure and deploy federal funds, particularly American Recovery and Reinvestment Act funds; (4) prepare the workforce to take advantage of green economy job opportunities; (5) attract private sector investment; (6) make the state a net exporter of green industry products and services; (7) empower green job recruitment and training by local organizations; (8) capitalize on existing partnership agreements; and (9) operate according to 14 guiding. The 2009 Initiative directed specific actions by a number of state. An Evergreen Jobs Training Account was created for competitive grants for curriculum development, transitional jobs strategies, and other uses.

2009 Reports by the Department of Community, Trade and Economic Development and the Employment Security Department. In a January 2009 draft paper, "Washington State's Green Economy – A Strategic Framework" the DCTED listed as green economy industries: clean energy (efficiency, renewable, alternative); green building; green transportation; and environmental protection and remediation (waste management, water conservation). The report noted that although the entire forest products and agricultural industries were not classified as green, certain activities such as organic farming and sustainable forest management fall within the green realm.

As directed by the 2008 Initiative, the ESD conducted research into the current labor market and projected job growth for the green economy. The ESD used the same DCTED definition of the green economy but described the core green industries and businesses as those engaged in energy efficiency, renewable energy, preventing and reducing pollution, and mitigating or cleaning up pollution. The results of its survey of private sector employers were presented in a January 2009 report, "Washington State Green Economy Jobs," and showed an estimated 47,000 in total direct, private sector green economy employment. Green jobs were reported in 27 industry classifications, including four related to the forest products industry: agriculture and forestry support activities, forestry and logging, wood products manufacturing, and paper manufacturing.

Summary: The Legislature finds that the state's forest products industry plays a critical economic and environmental role, and that it is in the state's best interest to support and enhance the industry. The Legislature finds that the state's forest practices are sustainably managed, the forests create environmental benefits, working forests help generate wealth through recreation and tourism, and the $17 billion industry provides approximately 45,000 direct jobs.

The ESD is required to analyze forest products industry occupations to determine key growth factors, employment projections, and education and skill standards required for existing and emerging green occupations. For purposes of the ESD analysis, the term "forest products industry" must be broadly interpreted to include, at a minimum, businesses that grow, manage, harvest, transport and process forest, wood, and paper products.

Pilot green industry skill panels must consist of business representatives from green industry sectors, including but not limited to, forest products companies, and companies engaged in energy efficiency and renewable energy production; pollution prevention, reduction and mitigation; green building work; and green transportation.

The Department and the Workforce Training and Education Coordinating Board must identify barriers to the growth of green jobs in traditional industries such as the forest products industry.

Votes on Final Passage:

House	92	0	
Senate	45	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 10, 2010

SHB 2422

C 28 L 10

Changing escape or disappearance notice requirements.

By House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Parker, Hurst, Driscoll, Kelley, Dammeier, Schmick and Ormsby).

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Human Services & Corrections

Background: A person who is either "criminally insane" or "incompetent" may be involuntarily committed for a period of time. A person is "criminally insane" if he or she has been acquitted from a crime charged by reason of insanity and is a substantial danger to other persons, or presents a substantial likelihood of committing felonious acts. A person is "incompetent" to stand trial if he or she lacks

the capacity to understand the nature of the proceedings or assist in his or her own defense.

Generally, if a defendant has committed a felony or misdemeanor offense and is found to be criminally insane or incompetent, he or she may be committed to the custody of the Department of Social and Health Services (DSHS), or a mental health professional designated by the county, for evaluation and treatment.

If a committed person escapes from a mental health institution, or a person on conditional release disappears, then notification must be made to specified parties. The superintendant of the mental health institution or a community corrections officer from the Department of Corrections (in the instance of the disappearance of a person on conditional release), must notify local law enforcement officers, other governmental agencies, the person's relatives, and any other appropriate persons with information necessary for providing public safety and assisting in the apprehension of the person.

Summary: In the event of a person escaping from a DSHS mental health facility, or the disappearance of a person on conditional release or any other unauthorized absence, the list of persons that must be notified is expanded and clarified.

In order to ensure the public's safety and to assist in the apprehension of the person, the superintendent of the mental health facility must notify state and local law enforcement officers located in the city and county where the person escaped, the person's relatives, and any other appropriate persons. The superintendent must provide that same type of notification to the following individuals, if they have requested in writing to be notified about an escaped individual: (1) the victim or the victim's next of kin if the crime was a homicide; (2) any witnesses who testified against the person in court; and (3) any other appropriate persons. All information relating to victims, next of kin, and witnesses requesting a notice is confidential and is not available to the person committed to the mental health facility.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: June 10, 2010

ESHB 2424

C 227 L 10

Protecting children from sexual exploitation and abuse.

By House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives O'Brien, Pearson, Hurst, Takko, Herrera, Chandler, Ross, Rodne, Dammeier, Condotta, Shea, Klippert, Smith, Walsh, Parker, McCune, Campbell, Johnson, Eddy, Morrell, Kelley, Short, Sullivan, Conway, Kagi, Roach, Kristiansen, Bailey, Haler, Schmick, Ericks, Warnick, Ormsby, Moeller and Hope; by request of Attorney General).

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Judiciary

Background: Offenses Related to Depictions of a Minor Engaged in Sexually Explicit Conduct. A person is guilty of Dealing in depictions of a Minor Engaged in Sexually Explicit Conduct (Dealing) if he or she: (1) knowingly develops, duplicates, publishes, prints, disseminates, exchanges, finances, attempts to finance, or sells any visual or printed matter depicting a minor engaged in sexually explicit conduct, or (2) possesses such matter with the intent to develop, duplicate, publish, print, disseminate, exchange, finance, attempt to finance, or sell it. Dealing is a class C felony with a seriousness level of VII.

A person is guilty of Sending or Bringing into the State Depictions of a Minor Engaged in Generally Explicit Conduct (fending or bringing into the state) if he or she knowingly sends or brings into the state for sale or distribution any visual or printed matter depicting a minor engaged in sexually explicit conduct. Sending or Bringing into the State is a class C felony with a seriousness level of VII.

A person is guilty of Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct (Possession) if he or she knowingly possesses visual or printed matter depicting a minor engaged in sexually explicit conduct. Possession is a class B felony with a seriousness level of VI.

Unit of Prosecution. In *State v. Sutherby*, the defendant was charged with 10 counts of Possession but argued that he should be sentenced for only one count. The Washington Supreme Court agreed, holding that the proper unit of prosecution is per possession, rather than per image or per minor depicted, because the Legislature proscribed the conduct of possessing child pornography.

Affirmative Defense. In a prosecution for Dealing, Sending or Bringing into the State, or Possession, it is an affirmative defense that the defendant was a law enforcement officer conducting an official investigation of a sex-related crime against a minor.

Aggravating Factors. In exceptional cases, a court may impose a sentence above or below the standard range if a mitigating or aggravating circumstance exists. The Sentencing Reform Act provides a list of aggravating factors that a court may consider in sentencing. Any factor that increases the defendant's sentence above the standard range, other than the fact of a prior conviction, must be proven to a jury beyond a reasonable doubt.

Predatory Sex Offenses. In a prosecution for Rape of a Child in the first or second degree or Child Molestation in the first degree, if there is a finding that the offense was predatory, the minimum sentence is the greater of 25 years or the maximum term in the standard sentence range.

An offense is "predatory" if:

- the perpetrator was a stranger to the victim;

- the perpetrator established a relationship with the victim, and a significant reason for doing so was the victimization of the victim; or
- the perpetrator was a:
  - teacher, counselor, volunteer, or other person of authority in a public or private school (excluding home-based instruction) where the victim was a student under the perpetrator's authority;
  - coach, trainer, volunteer, or other person of authority in a recreational activity in which the victim participated and was under the perpetrator's authority; or
  - pastor, elder, volunteer, or other person of authority in a church or religious organization where the victim was a participant under the perpetrator's authority.

Summary: Viewing Depictions of a Minor Engaged in Sexually Explicit Conduct. A person is guilty of the offense of Viewing Depictions of a Minor Engaged in Sexually Explicit Conduct (Viewing) if the person intentionally views over the Internet visual or printed matter depicting a minor engaged in sexually explicit conduct. To determine whether a person intentionally viewed such depictions, the trier of fact must consider the following: the title, text, and content of the matter; Internet history; search terms; thumbnail images; downloading activity; expert computer forensic testimony; the number of depictions; the defendant's access to and control over the electronic device upon which the depictions were found; and the contents of the electronic device upon which the depictions were found. The government has the burden to prove beyond a reasonable doubt that the computer user initiated the viewing.

First and Second Degree Offenses and Units of Prosecution. For the offenses of Dealing, Sending or Bringing into the State, Possession, and Viewing, a person is guilty of a first degree offense when the depiction involves intercourse, penetration, masturbation, sadomasochistic abuse, and defecation or urination for the purpose of the viewer's sexual stimulation. A person is guilty of a second degree offense when the depiction shows the genitals or unclothed pubic or rectal areas or breasts, or the touching of those areas, for the purpose of the viewer's sexual stimulation. The minor need not have known that he or she was participating in the depiction.

The unit of prosecution for Dealing, Sending or Bringing into the State, and Possession is per image for the first degree offenses and per incident for the second degree offenses. The unit of prosecution for Viewing is per Internet session, which is defined as a period of time during which an Internet user, using a specific Internet protocol address, visits or is logged into an Internet site for an uninterrupted period of time. Classifications of the crimes are established as follows:

- Dealing and Sending or Bringing into the State:
  - First degree – class B felony, seriousness level of VII
  - Second degree – class C felony, seriousness level of V
- Possession:
  - First degree – class B felony, seriousness level of VI
  - Second degree – class C felony, seriousness level of IV
- Viewing:
  - First degree – class B felony, seriousness level of IV
  - Second degree – unranked class C felony

For the offense of Viewing, paying to view over the Internet depictions of a minor engaged in sexually explicit conduct is an aggravating factor that supports a sentence above the standard.

Affirmative Defenses. It is an affirmative defense in a prosecution for a crime related to the depiction of a minor engaged in sexually explicit conduct that the defendant had written authorization to assist a law enforcement officer in an investigation of a sex-related crime against a minor and was acting at the officer's direction.

It is an affirmative defense that the defendant was conducting research for an institution of higher education when the research was approved in advance and viewing or possession of the depictions was an essential component of the research. It is also an affirmative defense that the defendant was legislative staff conducting research requested by a legislator where viewing or possession of the depiction was an essential component of the research, and the research was directly related to a legislative activity.

The act is not intended to impact the immunity of Internet service providers who are required by federal law to report child pornography.

Predatory Sex Offenses. The definition of "predatory" includes a perpetrator who was a teacher, counselor, volunteer, or other person in authority providing home-based instruction where the victim was a student under the person's authority or supervision. The definition excludes the victim's parent or legal guardian.

Votes on Final Passage:

House	98	0	
Senate	46	0	(Senate amended)
House			(House refuses to concur)
Senate	47	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 10, 2010

HB 2428
C 29 L 10

Concerning fees for locating surplus funds from county governments, real estate property taxes, assessments, and other government lien foreclosures or charges.

By Representatives Takko, Warnick, Springer, Parker, Eddy, Morrell, Kelley, O'Brien, Bailey and Ormsby; by request of Attorney General.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections
Senate Committee on Financial Institutions, Housing & Insurance

Background: Uniform Unclaimed Property Act. Under the Uniform Unclaimed Property Act (UUPA), a business that holds unclaimed intangible property must transfer it to the Department of Revenue (DOR) after a holding period set by statute. The holding period varies by type of property, but for most unclaimed property the period is three years. After the holding period has passed, the business in possession of the property must transfer it to the DOR. Under the UUPA, the DOR's duty is to find the rightful owner of the property, if possible. One of the DOR's responsibilities is to place a notice by November 1 of each year in a newspaper of general circulation in each county which contains the last known address of an apparent owner of unclaimed property that is reported and turned over to the state in that year. If the DOR does not have any such address, then the notice must be published in the county in which the holder of the property has its principal place of business. The DOR is required to mail notices by September 1 of each year to apparent owners of unclaimed property that has been reported and turned over to the state in that year. The notice must contain the name and last known address of the person holding the property.

Under certain circumstances, counties, cities, and other municipal corporations are not subject to the UUPA, and are therefore exempt from the DOR reporting requirements regarding specified types of abandoned property. Such property includes certain canceled warrants, uncashed checks, excess proceeds from foreclosures pursuant to the enforcement of property tax delinquencies, and property tax overpayments or refunds. The local government may retain such property until notified by the owner, but must provide a listing of such property to the DOR.

Businesses that match unclaimed property held by the DOR with the owner are known as "heir locators." These businesses are prohibited from charging the owner a fee of more than 5 percent of the property's value.

Consumer Protection Act. The Consumer Protection Act (CPA) prohibits unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce. The state Attorney General may bring an action to enforce the provisions of the CPA.

Under the CPA, a person may bring a civil court action if the person is injured in his or her business or property through: (1) unfair competition or practices; (2) contracts, combinations, or conspiracies in restraint of trade; (3) monopolies or attempted monopolies; (4) transactions and agreements not to use or deal in commodities or services of a competitor; or (5) acquisition of corporate stock by another corporation to lessen competition. Furthermore, a person may be considered injured if he or she refuses to accede to a proposal for an arrangement that, if consummated, would constitute one of these prohibited acts. The civil action may be to enjoin further violations, to recover actual damages, or both, together with the costs of the suit, including a reasonable attorneys' fee. The court may, in its discretion, increase the award of damages to an amount not to exceed three times the actual damages sustained.

Summary: The blanket exemption is eliminated from the UUPA regulations as they apply to excess, unclaimed proceeds from property tax foreclosures, assessments, and liens held by counties, cities, and other municipalities. Specifically, businesses which provide the service of matching such unclaimed property with the owners of the property are prohibited from charging fees in excess of 5 percent of the value of the property that is returned to the owner.

A business that exceeds this fee limitation is in violation of the state CPA and is therefore subject to the remedies provided under the CPA.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: June 10, 2010

SHB 2429
C 31 L 10

Addressing the resale of motor vehicles previously determined as having nonconformities.

By House Committee on Commerce & Labor (originally sponsored by Representatives Wood, Condotta, Williams, Takko, Eddy, Morrell, O'Brien, Conway and Ormsby; by request of Attorney General).

House Committee on Commerce & Labor
Senate Committee on Transportation
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Motor Vehicle Warranty Act (Act), also known as the state's "lemon law," establishes the rights and responsibilities of consumers, dealers, and manufacturers when a new or nearly new vehicle has a serious safety or other substantial defect.

The Act requires that notice of manufacturers' warranties be given to consumers along with information to assist

the consumer who needs to repair a defective vehicle. Once repair is requested, the manufacturer must make a reasonable effort to repair the vehicle. If, after reasonable attempts to repair the vehicle, the defect continues to exist, the consumer may request replacement of the vehicle or repurchase of the defective vehicle by the manufacturer.

If a manufacturer elects to repurchase a defective vehicle, the manufacturer may then resell the vehicle if the defect can be corrected and the manufacturer so warrants. The manufacturer generally sells a repaired vehicle to a motor vehicle dealer, who then sells the motor vehicle to a retail purchaser.

The Act requires manufacturers, their agents, and new vehicle dealers to disclose to potential purchasers if a vehicle was repurchased pursuant to the state's lemon law. Any intervening transferor, prior to the first retail transaction, who fails to make the required disclosure must:

- indemnify any subsequent transferor or first retail purchaser or lessee for all damages caused by the failure to disclose; or
- repurchase the vehicle at full purchase price, including fees, taxes, and costs incurred.

A violation of the Act is also a violation of the Consumer Protection Act.

Summary: When selling a vehicle repurchased under the Motor Vehicle Warranty Act (Act), used motor vehicle dealers must comply with the same disclosure requirements and are subject to the same remedies as new vehicle dealers for failure to disclose.

Manufacturers and dealers must identify the nonconformity and include a title brand on the resale disclosure form.

When a manufacturer does not provide notice of repair of a nonconformity, the Department of Licensing (DOL) must issue a new title with a title brand indicating that the nonconformity has not been corrected. When the DOL receives a title application for a motor vehicle previously titled in another state and that vehicle has a title brand indicating it was reacquired by a manufacturer under a law similar to the Act, the DOL must issue a new title with a title brand indicating the vehicle was returned under a similar law of another state.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: June 10, 2010

SHB 2430

C 92 L 10

Concerning cardiovascular invasive specialists.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Morrell, Driscoll, Hinkle, Blake, Walsh, Green, Roberts, Goodman, Clibborn, Carlyle, Moeller, Kelley and Hurst).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Cardiac or Vascular Catheterization. Cardiac or vascular catheterization is the process of inserting a small tube, or catheter, into a person's heart or blood vessel using a fluoroscope (an X-ray device that provides real-time images). This type of catheterization is utilized for a variety of medical purposes, including angioplasty, electrophysiology studies, and pacemaker placement. Cardiac or vascular catheterization is usually carried out in a hospital's catheterization lab or "cath lab."

Radiologic Technologists. Radiologic Technologists are professionals certified by the Department of Health (DOH) and authorized to operate radiologic technology. There are four subcategories of radiologic technologists:

- Diagnostic Radiologic Technologists, who are persons authorized to actually handle X-ray equipment in the process of applying radiation on a human being for diagnostic purposes at the direction of a licensed practitioner;
- Therapeutic Radiologic Technologists, who are persons authorized to use radiation-generating equipment for therapeutic purposes on human subjects at the direction of a licensed practitioner;
- Nuclear Medicine Technologists, who are persons authorized to prepare radiopharmaceuticals and administer them to human beings for diagnostic and therapeutic purposes and to perform in vivo and in vitro detection and measurement of radioactivity for medical purposes at the direction of a licensed practitioner; and
- Radiologic Assistants, who are persons authorized to assist radiologists by performing advanced diagnostic imaging procedures.

Radiologic Technologists are authorized to administer diagnostic and therapeutic agents through intravenous, intramuscular, or subcutaneous injection, but not through arterial injections. These injections may only be performed if:

- the technologist has necessary training and knowledge of the procedure;
- appropriate facilities are available for coping with complications related to the procedure or reactions to the agent;
- competent personnel and emergency facilities are available for at least 30 minutes in case of delayed reaction; and
- the technologist is under the direct supervision of a physician.

Radiologic Technologists must complete minimum education requirements, pass an examination, and have good moral character prior to certification.

Summary: A new type of Radiologic Technologist is created: Cardiovascular Invasive Specialists. Cardiovascular Invasive Specialists are persons who assist in cardiac or vascular catheterization procedures under the personal supervision of a physician. "Cardiac or vascular catheterization procedures" are defined as all anatomic or physiological studies of intervention in which the heart, coronary arteries, or vascular system are entered via a systemic vein or artery using a catheter that is manipulated under fluoroscopic visualization. Cardiovascular Invasive Specialists are also authorized to perform intravenous and arterial injections related to cardiac or vascular catheterization.

In order to be certified, a Cardiovascular Invasive Specialist must:

- complete a Cardiovascular Invasive Specialist program (program) or alternate training approved by the Secretary of Health (Secretary). A program may be approved only if it includes training in cardiovascular anatomy and physiology, pharmacology, radiation physics and safety, radiation imaging and positioning, medical recordkeeping. Multi-cultural health students in an approved Cardiovascular Invasive Specialists program may practice without certification as long as the practice is pursuant to a regular course of instruction or assignments;
- complete a Cardiovascular Invasive Specialist examination approved by the Secretary. The Secretary may approve an examination for these purposes that is administered by a national credentialing organization for Cardiovascular Invasive Specialists; and
- have good moral character.

Until July 1, 2012, the Secretary must also issue a credential to any other type of health professional with a credential issued by the DOH who has at least five years of experience (with at least 1,000 hours per year) in cardiac or vascular catheterization. A person certified in this manner is not subject to the education and examination requirements for certification as a Cardiovascular Invasive Specialists unless he or she lets his or her certification expire for more than one year without renewal.

Creation of the new Cardiovascular Invasive Specialist credential does not alter the scope of practice of any other credentialed health profession or limit the ability of any other credentialed health professional to assist in cardiac or vascular catheterization if such assistance is within the professional's scope of practice.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 10, 2010

2SHB 2436

C 270 L 10

Concerning vehicle license fraud.

By House Committee on General Government Appropriations (originally sponsored by Representatives Moeller, Green, Clibborn, Pedersen, Carlyle, Morrell and Jacks).

House Committee on Transportation
House Committee on General Government Appropriations
Senate Committee on Transportation

Background: New Washington residents, unless exempt, must obtain a valid Washington driver's license and register their vehicles within 30 days from the date they become residents. Exemptions include a person in the military, a nonresident driver, shared ownership or a person operating special highway construction equipment, a farm tractor, non-public road travel, or other evidence satisfactory to the Department of Licensing that they have a valid and compelling reason for not being able to meet the registration requirements.

Failure to register a vehicle in Washington before operating it on the highways is a traffic infraction of $529, and no part may be suspended or deferred. The avoided taxes and fees must be deposited and distributed in the same manner as if the taxes and fees were paid in a timely fashion. A motor vehicle subject to initial or renewal registration may not be registered to a person unless the person has an unexpired Washington driver's license.

The licensing of a vehicle in another state by a resident of this state to evade the payment of any tax or license fee imposed in connection with registration is a gross misdemeanor punishable as follows:

- For a first offense, up to one year in the county jail and payment of a fine of $529 plus twice the amount of delinquent taxes and fees, no part of which may be suspended or deferred.
- For a second or subsequent offense, up to one year in the county jail and payment of a fine of $529 plus four times the amount of delinquent taxes and fees, no part of which may be suspended or deferred.

The fines levied and the avoided taxes and fees for a second or subsequent offense will be deposited in the Vehicle Licensing Fraud Account to be used only for vehicle license fraud enforcement and collections by the Washington State Patrol (WSP) and the Department of Revenue (DOR).

Funding for the Vehicle License Fraud Program for 2007-09 was funded by the General Fund, but was not funded in the 2009-11 biennial budget.

Summary: Failure to Make Initial Vehicle Registration. Failure to make initial registration before operation of the vehicle on the highways of this state is a traffic infraction, and the violator must pay a fine of $529 to be deposited

into the Vehicle Licensing Fraud Account. The person must pay the delinquent taxes and fees which will be deposited and distributed in the same manner as if the taxes and fees were paid in a timely fashion.

Licensing of a Vehicle in Another State to Evade the Taxes and Fees. A first offense is a gross misdemeanor punishable by:

- up to one year in the county jail;
- a fine of $529 to be deposited into the Vehicle License Fraud Account;
- a fine of $1,000 to be deposited into the Vehicle License Fraud Account; and
- the payment of the delinquent taxes and fees which will be deposited and distributed in the same manner as if the taxes and fees were paid in a timely fashion.

Licensing of a Vehicle in Another State to Evade the Taxes and Fees. A second or subsequent offense is a gross misdemeanor, punishable by:

- up to one year in the county jail;
- a fine of $529 to be deposited into the Vehicle License Fraud Account;
- a fine of $5,000 to be deposited into the Vehicle License Fraud Account; and
- the payment of the delinquent taxes and fees which will be deposited and distributed in the same manner as if the taxes and fees were paid in a timely fashion.

A fiscal year appropriation of $75,000 to the DOR and of $250,000 to the WSP is made from the Vehicle Licensing Fraud Account for the purposes of vehicle license fraud enforcement and collections by the WSP and the DOR.

Votes on Final Passage:

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

Effective: July 1, 2010

SHB 2443

C 177 L 10

Conforming the uniform controlled substances act to existing state and federal law.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Ericksen, Cody and Morrell; by request of Department of Health).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Schedules I through V of the Washington Uniform Controlled Substances Act. The Washington Uniform Controlled Substances Act organizes certain drugs, substances, and immediate precursors in Schedules I through V. An immediate precursor is a chemical compound that: (1) is commonly used in the manufacture of a drug which is itself a controlled substance; (2) is an immediate chemical intermediary; and (3) must be controlled to limit the manufacture of the resultant drug. Drugs, substances, and immediate precursors listed in Schedules I through IV are controlled substances.

The Board of Pharmacy (Board) is authorized to add, delete, or reschedule substances by rule. The Board may rely on findings of the federal Drug Enforcement Agency or the U.S. Food and Drug Administration (FDA) when adding, deleting, or rescheduling a substance. If a substance is designated, rescheduled, or deleted as a controlled substance under federal law, the Board must take similar action.

Schedules I through V of the Washington Uniform Controlled Substances Act were last updated in 1993. Consequently, the drugs and substances listed in the Washington Uniform Controlled Substances Act do not include any changes since 1993 to Schedules I through V as listed in the rules adopted by the Board or in federal law.

Definition of Practitioner. The Washington Uniform Controlled Substances Act defines practitioner as a physician, physician's assistant, osteopathic physician, surgeon, optometrist, dentist, podiatric physician or surgeon, veterinarian, registered nurse, advanced registered nurse practitioner, licensed practical nurse, pharmacist, or scientific investigator. A practitioner may administer, dispense, manufacture, and prescribe certain controlled substances under the Washington Uniform Controlled Substances Act.

Both osteopathic physician assistants and naturopathic physicians are licensed pursuant to Title 18 RCW to practice medicine in Washington, including the prescription of certain controlled substances, but are not included in the definition of "practitioner" provided in the Washington Uniform Controlled Substances Act.

Multiple Sclerosis. Multiple sclerosis is a neurological disease which may cause any number of different symptoms, including muscle spasms, speech problems, fatigue, and chronic pain. Since 2003 the disease has been included in the list of diseases for which the Board allows Schedule II non-narcotic stimulants to be prescribed.

Summary: Schedules I through V of the Washington Uniform Controlled Substances Act. Schedules I through V of the Washington Uniform Controlled Substances Act are updated to incorporate changes made to Board rules and federal law since 1993. The following 68 drugs, substances, and immediate precursors to drugs are added, removed, or rescheduled:

Schedule I

- 3,4-methylenedioxy-N-ethylamphetamine and N-hydroxy-3,4-methylenedioxyamphetamine are removed from Schedule I.
- Levo-alphacetylmethadol is rescheduled from Schedule I to Schedule II.

- Alpha-ethyltryptamine; 4-Bromo-2,5-dimethoxyphenethylamine; 2,5-dimethoxy-4-ethylamphetamine; 2,5-dimethoxy-4-(n)-propylthiophenethylamine; 3,4-methylenedioxy-N-ethylamphetamine; N-hydroxy-3,4-methylenedioxyamphetamine; Alpha-methyltryptamine; 5-methoxy-N,N-diisopropyltryptamine; Gamma-hydroxybutyric acid; Aminorex; N-Benzylpiperazine; Cathinone; and Methcathinone are added to Schedule I.

Schedule II

- Thebaine-derived butorphanol is removed from Schedule II.
- Dronabinol is rescheduled from Schedule II to Schedule III.
- Dihydroetorphine, Oripavine, lisdexamfetamine, remifentanil and Tapentadol are added to Schedule II.

Schedule III

- Embutramide; FDA-approved products containing gamma-hydroxybutyric acid; and Ketamine are added to Schedule III.
- 31 substances are added to the list of Schedule III anabolic steroids, including: 3β,17-dihydroxy-5a-androstane; 3α,17β-dihydroxy-5a-androstane; 5α-androstan-3,17-dione; 1-androstenediol; 1-androstenediol; 4-androstenediol; 5-androstenediol; 1-androstenedione; 4-androstenedione; 5-androstenedione; Bolasterone; Calusterone; Δ1-dihydrotestosterone; 4-dihydrotestosterone; Furazabol; 13β-ethyl-17β-hydroxygon-4-en-3-one; 4-hydroxytestosterone; 4-hydroxy-19-nortestosterone; Mestanolone; 17α-methyl-3β,17β-dihydroxy-5a-androstane; 17α-methyl-3α,17β-dihydroxy-5a-androstane; 17α-methyl-3β,17β-dihydroxyandrost-4-ene; 17α-methyl-4-hydroxynandrolone; Methyldienolone; Methyltrienolone; 17α-methyl-Δ1-dihydrotestosterone; 19-nor-4-androstenediol; 19-nor-4-androstenediol;19-nor-5-androstenediol; 19-nor-5-androstenediol; 19-nor-4-androstenedione; 19-nor-5-androstenedione; Norbolethone; Norclostebol; Normethandrolone; and Tetrahydrogestrinone.

Schedule IV

- Dichloralphenazore, carisoprodol, zaleplon, zolpidem, zopiclone, modafinil, sibutramine, fenfluramine, and butorphanol are added to Schedule IV.

Schedule V

- Burenorphine is rescheduled from Schedule V to Schedule III.
- Lacosamid and Pregabalin are added to Schedule V.

Definition of Practitioner. The definition of "practitioner" is expanded to include osteopathic physician's assistants and naturopathic physicians.

Multiple Sclerosis. Multiple sclerosis is added to the list of diseases and conditions for which a Schedule II non-narcotic stimulant may be prescribed, dispensed, or administered.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 10, 2010

HB 2460

C 109 L 10

Regarding organic products.

By Representatives Smith, Nelson, Liias, Van De Wege, Blake, Bailey, Upthegrove, Kenney and Moeller; by request of Department of Agriculture.

House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
Senate Committee on Agriculture & Rural Economic Development

Background: The Organic Food Products Act provides for the certification of organic foods. The organic food certification program (program) must be consistent with the federal Organic Food Production Act of 1990. The Washington State Department of Agriculture (WSDA) has the authority to adopt rules, as appropriate, for implementation of the state program. The WSDA authority includes the adoption of rules to certify producers, processers, and handlers as meeting state, federal, or international standards as organic or transitional food. The WSDA may collect fees to recover the full cost of the organic food program.

Organic Food Certification. Organic food is any agricultural product that is produced, handled, and processed according to the state Organic Food Products Act. Under the federal program, for an agricultural crop to be certified as an organic food, no prohibited materials may be applied to the land three years prior to harvest of the agricultural crop. Independent agents conduct organic certifications for the federal government. The WSDA is a federally approved certifying agent in this state.

The WSDA adopted rules to implement the organic food program. The application fees for organic certification are defined in rule and are determined by type of business and sales. Fees collected are deposited into the Agricultural Local Fund and used solely to implement the program.

The WSDA also operates an international certification program for agricultural producers seeking access to international markets that do not accept the federal certification program.

Transitional Organic Food Certification. The WSDA operates a transitional organic certification program which

allows agricultural producers switching from traditional to organic methods to be certified. The federal program does not include provisions for farms transitioning from traditional to organic production methods. The WSDA's program is voluntary and offered to producers who wish to market their products as "transitional foods."

The WSDA adopted rules to implement the transitional food program. Transitional certification requires that no prohibited materials be applied to the land one year prior to harvest of the agricultural crop. The application fee for transitional certification is set in rule as $50, in addition to the general organic certification application fee. Fees collected are deposited into the Agricultural Local Fund and used solely to implement the program.

Brand Name Materials List. All materials used to assist with processing and handling of organic food must also be certified organic. The federal Organic Food Production Act includes a national list of approved materials that can be used by producers without compromising the organic certification of the agricultural product. As an accredited certifying agent of the federal program, the WSDA also maintains a list of approved materials, called the Brand Name Materials List, which is a supplement to the national list. The types of materials included on the Brand Names Materials List are pesticides, fertilizers, composts, soil amendments, and other similar agricultural production aids. Although this program is voluntary, manufacturers wishing to market their materials as organic must register to be included on the Brand Name Materials List.

Summary: Organic Food Revisions. Authority under the state Organic Food Products Act is expanded to include obtaining accreditation from the federal government as a certifying agent under the federal Organic Food Production Act of 1990, as well as the ability to issue orders of violation as a federal certifying agent. The WSDA is also authorized to conduct evaluations to verify compliance with organic labeling in retail stores.

Fees collected are deposited into the Agricultural Local Fund and used solely to implement the Organic Food Products Act. Definitions are included for certification, label, labeling, and national organic program. References throughout the chapter to "organic food" are changed to "organic product" but the definition is unchanged.

Transitional Organic Food Revisions. "Transitional product" is defined as an agricultural product that has been harvested from an organic production area that is not free of prohibited substances for 36 months, but the use of any prohibited substance has ceased for at least 12 months prior to harvest. The initial application fee for transitional organic certification is established at $50 in addition to the organic certification application fee. The WSDA is authorized to increase the initial fees established as necessary to cover the costs of the state program. Fees collected are deposited into the Agricultural Local Fund and used solely to implement the Organic Food Products Act. References throughout the chapter to "transitional food" are changed to "transitional product" but the definition is unchanged. The WSDA is also authorized to conduct evaluations to verify compliance with transitional labeling in retail stores.

Brand Name Materials List Revisions. The Brand Name Materials List is established. All materials used to aid in the processing and handling of organic foods registered on the list are deemed in compliance with the federal program standards. Materials registered on the list may also be assessed for compliance with international or additional organic standards. The WSDA Director is authorized to adopt rules as necessary to implement the Brand Name Materials List including, but not limited to, fees, inspections, recordkeeping, labeling, and sampling.

Producers, handlers, and manufacturers must apply to the WSDA to be added to the Brand Name Materials List. Application requirements include name, address, brand name, product labeling, complete formula of the material, a description of the manufacturing process, intended uses, source and supplier of all ingredients, the registration fee, and any additional information required by rule.

The WSDA is authorized to collect fees to cover the costs of operating the Brand Name Materials List. Fees collected are deposited into the Agricultural Local Fund and used solely to implement the Organic Food Products Act. The WSDA is authorized to increase the initial fees established as necessary to cover the costs of the state program.

Initial application fees are established as follows:

- $500 for pesticides, spray adjuvant, processing aids, livestock production aids, and post-harvest materials; and
- $400 for fertilizers, soil amendments, organic waste-derived materials, composts, animal manures, and crop production aids.

Assessments related to international or additional organic standards are billed at a rate of $100 per product for each standard.

Renewal application fees are established as follows:

- $300 for pesticides, spray adjuvant, processing aids, livestock production aids, and post-harvest materials; and
- $200 for fertilizers, soil amendments, organic waste-derived materials, composts, animal manures, and crop production aids.

A renewal application must be postmarked by October 31. Late fees for renewal applications are established as follows:

- $100 for applications postmarked after October 31;
- $200 for applications postmarked after November 30; and
- $300 for applications postmarked after December 31.

Renewal applications received after February 2 will not be accepted and the registrant is required to reapply as a new applicant.

Expedited reviews may be submitted and, if approved, are billed at a rate of $40 per hour.

Personnel of the WSDA, a certifying agent, or other inspection agents approved by the federal program are authorized to conduct inspections of the facility and records related to the material. Registrants must allow the WSDA or other agents to enter the premises for inspection purposes, and to collect records or samples. If a registrant refuses the inspection or collection, the application will be cancelled.

The WSDA is authorized to bill for inspections at the rate of $40 per hour plus the travel costs and mileage at the rate established by the Office of Financial Management. The WSDA is also authorized to bill for the cost of processing laboratory samples at the rate established by the WSDA, or at cost for analysis performed by another laboratory.

The WSDA Director may deny, suspend, or revoke a registration for failure to meet the registration criteria including failure to consent to inspection or sampling requirements. Registration on the Brand Name Materials List does not guarantee acceptance of the material by another certifying agent. The WSDA is not liable for any losses or damages as a result of registration.

Definitions are added for material, fertilizer, registrant, compost, crop production aid, livestock production aid, organic waste-derived material, soil amendment spray adjuvant, pesticide, post-harvest material, processing aid, and manufacturer.

Votes on Final Passage:

House	97	0	
Senate	45	1	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2010

ESHB 2464

C 252 L 10

Implementing rules and penalties for drivers when approaching certain emergency, roadside assistance, or police vehicles in emergency zones.

By House Committee on Transportation (originally sponsored by Representatives Liias, Johnson, O'Brien, Morrell, Maxwell, Sullivan, Simpson, Van De Wege, Kenney, Ericks and Sells; by request of Washington State Patrol).

House Committee on Transportation
Senate Committee on Transportation

Background: On highways with at least four lanes, two lanes of which are for traffic traveling in a single direction, drivers approaching a stationary emergency vehicle with a siren or flashing lights, a tow truck using red lights, an emergency assistance vehicle using warning lights, or a police vehicle using emergency lights are required to proceed with caution, and if reasonable, yield the right-of-way by making a lane change or moving away from the emergency vehicle, tow truck, or emergency assistance vehicle. If changing lanes would be unreasonable or unsafe, the driver must proceed with caution and reduce speed.

On highways of less than four lanes, drivers approaching a stationary emergency vehicle with siren or flashing lights, a tow truck using red lights, an emergency assistance vehicle using warning lights, or a police vehicle using emergency lights must proceed with caution, reduce speed, and if reasonable and safe, yield the right-of-way by passing to the left.

Vehicles are required to be driven on the right side of the roadway, except under specified circumstances such as when passing or on a one-way roadway. No vehicle may pass on the left side of the roadway unless authorized by statute, provided that the left side of the roadway must be free of oncoming traffic for a sufficient distance for the overtaking vehicle to pass without interfering with other vehicles or coming within 200 feet of approaching traffic.

An individual convicted of a gross misdemeanor may be sentenced to up to one year in county jail, fined up to $5,000, or both.

Summary: An emergency zone is defined as the adjacent lanes of the roadway 200 feet before and after a stationary emergency vehicle with a siren or flashing lights, a tow truck using red lights, an emergency assistance vehicle using warning lights, or a police vehicle using emergency lights.

A person may not drive a vehicle above the posted speed limit in an emergency zone. A driver who receives an infraction for a violation of the restrictions on passing a designated vehicle or an infraction for a speed violation in an emergency zone is subject to a penalty of double the standard amount, which may not be waived, reduced, or suspended.

A person is guilty of reckless endangerment of emergency zone workers, which is a gross misdemeanor, if a person drives a vehicle in an emergency zone in such a way as to endanger or be likely to endanger any emergency zone worker or property. A person convicted of reckless endangerment of emergency zone workers is also subject to a 60-day driver's license suspension by the Department of Licensing.

The education and outreach efforts regarding emergency zones that the Washington State Patrol and the Washington State Department of Transportation are required to conduct must be carried out using existing resources.

Votes on Final Passage:

House	97	0	
Senate	32	8	(Senate amended)

House 94 0 (House concurred)
Effective: January 1, 2011

HB 2465
C 53 L 10

Concerning breath test instruments approved by the state toxicologist.

By Representatives Hurst, Rodne, Kelley, Roberts and Ericks; by request of Washington State Patrol.

House Committee on Judiciary
Senate Committee on Judiciary

Background: The Washington State Patrol (WSP) uses an instrument called the Datamaster to test a person's breath alcohol concentration (BAC). The person is required to blow into the machine at least twice to constitute a breath test. Between the person's two samples, the machine is tested using an external standard simulator, which must produce a reading within a certain range to indicate that the machine is accurate and functioning properly. For the external standard simulator test, the Datamaster uses a liquid simulator solution.

The Datamaster machines are no longer being manufactured. The WSP plans to use a different machine that employs a dry gas standard as an external standard simulator.

The criteria for the admissibility of BAC evidence is established by statute. A breath test performed by an instrument approved by the state toxicologist is admissible at trial or in an administrative proceeding if the prosecutor produces evidence that, among other things, the external standard simulator test was within a specified range.

Summary: The statute that lists what evidence the prosecutor must show in order for breath test results to be admissible is amended to include machines that use dry gas simulators as well as liquid simulator solutions.

Votes on Final Passage:

House 97 0
Senate 47 0

Effective: June 10, 2010

SHB 2466
C 268 L 10

Concerning the regulation of ignition interlock devices by the Washington state patrol.

By House Committee on Judiciary (originally sponsored by Representatives Goodman, Rodne, Kelley, Roberts, Johnson, Ericks, Hudgins and Hurst; by request of Washington State Patrol).

House Committee on Judiciary
Senate Committee on Judiciary

Background: The Washington State Patrol (WSP) provides standards for the certification, installation, repair, and removal of ignition interlock devices. Under the WSP rules, ignition interlock device must meet or exceed minimum test standards of the model specifications for ignition interlock. The device must also, among other things, allow for re-testing and record each time the vehicle is.

Ignition interlock service providers must also meet certain criteria and follow certain procedures established by the WSP. For example, a service provider must download client data and report the data, if required, to the court, the Department of Licensing, or the WSP. A service provider must maintain records of calibrations and other services performed on the devices.

In 2008 a pilot project was enacted requiring the WSP to monitor compliance of ignition interlock device users, manufacturers, vendors, and installers in two counties.

Summary: The WSP may inspect the records and equipment of manufacturers and vendors to monitor compliance. The WSP may only inspect devices in customers' vehicles when installation is being done at a vendor's place of business. The WSP may suspend or revoke certification of a device and may suspend or revoke the installation privileges of a service provider or installer for any noncompliance. During any period of suspension or revocation, the provider or installer is responsible for notifying its customers of any changes to their service agreements. A provider or installer whose certification has been suspended or revoked may seek an administrative hearing by submitting a written request to the WSP within 20 days after receiving the notice of suspension or revocation.

An ignition interlock device must employ fuel cell technology, meet or exceed minimum test standards provided by rule, and be maintained in accordance with the rules and standards adopted by the WSP. Companies that do not use devices employing fuel cell technology have five years from the effective date of the act to begin using devices with fuel cell technology.

Votes on Final Passage:

House 97 0
Senate 46 0 (Senate amended)
House 95 0 (House concurred)

Effective: June 10, 2010

2SHB 2481
C 126 L 10

Authorizing the department of natural resources to enter into forest biomass supply agreements.

By House Committee on General Government Appropriations (originally sponsored by Representatives Van De Wege, Kretz, Blake, Hinkle, Ormsby, Dunshee, McCoy, Eddy, Upthegrove, Carlyle, Haler, Morrell, Warnick and Kessler; by request of Commissioner of Public Lands).

House Committee on Technology, Energy & Communications
House Committee on General Government Appropriations
Senate Committee on Natural Resources, Ocean & Recreation
Senate Committee on Ways & Means

Background: State Trust Lands. The Department of Natural Resources (DNR) manages 5.6 million acres of forest, range, agricultural, aquatic, and commercial lands for the people of Washington. The DNR manages approximately 2.3 million acres of forested state trust lands.

Under a mix of authorities, including state law, the state Constitution, and the state's federal Enabling Act, these state trust lands are held by the state for specified trust beneficiaries. In total, there are 18 trust beneficiaries that derive some level of economic benefit from the management of these trust lands. The beneficiaries include common schools, the state universities, community colleges, counties, and the state's Capital Budget.

Board of Natural Resources. The Board of Natural Resources (Board) sets policies to guide how the DNR manages state's lands and resources. The Board was formed with the DNR was created in 1957. The Board has several responsibilities: (1) approve or disapprove trust land timber and mineral sales; (2) establish the sustainable harvest level for forested trust lands; (3) approve or disapprove sales or exchanges of trust lands; and (4) guide the DNR's stewardship of state Natural Area Preserves, Natural Resources Conservation Areas, and aquatic or submerged lands.

Forest Biomass Demonstration Projects. In 2009 the DNR was authorized to develop and implement two forest biomass energy demonstration projects: one east of the crest of the Cascade mountains and one west of the crest of the Cascade mountains. The demonstration projects must be designed to:

- reveal the utility of Washington's public and private forest biomass feedstock;
- create green jobs and generate renewable energy;
- generate revenues or improve asset values for beneficiaries of state lands and state forest lands;
- improve forest health, reduce pollution, and restore ecological function; and
- avoid interfering with the current working area for forest biomass collection surrounding an existing fixed location biomass energy production site.

To develop and implement the forest biomass energy demonstration projects, the DNR is authorized to form forest biomass energy partnerships or cooperatives. The preferred model would use public-private partnerships focused on convening the entities necessary to grow, harvest, process, transport, and utilize forest biomass to generate renewable energy.

Summary: List and Inventory. The DNR is authorized to maintain a list of all potential sources of forest biomass on state lands for the purposes of making biomass available for sale, exploration, collection, processing, storage, stockpiling, and conversion into energy, biofuels, for use in a biorefinery, or any other similar use.

The inventory must contain an estimated amount of the forest biomass available in the area and a determination of the ecological and operation sustainability of volumetric limit established by the biomass agreement. Prior to entering a contract or lease agreement for biomass supply, the DNR must complete an inventory of the available forest biomass in the area that will be subject to a contract or lease agreement. Forest biomass energy demonstration projects are exempt from this requirement.

In order to utilize the list to limit or terminate any contract or lease agreement, the DNR must determine that the overall supply of biomass in a region or watershed has been reduced to a point that further exploration and collection of biomass may not be ecologically or operationally sustainable or might otherwise threaten long-term forest health.

Forest Biomass Contracts. The DNR may enter into biomass supply contracts for a term of up to five years or upon the removal of the agreed upon volume of biomass and the completion of other conditions of the contract.

The DNR may contract for the sale of biomass as a valuable material by:

- requiring a separate bid and select the highest bidder for the forest biomass separately from the sale of valuable materials;
- expressly include forest biomass as an element of the sale of the valuable materials to be sold in the sales contracts; or
- a combination of these two options.

The DNR may also enter into either:

- direct sales for biomass, without public auction, based upon procedures adopted by the Board of Natural Resources to ensure competitive market prices and accountability; or
- contracts for biomass at public auction or by sealed bid to the highest bidder.

The DNR may enter into contract terms for up to 15 years when an entity plans and commits to a capital investment of at least $50 million before the contract and completes that investment prior to removal of biomass under the contract. The DNR may include provisions in the contract that are periodically adjusted for market conditions. The contract is required to include provisions that allow the DNR, when it is in the best interest of the trust beneficiaries, to maintain access to existing users of biomass.

The biomass volume that is conveyed under this act will not be counted toward the DNR's sustainable harvest targets, except that appraised timber sold in a conventional

timber sale will count toward the target whether individual trees are used by the purchaser for timber or biomass energy.

The DNR must specify in each contract an annual volumetric limit of the total cubic volume or tons of forest biomass to be supplied from a specific unit, geographically delineated area, or region within a watershed or watersheds on an ecologically and operationally sustainable basis. The DNR must adopt general procedures for making the biomass supply availability determinations.

The DNR may unilaterally amend the volume to be supplied by providing the contracting party with a minimum of six months notice prior to reducing the contract volume to be supplied if the DNR determines the supply has been reduced to a point that it is no longer sustainable or may adversely affect long-term forest health.

The DNR may renew the contract for up to three additional five-year periods if the DNR finds:

- a sustainable supply of biomass is available for the term of the contract;
- the payment under the contract represents the fair market value at the time of the renewal; and
- the purchaser agrees to the estimated amount of biomass material available.

Forest Biomass Leases. The DNR is authorized to lease state lands for the sale, exploration, collection, processing, storage, stockpiling, and conversion of biomass into energy or biofuels, if the DNR is able to obtain a fair market rental return to the state.

Leases may be entered into by public auction or negotiation, and may be for a term of up to 50 years. For leases that involve the development of biomass processing, biofuel manufacturing, or biomass energy production facilities, the DNR may include provisions for reduced rent until the facility is operational.

Reporting Requirements. The DNR must evaluate how forest biomass supply contracts and lease agreements could be used to sustain or create rural jobs and timber manufacturing infrastructure, and to sell state timber to traditional types of timber purchasers. The DNR must report its findings to the Legislature by December 15, 2010. The evaluation must, at a minimum, identify how such contracts and agreements could:

- ensure the DNR meets it fiduciary responsibility to the state's trust beneficiaries;
- restore or sustain a competitive market for state timber sales;
- generate returns for the trust that are commensurate with fluctuating market prices; and
- ensure environmental compliance with all pertinent state and federal laws, and provide for ecologically and operationally sustainable biomass removal.

Aldo, the DNR is required to conduct a survey of scientific literature regarding the carbon neutrality of forest biomass and report to the Legislature by December 15, 2010.

Forest Health Supply Agreement Demonstration Project. The DNR may establish a five-year forest health and fuel reduction supply agreement demonstration project for the purposes of proving the concepts in the evaluation.

Forest Biomass Definition. The definition for "forest biomass" is moved from chapter 43.30 RCW relating to the DNR's responsibilities to chapter 79.02 RCW relating to the Public Lands Act. "Forest biomass" is defined as the by-products of current forest management activities; current forest protection treatments prescribed or permitted under the Forest Protection Act; or the by-products of forest health treatment prescribed or permitted under the Forest Insect and Disease Control Act. It is further specified that "forest biomass" does not include: wood pieces that have been treated with chemical preservatives such as: creosote, pentachlorophenol, or copper-chrome-arsenic; wood from existing old growth forests; wood required to be left on-site under the Forest Practices Act; and implementing rules, and other legal and contractual requirements; or municipal solid waste.

Votes on Final Passage:

House	92	0	
Senate	47	0	(Senate amended)
House	94	1	(House concurred)

Effective: June 10, 2010
January 1, 2014 (Section 12)

SHB 2487
C 54 L 10

Increasing costs for administering a deferred prosecution.

By House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Goodman, Rodne, Klippert, Green, Santos, Kessler, Liias and Kelley).

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Judiciary

Background: A person charged with a misdemeanor or gross misdemeanor offense in a court of limited jurisdiction may be eligible for deferred prosecution. To be eligible, a person must:

- allege that alcoholism, drug addiction, or mental problems caused the person to commit the offense;
- allege that treatment is necessary to prevent recurrence;
- agree to pay for diagnosis and treatment, if financially able;
- stipulate to the admissibility and sufficiency of the facts in the police report;

- acknowledge the admissibility of the stipulated facts in any trial on the charged offense; and
- waive the rights to testify, have a speedy trial, call witnesses, present evidence, and have a jury trial.

The petitioner must be evaluated by an approved treatment facility, which will submit a treatment plan to the court. If the court approves the plan and grants a deferred prosecution, the person will be ordered to undergo treatment in a two-year program. The court must dismiss the charges three years after the person successfully completes the program.

The court may order the person to pay costs incurred by the state in administering the deferred prosecution, up to a maximum of $150. If the person will be unable to pay, the court may not order costs. The court must consider the person's financial resources in determining the amount and method of payment of costs.

Summary: The maximum amount that a court may order a person to pay for administering a deferred prosecution is increased from $150 to $250.

Votes on Final Passage:

House	95	0
Senate	45	0

Effective: June 10, 2010

HB 2490

C 94 L 10

Concerning persons with intellectual disabilities.

By Representative Angel; by request of Statute Law Committee.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: The Revised Code of Washington (RCW) and the Washington Administrative Code both contain extensive references to various individuals with disabilities. With the exception of language used as a specific term of art for purposes of the criminal code and criminal sentencing, these references are generally not essential to describing the circumstances of the particular individual.

Recent legislation has adopted terms that emphasize the individuality of people, no matter what their physical characteristics. Older legislative language utilized terms appropriate to the moment, some of which are neither appropriate nor specifically necessary for the law.

In 2004 legislation was enacted that required the Code Reviser to avoid references to certain words frequently used to describe individuals with disabilities. The specific terms are disabled, developmentally disabled, mentally disabled, mentally ill, mentally retarded, handicapped, cripple, and crippled.

These terms are to be avoided in future laws as well as to be replaced in existing statutes as those statutes are amended by law. The replacement terms are "individuals with disabilities," "individuals with developmental disabilities," "individuals with mental disabilities," "individuals with mental illness," and "individuals with mental retardation."

Last session, the Legislature changed the preferred term to be used in statutes, memorials, and resolutions from "individuals with mental retardation" to "individuals with intellectual disabilities." The Code Reviser was directed to replace the term "mental retardation" with the term "intellectual disability." The Code Reviser was also required to submit a bill with recommendations to the Legislature by December 1, 2009, concerning the replacement of the phrase "mental retardation" with the phrase "intellectual disability" as well as any other perfecting changes to the RCW.

Summary: The Revised Code of Washington (RCW) is updated to remove the demeaning term "individuals with mental retardation" and replace it with "individuals with intellectual disabilities." It is not the intent of the Legislature to expand or contract the scope of the RCW. Nothing in the act may be construed to change the application of any provision of the RCW to any person.

"Intellectual disabilities" replaces the term "mental retardation" in statutes pertaining to:

- capital punishment for aggravated first degree murder;
- dependency and termination of parental rights;
- surrogate parentage contracts;
- the University of Washington's Children's Center for Research and Training in Mental Retardation and Other Handicapping Conditions;
- purchase of federal property for public purposes;
- Washington State Health Care Authority plan coverage for dependents;
- rules for the recovery of paid medical assistance by the Department of Social and Health Services;
- long-term care ombudsman;
- insurance definitions;
- comprehensive community health centers;
- hospital licensing and regulation;
- phenylketonuria and other preventable heritable diseases (screening and services);
- mental health services for minors;
- developmental disabilities;
- medical care services;
- rehabilitative services for individuals with disabilities;
- nursing homes;
- nursing facility Medicaid payment system;
- excise taxes on intermediate care facilities for the mentally retarded; and

- multiuse facilities for the mentally and physically handicapped at the former Harrison Memorial Hospital property.

Votes on Final Passage:

House	97	0
Senate	42	0

Effective: June 10, 2010

ESHB 2493

C 22 L 10 E1

Concerning the taxation of cigarettes and other tobacco products.

By House Committee on Finance (originally sponsored by Representatives Cody, Williams, Pedersen, Kagi, Nelson, Orwall, McCoy, Dickerson, White, Hunt, Darneille, Moeller and Roberts).

House Committee on Finance

Background: Tobacco products are subject to various taxes, including state retail sales and use taxes and tobacco taxes that are paid by wholesalers or distributors of the products in the state. Since July 1, 2009, all collected tobacco taxes have been deposited in the State General Fund, except for approximately 21 percent of cigarette taxes that are deposited in the Education Legacy Trust Account ($83 million in 2009).

Cigarette Taxes. The cigarette tax is added directly to the price of cigarettes before the sales tax is applied. The cigarette tax is due from the first person who sells, uses, consumes, handles, possesses, or distributes the cigarettes in the state. The cigarette tax rate is $0.10125 per cigarette ($2.025 per pack of 20 cigarettes). The taxpayer pays the cigarette tax by purchasing cigarette tax stamps that are placed on cigarette packs.

Tobacco Products Taxes. The tobacco products tax applies to all tobacco products, except cigarettes, which are taxed separately. Examples of tobacco products include cigars, pipe tobacco, snuff, and chewing tobacco. The tobacco products tax is due from the distributor when the distributor brings tobacco products into the state, manufactures tobacco products in the state, or ships tobacco products to retailers in the state.

The tobacco products tax rate is 75 percent of the wholesale price, but for cigars the tax is capped at 50 cents per cigar. The wholesale price is, generally, the actual purchase or selling price charged by the manufacturer or distributor. These tobacco products are not subject to any stamp requirement.

Tobacco Prevention and Control Account. The Tobacco Prevention and Control Account (TPC Account) and the Tobacco Settlement Account were created in 1999, following Washington's entry into the Tobacco Master Settlement Agreement. Revenue for the TPC Account comes from the Tobacco Settlement Account, investments, donations, and other revenue directed by law. Expenditures from the TPC Account are subject to appropriations.

Summary: Beginning May 1, 2010, taxes on cigarettes are increased $1 per pack, and taxes on tobacco products are generally increased from 75 percent to 95 percent of the taxable sales price, with some exceptions.

Cigarette Tax. Beginning May 1, 2010, the cigarette tax rate is increased from $0.10125 to $0.15125 per cigarette (from $2.025 to $3.025 per pack of 20 cigarettes). The additional cigarette tax is deposited in the State General Fund. The amount of cigarette tax deposited into the Education Legacy Trust Account is adjusted to 14 percent of the total cigarette tax to reflect its approximate share of the new total cigarette tax.

Tobacco Products Tax. Beginning May 1, 2010, the tobacco products tax is increased from 75 percent to 95 percent of the taxable sales price, with some exceptions.

Large Cigars. The tobacco products tax rate on large cigars is 95 percent of the taxable sales price but not to exceed 65 cents per cigar.

Small Cigars. The tobacco products tax rate on small cigars is a per cigar tax that is the same as the per cigarette tax ($3.025 per pack of 20). Small cigars are defined as cigars with a cellulose acetate integrated filter.

Moist Snuff. Beginning October 1, 2010, the tobacco products tax rate on moist snuff is based on a single unit package. The tax rate is the greater of 95 percent of the taxable sales price or 83.5 percent of the per pack tax on cigarettes ($2.526 per unit.) For units larger than 1.2 ounces, the tax rate is increased proportionally based on the package size.

Tobacco Tracking Code. Within one year of the date that the federal government requires a tobacco code to track tobacco products, all individual packages must contain the code that would verify if taxes have been paid on the product. If the federal government does not implement a tobacco code by July 1, 2011, the Department of Revenue must, by July 1, 2014, recommend to the Legislature a method of determining whether tax has been paid on a product.

Votes on Final Passage:

First Special Session

House	54	42	
Senate	28	17	(Senate amended)
House	54	43	(House concurred)

Effective: May 1, 2010

ESHB 2496
C 32 L 10

Modifying ballot design provisions.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives White, Orwall, Chase, Dickerson, Carlyle, Upthegrove, Springer, Nelson, Simpson, Miloscia, Dunshee and Hunt).

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: Clear and concise instructions must be printed at the top of each ballot directing the voter on how to mark the ballot. Questions of adopting constitutional amendments or any other state measure must appear immediately after the ballot instructions and before listing any offices.

Summary: Ballots must have a clear delineation between the ballot instructions and where the voting is to begin. This delineation may be through the use of white space, illustration, shading, color, symbol, font size, or bold type. The Secretary of State must establish standards for ballot design and layout.

Votes on Final Passage:

House	98	0	
Senate	48	0	

Effective: June 10, 2010

SHB 2503
C 189 L 10

Regarding membership on the board of natural resources.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representative Blake).

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: The Board of Natural Resources (Board) serves various functions in state government. It is primarily known as the administrative entity responsible for policies relating to the Department of Natural Resources and state trust land management. However, the Board also serves as the state's constitutionally required Commission on Harbor Lines and Board of Appraisers.

The Board is comprised of six members. Those members are required in statute to be the Governor or the Governor's designee, the Superintendent of Public Instruction, the Commissioner of Public Lands, a representative from both the University of Washington (UW) and Washington State University (WSU), and a representative of local government.

The representatives of the two universities are required to be the dean of the UW's "College of Forest Resources" and WSU's "College of Agriculture." Currently, these formal names do not exist for either university. The former UW College of Forest Resources is now a school within the College of the Environment and the dean of that college serves on the Board. The former WSU College of Agriculture is now the College of Agriculture, Human, and Natural Resources Science, and the dean of that college serves on the Board.

Summary: The requirements for service on the Board are changed for the university representatives. The representative of the University of Washington is changed to the director of the School of Forest Resources. The representative of Washington State University is changed to the dean of the College of Agriculture, Human and Natural Resources Science.

Votes on Final Passage:

House	95	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 10, 2010

HB 2510
C 95 L 10

Authorizing public hospital districts to execute security instruments.

By Representatives Kelley, Rodne, Hurst, Bailey, Kirby, Simpson and Morrell.

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

Background: Public hospital districts are types of municipal corporations that are authorized to operate hospitals and other health care facilities and provide other hospital and health care services within a specified community. In addition to operating hospitals, these services may include nursing homes, extended care, long-term care, outpatient and rehabilitation facilities, and ambulance services. As government entities, the authority of public hospital districts is specifically stated in statute. Public hospital districts may survey existing hospitals and health care facilities, manage property, lease facilities and equipment, borrow money, issue and sell bonds, and raise revenue through levies. Other governmental entities such as fire protection districts, port districts, housing authorities, and school district associations have the authority to mortgage property assets.

Through the Federal Housing Administration (FHA), the United States Department of Housing and Urban Development provides insurance for mortgages and loans for, among others, certain healthcare facilities. The stated purpose of this federal insurance program is meant to encourage lenders to offer credit in areas and to borrowers who may not otherwise qualify for conventional loans.

Summary: In connection with the issuance of bonds, a public hospital district may grant a lien on its property pursuant to a mortgage, deed of trust, security agreement, or any other security instrument allowed under applicable law. The bonds must be issued, however, in connection with a federal program providing mortgage insurance, including the mortgage insurance programs administered by the FHA.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 10, 2010

SHB 2515

C 96 L 10

Regarding biodiesel fuel labeling requirements.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Chase, Kenney and Hudgins).

House Committee on Technology, Energy & Communications
Senate Committee on Environment, Water & Energy

Background: The quality of fuel in Washington is regulated by the Motor Fuel Quality Act (Act). Under the Act, the Washington State Department of Agriculture (WSDA) is responsible for developing fuel quality standards and labeling requirements for biodiesel fuel and ethanol. All fuel pumps offering ethanol or biodiesel must be labeled to indicate the percentage of biodiesel or ethanol in the fuel.

Summary: Fuel pumps in the state that offer a biodiesel blend of up to 5 percent must be identified with a label indicating that the fuel may contain up to 5 percent biodiesel. Biodiesel blends above 5 percent must be identified with a label stating the percentage of biodiesel being offered.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: June 10, 2010

ESHB 2518

C 190 L 10

Modifying oath requirements for interpreters.

By House Committee on Judiciary (originally sponsored by Representatives Goodman, Rodne and Kelley; by request of Board For Judicial Administration).

House Committee on Judiciary
Senate Committee on Judiciary

Background: Certified and Registered Interpreters. In 2009 Washington courts hired interpreters in more than 75 languages. The Administrative Office of the Courts (AOC) is responsible for both certifying and registering interpreters. Interpreters can be certified in more than 10 languages and must complete several requirements in order to be certified. If not certified, a qualified interpreter has the option of being registered in more than 40 languages. An interpreter must complete a series of requirements in order to be registered.

The AOC administers the oath taken by interpreters at the time of certification or registration, requiring the interpreters to uphold their code of conduct and accurately interpret for legal proceedings. Every two years, certified and registered interpreters must submit a form to the AOC affirming their compliance with continuing education requirements. The AOC must maintain a current list of certified and registered interpreters.

Interpreter Requirements. Where a non-English speaking person is compelled to appear at a legal proceeding, the presiding officer of the proceeding must appoint an interpreter certified by the AOC unless good cause is noted on the record by the presiding officer. If good cause exists, the officer must appoint a qualified interpreter.

Before beginning to interpret, an interpreter is required to take an oath affirming that the interpreter will make a true interpretation to the person being examined of all the proceedings in a language that the person understands, and that the interpreter will repeat the statements of the person being examined to the court or agency, in English, to the best of the interpreter's ability. A 2009 Court of Appeals case affirmed that this statute requires interpreters to be sworn in at each proceeding at which they will be interpreting.

Summary: Certified or registered interpreters must take the required oath upon certification or registration and every two years thereafter, but they may forego taking the oath at the beginning of each interpreting session. The AOC must maintain a record of the oath taken by certified and registered interpreters in the manner that the list of certified and registered interpreters is maintained.

If the interpreter is not certified or registered, the interpreter must take the oath at the beginning of each interpreting session and submit the interpreter's qualifications on the record.

"Registered interpreter" means an interpreter who is registered by the AOC.

Votes on Final Passage:

House	96	0
Senate	48	0

Effective: June 10, 2010

EHB 2519

C 261 L 10

Addressing duty-related death benefits for public safety employees.

By Representatives Green, Hope, Ericks, Maxwell, Sullivan, Upthegrove, Carlyle, Conway, Simpson, Van De Wege, Kenney, Morrell, Hurst, Campbell and Kelley; by request of LEOFF Plan 2 Retirement Board.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: State Retirement System Death and Disability Benefits. The survivors of employees covered by many of the plans of the Washington retirement systems, as well as other state agency employees, are eligible for a $150,000 lump-sum benefit in the event that the member dies as a result of injuries sustained in the course of employment. If the member belongs to the Public Employees' Retirement System (PERS), the Law Enforcement Officers and Fire Fighters Retirement System (LEOFF), the Teachers' Retirement System (TRS), the School Employees' Retirement System (SERS), the Public Safety Employees Retirement System (PSERS), the Washington State Patrol Retirement System (WSPRS), or the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS), then the benefit is paid from the plan. If the individual was a state, school district, or higher education employee that was not a member of one of the retirement systems listed above, then the benefit is paid as a sundry claim.

If a member of LEOFF Plan 2 or WSPRS Plan 2 dies prior to retirement and has either earned 10 or more years of service or is eligible to retire, the member's designated survivor may choose a monthly benefit actuarially reduced by a joint and 100 percent reduction. This is the same optional joint and 100 percent reduction that is one of the options available to members upon normal retirement. If a LEOFF Plan 2 or WSPRS Plan 2 member has completed fewer than 10 years of service, the member's survivor will receive a benefit equivalent to the member's accumulated contributions.

State Workers' Compensation Benefits. Workers injured in the course of employment receive various industrial insurance benefits. If death results from the injury, the surviving spouse receives a monthly benefit ranging from 60 to 70 percent of the wages of the deceased worker. If a surviving spouse remarries, benefits are discontinued at the end of the month in which remarriage occurs. A surviving spouse who remarries may choose to receive a lump sum of 24 times the monthly rate, with some adjustments. If the surviving spouse does not choose to receive the lump sum and the remarriage ends in death, annulment, or dissolution, monthly benefits may be reinstated. Most members of the Washington State Retirement Systems are covered by the same industrial insurance benefits as other workers; however, in the LEOFF system, only members of LEOFF Plan 2 are eligible for industrial insurance.

State Tuition and Education Benefits. State institutions of higher education may waive all or a portion of tuition and fees for eligible students within certain limits. Categories of eligible students include the children of law enforcement officers or firefighters that died or became disabled in the line of duty. For these waivers, known as state-supported waivers, institutions receive general fund support to offset the tuition not collected from students as a result of granting the waivers. This authority to grant state-supported waivers is capped for each institution at a certain percentage of the total tuition revenue the institution collects. Within its respective percentage cap, each institution decides how to apportion its waiver authority among the various categories of state supported permissive waivers. Institutions also have authority to waive tuition on a space-available basis for certain eligible persons. Student attendance under space-available waivers is not counted for budgetary purposes. In addition to state-supported waivers and space-available waivers, institutions also have authority to waive all or a portion of the tuition operating fee (not the building fee) for any student. These waivers are unsupported discretionary waivers for which the institution receives no state funding to make up for the forgone revenue.

Federal Public Safety Officer Death, Disability, and Education Benefits and Social Security Death Benefits. Employees who meet the federal definition of "public safety officers," including some members of LEOFF, WSPRS, PERS, and PSERS, are also eligible under the federal Public Safety Officers Benefit Act of 1976 (PSOB) for an inflation indexed lump-sum death or catastrophic injury benefit of approximately $312,000 in 2010. The PSOB also provides support for higher education to eligible spouses and children of qualified public safety officers that died or were disabled in the line of duty since 1996. The PSOB educational assistance (PSOEA) defrays tuition, fees, room and board, books, supplies, and other education-related costs. The maximum award for a full-time student is $925 per month of class attendance for 2009. All PSOEA awards must, by law, be reduced by the amount of other governmental assistance that a student is eligible to receive.

Additional federal death benefits are available to survivors of state retirement system members covered by Social Security. The survivors of covered members may be eligible for a death benefit if they meet age, income, or other restrictions. The age eligibility for the Social Security death benefit is based on an age 65 eligibility for full benefits, and reduced benefits are available beginning at age 60. The size of the Social Security death benefit is dependent on the contributions the deceased made to Social Security during the member's career. Members of WSPRS and the majority of LEOFF members do not participate in Social Security.

Summary: State Retirement Systems Death and Disability Benefits. The lump-sum death benefit for members of LEOFF Plan 2 and WSPRS Plan 2 is increased to $214,000 and automatically adjusted each year by an amount equal to the Consumer Price Index for urban wage earners and clerical workers for the Seattle/Tacoma/Bremerton area up to a maximum of 3 percent per year. This applies to all members of LEOFF Plan 2 and WSPRS Plan 2 killed in the course of employment since January 1, 2009.

The 10 year service requirement for a survivor annuity and the joint and 100 percent survivor reduction are removed for survivors of LEOFF Plan 2 and WSPRS Plan 2 members that die in the line of duty. A minimum duty-related death survivor annuity of 10 percent of average final salary is established for LEOFF Plan 2 and WSPRS Plan 2. This applies to all future payments of benefits for LEOFF Plan 2 members that were killed in the course of employment since October 1, 1977, and WSPRS Plan 2 members killed in the course of employment since January 1, 2003.

State Workers' Compensation Benefits. The optional lump sum payment payable upon remarriage is increased for LEOFF 2 and WSPRS 2 survivors of a member killed in the course of employment from an amount equal to 24 times the monthly allowance that the member was receiving at the time of remarriage to an amount equal to 36 times the monthly allowance.

State Tuition and Education Benefits. State institutions of higher education must waive all tuition, service fees, and activity fees for children and spouses of law enforcement officers, firefighters, and Washington State Patrol Officers that die or become totally disabled in the line of duty while employed by any public law enforcement agency or full time or volunteer fire department in Washington.

The boards of higher education institutions must report to the Higher Education Coordinating Board or the State Board for Community and Technical Colleges on the cost of tuition and other fees waived under the act. The state boards must report these results annually to the appropriate fiscal and policy committees of the Legislature.

Votes on Final Passage:

House	93	3	
Senate	46	0	(Senate amended)
House	92	2	(House concurred)

Effective: June 10, 2010

HB 2521

C 110 L 10

Addressing conversion rights upon termination of eligibility for health plan coverage.

By Representatives Driscoll, Williams, Cody, Morrell, Ormsby and Moeller; by request of Insurance Commissioner.

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: When a health plan is canceled by an employer, employees have 31 days from the date the health plan's coverage ends to convert to a new individual policy and avoid a lapse in coverage. If the employee converts to a new individual policy within 31 days of the plan's coverage ending, the employee maintains his or her continuity of coverage, does not need to take the standard health questionnaire, and are not subject to preexisting condition exclusions. If an employer does not promptly notify employees that their employer sponsored health coverage is ending, it may be difficult for an employee to obtain new health coverage within the 31-day eligibility period.

Summary: Employees who lose their employer health coverage have 31 days from the date the health plan's coverage ends, or 31 days from the date they are notified of the loss of coverage, whichever is later, to complete an application for conversion coverage.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 10, 2010

SHB 2525

C 192 L 10

Concerning public facilities districts.

By House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Nealey, Klippert, Chandler and Haler).

House Committee on Community & Economic Development & Trade
Senate Committee on Government Operations & Elections
Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means

Background: A Public Facilities District (PFD) is a municipal corporation with independent taxing authority and is a taxing district under the state Constitution. A PFD may be created by a city, group of cities, county, or a group of cities and a county. A PFD is governed by an appointed board of directors with varying. It is authorized to develop

and operate regional centers and in the case of county PFDs, a recreational facility other than a ski resort.

In 2009 multi-city/county PFDs were authorized for jurisdictions that already had a PFD. These new PFDs were only allowed to develop and operate recreational facilities other than ski resorts. To approve a proposition, a majority of board members representing each city and county participating in the additional PFD must approve the proposition.

A PFD may impose a variety of taxes to fund its regional center or recreational facility. For example, a PFD may levy an admissions tax not exceeding 5 percent, a vehicle parking tax not exceeding 10 percent, and a voter-approved of up to 2 percent sales tax. A county PFD may also impose a voter-approved of up to 2 percent lodging tax.

Summary: The authority to create new multi-city public facilities districts (PFDs) is limited. These PFDs may only be created by a group of at least three contiguous cities with a combined population of at least 160,000, each of which must have already established a PFD. A new multi-city PFD may, in addition to developing recreational facilities, develop regional centers including special events centers. A new multi-city PFD must specify the recreational facility or regional center to be funded in a sales and use tax proposal sent to the voters. No proposals may be submitted to the voters prior to January 1, 2011.

Multi-city PFDs are required to have the approval of a majority of board members from each participating jurisdiction only when submitting tax propositions to the voters.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House	94	1	(House concurred)

Effective: June 10, 2010

SHB 2527

C 152 L 10

Regarding the energy facility site evaluation council.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Chase, Hudgins and Jacks).

House Committee on Technology, Energy & Communications
House Committee on Ways & Means
Senate Committee on Environment, Water & Energy

Background: Energy Facility Site Evaluation Council. The Energy Facility Site Evaluation Council (EFSEC) provides a "one-stop" siting process for major energy facilities in Washington. The EFSEC coordinates all evaluation and licensing steps for siting certain energy facilities in Washington. The EFSEC specifies the conditions of construction and operation. If approved, a site certification agreement is issued in the place of any other individual state or local agency permits. The EFSEC also manages an environmental and safety oversight program of facility and site operations.

Members of the EFSEC. The EFSEC is composed of a chair appointed by the Governor and representatives from five state agencies. Agencies represented on the EFSEC include: (1) the Department of Commerce; (2) the Department of Ecology; (3) the Department of Fish and Wildlife; (4) the Department of Natural Resources; and (5) the Utilities and Transportation Commission. When an application to site a facility is submitted to the EFSEC, representatives from particular cities, counties, or port districts potentially affected by the project are added to the EFSEC for proceedings related to the project.

Energy Facilities Subject to the EFSEC's Site Certification Authority. The EFSEC's siting authority includes the following: (1) large natural gas and oil pipelines; (2) thermal electric power plants 350 megawatts (MWs) or greater and their dedicated transmission lines; (3) new oil refineries or large expansions of existing facilities; and (4) underground natural gas storage fields. In addition, energy facilities of any size that exclusively use alternative energy resources (wind, solar, geothermal, landfill gas, wave or tidal action, or biomass energy) may opt-in to the EFSEC process as well as certain electrical transmission lines. The EFSEC's jurisdiction does not extend to hydro based power plants or thermal electric plants that are less than 350 MWs.

Site Certification Process. The EFSEC certification process provides applicants an opportunity to present their proposals, allows interested parties to express their concerns about the proposed project to the EFSEC, and permits the EFSEC to address issues related to the application.

There are six major steps in the site certification process: (1) application submittal; (2) application review; (3) initial public hearings; (4) environmental impact statement; (5) adjudicative proceedings and permits review; and (6) recommendation to the Governor. Each step has specific requirements the applicant and the EFSEC must follow to ensure a comprehensive and balanced review of the project.

The Site Certification Application Deposit. A site certification application to the EFSEC must be accompanied by a $45,000 deposit that is applied toward the direct costs of processing the application, such as the retention of an independent consultant and a hearing examiner. Additionally, this deposit may pay such reasonable costs as are actually and necessarily incurred by the EFSEC and its members in processing the application.

Site Certification Agreement Deposit. Within 30 days of execution of the site certification agreement, the site certificate holder must deposit $20,000. Reasonable and necessary costs of the EFSEC directly attributable to inspection and determination of compliance by the

certificate holder with the terms of the certification are charged against the deposit.

Summary: Expansion of EFSEC Site Certification Authority. The site certification authority of the EFSEC is expanded to include any nuclear power facilities that primarily produce and sell electricity and biofuel refineries capable of processing more than 25,000 barrels per day of refined product. Biofuel refineries where biofuel production is undertaken at existing industrial facilities are excluded from the EFSEC's expanded site certification authority. The definition of biofuel includes, but is not limited to, biodiesel, ethanol, and ethanol blend fuels and renewable liquid natural gas or liquid compressed natural gas made from biogas.

Deposit for Processing Site Certification Application. A site certification applicant must deposit at least $50,000 or a greater specified amount with the EFSEC at the time an application is submitted. The deposit covers all of the EFSEC's expenses that arise directly from processing a site certification application.

Deposit for Inspections and Compliance Determinations. Within 30 days of executing a site certification agreement, a certificate holder must deposit at least $50,000 or a greater specified amount with the EFSEC. The deposit covers all of the EFSEC's expenses that arise directly from inspecting and determining compliance with the terms of the site certification.

Payment of Site Restoration Costs Requirements. In addition to paying the reasonable costs associated with monitoring the effects of construction and the operation of an energy facility, the certificate holder must pay reasonable costs associated with site restoration of the facility.

Allocation of Rulemaking Costs. Rulemaking costs incurred by the EFSEC in implementing and administering this act must be proportionately divided among the certificate holders and applicants directly affected by this act.

Votes on Final Passage:

House	96	2	
Senate	43	2	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2010

SHB 2533

C 208 L 10

Concerning detention and interstate transfer of persons found not guilty by reason of insanity.

By House Committee on Human Services (originally sponsored by Representatives Pearson, Hurst, Kelley and Morrell).

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

Background: Extradition for Persons Charged with or Convicted of a Crime. The executive authority of another state may make a demand to Washington for the extradition of a person charged with a crime. However, no such demand will be recognized by Washington's Governor unless evidence in writing is provided that the accused person was present in the demanding state at the time of the commission of the alleged crime and that the accused has fled. The writing must be accompanied by a copy of an indictment or information supported by an affidavit in the state having jurisdiction over the crime. The writing may also be supported by other evidentiary documents in support of a warrant issued by the demanding state, such as a judgment and sentence.

If the Governor of Washington decides to comply with the demand for extradition and issues a warrant for arrest, the person arrested has a right to a hearing before a court, a right to counsel, and a right to challenge the legality of his or her arrest before being extradited. The individual may also waive those rights.

Extradition for Persons Not Charged with a Crime. There are no extradition procedures in place in Washington for individuals who have not committed a crime but who have fled a state after having been assessed as having some kind of mental disorder or while a hearing is pending to determine whether there is a mental disorder and whether the person should be taken into custody because of his or her mental disorder. At least eight states have enacted the "Uniform Act for the Extradition of Persons of Unsound Mind." They are Hawaii, Illinois, Indiana, Louisiana, Maryland, Vermont, Alaska, and Colorado. The Uniform Act gives states the authority to extradite a person of "unsound mind" if requested by another state.

Summary: Civil Commitment. A person who has been found Not Guilty by Reason of Insanity and who has fled from another state while under commitment or on conditional release may be committed under the procedures of the Involuntary Treatment Act without application of the "likelihood or serious harm" or "gravely disabled" standards upon presentation of specific documentation from the state from which the person had been originally committed.

Rights of Detained Person. The person who has been initially committed is entitled to a probable cause hearing, the assistance of counsel, and the other rights afforded any person who is subject to a civil commitment under the Involuntary Treatment Act. The court, upon a finding of probable cause, may detain the person for up to 30 days for the purpose of transfer of the person to the requesting state. The court may order a less restrictive alternative only under conditions that ensure the person's safe transfer to the custody or care of the requesting state within 30 days and without undue risk to the safety of the person or others.

Votes on Final Passage:

House	96	0	
Senate	45	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 10, 2010

SHB 2534

C 265 L 10

Establishing a program to verify the address of registered sex offenders and kidnapping offenders.

By House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Hurst, Pearson, O'Brien, Chase, Kelley, Conway, Van De Wege, Sells, Ericks, Morrell, Kirby, Campbell, Haigh and Smith).

House Committee on Public Safety & Emergency Preparedness
House Committee on General Government Appropriations
Senate Committee on Human Services & Corrections

Background: Sex and Kidnapping Offender Registration and Reporting Requirements. A sex or kidnapping offender must register with the county sheriff of the county in which he or she resides. Level II and III sex offenders who have a fixed residence must report to the county sheriff every 90 days. An offender who lacks a fixed residence must report weekly to the county sheriff. The sheriff may require the person to provide a list of the locations where he or she stayed over the last seven days.

A person who knowingly fails to comply with the registration requirements is guilty of a Failure to Register In *State v. Flowers*, the Washington Court of Appeals found that because the statute authorizes the sheriff to require an offender without a fixed residence to provide a list of locations where he or she stayed but does not itself require a list, an offender may not be convicted of Failure to Register if he or she fails to provide an accurate list to the sheriff.

Verification of a Registered Sex or Kidnapping Offender's Address. The chief law enforcement officer of a jurisdiction must make reasonable attempts to verify the address of registered offenders in the jurisdiction. "Reasonable attempts" are defined to include: (1) for registered sex and kidnapping offenders, an annual mailing of an address verification form; and (2) for sexually violent predators, a mailing every 90 days of an address verification form. The offender must sign and return the form to the chief law enforcement officer of the jurisdiction within 10 days of receipt.

Summary: Verification of a Registered Sex or Kidnapping Offender's Address. When funded, the Washington Association of Sheriffs and Police Chiefs (WASPC) must administer a grant program for sex and kidnapping offender address verification by local governments. The WASPC must:

- enter into performance-based agreements with local governments so that offenders' addresses are verified every 12 months for level I and unclassified offenders, every six months for level II offenders, and every three months for level III offenders;
- collect performance data; and
- submit an annual report to the Governor and the Legislature.

Unclassified offenders and kidnapping offenders are considered at risk level I, unless the local jurisdiction believes a higher classification level is in the interest of public safety.

"Reasonable attempts" to verify an offender's address include participation in the WASPC grant program. If a sheriff, police chief, or town marshal does not participate in the WASPC grant program, the chief law enforcement officer of the jurisdiction must send an annual address verification form to offenders in the county and must send an address verification form every 90 days to sexually violent predators.

County sheriffs and police chiefs or town marshals may enter into agreements to fulfill these address verification obligations.

Offender Reporting Requirements. Level II and III sex offenders with a fixed residence are no longer required to report to the county sheriff every 90 days.

An offender who lacks a fixed residence must keep an accurate accounting of where he or she stayed during the week and provide it to the sheriff upon request.

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House	96	0	(House concurred)

Effective: June 10, 2010

ESHB 2538

C 153 L 10

Regarding high-density urban development.

By House Committee on Ecology & Parks (originally sponsored by Representatives Upthegrove, Taylor, Eddy, Pedersen, Clibborn, Chase and Springer).

House Committee on Ecology & Parks
Senate Committee on Government Operations & Elections
Senate Committee on Environment, Water & Energy

Background: Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. The GMA establishes numerous requirements for planning governments obligated by mandate or

choice to fully plan under the GMA (planning jurisdictions) and a reduced number of directives for all other counties and cities. Twenty-nine of Washington's 39 counties, and the cities within those counties, are planning jurisdictions.

The GMA directs planning jurisdictions to adopt internally consistent comprehensive land use plans that are generalized, coordinated land use policy statements of the governing body. Comprehensive plans must address specified planning elements each of which is a subset of a comprehensive plan. Comprehensive plans must be coordinated and be consistent with those of other counties and cities with which the county or city has common borders or related regional issues. The implementation of comprehensive plans occurs through development regulations mandated by the GMA.

State Environmental Policy Act. The State Environmental Policy Act (SEPA) establishes a review process for state 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. Any governmental action may be conditioned or denied pursuant to the SEPA, provided the conditions or denials are based upon policies identified by the appropriate governmental authority and incorporated into formally designated regulations, plans, or codes.

Local governments and state agencies must prepare an Environmental Impact Statement (EIS) for legislation and other major actions that significantly affect the quality of the environment. The EIS must include detailed information about the environmental impact of the proposed action, any adverse environmental effects that cannot be avoided if the proposal is implemented, and alternatives, including mitigation, to the proposed action.

Transfer of Development Rights. A transfer of development rights (TDR) occurs when a qualifying land owner, through a permanent deed restriction, severs potential development rights from a property and transfers them to a recipient for use on a different property. In TDR transactions, transferred rights are generally shifted from sending areas with lower population densities to receiving areas with higher population densities. The monetary values associated with transferred rights constitute compensation to a land owner for development that may have otherwise occurred on the transferring property. Programs for transferring development rights may be used to preserve natural and historic spaces, encourage infill, and for other purposes.

The Department of Commerce has been directed to fund a process to develop a regional TDR program that comports with the GMA. In addition to specifying numerous requirements for the Department of Commerce, the TDR program must encourage King, Kitsap, Pierce, and Snohomish counties, and the cities within these counties, to participate in the development and implementation of regional frameworks and mechanisms that make TDR programs viable and successful. The Department of Commerce must also work with these counties to develop an interlocal agreement for the regional TDR program.

Planning and Environmental Review Fund. Established in 1995, the Growth Management Planning and Environmental Review Fund (PERF) is a grant program that is administered by the Department of Commerce. Under the PERF, a grant may be awarded to a jurisdiction to assist with the costs of preparing an environmental analysis under the SEPA that is integrated with qualifying land use planning actions or activities. To qualify for a grant, a county or city must meet certain requirements. In awarding grants, the Department of Commerce must give preference to proposals that include one or more specific elements.

Development Fees. With some exemptions, counties, cities, towns, and other municipal corporations are prohibited from imposing any tax, fee, or charge, either direct or indirect, on the construction or reconstruction of buildings, or on the development, subdivision, classification, or reclassification of land. This prohibition, however, does not prohibit cities, towns, counties, or other municipal corporations from collecting reasonable permit fees, inspection fees, or fees to prepare detailed statements required by the SEPA.

Summary: Growth Management Act. A city with a population greater than 5,000 that is required to comply with the GMA may elect to adopt subarea development elements to its comprehensive plan. The subarea must be located in either: (1) a mixed-use or urban center designated in a land use or transportation plan adopted by a regional transportation planning organization; or (2) within one-half mile of a major transit stop that is zoned to have an average minimum density of 15 dwelling units or more per acre.

A city of any size that is required to comply with the GMA and is located on the east side of the Cascade mountains in a county with a population of 230,000 or less may elect to adopt subarea development elements to its comprehensive plan. The subarea plan must be located within a mixed-use or urban center.

State Environmental Policy Act. A city that elects to include subarea development elements into its comprehensive plan must prepare a nonproject EIS specifically for the subarea. At least one community meeting must be held before the scoping of the EIS. All property owners within the subarea and within 150 feet of the subarea must be notified of the community meeting. Federally recognized native American tribes whose ceded area is within one-half mile of the subarea must also be notified. Additional notice provisions are specified. A person may appeal the adoption of the subarea or the implementing regulations if he or she meets the requirements for standing provided in the GMA.

In a city with over 5,000 residents (large city), community meeting notices must be mailed to all small

businesses and community development and preservation authorities within the subarea and within 150 feet of the subarea. A large city must also analyze whether the subarea plan will result in the displacement or fragmentation of businesses, existing residents, or cultural groups. The analysis must be discussed at the community meeting and amended into the nonproject EIS, but it is not a part of the EIS.

Until July 1, 2018, project specific developments may not be appealed as long as they are within the scope of the EIS and the development application is vested within a timeframe established by the city not to exceed 10 years from the adoption of the final EIS. After July 1, 2018, project specific developments may not be appealed as long as they are within the scope of the EIS, the final EIS is issued by July 1, 2018, and the development application is vested. If a project specific development is inconsistent with the subarea plan development regulations, then additional environmental review is required.

Transfer of Development Rights. A city that elects to include subarea development elements into its comprehensive plan must establish a TDR program, in consultation with the county, that conserves long-term commercially significant agriculture and forest land as determined by the county. If the city does not establish a TDR program, it must state the reasons in the record for not starting such a program. A city's decision to not establish a TDR program may not be appealed.

Cost Recovery. A city may apply for grant funding for the nonproject EIS for a subarea development from the PERF administered by the Department of Commerce. A city may also recover costs through private funding and by assessing a fee to those developments that are within the scope of the nonproject EIS. The collection of the assessment fee is specifically authorized within the excise taxes law.

Standards for determining the assessment fee must be adopted in an ordinance by the city. The standards must be based upon the proportion of benefits and impacts of each development project within the scope of the nonproject EIS. Any disagreement regarding the amount of the assessment fee may not delay issuance of the permit by the city. If a city provides for an administration appeal of the development project, the assessment fee disagreement must be resolved in the same administrative appeal process.

Votes on Final Passage:

House	90	5	
Senate	46	0	(Senate amended)
House	91	3	(House concurred)

Effective: June 10, 2010

E2SHB 2539

C 154 L 10

Optimizing the collection of source separated materials.

By House Committee on Ways & Means (originally sponsored by Representative Upthegrove).

House Committee on Ecology & Parks
House Committee on Ways & Means
Senate Committee on Environment, Water & Energy

Background: Local governments are required to prepare a coordinated, comprehensive solid waste management plan that can be integrated into the comprehensive county plan. Each solid waste plan must include a waste reduction and recycling element. The waste reduction and recycling element of each local comprehensive solid waste management plan includes the levels of service for both urban and rural areas; the counties and cities determine which areas should be designated as urban or rural.

Each solid waste management plan is submitted to the Department of Ecology (DOE) for approval. The DOE then provides the Utilities and Transportation Commission (UTC) with a copy of the plan. The UTC reviews the plan's assessment of the cost of solid waste collection and its impacts on rates charged by regulated solid waste collection companies and provides advice on the probable effects of the plan's recommendations. Both the DOE and the UTC must provide technical assistance when necessary.

Once approved, each solid waste management plan must be maintained in a current condition and reviewed and revised periodically.

Summary: In the comprehensive solid waste management plan, each county within the state must plan for solid waste and materials reduction, collection, and handling and management services and programs throughout the state, as designed to meet the unique needs of each county and city. When updating a solid waste management plan, local comprehensive plans must consider and plan for the following handling methods or services:

- source separation of recyclable materials and products, organic materials, and wastes by generators;
- collection of source separated materials;
- handling and proper preparation of materials for reuse or recycling;
- handling and proper preparation of organic materials for composting or anaerobic digestion; and
- handling and proper disposal of nonrecyclable wastes.

In addition, when updating a solid waste management plan, each plan must consider methods that will be used to address the following:

- construction and demolition waste for recycling or reuse;

- organic material including yard debris, food waste, and food contaminated paper products for composting or anaerobic digestion;
- recoverable paper products for recycling;
- metals, glass, and plastics for recycling; and
- waste reduction strategies.

Upon request of a county, the UTC may approve rates, charges, or services at a discount for low-income senior customers and low-income customers, as adopted by the county in its comprehensive solid waste management plan. Expenses and lost revenues as a result of these discounts must be included in the company's cost of service and recovered in rates to other customers.

The UTC must allow solid waste collection companies collecting recyclable materials to retain up to 50 percent of the revenue paid to the companies for the recyclable material if the companies submit a plan to the UTC that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that plan demonstrates how those revenues will be used to increase recycling.

Votes on Final Passage:

House	96	1
Senate	48	0

Effective: June 10, 2010

HB 2540

C 173 L 10

Concerning the practice of dentistry.

By Representatives Cody, Pedersen, Nelson, Kenney and Morrell.

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Prior to 2008 a dentist licensed in another state could become licensed in Washington if he or she graduated from a dental school approved by the Dental Quality Assurance Commission (DQAC). The DQAC approved, by rule, all dental schools accredited by the American Dental Association's Commission on Dental Accreditation (CODA). If the applicant graduated from a school that was not approved by the CODA or listed by the World Health Organization, he or she had to complete at least two additional years of pre-doctoral or post-doctoral dental education prior to licensure in Washington.

In 2008 an alternate means for licensing out-of-state dentists was enacted. This allows an applicant to be licensed if he or she practiced in another state for at least four years and completes a one-year postdoctoral residency approved by the DQAC. The residency may have been completed outside of Washington. These provisions expire on July 1, 2010.

As part of the law creating the alternative means of licensure, the DQAC was required to recommend appropriate standards for issuing a license to a foreign-trained dentist. In December 2009 the DQAC issued its report, which recommended continuing the licensing standards created in 2008.

Summary: The expiration date on the dental licensing standards created in 2008 is eliminated.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: June 10, 2010

ESHB 2541

C 188 L 10

Promoting the economic success of the forest products industry.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Takko, Orcutt, Kessler, Kretz and Blake).

House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
Senate Committee on Natural Resources, Ocean & Recreation

Background: The Forest Practices Board (Board) is a 13-member independent panel chaired and administered by the Commissioner of Public Lands. The main duty of the Board is to adopt and maintain the forest practices rules. The forest practices rules are the administrative rules that govern all private and state forest practice activities and establish minimum standards for forest practices. They also provide procedures for the voluntary development of management plans, establish necessary administrative provisions, and allow for the development of watershed analyses.

There are 10 stated purposes of the forest practices rules. These purposes include affording protection to forest soils, recognizing the public and private interest in profitable timber growing, avoiding unnecessary duplication of regulation, providing interagency and tribal coordination and cooperation, achieving compliance with water pollution laws, giving consideration to local planning efforts, and promoting permitting efficiency.

Summary: The Department of Natural Resources (DNR) is required to develop landowner conservation proposals that support forest landowners by December 31, 2011. In the development of the proposals, the DNR must consult with the Board, Indian tribes, small forest landowners, conservation groups, industrial foresters, and state, federal, and local government. The proposed initiatives, if any, must be presented to the Governor, the Legislature, the Commission of Public Lands, and the Board. The DNR

must also offer to present its findings to the Washington congressional delegation, local governments, and appropriate agencies of the federal government.

The scale of the proposals developed by the DNR must be based on the resources available. The DNR may seek federal and private funds to support the development of proposals.

The School of Forest Resources at the University of Washington is required to continue to work with stakeholders concerned with the state's forest resources to help in the recruitment, training, and education of a work force that help address critical forest issues.

The purposes of the forest practices rules also include assisting landowners in accessing market capital and financing for ecosystem services.

Votes on Final Passage:

House	98	0	
Senate	45	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2010

SHB 2546
C 33 L 10

Concerning classroom training for electrical trainees.

By House Committee on Commerce & Labor (originally sponsored by Representatives Van De Wege, Conway, Morrell, Angel, Dunshee and Santos).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Department of Labor and Industries (Department) administers electrician certification laws. In order to work in the electrical construction trade, a person must hold a journeyman electrician certificate, a specialty electrician certificate, or an electrical training certificate issued by the Department. Certified electrical trainees working in the trade must be supervised by a certified journeyman or specialty electrician. There are no requirements for obtaining an initial electrical training certificate, other than applying for certification with the Department. Trainees must renew the certificate biennially.

To renew an electrical training certificate, a person must provide the Department with:

- a list of the trainee's employers in the electrical construction industry for the previous biennial period and the number of hours worked for each employer; and
- proof of 16 hours of approved classroom electrical continuing education courses covering national and state electrical codes or electrical theory, or equivalent courses taken as part of an approved apprenticeship or electrical training program.

Summary: The requirements for renewing an electrical training certificate are modified. The number of classroom hours required to renew an electrical training certificate is increased from 16 to 32 beginning on July 1, 2011, and from 32 to 48 beginning on July 1, 2013.

The requirement for approved classroom electrical continuing education courses is replaced with a requirement for approved classroom training.

Upon request, the Department of Labor and Industries must provide information to legislative committees on the implementation of the new trainee education standards by December 1, 2012.

Votes on Final Passage:

House	58	37
Senate	27	20

Effective: July 1, 2011.

ESHB 2547
C 178 L 10

Concerning franchise agreements between new motor vehicle dealers and manufacturers.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Condotta, Maxwell, Sullivan, Roach, Kessler, Sells, Kenney, Appleton, Hunter, Pedersen, Upthegrove, Hinkle, Ormsby, Herrera, Kretz, Hasegawa, Campbell, Takko, Springer, Dammeier and Haler).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Motor vehicle manufacturers maintain a franchise relationship with their dealers. State law and the franchise agreement outline the responsibilities of each party. The law generally dictates when a manufacturer may own a franchise or terminate a dealer's franchise, and establishes prohibited practices for manufacturers.

Termination, Cancellation, or Nonrenewal of a Franchise. A manufacturer's ability to terminate a franchise is restricted. A manufacturer must comply with notice requirements. A dealer may also request a hearing by an administrative law judge to determine that there is good cause for the termination of the franchise and that the manufacturer has acted in good faith.

Except in certain cases that constitute good cause for termination, cancellation, or nonrenewal of a franchise, a manufacturer must pay the dealer:

- the unexpired term of the lease or one year, whichever is less, if the dealer is leasing the dealership facilities from someone other than the manufacturer; or
- the reasonable rental value of the dealership facilities for one year or until the facilities are leased or sold,

whichever is less, if the dealer owns the new motor dealership facilities.

Warranty Work. Manufacturers must specify the dealer's obligation to perform warranty work or service on the manufacturer's products in franchise agreements. Manufacturers must provide dealers with a schedule of compensation to be paid to the dealer for warranty work or service required of the dealer by the manufacturer in connection with the manufacturer's products.

Designated Successor to Franchise Ownership. An owner may appoint a designated successor to ownership of the franchise upon the owner's death or incapacity if the designated successor meets certain requirements.

Sale, Transfer, or Exchange of Franchise. A manufacturer may not unreasonably withhold consent to the sale of a franchise to a qualified buyer who meets the normal, reasonable, and uniformly applied standards established by the manufacturer for the appointment of a new dealer. In determining whether a manufacturer unreasonably withheld its approval, the manufacturer has the burden of proof that it acted reasonably. A manufacturer's refusal to accept or approve a proposed buyer who otherwise meets the normal, reasonable, and uniformly applied standards established by the manufacturer for the appointment of a new dealer, or who otherwise is capable of being licensed as a new motor vehicle dealer, is presumed to be unreasonable.

Summary: Termination, Cancellation, or Nonrenewal of a Franchise. During a legal dispute concerning the termination of a franchise, a dealer's franchise is maintained. For purposes of the notice requirements of the termination of a franchise, a discontinuance of the sale and distribution of a motor vehicle line, or the constructive discontinuance by material reduction in selection offered such that continuing to retail the line is no longer economically viable for a dealer, is considered a termination of a franchise.

In addition to the other required sums that the manufacturer is required to pay in certain terminations of a franchise, a manufacturer must also pay the dealer for the costs of any relocation, substantial alteration, or remodeling of a dealer's facilities required by a manufacturer that was completed within three years of the termination. A manufacturer is not required to pay the sums if the dealer voluntarily terminates the franchise. The manufacturer must also pay the dealer the fair market value of the dealer's goodwill within 90 days of the termination.

Warranty Work. The schedule of compensation for warranty work must not be less than the rates charged by the dealer for similar service to retail customers for non-warranty service and repairs and the schedule of compensation for any existing dealer. For parts, the rates charged by the dealer is the price paid by the dealer increased by the dealer's average percentage markup. For labor, the manufacturer must pay the dealer rates charged to retail customers.

Designated Successor to Franchise Ownership. If an owner has owned the dealership for more than five consecutive years, the owner may appoint a designated successor to be effective on a date of the owner's choosing that is prior to the owner's death or disability. A dealer must notify the manufacturer at least 30 days before a designated successor's proposed succession.

Unfair Practices. Several unfair practices by manufacturers are added. A manufacturer may not:

- discriminate against a dealer by preventing, offsetting, or otherwise impairing the dealer's right to request a documentary service fee on affinity or similar program purchases;
- terminate a franchise because the dealer relocates the manufacturer's or distributor's make or line of vehicles to an existing dealership facility that is within the relevant market area, except that, in any non-emergency circumstance, the dealer must give the manufacturer at least 60 days notice;
- terminate a franchise based on the failure of a franchisee to change the location of the dealership or to make substantial alterations to the use or number of franchises on the dealership premises or facilities;
- require a dealer to make a material alteration, expansion, or addition to any dealership facility, unless the required alteration, expansion, or addition is uniformly required of similarly situated dealers and is reasonable in light of all existing circumstances, including economic conditions;
- prevent any dealer from changing the executive management of a dealer unless the manufacturer can show that a proposed change will result in executive management by a person who is not of good moral character or who does not meet reasonable, preexisting, and equitably applied standards of the manufacturer; or
- condition the sale, transfer, relocation, or renewal of a franchise agreement or condition sales, services, parts, or incentives upon site control or an agreement to make improvements or substantial renovations to a facility. A "substantial renovation" is anything that costs a dealer more than $5,000.

A waiver of franchise law is prohibited, except that certain manufacturer obligations and dealer rights may be waived if the waiver is set forth in a written contract and separate consideration is given.

Sale, Transfer, or Exchange of Franchise. A manufacturer may not withhold consent to the sale, transfer, or exchange of a franchise to a qualified buyer who meets the normal, reasonable, and uniformly applied standards established by the manufacturer for the appointment of a new dealer who does not already hold a franchise with the manufacturer or is capable of being licensed as a dealer.

Vehicle Export. A manufacturer may not take or threaten to take any adverse action against a dealer because the dealer sold or leased a vehicle to a customer who exported the vehicle or who resold the vehicle, unless the manufacturer definitively proves that the dealer knew or should have known of the customer's intentions. A manufacturer must indemnify, hold harmless, and defend dealers from claims against the franchisee for any policy or program of the manufacturer for sales of vehicles to parties that intend to export a vehicle purchased from the franchisee.

Manufacturer Liability. Manufacturers are liable for claims against the dealer if the claim results from:

- the condition, characteristics, manufacture, assembly, or design of any vehicle, parts, accessories, tools, or equipment manufactured by the manufacturer;
- service systems, procedures, or methods required or recommended by the manufacturer;
- improper use by the manufacturer of nonpublic personal information obtained from a dealer; or
- any act or omission of the manufacturer for which the dealer would have a claim for contribution or indemnity.

Attorneys' Fees. A dealer injured by a violation of the franchise provisions may bring a civil action to recover damages, together with the costs of the suit, including reasonable attorneys' fees if the dealer prevails.

Votes on Final Passage:

House	95	0	
Senate	46	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 10, 2010

2SHB 2551

C 174 L 10

Establishing the Washington vaccine association.

By House Committee on Ways & Means (originally sponsored by Representatives Cody, Green, Sullivan, Pedersen, Darneille and Moeller).

House Committee on Health Care & Wellness
House Committee on Ways & Means
Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means

Background: Washington purchases vaccines for all children regardless of their health insurance coverage and participates in the free distribution system provided by the federal government for federally and state-funded vaccines. This universal purchase program has provided access to the federal Centers for Disease Control and Prevention (CDC) contract pricing of the vaccines, and a single order distribution system that gets vaccines delivered to all health care providers in the state.

The 2009-2011 State Omnibus Appropriations Act provided state funding for the universal purchase vaccine system until May 2010. When state funding ends, the federal Vaccines for Children (VFC) program will continue to purchase vaccines for Medicaid, Native American/Alaskan, uninsured, and underinsured children. State purchasing of vaccines for non-VFC children will end, impacting children covered by individual insurance policies, employer-based coverage, and Taft-Hartley plans by shifting expenses for the vaccine purchase to these other plans and ending access to the CDC contract pricing. Elimination of the universal purchase system will also end the single order distribution system for providers, and require providers to establish a separate and parallel system for purchase, storage, and administration of vaccines for non-VFC children. This may result in an increased expense and workload for health care providers as they will have to account for vaccines differently, depending on whether the entity paying for the vaccine is a public or private party.

Summary: The Washington Vaccine Association (WVA) is formed as a nonprofit corporation to facilitate universal purchase of vaccines for children and assess health carriers and third-party administrators for the cost of vaccines for certain children under the age of 19 years. The WVA Board of Directors (Board) members are provided immunity from liability for lawful actions taken in the performance of their duties.

The Board includes: five representatives from the licensed health carriers with the most covered lives in Washington; four third-party administrators, two representing the Taft-Hartley health benefit plan with the most covered lives in Washington and two representing private self-funded health care purchasers; two health care providers, including one board certified pediatrician; and the Secretary of the Department of Health (Secretary) as an ex officio member.

Beginning November 1, 2010, and annually thereafter, the WVA Board must establish the amount of the assessment and the assessment payment plan. Payments are deposited in the Universal Vaccine Purchase Account (Account) established in the custody of the State Treasurer. The assessment amount is determined by multiplying the ratio of the number of covered children (non-VFC children under 19-years-old) to the total number of Washington residents under 19-years-old, by the total nonfederal program costs for the vaccines. Each participant must be assessed in proportion to its number of covered children. The initial assessment is calculated to reflect the anticipated total nonfederal program cost for the upcoming calendar year, as well as the anticipated nonfederal program cost for May through December 2010. Participants may deposit voluntary assessments into the Account prior to December 31, 2010, that will be credited to the total assessment due. Advance notice of the assessment due must be provided by November 15 of each year, and initial payment must be deposited within 90 days.

The Board must establish a committee to develop recommendations to the Board on the vaccines to be purchased for the upcoming year. The committee is comprised of at least five voting members, including three carrier or third-party administrator representatives, one physician, the Secretary or the Secretary's designee, and one nonvoting member representing the vaccine manufacturers. The representative of the vaccine manufacturers is chosen by the Secretary from a list of three nominees submitted collectively by vaccine manufacturers. In selecting vaccines, the committee should consider patient safety and clinical efficacy, public health and purchaser value, patient and provider choice, compliance with RCW 70.95M.115, and stability of vaccine supply.

The Secretary must fine participants that have not paid the assessment within six months of notification. The fine is 125 percent of the delinquent assessment, and must be deposited into the Account. The Board must establish a disbute mechanism through which assessment determinations can be challenged.

All entities that act as third-party administrators for a health insurer or health care purchaser must register with the Department of Licensing (DOL) as a third-party administrator by September 1, 2010, and renew their registration annually. A third-party administrator that does not register with the DOL is subject to a civil fine of between $1,000 and $10,000 for each violation.

Physicians and clinics ordering state-supplied vaccine must ensure they have billing mechanisms in place that enable the WVA to accurately track vaccine delivered to each covered life and must submit documentation requested by the Board. Physicians and others providing childhood immunizations are strongly encouraged to use state supplied vaccine whenever possible. Health insurance carriers and third-party administrators may deny claims for vaccine serum costs when serum or serums providing similar protection are available through state supplied vaccine.

If any portion of this program is invalidated by a court, the Board may terminate the program 120 days following a final judicial determination. The assessments paid by carriers may be considered medical expenses for rate setting purposes, and the assessments received by the WVA are not subject to the state business and occupation tax.

The Board may vote to recommend termination of the WVA on or after June 30, 2015, if the Board finds the original intent to ensure more cost-effective purchase and distribution of vaccine than if provided through uncoordinated purchase by health care providers has not been achieved. The recommendation must be provided to the Legislature within 30 days of the vote, and if the Legislature has not acted to reject the Board's recommendation by the last day of the next regular legislative session, the Board may vote to permanently dissolve the WVA.

Votes on Final Passage:

House	97	0	
Senate	44	2	(Senate amended)
House	95	0	(House concurred)

Effective: March 23, 2010

SHB 2555

C 55 L 10

Authorizing the department of labor and industries to issue subpoenas to enforce production of information related to electricians and electrical installations.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Simpson, Ormsby and Moeller).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Department of Labor and Industries (Department) is responsible for licensing electrical contractors and certifying electricians. An electrical contractor license is required for a business to do most electrical work. Certification is required for a worker participating in the electrical construction trade. Violations are subject to a penalty.

The Department may inspect a job site to determine whether electrical contractors and electricians have complied with the requirements for licensing, certification, and installation. The inspector may choose to inspect a particular job site or may be requested by a third party to inspect a particular site.

The Department may audit an electrical contractor's records in order to verify the hours of experience submitted by an electrical trainee to the Department under certain circumstances.

There is no statutory authority for the Director of the Department (Director) to issue subpoenas related to its enforcement activities. However, subpoena authority is given to the Director and the Director's representatives in the context of registered contractors to enforce the production and examination of a list of the registered contractors working on the property, contracts between the registered contractor and any suppliers or subcontractors, and any other information necessary to enforce contract registration. The subpoena may only be issued if the contractor fails to provide the information when requested. The superior court may enforce such subpoenas.

Summary: The Director and the Director's representatives are authorized to issue subpoenas to enforce the production and examination of any information needed to enforce the law relating to electricians and electrical installations if there is reason to believe a violation has taken place.

The subpoena may only be issued if the person to which the electrician and electrical installation law applies fails to provide the requested information.

The subpoena and the request for information must describe the possible violation, cite the relevant law, and explain how the information being requested or subpoenaed is reasonably related to the possible violation.

The superior court is authorized to enforce such a subpoena.

Votes on Final Passage:

House	96	0
Senate	32	13

Effective: June 10, 2010

ESHB 2560

C 230 L 10

Forming joint underwriting associations.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Orwall, Upthegrove, Quall, Simpson, Nelson and Morrell; by request of Insurance Commissioner).

House Committee on Financial Institutions & Insurance
House Committee on General Government Appropriations
Senate Committee on Financial Institutions, Housing & Insurance

Background: Flood Insurance. In 1968 the federal government created the National Flood Insurance Program (NFIP) to limit flood damage and to provide coverage. According to the NFIP, approximately 32 insurers participate in the NFIP in Washington. There is no state oversight of the NFIP policies. The NFIP policies may be offered by participating insurers and their agents. Agents licensed in Washington who sell federal flood insurance policies are required by state law to comply with the minimum training requirements required by the Federal Emergency Management Agency. Flood insurance is not generally provided by the authorized insurance market. Flood damage is excluded in most private property insurance policies. Flood coverage may be available above the NFIP policy limits, often in the surplus lines markets.

The NFIP policy limits are generally as follows (higher limits of building coverage may be available in Alaska, Hawaii, the U.S. Virgin Islands, and Guam):

Building Coverage.	
Single-family dwelling	$250,000
Other residential	$250,000
Non- residential	$500,000
Contents Coverage.	
Residential	$100,000
Non-residential	$500,000

Market Assistance Plans. A Market Assistance Plan (MAP) is a voluntary mechanism by insurers writing casualty insurance in this state (in either the admitted or non-admitted market) to provide casualty insurance for a class of insurance. The bylaws and method of operation of any MAP must be approved by the Insurance Commissioner (Commissioner) prior to its operation. A MAP must have a minimum of 25 insurers willing to insure risks within the designated class of insurance. The Commissioner may compel casualty insurers to participate to fulfill the quota. The Commissioner's requirement is a condition of continuing to do business in this state. The Commissioner's designation must be based on the insurer's premium volume of casualty insurance in this state. Essentially, a MAP does not provide or require coverage. Instead, it is a mechanism intended to allow the potential insured to have his or her application reviewed by the MAP participants.

Joint Underwriting Authorities. A Joint Underwriting Authority (JUA) is a statutorily created entity authorized to provide coverage in specific markets where insurance is all but unavailable. A JUA is generally intended to solve issues of availability of insurance, although it may have some impact on affordability also. Once a JUA is authorized, the Commissioner usually has the authority to establish a nonprofit entity that provides insurance coverage to a specified class of prospective insureds. The JUA is composed of insurers who may be compelled to participate as a condition of continuing to do business in this state. Those insurers are usually licensed to sell that type of product. To help fund the JUA, the Commissioner may impose monetary assessments. The Commissioner usually adopts a plan of operation by rule. That plan may be developed primarily by the Commissioner or the participating insurers. Administration of the JUA may be contracted to a servicing insurer. Rates and forms are usually established by the JUA's member insurers. Those rates and forms are subject to the same standards as are applicable in the market.

There are two statutorily created JUAs in the state;

- the Day Care JUA, established in 1986 but never activated; and
- the Midwives' JUA created in 1993.

The Midwives' JUA.

The JUA providing midwifery and birth center malpractice insurance was activated after a MAP did not resolve market issues. The Midwives' JUA is governed by a board of representatives from member insurers, the service insurer, and other industry licensees. Board members are appointed by the Commissioner. Standards for eligibility for coverage are established by rule. Member insurers are insurers that have a certificate of authority to write medical malpractice, general casualty insurance, or both in Washington. All member insurers are liable for the assessment for the startup costs of the JUA. Any ongoing assessment is based on "direct premiums earned" in Washington for "medical malpractice" and for specific "other liability" on the member insurer's most recent annual statement. By rule, member insurers reporting zero "direct premiums earned" in those areas are not assessed.

Summary: "Excess flood insurance" is defined as "insurance against loss, including business interruption, arising from flood that is in excess of the limit of liability insurance offered" by the NFIP.

Definitions. "Dam" is defined as a U.S. Army Corps of Engineers dam in a county with a population over one million people.

"Personal lines" are defined to include:

- private passenger automobile coverage;
- homeowner's coverage and renter's coverage;
- dwelling property coverage;
- earthquake coverage for a residence or personal property;
- personal liability and theft coverage;
- personal inland marine coverage; and
- mechanical breakdown coverage for personal auto or home appliances.

Personal lines are excluded from the definitions of "property insurance," and "casualty insurance."

Market Assistance Plans. The Commissioner must by rule require insurers authorized to write property insurance in this state to form a MAP to assist persons located in the geographical area protected by any dam that are unable to purchase excess flood or business interruption insurance in an adequate amount from either the admitted or nonadmitted market.

The bylaws and method of operation of any MAP must be approved by the Commissioner prior to its operation. A MAP must have a minimum of 25 insurers willing to insure risks within the class designated by the Commissioner. If 25 insurers do not voluntarily agree to participate, the Commissioner may require certain insurers to participate in a MAP as a condition of continuing to do business in this state. This requirement may be imposed on property insurers, casualty insurers, or insurers licensed to sell property and casualty insurance. The Commissioner must make such a requirement to fulfill the quota of at least 25 insurers. The Commissioner must make his or her designation on the basis of the insurer's premium volume of property insurance in this state.

Establishment of a Joint Underwriting Association for Excess Flood Insurance. The Commissioner may establish a Joint Underwriting Association for Excess Flood Insurance (Flood JUA) to provide excess flood insurance for damages arising from the failure of a dam or from efforts to prevent the failure of a dam. The Commissioner must hold a hearing before forming a Flood JUA. A Flood JUA may not begin underwriting operations until the Commissioner finds that:

- a MAP is inadequate because fewer than four admitted or surplus lines insurers are offering excess flood insurance, exclusive of personal insurance;
- persons, businesses, or service providers cannot buy excess flood insurance through the voluntary market; or
- there are so few insurers selling excess flood insurance that a competitive market does not exist.

A finding by the Commissioner may be appealed. The determination that four or more admitted or surplus lines insurers are offering excess flood insurance, exclusive of personal insurance, is prima facie evidence that a competitive market does exist.

Qualifications to be Insured Under the Flood JUA. If a Flood JUA is formed, a person that is unable to obtain excess flood insurance because it is unavailable in the voluntary market or because the market is not competitive is eligible to apply to an association for insurance. A Flood JUA may decline to insure persons that present an extraordinary risk because of the nature of their operations, property condition, past claims experience, or inadequate risk management. However, the mere location of the property does not constitute an extraordinary risk. Any denial of coverage must include:

- a statement of the actual reason for declination; and
- a statement that the applicant may appeal the decision to the Commissioner.

If the Commissioner finds that the decision to decline coverage is not supported by the criteria, the Commissioner may require the Flood JUA to provide coverage. A decision of the Commissioner to provide or to decline to provide coverage may be appealed administratively.

Member Insurers. Every insurer that has a certificate of authority to write either casualty or property insurance, or both, in this state must be a member of the Flood JUA as a condition of its authority to continue to transact business in this state. Surety insurance is excluded from the definitions of "property insurance" and "casualty insurance."

Governing Board. The governing board (board) must consist of seven persons:

- Three board members must be member insurers appointed by insurance associations. At least one of the insurers must be a domestic insurer.
- Four board members must be residents. They may not be employed by, serve on the board of directors of, or have a substantial ownership interest in any insurer. One is appointed by the Commissioner. One is appointed by the King County Council. One is appointed by the Association of Washington Cities, to represent one or more of the following municipal governments: Auburn, Kent, Renton, or Tukwila. One is appointed by the board of directors of the Center for Advanced Manufacturing Puget Sound.

Original board members must be appointed to serve an initial term of three years and may be appointed for a second term. There is a process for members of the board to

be removed by the board. Board members have a fiduciary duty to the policyholders of the Flood JUA.

Board members must not be compensated but may be reimbursed for expenses incurred to attend meetings. Indemnification by the Flood JUA is required for costs and expenses in connection with the defense of any action or suit related to the performance of duties for:

- board members;
- officers or employees of Flood JUA; and
- member insurers.

Indemnification is not available for willful misconduct.

The board may select one or more persons to manage the operations of the Flood JUA. A manager must be authorized to transact insurance in the state and have demonstrated expertise in excess flood insurance.

Plan of Operation. The board must adopt a plan of operation (Plan) within 30 days of its appointment. The Plan may take effect only after review by the Commissioner. The Commissioner may recommend changes. The changes must be approved by the board, or a written explanation of the rejected changes must be provided to the Commissioner. A Plan may be amended. All amendments must be approved by the Commissioner and a majority of the board.

Rates. The Flood JUA must use rates that comply with rate review standards and that have been approved by the Commissioner. An actuarial analysis must accompany a rate filing.

Coverage Limits. The flood JUA may offer policies with coverage limits of up to $5 million. There is an aggregate exposure cap of $250 million for all in-force. The board and the Commissioner must equitably apportion policies within these limitations.

Unfair Practices. A Flood JUA must comply with the provisions of the Insurance Code that address unfair practices.

Annual Statement and Reporting. A Flood JUA must file a statement annually with the Commissioner that contains information about the Flood JUA's transactions, financial condition, and operations during the preceding year. The statement must be in the form and in a manner approved by the Commissioner. The Commissioner may require a Flood JUA to furnish additional information.

Examinations. The Commissioner may examine the transactions, financial condition, and operations of a Flood JUA. A Flood JUA is responsible for the total costs of its examinations.

Taxes and the Liability of the Guaranty Fund. A Flood JUA is exempt from payment of all fees and all taxes levied by the state or any of its subdivisions, except taxes levied on real or personal property.

A Flood JUA is not a member of the guaranty fund created in the Washington Insurance Guaranty Association Act. The guaranty fund the state, and any political subdivisions are not responsible for losses sustained by the Flood JUA.

Funding of a Flood JUA. A Flood JUA is funded by premiums paid by persons insured by the Flood JUA.

A Flood JUA may assess its members to pay past and future financial obligations of the Flood JUA not funded by premiums. An assessed insurer must pay within 30 days after it receives notice of the assessment. If an insurer does not pay an assessment in a timely manner:

- the assessment accrues interest at the maximum legal rate until it is paid in full. The interest is paid to the Flood JUA;
- the Flood JUA may collect the assessment in a civil action and must be awarded its attorneys' fees if it prevails;
- the Commissioner may suspend, revoke, or refuse to renew an insurer's certificate of authority; and
- the Commissioner may fine the insurer up to $10,000.

Duration of a Flood JUA. A Flood JUA may operate for a period of five years. At the end of the five-year period, the Flood JUA must be dissolved unless the Legislature authorizes its continued operation. Prior to the ending of the five-year period, the Commissioner or the board may hold a hearing and determine that:

- excess flood insurance is available in the voluntary market;
- excess flood insurance is available through a MAP: or
- a competitive market exists.

After such a finding, the Commissioner or the board must order the Flood JUA to end its underwriting operations.

Dissolution of a Flood JUA. If the Commissioner or the board orders a Flood JUA to end all underwriting operations, the Commissioner must supervise the dissolution of the Flood JUA, including settlement of all financial and legal obligations and distribution of any remaining assets.

Rule-making Authority. The Commissioner may adopt all rules needed to implement and administer these provisions and to ensure the efficient operation of the Flood JUA, including but not limited to rules:

- creating sample Plans;
- requiring or limiting certain policy provisions;
- regarding the basis and method for assessing members of the Flood JUA; and
- establishing the order in which the assets of a dissolved Flood JUA must be distributed.

Report to the Legislature. The board and the Commissioner must annually report to the Legislature beginning on January 31, 2011, and continuing through the subsequent year after a Flood JUA is dissolved.

Surplus Lines. A Flood JUA is not a part of the market that must be included in a surplus lines broker's search before the broker may sell surplus lines coverage.

The act expires on December 31, 2016.

Votes on Final Passage:

House	66	30
Senate	28	17

Effective: March 29, 2010

EHB 2561

C 35 L 10 E1

Funding construction of energy cost saving improvements to public facilities.

By Representatives Dunshee, Williams, White, Seaquist, Darneille, Eddy, Dickerson, Sells, Rolfes, Chase, Green, Appleton, Sullivan, Simpson, Nelson, Hudgins, Jacks, Hunt, Hasegawa, Ormsby, Moeller and Roberts.

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: Washington issues general obligation bonds to finance projects authorized in the capital and transportation budgets. General obligation bonds pledge the full faith and credit and taxing power of the state toward payment of debt service. 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 retirement funds.

The State Finance Committee, composed of the Governor, the Lieutenant Governor, and the State Treasurer, is responsible for the issuance of all state bonds.

The amount of state general obligation debt that may be incurred is limited by constitutional and statutory restrictions; however, Article VIII, section 3 of the Washington Constitution allows for voter-approved bonds outside the constitutional debt limit.

The Energy Savings Performance Contracting (ESPC) program started in 1986. The Department of General Administration (GA) manages the state ESPC program pursuant to state statute. Through the ESPC program, facility owners contract for energy improvement construction projects resulting in energy-related savings that cover the cost of the improvements. The amount of the energy-related savings is at least the cost of the construction project minus incentives from utilities. An Energy Savings Contractor (ESCO) guarantees the savings will cover the cost of the project over a period of generally seven to 10 years. The guarantee is in place for the first year of the project and up to 10 years if the owner complies with ESCO monitoring and verification requirements. Public facility owners may also contract for ESPC services through a request for qualifications (RFQ) process of their own, instead of using GA's services.

Each biennium, the GA pre-qualifies ESCOs through a request for qualifications process. There are 10 ESCOs on the GA's list of approved contractors. The ESCOs audit ESPC projects and contract for the construction.

Certificates of participation provide financing of real property and personal property, which is real estate and equipment by state agencies. Certificates of participation are financing contracts that include installment payment agreements, lease and purchase agreements, or other interest-baring contract used to finance property. Real estate must be specifically approved by the Legislature.

Summary: The State Finance Committee is authorized to issue general obligation bonds in the amount of $505 million to create jobs by constructing capital improvements to public K-12 school districts and higher education facilities for energy costs savings. The bonds are to be known as the Jobs Act Bonds. The full faith and credit of the state is pledged to pay the principal and interest on the bonds.

The Department of Commerce, in consultation with the GA and Washington State University's (WSU) Energy Program, must administer the Jobs Act.

The GA must develop guidelines for the implementation of energy savings performance contracting projects by December 31, 2010.

An appropriation in the amount of $500 million is made to the Department of Commerce from the Washington Works Account, which is created to receive proceeds from the bond issuance. The appropriation is for grants to public K-12 schools and public higher education institutions for energy cost savings improvements and related projects that result in energy and utility and operational cost savings. Related projects are projects that must be completed in order for the energy efficiency improvement to be effective.

The Department of Commerce must consult with the GA and the WSU Energy Program to establish a competitive process and evaluate applications. The Department of Commerce determines the final grant awards. At least 5 percent of each grant round must be awarded to small school districts. Small school districts, for this purpose, are those with fewer than 1,000 full-time equivalent students.

Within each round, projects must be weighted and prioritized based on the following criteria and in the following order:

1. Leverage ratio: the higher the leverage ratio of non-state funding sources to state Jobs Act grant, the higher the project ranking;
2. Energy savings: the higher the energy savings, the higher the project ranking; and
3. Expediency of expenditure: the more ready a project is to proceed, the higher the project ranking.

Projects not using ESPC must: verify energy-related cost savings for 10 years, or until the project has paid for itself, whichever is shorter; follow the GA's ESPC program guidelines; and employ a licensed engineer for the energy audit and construction. The Department of

Commerce may require third-party verification of energy-related savings if a project is not using an ESCO selected through the GA's RFQ process. Third-party verification must be conducted by an ESCO from GA's list of contractors selected through the RFQ, or by a project or educational service district resource conservation manager.

The Department of Commerce may only award funds to the top ranked 85 percent of projects applying in a round until the Department of Commerce determines a final round is appropriate. Projects that do not receive a grant award in one round may reapply.

The Department of Commerce must use bond proceeds to pay for one-half of the cost of preliminary audits if the project does not meet the owner's predetermined cost-effectiveness criteria.

An ESCO may not charge the cost of the investment grade audit to the project owner if the audit demonstrates that the project does not meet the owner's predetermined cost-effectiveness criteria.

The Department of Commerce may charge projects administrative fees and may pay the GA's and WSU's Energy Program administration fees.

The Department of Commerce and the GA must report to the Legislature and the Office of Financial Management on the timing and use of the grant funds and program administration functions and fees by the end of each fiscal year until the funds are fully expended and all savings verification requirements are complete.

The State Treasurer must determine a mechanism to allow Washington residents to purchase the Jobs Act Bonds.

The title, intent, and bond authorization proposal are referred to a vote of the people at the next general election. The ballot title is "The legislature has passed House Bill No . . . . (this act), concerning job creation through school and other public capital projects. This bill would promote job creation by authorizing bonds to construct energy operational cost savings improvements and related projects to schools and other public facilities."

If the pertinent parts of the act are not approved by the voters, the appropriation and bottled water tax sections are null and void. The act is contingent on the enactment of Second Engrossed Substitute Senate Bill 6143.

Votes on Final Passage:

House	57	41	
First Special Session			
House	54	39	
Senate	28	18	(Senate amended)
House	59	38	(House concurred)

Effective: July 13, 2010

ESHB 2564
C 34 L 10

Regarding escrow agents.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Nelson, Chase and Kirby; by request of Department of Financial Institutions).

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

Background: Licensing Requirements. Escrow agents must be licensed by the Department of Financial Institutions (DFI).

Among others, a person licensed to practice law in Washington is exempt from the escrow agent licensing requirements while engaged in the performance of his or her professional duties. When submitting an application for an escrow agent license, an applicant must include fingerprints for all officers, directors, owners, partners, and controlling persons.

Applicants for an escrow office license must successfully pass an examination. The examination covers:

- the principles of real estate conveyancing and the general purposes and legal effects of deeds, mortgages, deeds of trust, contracts of sale, exchanges, rental and optional agreements, leases, earnest money agreements, personal property transfers, and encumbrances;
- the obligations between principal and agent;
- the meaning and nature of encumbrances upon real property;
- the principles and practice of trust accounting; and
- the Escrow Agent Registration Act and other applicable law.

The examination is developed by the DFI with the advice of the Escrow Commission, and must be given at least annually.

Bonding. An applicant for an escrow agent license must provide evidence of the following as evidence of financial responsibility:

- a fidelity bond providing coverage in the amount of $200,000 with a deductible no greater than $10,000;
- an errors and omissions policy providing coverage in the amount of $50,000 or, alternatively cash or securities in the principal amount of $50,000 deposited in an approved depository; and
- a surety bond in the amount of $10,000.

A "fidelity bond" is a primary commercial blanket bond or its equivalent. The bond must provide fidelity coverage for any fraudulent or dishonest acts committed by employees or officers, acting alone or in collusion with others. The bond is for the sole benefit of the escrow agent

and under no circumstances is the bonding company liable under the bond to any other party.

Prohibited Activities. Escrow agents are prohibited from engaging in certain activities, for example, engaging in any unfair or deceptive practice toward any person and making any false entry, or omitting to make any material entry, in its books or accounts.

Enforcement. The DFI may deny, suspend, decline to renew, or revoke the license of any escrow agent or escrow officer for various prohibited activities. In addition to or in lieu of a license suspension, revocation, or denial, the DFI may assess a fine of up to $100 per day for each day's violation and may remove and/or prohibit from participation in the conduct of the affairs of any licensed escrow agent, any officer, controlling person, director, employee, or licensed escrow officer.

Summary: Licensing Requirements. The exemption from escrow agent licensure for those licensed to practice law is limited. The exemption only applies when no separate compensation or gain is received for escrow services, and the service is provided by the same legal entity as the law practice. An attorney who is principally engaged as an escrow agent, or holding himself or herself out to perform escrow services, is required to be licensed as an escrow agent.

Applicants must undergo a fingerprint-based background check. The DFI may also request criminal history record information, including nonconviction data. The DFI may disseminate nonconviction data obtained only to criminal justice agencies, and the applicant must pay the cost of fingerprinting and processing the fingerprints.

The license renewal procedures are modified. If a license is not renewed on or before the renewal date, the license is expired and any activity conducted is unlicensed activity and violates the escrow agent licensing requirements. Licenses not renewed within 60 days, rather than one year, after the renewal date are canceled.

The subject matter that the examination is required to cover, and the requirement that the examination be given annually are deleted.

Bonding. Required fidelity bonds must provide fidelity coverage for any fraudulent or dishonest acts committed by corporate officers, partners, solo practitioners, escrow officers, and employees of the applicant engaged in escrow transactions. The bond is for the benefit of the harmed consumer if a corporate officer, partner, or solo practitioner commits a fraudulent or dishonest act. An escrow agent's bond must be maintained until all accounts have been reconciled and the escrow trust account balance is zero.

In the event that fidelity coverage is not available for any fraudulent or dishonest acts committed by corporate officers, partners, solo practitioners, escrow officers, and employees of the applicant engaged in escrow transactions, the DFI may adopt rules to implement a surety bond requirement.

Prohibited Activities. Prohibited activities are added. Escrow agents must comply with the requirements of applicable federal or state laws. They are also prohibited from collecting a fee for tracking unclaimed funds unless it is a bona fide out-of-pocket expense, or converting unclaimed funds for personal use.

A licensed escrow agent may not employ a person who:

- handles escrow transactions who has been convicted of, or pled guilty or nolo contrendre to, a felony or gross misdemeanor involving dishonesty within the previous seven years; or
- receives money for trust accounts, disburses funds, or acts as a signatory on trust accounts if the person has shown a disregard in the management of his or her financial condition in the last three years.

Enforcement. In addition to or in lieu of a license suspension, revocation, or denial, or fines payable to the DFI, the DFI may order an escrow agent, officer, controlling person, director, employee, or licensed escrow officer to make restitution to an injured consumer.

The DFI may immediately take possession of the property and business of a licensee if it appears that, as a result of an examination, report, investigation, or complaint:

- the licensee is conducting its business in such an unsafe or unsound manner as to render its further operations hazardous to the public;
- the licensee has suspended payment of its trust obligations; or
- the licensee neglects or refuses to comply with any order of the DFI unless the enforcement of the order is restrained in a proceeding brought by the licensee.

The Director of the DFI (Director) may retain possession of the licensee's property and business until the licensee resumes business or its affairs are finally liquidated. The licensee may only resume business upon terms the Director prescribes.

During the time that the Director retains possession of the property and business of a licensee, the DFI may conduct the licensee's business and take any action on behalf of the licensee that the licensee could lawfully take on its own behalf, including discontinuing any violations and unsafe or injurious practices, making good any deficiencies, and making claims against the licensee's fidelity bond, errors and omissions bond, or surety bond on behalf of the company.

The Director, the DFI, and its employees are not subject to liability for these actions and no moneys from the DFI's fund may be required to be expended on behalf of the licensee or the licensee's clients, creditors, employees, shareholders, members, investors, or any other party or entity.

Votes on Final Passage:

House	88	8
Senate	44	2

Effective: June 10, 2010

HB 2575
FULL VETO

Expanding the membership of the capital projects advisory review board.

By Representative Upthegrove.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: The Capital Projects Advisory Review Board (CPARB) was established in 2005 to evaluate public capital projects construction processes and to advise the Legislature on policies related to alternative public works delivery methods. Twenty-three members serve on the committee.

The following Board members are appointed by the Governor:

- two representatives from construction general contracting;
- one representative from the architectural profession;
- one representative from the engineering profession;
- two representatives from construction specialty subcontracting;
- two representatives from construction trades labor organizations;
- one representative from the Office of Minority and Women's Business Enterprises;
- one representative from a higher education institution;
- one representative from the Department of General Administration;
- two representatives from private industry; and
- one representative of a domestic insurer authorized to write surety bonds for contractors in Washington.

All appointed members must be actively engaged in or authorized to use alternative public works contracting procedures.

The remaining members are selected as follows:

- three members representing local public owners, selected by the Association of Washington Cities, the Washington State Association of Counties, and the Washington Public Ports Association;
- one member, representing public hospital districts, selected by the Association of Washington Public Hospital Districts;
- one member, representing school districts, selected by the Washington State School Directors' Association;
- two members of the House of Representatives, one from each major caucus, appointed by the Speaker of the House of Representatives; and
- two members of the Senate, one from each major caucus, appointed by the President of the Senate.

Legislative members are non-voting.

Summary: Membership on the CPARB is expanded to 24 members. The additional member represents local public owners. Regional transit authorities are added as an entity that selects local public owner representatives.

Votes on Final Passage:

House	63	33
Senate	28	19

VETO MESSAGE ON HB 2575

April 1, 2010

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, House Bill 2575 entitled:

"AN ACT Relating to the expansion of the membership of the capital projects advisory review board."

This bill expands the membership of the capital projects advisory review board which currently has 23 members. Adding a member to an existing board is inconsistent with my policy of reducing boards and commissions in state government.

For this reason I have vetoed House Bill 2575 in its entirety.

Respectfully submitted,

Christine O. Gregoire
Governor

2SHB 2576
C 29 L 10 E1

Restructuring fees for the division of corporations and affirming authority to establish fees for the charities program of the office of the secretary of state.

By House Committee on Ways & Means (originally sponsored by Representatives Kenney, Liias, Moeller, Pedersen and Armstrong; by request of Secretary of State).

House Committee on Judiciary
House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Corporations and Charities Division of the Office of the Secretary of State (OSOS) is responsible for administering a variety of programs, including the licensing and registration of business entities, nonprofit corporations and associations, and charitable organizations. As part of these functions, the OSOS is responsible for

accepting and managing a wide variety of documents, providing services to entities and individuals, and preparing and distributing reports and other information.

Statutes governing business entities, nonprofit corporations, charitable organizations, and other entities require certain documents to be filed with the OSOS. Some of these statutes set specific filing-fee amounts, while others provide that fees may be established by the OSOS by rule. For example, the formation and annual renewal filing fees for corporations and partnerships are set in statute, while filing fees for limited partnerships, limited liability companies, and charitable organizations are established by the OSOS by rule. In addition to these filing fees, the OSOS is authorized to establish fees for a variety of services rendered under the programs it administers.

The formation and annual license fees for corporations, other business entities, and charitable registrations are deposited into the State General Fund. Other fees collected by the OSOS are deposited into the Secretary of State's Revolving Fund (Revolving Fund), including fees for in-person and expedited services, providing copies or certified copies of documents, service of process filings, and electronic transmittal of documents. The Revolving Fund is used to defray the costs of carrying out the functions of the OSOS under specifically listed chapters.

In 2007 legislation was enacted authorizing the OSOS to establish additional fees on registrations under the Charitable Solicitations Act to provide for a charitable organization education program. The OSOS did not adopt fees for this purpose prior to the passage of Initiative 960, which requires prior legislative approval of any new fee or fee increase.

The OSOS is responsible for administering the state's Trademark Registration Act (Act). The Act allows a person who uses a trademark in Washington to register the trademark with the OSOS. Registration of a trademark provides the registered user with exclusive use of that trademark and protects against infringements of trademark rights.

Summary: The fee for a corporation's annual license is raised from $50 to $60. The following specific fee amounts listed in statute are eliminated, and the OSOS is required to establish these fees by rule:

- business corporations: annual license fee for inactive corporations;
- nonprofit corporations: articles of incorporation and certificate of authority and annual report;
- partnerships: application to become a limited liability partnership; and
- cooperative associations: articles of incorporation and certificate of authority.

The purposes for which the Revolving Fund may be used are expanded, and the following additional fees are designated for deposit in the Revolving Fund: (1) the $10 fee increase for a corporation's annual renewal; (2) under the charitable organizations chapter, fees for service of process filings and for preparing, printing, and distributing publications; and (3) under the limited partnership statute, fees for service of process filings, expedited services, and providing copies, certified copies, or certificates.

Various fees for registrations under the Charitable Organization Act are established in statute (rather than rule), and the amounts of these fees are increased as follows:

- charitable organization initial registration fee is raised from $20 to $60;
- charitable organization annual renewal fee is raised from $10 to $40;
- commercial fundraiser initial registration fee is raised from $250 to $300;
- commercial fundraiser annual renewal fee is raised from $175 to $225; and
- commercial fundraiser service contract registration fee is raised from $10 to $20.

Revenue from the increase in these fees is deposited into the Charitable Organization Education Account.

The Limited Liability Company Act is amended to provide that the OSOS may allow electronic filing of the company's initial report.

The Trademark Registration Act is amended to provide that the Secretary of State (Secretary) may cancel a certificate of registration of trademark if the Secretary determines within 90 days of its issuance that it was issued in error. The Secretary must immediately provide the registrant written notice of the cancellation, and the registrant may petition the court for review of the cancellation.

Votes on Final Passage:

First Special Session

House	54	39
Senate	26	19

Effective: July 13, 2010

SHB 2585

C 27 L 10

Addressing insurance statutes, generally.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Kelley, Kirby and Moeller; by request of Insurance Commissioner).

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

Background: Charitable Gift Annuities. Charitable gift annuity businesses are regulated under the Insurance Code. The Insurance Commissioner (Commissioner) may grant a certificate of exemption to any insurer or educational, religious, charitable, or scientific institution conducting a charitable gift annuity business that meets several criteria. The holder of a certificate of exemption

must meet certain financial standards. A charitable annuity contract or policy form must include certain information. The holder of a certificate of exemption must file annual reports on or before March 1 of each year. When filing the annual report, the holder of a certificate of exemption must pay filing fees of $25, plus an additional $5 for each charitable gift annuity contract written for residents of this state.

Medicare Supplement Insurance. Medicare Supplement insurance is a type of health coverage intended to fill in the coverage gaps in the Medicare program. There are 12 standard policy options, called A through L, that provide coverage for a range of benefits. These Medicare Supplement polices are regulated by the Commissioner although standards are often set by the federal government.

Life Settlement Licensing Fees. A statutory framework for the oversight of life settlements was adopted in 2009. The licensing fees for life settlement producers was required to be deposited in the Commissioner's Regulatory Account.

Summary: Charitable Gift Annuities. An insurer or business conducting a charitable gift annuity business must:

- annually report on its financial condition on a form prescribed by the Commissioner within 60 days of the end of its fiscal year; and
- pay an annual filing fee of $25, plus an additional $5 for each charitable gift annuity contract written for residents of the state.

Medicare Supplement Insurance. A reference to Medicare Supplement Standardized Plan E is corrected to Standardized Plan F.

Service of Process. Service of process requirements are modified for a number of nonresident persons and entities, including:

- reciprocal insurers;
- unauthorized insurers;
- charitable gift annuities;
- surplus line brokers;
- insurance and title producers;
- fraternal benefit societies;
- reinsurance intermediaries;
- life settlement providers and brokers;
- service contract providers;
- protection product providers; and
- discount plan organizations.

The new service of process requirements are generally similar to the previous provisions. The fee remains $10 and specifically applies to health discount organizations (that are not health carriers). The Commissioner may use electronic means or other means reasonably calculated to provide notices. The appointment of the Commissioner is explicitly made to be irrevocable. The appointment binds successors in interest and remains in effect as long as the person or entity has a contract or liabilities in the state. Legal proceedings may not require a licensee to appear, plead, or answer until the expiration of 40 days after the date of service upon the Commissioner. The Commissioner may adopt rules to implement the service or process provisions.

Life Settlement Licensing Fees. The life settlement licensing fees are required to be deposited in the General Fund.

A number of grammatical and editing changes are made.

Votes on Final Passage:

House	95	0
Senate	46	0

Effective: June 10, 2010

HB 2592
C 56 L 10

Prohibiting incentive towing programs for private property impounds.

By Representatives Hunt and Hasegawa.

House Committee on Transportation
Senate Committee on Transportation

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) and the Washington State Patrol (WSP). Impounds, 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 (RTTOs). If 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.

The RTTOs are issued a tow truck permit by the DOL, following payment of a $100 per company and $50 per truck fee, plus an inspection by the WSP. The RTTOs must also file a surety bond of $5,000 with the DOL and meet certain insurance requirements.

Except where the impounded vehicle has a fair market value only equal to its scrap value, an RTTO may not ask for or receive compensation, gratuities, or rewards from a person authorized to sign an impound authorization related to the impounding of a vehicle beyond the costs of towing, storage, or other services rendered. An RTTO is also prevented from having an interest in a contract, agreement, or understanding between a person having control of private property and an agent of the person authorized to sign an impound authorization. Finally, an RTTO may not have an interest in an entity whose functions include acting as an agent or representative of a property owner for the purpose of authorizing impounds. A violation of these prohibitions is a gross misdemeanor.

Summary: Registered tow truck operators are prohibited from entering into any contract or agreement or offering

an incentive to a person authorized to order a private impound that is related to the authorization of an impound. These incentives include monetary or nonmonetary things of value, but do not include items of de minimus value that are given in the ordinary course of business such as:

- promotional items including pens, calendars, and cups;
- holiday gifts such as cookies or candy;
- flowers for occasions such as illness or death; or
- the cost of a meal for one person.

The provision of the signs required to be posted on private property and the labor and materials associated with this placement is not a violation of this prohibition.

Votes on Final Passage:

House	95	2
Senate	48	0

Effective: June 10, 2010

SHB 2593

C 193 L 10

Concerning the department of fish and wildlife's ability to manage shellfish resources.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Rolfes, Morris, Upthegrove, Williams, Liias, White and Nelson).

House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
Senate Committee on Natural Resources, Ocean & Recreation

Background: Enforcement of Shellfish Pot Escapement Design Specifications. The Fish and Wildlife Commission has adopted an administrative rule that requires all shellfish pots to be designed in a manner that allows for the escapement of any captured animals after a period of time. This rule applies to both the commercial and recreational crab, shrimp, and crawfish fisheries.

A person who violates the rule on shellfish pot design in a recreational fishery may be charged with a misdemeanor. A person who violates the rule in a commercial fishery may be charged with a gross misdemeanor. For both fisheries, an enforcement officer may only cite the possessor of an out-of-compliance shellfish pot if the fisher is witnessed actually taking shellfish, or actively fishing, with the non-compliant pot.

Coastal Dungeness Crab Pot Removal Permit. A licensed fisher in the coastal commercial Dungeness crab fishery may apply to the Washington Department of Fish and Wildlife (WDFW) for a crab pot removal permit. This permit allows the holder to lawfully enter the fishing grounds after the close of the season and retrieve any crab pots that were left behind.

This permit is not available in any geographic region of the state other than the area covered by the coastal Dungeness crab commercial fishery. The permit only authorizes the removal of commercial crab pots and not crab pots set for recreational purposes.

Derelict Fishing Gear. The WDFW, in partnership with the Northwest Straits Commission and the Department of Natural Resources, maintains guidelines for the safe removal and disposal of derelict fishing gear and a database of known locations of derelict fishing gear. Any person who loses or abandons fishing gear is encouraged to report the loss to the WDFW within 48 hours.

Sea Cucumber and Sea Urchin Dive Licenses. A closed fishery is a fishery with a set number of licenses held by a finite number of defined participants. The commercial sea urchin and sea cucumber fisheries have been closed since the year 2000. The WDFW is authorized to issue licenses for these fisheries only to individuals who held a license for the fishery in the previous year. The issuance of a license to a new applicant has been prohibited since 2000.

Along with closing the sea urchin and sea cucumber commercial fisheries, the WDFW manages a program to buyback, or retire, licenses from qualified participants in these fisheries. The WDFW is required to retire these licenses if the license holder voluntarily agrees to not renew his or her license the following year. The WDFW must retire licenses until the number of fishers participating in either the sea cucumber or sea urchin fishery drops to 25. When that number is achieved, the money collected from the remaining licenses must be used for management and enforcement in the sea urchin or sea cucumber fishery.

Through the 2010 season, each license renewal for either fishery is assessed an annual fee of $100. In addition, a fee of either $500 or $2,500 is assessed if the license holder either designates a different person, known as an alternate operator, to fish under his or her license, or if the license holder transfers the license outright to another person.

Two accounts also receive revenue from specific excise taxes. For sea cucumbers and sea urchins, the commercial fishers are required to pay in tax the value of their harvest multiplied by 4.6 percent, multiplied by the additional tax of 7 percent.

Coastal Crab Vessel Designation Restrictions. Participants in the commercial coastal Dungeness crab fishery must designate a specific vessel that will be used while fishing. Commercial crab fishers may not designate a vessel that has a length in excess of 96 feet.

Once a vessel is designated, the fisher may only change the designation to a different vessel without restriction if the difference in hull lengths of the two vessels is less than one foot. A fisher may only designate a different vessel for the fishery with a hull length longer than one foot as compared to the original designated vessel once every two years.

Summary: Enforcement of Shellfish Pot Escapement Design Specifications. Two new enforcement mechanisms are created for individuals who use non-compliant shellfish gear or are found in possession of non-compliant shellfish gear while on a vessel. The penalty for using or possessing non-compliant shellfish gear for personal use purposes is a misdemeanor and the penalty for doing the same for commercial purposes is a gross misdemeanor.

Coastal Dungeness Crab Pot Removal Permit. The WDFW is given the authority to expand the coastal commercial Dungeness crab pot removal permit to the Puget Sound. If an expansion into the Puget Sound is authorized, the WDFW may limit the program as necessary given the conditions present in the Puget Sound. However, participants in a Puget Sound shellfish pot removal permit system would be able to collect recreational shellfish pots as well as commercial shellfish pots.

Derelict Gear. A distinction is made between derelict fishing gear and derelict shellfish pots, with corresponding changes made for permitting and reporting of derelict gear. The WDFW is authorized to update its derelict fishing gear removal guidelines.

The authorized uses of assessments collected on recreational Puget Sound crabbing endorsements are expanded to allow the WDFW to use a portion of the revenue for the removal and disposal of derelict shellfish pots. The expanded authorization remains in effect until June 30, 2011.

By no later than December 31, 2010, the WDFW must deliver findings and recommendations to the Legislature regarding various shellfish management topics. These topics include the scope of the derelict gear problem and the cost of remedying that problem, barriers to recovering derelict gear, and possible changes to the funding structure for derelict gear removal and crab resource management.

Sea Cucumber and Sea Urchin Dive Licenses. The sea cucumber dive fishery license surcharge is extended until 2013 or until the number of licenses is reduced to 20, whichever occurs first. The Director of the WDFW, or the Director's designee, must notify the Department of Revenue within 30 days when the number of licenses is reduced to 20.

The sea urchin dive fishery license surcharge is extended until 2013 or until the number of licenses is reduced to 20, whichever occurs first. The Director, or the Director's designee, must notify the Department of Revenue within 30 days when the number of licenses is reduced to 20.

The excise tax on commercial possession of enhanced food fish is extended until 2013 for both sea cucumbers and sea urchins.

Coastal Crab Vessel Designation Restrictions. Participants in the commercial coastal Dungeness crab fishery are permitted to designate a vessel with a hull length difference of greater than one foot annually instead of once every two years.

Votes on Final Passage:

House	97	0	
Senate	42	3	(Senate amended)
House	63	31	(House concurred)

Effective: June 10, 2010

SHB 2596

C 176 L 10

Defining child advocacy centers for the multidisciplinary investigation of child abuse and implementation of county protocols.

By House Committee on Early Learning & Children's Services (originally sponsored by Representatives Williams, Chase, Upthegrove and Simpson).

House Committee on Early Learning & Children's Services

Senate Committee on Human Services & Corrections

Background: Investigation Protocols for Child Neglect, Abuse, and Fatality. The coordination of county-based protocols for child sexual abuse investigations has been required by law in Washington since 1999. Since 2007 county-based protocols have been required also for the investigation of child abuse, criminal child neglect, and child fatality. Protocols are intended to coordinate a multidisciplinary investigation by the various local entities responsible for responding to the abuse, neglect, or death of children, including city and county law enforcement; child protective services; county prosecutors; emergency medical personnel; and other local agencies and advocacy groups. County prosecutors are responsible for developing the protocols in collaboration with all other entities.

Washington Association of Children's Advocacy Centers. The Children's Advocacy Centers of Washington (CACWA) is a membership association representing Children's Advocacy Centers (CAC) in the state, and providing training and technical assistance to existing and emerging CACs. The CACWA is also the Washington Chapter of the National Children's Alliance, a national membership and accrediting organization for CACs. As the state chapter of the national accrediting organization, the CACWA provides training and technical assistance to existing and developing centers and serves as a voice and support for CACs. The common goal of the CACs and the state chapter is to ensure children are not re-victimized by the very system designed to protect them. Children's Advocacy Centers are located in the following Washington cities: Vancouver, Lacey, Montesano, Wenatchee, Tacoma, Spokane, Everett, Colville, Bingen, Bellingham, Kennewick, and Port Orchard.

Community Sexual Assault Programs. A Community Sexual Assault Program (CSAP) is a community-based social service agency providing services to victims of sexual assault, including treatment, information and referral,

crisis intervention, medical advocacy, legal advocacy, support, system coordination, and prevention services for potential victims of sexual assault.

Summary: A CAC is defined as a child-focused facility in good standing with the CACWA providing coordination of a multidisciplinary process for the investigation, prosecution, and treatment of child abuse, including child sexual abuse. The CACs provide a child-friendly location for forensic interviews and help coordinate access to medical evaluations, advocacy, therapy, and case reviews within the context of the county-based protocols.

The CACs are added to the list of entities to be included in the development of county-based protocols for the investigation of child sexual abuse, child abuse, criminal child neglect, and child fatalities.

The CSAPs are added to the list of entities to be included in the development of county-based protocols for the investigation of child sexual abuse.

Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	47	0	(Senate receded)

Effective: June 10, 2010

HB 2598

C 57 L 10

Concerning the disposal of dredged riverbed materials from the Mount St. Helen's eruption.

By Representatives Takko, Blake and Herrera.

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: Aquatic Lands. The Washington Constitution declares that the beds and shores of all navigable waters in Washington are owned by the state. The Legislature subsequently designated the Department of Natural Resources (DNR) as the steward of these lands. The DNR acts as a proprietor, subject to legislative direction, of all state-owned aquatic lands and holds these lands in trust for all current and future residents of the state.

The Legislature has also vested specific authority in the DNR to sell valuable resources from state lands. The DNR sells a variety of resources from state lands, including timber, stone, gravel, and geoducks. When a valuable material is removed from state-owned aquatic lands, the proceeds of the sale are split evenly between the DNR's aquatic lands program and the Aquatic Lands Enhancement Account.

Mount St. Helens. The 1980 eruption of Mount St. Helens caused a significant amount of material to enter several of Washington's navigable river systems. These rivers were subsequently dredged, and much of the dredge spoil was deposited on the public and private land adjacent to the riparian areas.

Between 1980 and 1995, dredge spoils could be removed without paying the DNR for the value of the materials from the shores of the Toutle River, the Coweeman River, and the section of the Cowlitz River from two miles above its confluence with the Toutle River to its mouth. This authorization expired on December 31, 1995.

In 2009 the Legislature revisited the authorization to receive dredge spoils without paying compensation to the DNR. Today, any landowner that had received materials dredged from the Coweeman River, Toutle River, or a specified segment of the Cowlitz River onto his or her property prior to January 1, 2009, may sell, transfer, or otherwise dispose of the materials without having to pay compensation to the DNR if the materials were removed from the rivers for the benefit of navigation or flood control.

Any dredge spoils removed from the specified rivers between January 1, 2009, and December 31, 2017, may only be sold, transferred, or disposed of without paying compensation to the DNR if the land where the materials are located was not used as a source for the commercial sale of similar materials prior to the beginning of the year 2009. If a landowner was ineligible to sell the materials without paying compensation based on commercial activities prior to 2009, then the materials may only be used without paying the DNR compensation; however, any commercial sale of the materials would require the payment of compensation.

Prior to removing and selling materials, a landowner must notify the DNR as to how much of what type of material is being removed. The DNR is required to provide a biennial report to the Legislature that provides a summation of funds that would have accrued to the state if landowners were required to compensate the DNR for the materials.

Summary: The instances when a landowner may sell, transfer, or dispose of dredge spoils removed from the beds and shores of the Toutle, Coweeman, and Cowlitz rivers without paying compensation to the DNR is changed. Any landowner who receives dredge material before the end of the year 2035 may sell those materials without paying compensation to the DNR as long as the materials have not already been sold or transferred prior to the effective date of the act.

The requirement that a landowner must provide written notification to the DNR prior to selling or using the dredge materials is removed. Likewise, also removed is the requirement that the DNR report each biennium to the Legislature a summary of the landowner notifications and a summation of the amount of revenue that would have otherwise have come to the DNR from the use of those dredge materials had they not been exempted from the compensation requirements.

Votes on Final Passage:

House	96	0
Senate	43	0

Effective: June 10, 2010

2SHB 2603

C 194 L 10

Requiring agencies to give small businesses an opportunity to comply with a state law or agency rule before imposing a penalty.

By House Committee on Ways & Means (originally sponsored by Representatives Smith, Kenney, Bailey, Quall, Morris, Blake, Anderson, Chase, Kelley, Short, Appleton, Sullivan, Dammeier, Upthegrove, Klippert, Chandler, Kristiansen, Rolfes, Pearson, Roach, Parker, Morrell, Haler, Walsh, Orcutt, Johnson, Liias, Hunt, Probst, Ericksen, Moeller, Kretz, Sells, Hope, Herrera and Warnick).

House Committee on State Government & Tribal Affairs
House Committee on Finance
House Committee on Ways & Means
Senate Committee on Government Operations & Elections
Senate Committee on Economic Development, Trade & Innovation

Background: Administrative Procedure Act. Washington's Administrative Procedure Act (APA) establishes procedures under which state agencies adopt rules and conduct adjudicative proceedings. The APA also sets out procedures for judicial and legislative review. Generally, a rule is any agency order, directive, or regulation of general applicability which: (1) subjects a person to a sanction if violated, or (2) establishes or changes any procedure or qualification relating to agency hearings, benefits or privileges conferred by law, licenses to pursue any commercial activity, trade, or profession; or standards for the sale or distribution of products or materials. Before adopting a rule, an agency must follow specified procedures, including publishing notice in the state register and holding a hearing.

Under the APA, the validity of any rule adopted by an agency may be challenged by a petition for declaratory judgment when it appears the rule or application of the rule interferes with or impairs the legal rights or privileges of the petitioner. The petitioner has the burden of demonstrating the invalidity of the rule. The court may declare a rule invalid only if it finds that the rule: (1) violates the Constitution; (2) exceeds the statutory authority of the agency; (3) was adopted without compliance with rule-making procedures; or (4) is arbitrary and capricious. The petition for declaratory judgment on the validity of an agency rule must be filed in Thurston County Superior Court.

Small Business Paperwork Violations. In 2009 a law was enacted authorizing agencies to waive paperwork violations made by small businesses. Under that law, agencies must waive fines, civil penalties, or administrative sanctions for first-time paperwork violations by a small business. A "small business" is defined as a business with 250 or fewer employees. When an agency issues a waiver, it may require the small business to correct the violation within a reasonable period of time and in a manner specified by the agency. If a correction is impossible, no correction may be required and failure to correct is not grounds for reinstatement of fines, penalties or sanctions.

A waiver may not be granted if the violation: presents a direct danger to public health, results in a loss of income or benefits to an employee, poses a potentially significant threat to human health or the environment, or causes serious harm to the public interest; involves knowing or willful conduct that may result in a felony conviction; concerns assessment or collection of any tax, debt, revenue or receipt; concerns a regulated entity's financial filings, or insurance rate or form filing; is by a business owner who previously committed a substantially similar paperwork violation; or conflicts with federal law or programs.

A paperwork violation is defined as a violation of any statutory or regulatory requirement that mandates the collection of information by an agency, or the collection, posting, or retention of information by a small business.

Summary: Agencies must provide a small business with a copy of the state law or agency rule being violated and must allow a period of at least two business days for the small business to correct the violation before the agency imposes a fine, a civil penalty, or an administrative sanction. If no correction is possible, or if an agency is acting in response to a complaint made by a third party who would be disadvantaged by correction of the violation, then no correction shall be required. Exceptions to this requirement include:

- a determination that the effect of the violation or waiver presents a direct danger to the public health, results in a loss of income or benefits to an employee, poses a potentially significant threat to human health or the environment, or causes serious harm to the public interest;
- the violation involves a small business that knowingly or willfully engaged in conduct that may result in a felony conviction;
- the requirement for a notification or waiver conflicts with federal law or program requirements, federal requirements that are a prescribed condition to the allocation of federal funds, or requirements for eligibility of employers in this state for federal unemployment tax credits;

- the small business committing the violation previously violated the same or a similar law or agency rule; or
- the owner or operator of the small business previously violated the same or similar law or rule under a different small business.

The requirements of the act do not affect the Attorney General's authority to impose fines, civil penalties, or administrative sanctions or to enforce the Consumer Protection Act.

The definition of a small business is changed to include a business with a gross revenue of less than $7 million annually as well as a business with 250 or fewer employees.

Votes on Final Passage:

House	98	0	
Senate	48	0	(Senate amended)
House	94	0	(House concurred)

Effective: June 10, 2010

HB 2608

C 35 L 10

Concerning regulation and licensing of residential mortgage loan servicers and services.

By Representatives Nelson, Kirby, Chase, Simpson, Morrell, Maxwell and Moeller; by request of Department of Financial Institutions.

House Committee on Financial Institutions & Insurance
House Committee on General Government Appropriations
Senate Committee on Financial Institutions, Housing & Insurance

Background: In 2009 several bills were enacted that significantly altered the licensing provisions for mortgage loan originator licensees under the Consumer Loan Act (CLA) and the Mortgage Brokers Practices Act (MBPA). The CLA and the MBPA both require the following from mortgage loan originator licensees:

- criminal history and credit background checks;
- pre-licensure education;
- pre-licensure testing;
- continuing education;
- financial responsibility requirements; and
- licensing mortgage loan originators through a Nationwide Mortgage Licensing System and Registry (NMLS&R).

The Department of Financial Institutions (DFI) has regulatory oversight of the CLA and the MBPA licensees. There are a host of required disclosures, reporting, recordkeeping, and prohibited practices in the CLA and the MBPA. Noncompliance may lead to disciplinary, civil, or criminal actions.

There are additional statutory requirements for residential mortgage lending and disclosure requirements for residential mortgage loan servicing.

Summary: Consumer Loan Act. The definition of "mortgage loan originator" is altered to include persons who, for compensation, perform or hold themselves out as being able to perform residential loan modifications.

The following new definitions are added to the CLA:

- "residential mortgage loan modification;"
- "residential mortgage loan modification services;"
- "service or servicing a loan;"
- "service or servicing a reverse mortgage loan;" and
- "third-party residential loan modification services."

No person may service residential mortgage loans without being licensed or exempt from licensing under the CLA. Licensing includes fees, background checks, and financial responsibility requirements. 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 for revocation or suspension 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.

The Director may take actions, including disciplinary actions, against licensees that are residential mortgage loan servicers.

The Director may impose a different yearly assessment on a person servicing a residential mortgage loan than is imposed on other CLA licensees.

A residential mortgage loan servicer under the CLA must:

- file reports through the NMLS&R;
- comply with the provisions disclosure provisions required in mortgage loan servicing;
- clearly disclose fees within 45 days of the date the fee was incurred;
- credit payments in a timely fashion;
- promptly make escrow payments (if it has the authority to make those payments);
- provide certain information and make reasonable attempts to comply with borrower requests for other information;
- promptly correct errors and refund fees, where appropriate; and
- provide a written disclosure summary of all material terms before collecting any advance fees. The DFI must adopt a summary format and must adopt rules regarding a model fee agreement.

Third-party residential loan modifications service providers are limited to an advance fee of $750 and may not charge total fees in excess of what is usual and customary

or that are not unreasonable in light of the services provided.

Provisions related to mortgage fraud are expanded to include persons modifying a residential mortgage loan.

Mortgage Brokers Practices Act. The definition of "loan originator" is altered to include persons who, for compensation, perform or hold themselves out as being able to perform residential loan modifications.

The following new definitions are added to the MBPA:

- "residential mortgage loan modification;"
- "residential mortgage loan modification services;" and
- "third-party residential loan modification services."

No person may service residential mortgage loans without being licensed or exempt from licensing under the MBPA. An applicant, a principal of an applicant, or a designated broker of an applicant for a MBPA license (as a mortgage broker or loan originator) may not have provided unlicensed residential mortgage loan modification services in the five years prior to the license application.

A residential mortgage loan servicer under the MBPA must:

- file reports through the NMLS&R;
- comply with the provisions disclosure provisions required in mortgage loan servicing;
- provide a written disclosure summary of all material terms before collecting any advance fees. The DFI must adopt a summary format and must adopt rules regarding a model fee agreement. The rules may include usual and customary fees for residential loan modification services;
- not charge an advance fee of $750 and not charge total fees in excess of what is usual and customary or that are not unreasonable in light of the services provided;
- immediately inform the borrower in writing if additional information is needed or if it becomes apparent that a residential loan modification is not possible; and
- not require or encourage a borrower to: (1) waive legal rights or notices; (2) pay charges that are not in the written contract; or (3) cease communication with the lender, investor or loan servicer.

Votes on Final Passage:

House	77	20
Senate	40	6

Effective: July 1, 2010

E2SHB 2617

C 7 L 10 E1

Eliminating certain boards and commissions.

By House Committee on Ways & Means (originally sponsored by Representatives Driscoll, Chase, Hunt, Wallace, Williams, Maxwell, White, Kelley, Carlyle, Simpson, Seaquist and Moeller; by request of Governor Gregoire).

House Committee on State Government & Tribal Affairs
House Committee on Ways & Means
Senate Committee on Ways & Means

Background: In 1977 legislation was enacted directing the Office of Financial Management (OFM) to compile and revise, within 90 days after the beginning of each biennium, a list of all permanent and temporary, statutory and non-statutory boards, commissions, councils, committees, and other groups established by the executive, legislative, or judicial branches of state government and whose members are eligible to receive travel expenses for their meetings. For each board and commission, the OFM list must provide information about: the legal authorization for creation of the group; the number of members and the appointing authority; the number of meetings in the previous biennium; a summary of the group's primary responsibilities; and the source of funding for the group.

In 1994 new oversight roles for the Governor and the OFM were enacted. For existing boards and commissions, the Governor must review and submit to the Legislature every odd-numbered year a report recommending which boards and commissions should be terminated or consolidated. In making a recommendation, the Governor must consider the following:

- whether the entity completed its work and is no longer of critical significance to effective state government;
- whether the work of the group directly affects public safety, welfare, or health;
- whether the work can be done by another state agency;
- what impact termination will have on costs;
- whether the work can be done by a non-public entity;
- whether termination will result in significant loss of expertise to state government;
- whether termination will result in operational efficiencies other than fiscal; and
- whether the work can be done by an ad hoc committee.

In 2009 legislation was enacted eliminating 18 statutory boards, commissions, councils, and committees, and the Governor eliminated a number of non-statutory entities by executive order.

The Office of Financial Management sets allowances for subsistence, lodging, and travel expenses for persons who are appointed to serve on boards, commissions, or committees. Part-time boards, commissions, councils,

and committees are identified as class 1 through class 5 for purposes of setting any additional compensation or allowances.

Summary: Forty-five statutory boards, commissions, committees, or councils are eliminated. Where appropriate, duties are transferred to the agency that the board, commission, committee, or council advises.

All tangible property in the possession of a terminated entity is transferred to the custody of the entity assuming the responsibilities. If the responsibilities of a terminated entity are also terminated, documents and papers may be delivered to the State Archivist, and equipment or other tangible property to the Department of General Administration. Any contractual rights and duties of the eliminated board, committee, or council are assigned to the entity assuming the responsibilities.

Those boards, commission, councils, or committees eliminated as of June 30, 2010, include:

- Airport Impact Mitigation Advisory Board;
- Basic Health Advisory Committee;
- Boards of Law Enforcement and Correctional Training Standards (2);
- Citizen's Advisory Council on Alcoholism and Drug Addiction;
- Combined Fund Drive Committee;
- Committee on Agency Official's Salaries;
- Community Transition Coordination Networks Advisory Committee;
- Department of Information Services Customer Advisory Board;
- Driver Instructor Advisory Committee (Driver Training School Advisory Committee);
- Emergency Medical Services Licensing and Certification Advisory Committee;
- Employee Retirement Benefits Board;
- Environmental Land Use Hearings Board;
- Family Practice Education Advisory Board;
- Fire Protection Policy Board;
- Forest Fire Advisory Board;
- Hazardous Substance Mixed Waste Advisory Board;
- Health and Welfare Advisory Board and Property and Liability Advisory Board;
- HECB Advisory Council;
- HECB Research Advisory Group;
- Industry Cluster Advisory Committee;
- Integrated Justice Information Board;
- Interagency Integrated Pest Management Coordinating Committee;
- Juvenile Justice Advisory Committee;
- K-20 Educational Network Board;
- K-20 Network Technical Steering Committee;
- Land Bank Technical Advisory Committee;
- Mortgage Broker Commission;
- Oil Spill Advisory Committee;
- Olympic Natural Resources Center Policy Advisory Board;
- On-site Sewage Disposal Systems Alternative Systems Technical Review Committee;
- On-site Wastewater Technical Advisory Committee;
- Pesticide Advisory Board;
- Pesticide Incident Reporting and Tracking Review Panel;
- Regional Fisheries Enhancement Group Advisory Board;
- Revenue-Simplified Sales and Use Tax Administrative Advisory Group;
- Solid Waste Advisory Committee;
- Special License Plate Review Board;
- State Board on Geographic Names;
- Strategic Health Care Planning Office Technical Advisory Committee;
- Veteran's Innovation Program Board; and
- Washington Main Street Advisory Committee.

The Vehicle Equipment Safety Commission and the Western States School Bus Safety Commission are eliminated as of June 30, 2011. The Women's History Consortium Board of Advisors is maintained as a statutory committee but is limited to two meetings a year. If money is not available it may meet voluntarily. Members are appointed by the Director of the State Historical Society. The Title and Registration Advisory Committee and the Water Supply Advisory Committee are eliminated as of the effective date of this act. The Pesticide Incident Reporting and Tracking Review Panel is eliminated but its duties remain in statute.

Beginning July 1, 2010, through June 30, 2011, members of boards, commissions, councils, or committees identified as class 1 through class 3 and class 5 groups may not receive allowances for subsistence, lodging, and travel if these costs are funded by the State General Fund. All classes are directed to use methods of conducting meetings that do not require members to travel and to use state facilities for meetings that require members to physically be present. Those boards, commissions, councils, or committees funded by sources other than the State General Fund are encouraged to reduce travel, lodging, and other costs.

Votes on Final Passage:

House	96	1	
First Special Session			
House	91	2	
Senate	40	1	(Senate amended)
House	89	3	(House concurred)

Effective: July 13, 2010
June 30, 2010 (Sections 1-118, 125-135, and 141-146)
November 15, 2010 (Section 136)
June 30, 2011 (Sections 119 and 123)

SHB 2620
C 111 L 10

Concerning excise taxation of certain products and services provided or furnished electronically.

By House Committee on Finance (originally sponsored by Representatives Hunter and Moeller; by request of Department of Revenue).

House Committee on Finance
Senate Committee on Ways & Means

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 and digital products and some services. Generally, a retail sale is the sale of property, products, or services to the final consumer or end user. Sales for resale or for incorporation into other property, goods, or services to be sold are not considered retail sales.

If retail sales taxes were not collected when the property, services, or digital products were acquired by the user and retail sales taxes would have otherwise applied, then use taxes apply to the value of most tangible personal property and digital products and some services used in this state. Use tax rates are the same as retail sales tax rates. The state sales and use tax rate is 6.5 percent. Local sales and use tax rates vary from 0.5 percent to 3.0 percent, depending on the location. The average local tax rate is 2.0 percent, for an average combined state and local tax rate of 8.5 percent.

In 2009 comprehensive legislation was enacted addressing the sales and use taxation and business and occupation (B&O) taxation of digital products, ranging from downloaded music to streamed video. Engrossed Substitute House Bill 2075 (ESHB 2075) clarifies how taxes apply to products that exist only as computer bits and bytes. Specifically, the act defines digital products as digital goods and digital automated services transferred electronically, extends sales and use taxes to most resale purchases of these products, provides certain exemptions for businesses and end users, requires sellers of digital products to electronically file their tax returns, and provides amnesty to those who did not collect or pay sales or use tax on digital products that were taxed before July 26, 2009 (the effective date of the ESHB 2075). "Digital automated services" (DAS) are services transferred electronically that use one or more software applications. Examples include: search engine services, online gaming subscription services allowing game playing with other remote players, and online digital photography editing services. Services that are primarily the result of human effort performed in response to a customer request are not considered DAS.

Prior to the enactment of ESHB 2075, the Department of Revenue (DOR) considered downloaded digital goods (books, movies, music, etc.) as tangible personal property that were subject to sales or use tax. Furthermore, at the time ESHB 2075 was enacted, prewritten computer software was already included within the definition of tangible personal property and therefore subject to sales and use tax. Under ESHB 2075, sales or use tax applies to all digital products and prewritten computer software, regardless of how the digital products or software are accessed (downloaded, streamed, remotely accessed, etc.).

Digital products that are subject to sales or use tax include: downloaded digital goods (books, music, movies, etc.), streamed digital products, and remotely accessed digital products.

Because ESHB 2075 is complicated legislation, the DOR decided to implement ESHB 2075 in a phased process allowing the DOR to obtain substantial stakeholder input as it developed rules to implement the act. Through this process, a number of ambiguities and unintended consequences have been discovered.

Summary: The stated overriding purpose is to clarify ambiguities and correct unintended consequences related to the passage of ESHB 2075. This is done in a number of ways.

The definition of retail sale is clarified to specifically include remotely accessing prewritten computer software to perform data processing. "Data processing" includes check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities.

A person is not considered a final consumer, and therefore not subject to sales or use tax, if the person purchases a digital product, code, or prewritten computer software for the purpose of incorporating the product, code, or software into a new product, code, or software for sale. This would have no impact for sales and use taxes because an exemption already exists for this type of transaction; however, sales now subject to the B&O wholesaling rate would be subject to the retailing rate.

The definition of DAS is modified to specifically exclude: live presentations, digital goods, the storage of digital products and software, and data processing services. (Data processing services are distinct from accessing prewritten computer software to perform data processing, described earlier.)

Photographs sent electronically by a photographer to the end user are specifically included within the definition of digital good.

Royalty B&O tax is clarified to include licensing of digital products to persons who are not the end users of the products.

Clarification is made that the provision of subscription television services and subscription radio services are subject to the general service B&O tax rate.

For purposes of municipal B&O taxes, the sale of digital products is deemed to occur at the location where delivery occurs. (Rules similar to the destination based sourcing rules for sales taxes are used to help make this determination.)

To simplify administration, the sales and use tax exemption for standard digital information is broadened to include all digital goods used for business purposes.

The nexus safe harbor provision in ESHB 2075 is clarified to include computer software. Therefore, the storage of computer software on servers located in Washington would not establish nexus for the purpose requiring a business to pay state taxes.

The amnesty provision in ESHB 2075 is amended by providing amnesty for sales taxable labor and services rendered with respect to installing, repairing, altering, or improving of digital goods prior to the effective date of ESHB 2075 (June 26, 2009), and requiring taxpayers seeking a refund or credit for overpaid B&O taxes to have first paid all sales tax.

Most provisions of the act apply retroactively as well as prospectively.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: July 1, 2010

HB 2621

C 238 L 10

Designating resource programs for science, technology, engineering, and mathematics instruction in K-12 schools.

By Representatives Orwall, Maxwell, Darneille, Morrell and Haigh.

House Committee on Education
House Committee on Education Appropriations
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: It is regularly reported in the media and in state and national studies that K-12 students in the United States are not adequately prepared in the academic disciplines of science, technology, engineering, and mathematics (STEM). In Washington the Legislature has directed a number of activities in recent years intended to enhance STEM teaching and learning, such as revising the state mathematics and science standards, identifying recommended curricula, providing professional development to support the revised standards, increasing the high school graduation requirement in mathematics, and providing support for STEM learning activities such as FIRST Robotics and LASER.

There are also examples of locally initiated programs to provide enhanced learning opportunities for students in STEM, including at least three high schools geared to a STEM theme:

- Aviation High School (Highline School District);
- Delta High School (partnership of Kennewick, Pasco, Richland School Districts, Columbia Basin College, Washington State University Tri-Cities, and Battelle); and
- Science and Math Institute at Point Defiance (Tacoma School District).

While each of these high schools is different, they share some common attributes, such as:

- offering a small, personalized learning community for students;
- focusing on interdisciplinary instruction in STEM subjects;
- relying on a project-based curriculum with hands-on and applied learning opportunities; and
- creating partnerships with local communities and STEM businesses to connect learning beyond the classroom.

Summary: If funds are appropriated for this purpose, the Superintendent of Public Instruction (SPI) designates up to three high schools and up to three middle schools to serve as resources and examples of how to combine the following best practices:

- a small, highly personalized learning community;
- an interdisciplinary curriculum with strong focus on STEM subjects, delivered through a project-based instructional approach; and
- active partnerships with businesses and the local community.

The designated schools serve as "lighthouses" to provide technical assistance and advice to other schools and communities who are in the initial stages of creating a STEM learning environment. They must have proven experience and be recognized as model programs. The SPI works with the designated schools to publicize their models of STEM instruction and encourage other schools and communities to replicate similar models.

Votes on Final Passage:

House	94	0	
Senate	47	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2010

HB 2625

C 254 L 10

Addressing bail for felony offenses.

By Representatives Kelley, Ericks, Conway, Driscoll, O'Brien, Liias, Blake, Finn, Simpson, Orwall, Morrell and Campbell.

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Judiciary
Senate Committee on Ways & Means

Background: Pretrial release is the release of the accused from detention pending trial. The state Constitution guarantees the right to bail for a person charged with a noncapital crime, and this right has been interpreted as the right to a judicial determination of either release or reasonable bail. For capital offenses where the proof of the accused's guilt is evident or the presumption of the accused's guilt is great, there is no right to bail.

The courts favor pretrial release and bail in appropriate circumstances because the accused is presumed innocent and because the state is relieved of the burden of detention. According to the courts, the purpose of bail is to secure the accused's presence in court.

Court Rules Governing Bail. General criminal court rules, which are promulgated by the Washington Supreme Court, and local criminal court rules govern the release of an accused in superior court criminal proceedings. The criminal court rules provide the following framework for pretrial release.

In a noncapital case, there is a presumption that the accused should be released unless the court determines either: (1) release will not reasonably assure that the accused will appear; or (2) there is a likely danger that the accused will commit a violent crime or interfere with the administration of justice. Under these circumstances, the court may impose conditions of release. Whether the accused poses a danger to the community or is a flight risk is a factual determination within the judge's discretion.

In a capital case, the accused must not be released unless the court finds that releasing the accused with conditions will reasonably assure the accused's appearance, will not significantly interfere with the administration of justice, and will not pose a substantial danger to another or the community.

Booking Bail. Booking bail, allows a person who has been arrested to post bail without a judicial officer's determination. In counties that permit booking bail, a law enforcement officer or a prosecutor may set the bail. The amount of bail set may be based on a bail schedule, which specifies the availability and amount of bail for particular offenses. Bail schedules are contained in local court rules, and an advisory statewide bail schedule is also available.

Approaches to bail schedules vary by county and type of court. The Washington Supreme Court has held that whether to promulgate a bail schedule is a question best left to the counties.

Federal Bail Reform Act. Under the federal Bail Reform Act (Act), a judge may issue an order releasing the accused on personal recognizance or execution of an appearance bond, releasing the accused on conditions, or detaining the accused temporarily or indefinitely. The accused may be detained following a detention hearing in which the judge determines that no condition or combination of conditions will reasonably assure the accused's appearance and the safety of any other person and the community.

The detention hearing is held in cases involving: a serious risk of flight or an attempt to obstruct justice; a crime of violence; a crime for which the maximum sentence is life imprisonment or death; certain controlled substance offenses; and a felony if the accused has been convicted of two or more specified serious offenses.

The Act provides procedures for the hearing and factors relevant to whether any condition of release will reasonably assure the accused's appearance and the safety of any other person and the community. The U.S. Supreme Court has held that the Act does not violate the right to due process because it carefully limits the circumstances in which pretrial detention may be imposed.

Sentencing. Aggravated murder in the first degree is a capital offense. Offenses for which the maximum sentence is the possibility of life in prison include class A felonies, third strike offenses for persistent offenders, and second strike offenses for persistent sex offenders.

Summary: Booking Bail. When a person is arrested and detained for a felony offense, a judicial officer must make a bail determination on an individualized basis. This provision expires August 1, 2011.

Procedures for Pretrial Release or Detention. Upon the appearance before a judge of a person charged with an offense, the judge must issue an order releasing the person on personal recognizance, releasing the person on conditions, temporarily detaining the person as allowed by law, or detaining the person as provided by the act.

If the judge issues an order releasing the person on conditions, appropriate conditions include, among others, restrictions on travel and association, a curfew, electronic monitoring, placement in the custody of a person or organization, and prohibitions on the consumption of drugs and alcohol. A release order must include a written statement of the conditions of release, as well as the penalties and consequences for violation of the conditions.

Following a detention hearing, a judge must order the pretrial detention of a person charged with a capital offense or an offense punishable by life in prison if the judge finds by clear and convincing evidence that (1) the person shows a propensity for violence that creates a substantial likelihood of danger to the community or any persons and (2) no condition or combination of conditions will reasonably assure the safety of the community or any persons. In

making this determination, the judge must consider information regarding the nature and circumstances of the offense, the weight of the evidence, and the person's history and characteristics.

The detention hearing must be held at the person's preliminary appearance unless the person or the government seeks a continuance. The continuance may not exceed five days on the motion of the person or three days on the motion of the government. At the hearing, the person has the rights to an attorney, to testify, to present witnesses, to cross-examine witnesses, and to present information. The rules of evidence do not apply. The hearing may be reopened anytime before trial if new material information becomes available.

A detention order must include written findings of fact and the reasons for the detention. The detention order must direct that, to the extent practicable, the person be committed to custody for confinement separate from persons serving sentences, and it must direct that the person be afforded reasonable opportunity for consultation with an attorney. A judge may later temporarily release the person for the preparation of the person's defense or another compelling reason.

Votes on Final Passage:

House	96	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

Effective: January 1, 2011
Contingent on voter approval (Sections 3-11)

E2SHB 2630

PARTIAL VETO
C 24 L 10 E1

Regarding the opportunity express program.

By House Committee on Education Appropriations (originally sponsored by Representatives Probst, Kenney, Conway, Maxwell, Jacks, White, Simpson, Seaquist, Sells, Goodman, Ormsby and Santos).

House Committee on Higher Education
House Committee on Education Appropriations
Senate Committee on Ways & Means

Background: Worker Retraining Program. The Worker Retraining Program (WRP) provides funding to dislocated and unemployed workers for training programs and related support services including financial aid, career advising, educational planning, referral to training resources, job referral, and job development. The WRP includes a grant of financial aid to students that can be used to help pay for tuition, books, fees, and related expenses. To qualify, a person must be eligible for or have exhausted his or her unemployment compensation benefits within the last 24 months. Dislocated workers and long-term unemployed people have priority access to training and support services. Displaced homemakers, those formerly self-employed, and unemployed veterans recently separated from service may also qualify. Vulnerable workers defined as those who are employed but in declining occupations and have less than one year of college education plus a credential may qualify depending upon the economic status of the local community.

The State Board for Community and Technical Colleges (SBCTC) administers the WRP program and requires each college to convene a worker retraining advisory committee (committee). The committee must include involvement from business and labor and is required to help colleges link students to high-wage, high-employer demand programs suited to local needs. Each college is also required to submit an annual plan that lays out how WRP program funds will be used and how WRP programs are linked to the overall economic development strategy of the region. Each college may contract with private career colleges to provide WRP program capacity.

During the economic recession of 2008-2009, demand for the WRP expanded. Compared to the same academic quarter in the prior year, worker retraining enrollments grew 26 percent in fall quarter 2008, 39 percent in winter quarter 2008, and 50 percent in spring quarter 2009. Worker retraining enrollments are driven in large part by unemployment rates. At the start of the 2008-09 academic year the state's unemployment rate was 5.41 percent. Unemployment grew steadily throughout the year and reached just over 9 percent as of January 2010. Unemployment is expected to continue to increase through spring 2010, topping out at almost 10 percent. Last year the program served 8,900 full-time equivalent students (FTES).

Opportunity Grant Program. The SBCTC administers the Opportunity Grant (OPP) program that is designed to assist low-income students enroll in college for training in high-wage, high-demand career pathways. These pathways are to provide a minimum beginning wage of $13 per hour in Washington ($15 per hour in King County). Eligible students pursuing approved career pathways at any of the 34 Washington community and technical colleges or eight approved private career colleges may receive funds for tuition and fees for up to 45 credits and up to an additional $1,000 for books, supplies, or tools. To qualify, a person must make a formal application to the OPP program, be a Washington resident student, enroll in an Opportunity Grant-eligible program of study, have family income that is at or below 200 percent of the federal poverty level using the most current guidelines available, and have financial need based on federal methodology from the Free Application for Federal Student Aid.

In 2006 an appropriation of $4 million in state funds kicked off an OPP pilot project at 10 community and technical colleges. The 10 pilot OPP programs showed positive results with 73 percent retention and approximately 843 low-income students participating in training for high-wage, high-demand career pathways. In 2007 the OPP

program was expanded by $7.5 million for a total of $11.5 million per year for all 34 community and technical colleges. In 2007-08 the OPP program served over 2,000 FTES or approximately 3,000 full-time and part-time students. Again, student persistence exceeded expectations with an 81 percent fall to spring retention rate. By 2008 the OPP program had grown to serve almost 5,000 full- and part-time students equivalent to 3,305 FTES.

Opportunity Internships. Created in 2009, the Opportunity Internship program (OI program) provides incentives for local consortia to build educational and employment pipelines for low income high school students in high-demand occupations in targeted industries. The OI program is administered by the Workforce Training and Education Coordinating Board (WTECB) and offers outreach, internships, pre-apprenticeships, counseling, and up to one year of financial aid through the State Need Grant, as well as the promise of a job interview if the student completes a postsecondary program of study.

Under the OI program, consortia, composed of the area Workforce Development Councils (WDC), Economic Development Council, high schools, community or technical colleges, public and private four-year institutions of higher education, apprenticeship councils, private vocational schools, employers, and labor organizations use existing federal, state, and private resources to:

- identify high-demand occupations in targeted industries for which internships and pre-apprenticeships will be developed and provided for low income students;
- develop paid or unpaid internships and pre-apprenticeships of at least 90 hours in length; and
- provide mentoring, guidance, and assistance with college applications and financial aid.

The law limits the OI program to 10 consortia and the number of students who may participate per consortia to 100. This creates a statewide cap of 1,000 students per year.

Summary: In administering the WRP, community and technical colleges must give priority to programs that train students in aerospace, healthcare, advanced manufacturing, construction, forest products, or renewable energy. The colleges may also prioritize additional programs of study if those programs are linked to high-demand industries identified in the state comprehensive plan for workforce development by the WTECB, as well as in local workforce development plans developed by area WDC. Additional industries and occupations identified by the area WDC may also be prioritized.

The SBCTC is encouraged to create a single website to advertise the availability of workforce education and training resources. The website must explain that the Opportunity Express program helps people who want to pursue college and apprenticeships for certain targeted industries within the following tracks: (1) worker retraining for unemployed adults; (2) training programs approved by the Commissioner of the Employment Security Department, training programs administered by labor and management partnerships, and training programs prioritized by industry for unemployed adults and incumbent workers; (3) the Opportunity Grant program for low-income adults; and (4) the Opportunity Internship program for low-income high school students. The website may also include a link to the Washington State Department of Labor and Industries apprenticeship program. If the SBCTC opts to create the website, it must be completed by July 1, 2010.

The Opportunity Express Account (Account) is created and stipulates that money in the Account may only be used for the worker retraining program, training programs approved by the Commissioner of the Employment Security Department, training programs administered by labor and management partnerships, industry-prioritized programs, training programs that facilitate career progression in healthcare occupations -- including long-term care, the Opportunity Internship program, and the Opportunity Grant program. Funding may also be used for administrative costs related to these programs. Funding appropriated from the Account may only supplement, not supplant, existing funding for the Opportunity Grant program.

The OI program is expanded during Fiscal Years 2011-2013 to include no more than 12 participating consortia and up to 5,000 students per year, with no per consortia limit on the number of students served. The WTECB is directed to assure a geographic distribution of consortia in regions across the state.

Votes on Final Passage:

House	92	2	
First Special Session			
House	90	3	
Senate	34	11	(Senate amended)
House	88	8	(House concurred)

Effective: July 13, 2010

Partial Veto Summary: The partial veto removes section six of the bill, which contained an emergency clause that would have made the bill effective immediately. The bill will now take effect 90 days after the end of the first special session.

VETO MESSAGE ON E2SHB 2630

April 23, 2010

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 6, Engrossed Second Substitute House Bill 2630 entitled:

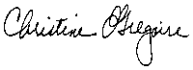
"AN ACT Relating to creating the opportunity express program."

Section 6 is an unnecessary emergency clause. The general fund appropriation to the Opportunity Express Account created in the bill is a Fiscal Year 2011 appropriation. Engrossed Second Substitute House Bill 2630 can take effect ninety days after the adjournment of the session at which it was enacted and still allow timely transfer of funding to the new account.

For these reasons, I have vetoed Section 6 of Engrossed Second Substitute House Bill 2630.

With the exception of Section 6 of Engrossed Second Substitute House Bill 2630 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SHB 2649
C 25 L 10

Correcting references in RCW 50.29.021(2)(c)(i), (c)(ii), and (3)(e), RCW 50.29.062(2)(b)(i)(B) and (2)(b)(iii), and RCW 50.29.063(1)(b) and (2)(a)(ii) to unemployment insurance statutes concerning employer experience rating accounts and contribution rates.

By House Committee on Commerce & Labor (originally sponsored by Representatives Green, Conway, Moeller and Williams; by request of Employment Security Department).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: In 2009 multiple sections of the Employment Security Act were amended and restructured, and a definition section was alphabetized.

One of the amended sections lists reasons a person is not disqualified from receiving unemployment benefits if he or she quits work. The legislation did not correct references to that section in a different section that lists circumstances in which benefits are noncharged or charged only to the separating employer's experience rating account.

Another of the amended sections specifies how contribution rates are determined. The legislation did not correct references to that section in different sections that specify how successor employer contribution rates are computed.

Summary: Corrections are made to references to certain sections of the Employment Security Act that were amended and restructured in 2009. Corrections are also made to references to a definition section that was alphabetized in 2009.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: June 10, 2010
March 12, 2010 (Section 1)

SHB 2651
C 195 L 10

Authorizing port districts to participate in activities related to job training and placement.

By House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Upthegrove, Orwall, Simpson, Nelson, Hudgins and Hasegawa).

House Committee on Community & Economic Development & Trade
Senate Committee on Economic Development, Trade & Innovation

Background: Port districts are authorized to acquire, construct, maintain, operate, develop, and regulate harbor improvements, and rail, by state law motor vehicle, water and air transfer and terminal facilities, or any combination of these facilities. State law also explicitly permits ports to promote tourism by advertising, publicizing, and distributing information to attract.

Among the general powers granted to ports are the power to: 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.

Article VII, section 8, of the state Constitution explicitly allows the Legislature to grant authority to port districts to use public funds for industrial development or trade promotion and promotional hosting. Such use is considered a public use for a public purpose and therefore not subject to the constitutional prohibition against making a gift of public funds to a private party.

There is no explicit constitutional or statutory authority for a port district to provide resources to help nonprofit organizations operate job training and placement programs.

Summary: With respect to the authority of port districts to contract with nonprofit corporations for economic development activities, "economic development programs" may include job training and placement programs, pre-apprenticeship training or educational programs associated with port tenants, customers and local port-related economic development, that are: (1) sponsored by a port; (2) operated by a nonprofit entity; and (3) in existence on the act's effective date. A sponsoring port must require the nonprofit entity to submit to the port annual quantitative information on program outcomes.

Votes on Final Passage:

House	60	37
Senate	43	2

Effective: June 10, 2010

SHB 2657
C 196 L 10

Addressing the dissolution of limited liability companies.

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

House Committee on Judiciary
Senate Committee on Judiciary

Background: A limited liability company (LLC) is a business entity that possesses some of the attributes of a corporation and some of the attributes of a partnership. Domestic LLCs are entities formed under the Washington LLC Act. Foreign LLCs are entities formed under the laws of a state other than Washington or a foreign country.

Dissolution of an LLC. An LLC may be dissolved voluntarily, administratively, or judicially. Dissolution begins a period in which the affairs of the LLC must be wound up. Dissolution of an LLC does not eliminate any cause of action against the LLC that was incurred prior to or after the dissolution if an action on the claim is filed within three years after the effective date of dissolution.

Revocation of Dissolution. A voluntarily-dissolved LLC may file for reinstatement by filing an application with the Office of the Secretary of State (OSOS). The OSOS is required to cancel a voluntarily-dissolved LLC's certificate of formation if the dissolved LLC fails to file for reinstatement within 120 days after the effective date of dissolution.

Winding Up the Affairs of a Dissolved LLC. After dissolution of an LLC, but before cancellation of the LLC's certificate of formation, a manager or member of the LLC or a court-appointed receiver may wind up the business of the LLC. Winding up involves liquidating assets, paying creditors, and distributing proceeds to the members of the LLC.

Cancellation of Certificate. After an LLC is dissolved, the certificate of formation that created the LLC is canceled. In 2009 the Washington Supreme Court held that cancellation of an LLC's certificate of formation bars the LLC from filing or continuing a lawsuit and bars a claimant from filing or continuing a lawsuit against the LLC. Under this decision, an LLC ceases to exist as a legal entity once its certificate of formation is canceled.

Summary: Certificate of Dissolution. A dissolved LLC may file a certificate of dissolution with the OSOS to provide notice that the LLC is dissolved. Provisions are created to address what information must be contained in a certificate of dissolution and who is authorized to sign the certificate.

The dissolution of an LLC does not eliminate any cause of action by or against the LLC that was incurred prior to or after the dissolution, unless the LLC has filed a certificate of dissolution that has not been revoked, and an action is not filed within three years after the filing of the certificate of dissolution. This provision does not apply if the dissolved LLC has disposed of known claims.

Revocation of Dissolution. An LLC that has dissolved and filed a certificate of dissolution with the OSOS may revoke its dissolution within 120 days of filing its certificate of dissolution. To revoke its voluntary dissolution, an LLC must file a certificate of revocation of dissolution with the OSOS. Procedures are created to address how a revocation of dissolution must be approved by the LLC's managers or members.

Winding Up the Affairs of a Dissolved LLC. The persons responsible for managing the business and affairs of the LLC are responsible for winding up the activities of the dissolved LLC. Upon certain conditions, a superior court may order judicial supervision of the winding up of a dissolved LLC. For the purposes of winding up, a dissolved LLC may:

- preserve the LLC's activities and property as a going concern for a reasonable time;
- prosecute and defend actions and proceedings;
- transfer the LLC's property;
- settle disputes; and
- perform other acts necessary or appropriate to the winding up.

Disposing of Known Claims. A dissolved LLC that has filed a certificate of dissolution with the OSOS may dispose of the known claims against it by providing notice to known claimants. Procedures are created to address what the notice to known claimants must contain and how claimants must notify a dissolved LLC of a claim. If a known claimant fails to follow these procedures, a known claim against a dissolved LLC is barred.

Certificate of Cancellation. All references to a "certificate of cancellation" for domestic LLCs are removed. The issuance of a certificate of cancellation of a foreign LLC's registration does not impair the ability of a party to maintain an action, suit, or proceeding against the foreign LLC.

Votes on Final Passage:

House	96	0	
Senate	46	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2010

E2SHB 2658
PARTIAL VETO
C 271 L 10

Refocusing the department of commerce, including transferring programs.

By House Committee on Ways & Means (originally sponsored by Representatives Kenney, Maxwell, McCoy and Morrell; by request of Washington State Department of Commerce).

House Committee on Community & Economic Development & Trade
House Committee on Ways & Means
Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means

Background: The Department of Community, Trade and Economic Development. The Department of Community, Trade and Economic Development (DCTED) was created in 1994 through the consolidation of the Department of Community Development and the Department of Trade and Economic Development. The DCTED was responsible for promoting community and economic development statewide by assisting communities to increase their economic vitality and the quality of their citizen's lives, and assisting the state's businesses to maintain and increase their economic competitiveness while maintaining a healthy environment.

The Department of Commerce. In 2009 legislation was enacted to create a state Department of Commerce (Department) as a successor agency to the DCTED. While the legislation included sections changing the DCTED's name in many statutes, it did not contain policy directives regarding the future of programs within the Department. Instead, the legislation directed the Department to consult with a broad range of stakeholders statewide and develop, by November 1, 2009, a report for the Governor and legislative committees.

That report was to analyze and recommend statutory changes to ensure that the Department would feature a concise core mission, accountability, leveraged resources, maximized partnerships, and increased local capacity building. The report was also to include recommendations for creating or consolidating programs important to meeting the Department's core mission, and for terminating or transferring programs that were inconsistent with the core mission. The Department produced the required report and submitted an agency request bill and budget to advance its policy and fiscal recommendations.

Industry Sectors and Clusters. In its 2008 report "Skills for the Next Washington," the Workforce Training and Education Coordinating Board describes and differentiates industry sectors from clusters. A sector is a group of firms with similar business products, services, or processes. Examples are aerospace, agriculture, and marine services. A cluster is a geographically concentrated, interrelated group of firms and other entities that do business with each other. The wine industry cluster in Walla Walla, for example, includes wineries, grape growers, banks, restaurants, hotels, and the community college's enology and viticulture programs.

Agricultural Commodity Commissions. There are 24 agricultural commodity commissions in Washington. Examples include the Washington Apple Commission, the Asparagus Commission, and the Wine Commission. Agricultural commodity commissions are agencies of state government. Each is governed by a board of directors made up of growers and overseen by the director of the Washington State Department of Agriculture. Agricultural commodity commissions are formed primarily to engage in research and marketing for their specific commodity. Under their statutory authorities, the commissions collect mandatory assessments levied against all commodity shipments at rates established through grower referenda.

Summary: Findings, Intent, and Directives. The Department's mission is to grow and improve jobs and facilitate innovation. The Department must provide business assistance and economic development services through sector-, cluster- and regionally-based partners rather than by assisting individual firms directly.

The Department must also examine agricultural commodity commissions as a model for other industries to self-finance activities such as workforce training, international marketing, quality improvement, and technology deployment. By December 1, 2010, the Department must report to the Governor and Legislature with findings and proposed legislation developed in collaboration with industry sector and cluster associations.

The Department must establish the Community Services and Housing Division. Seventeen specific services or programs to be included in the division are identified, but the division is not limited to those programs named. The section containing these requirements expires on July 1, 2012.

Program Transfers. All powers, duties and functions of the Department pertaining to five programs are transferred to other state agencies. County Public Health Assistance and the Developmental Disabilities Endowment are transferred to the Department of Health. The State Building Code Council is transferred to the Department of General Administration. The Drug Prosecution Assistance program is transferred to the Criminal Justice Training Commission. The Energy Facility Site Evaluation Council is transferred to the Washington Utilities and Transportation Commission. Each transfer section includes common language regarding transfer of personnel, appropriations, apportionment of budgeted funds, documents, files, office equipment and other tangible property from the Department to the receiving agency.

The Municipal Research Council is abolished and its duties are transferred to the Department.

State Energy Strategy. The Legislature finds that: (1) there is a need for the state to implement a comprehensive energy planning process; (2) the nation and world has begun a transition to the clean energy economy; and (3) this transition may increase or decrease energy costs and efforts should be made to mitigate cost increases. The Legislature declares that a successful state energy strategy must balance three factors: (1) maintaining competitive energy prices that are fair and reasonable for consumers and businesses; (2) increasing competitiveness by

fostering a clean energy economy and jobs; and (3) meeting the state's obligations to reduce greenhouse gas emissions. Thirteen principles related to energy are provided. Nine are required to be used by the state to develop and implement the state energy strategy. Four are required of the Department. The 1994 statute containing seven state energy policy goals is repealed.

By December 1, 2010, the Department must produce an updated state energy strategy and implementation report. By December 1, 2011, and every five years thereafter, the Department must produce a fully updated strategy and report. All strategies must be produced with the guidance of an advisory committee appointed by the Director of the Department (Director) to represent a balance of identified interests.

To facilitate Department and advisory committee decision-making, the Director must engage a group of scientific, engineering, economic, and other energy experts to identify analytical needs and capabilities and to provide unbiased information on the energy portfolio, future needs, growth scenarios, and improved productivity. The group is to be comprised of representatives of higher education research institutions, the Pacific Northwest National Laboratory, the Northwest Power and Conservation Council, and other organizations with recognized expertise.

The strategy must examine the state's entire energy system to the maximum extent feasible. The strategy must identify administrative actions, regulatory coordination, and recommendations for legislation. The Department and advisory committee must review related processes and relevant documents. The strategy must be consistent with and build upon all relevant statutorily-authorized energy, environmental, and other policies, goals, and programs. To avoid competition among state agencies, the Department must coordinate a search for external in-kind and financial support for the process.

Following a public hearing on the advisory committee's recommendations for revisions to the strategy, the written report must be produced by the Department and conveyed to the Governor and appropriate legislative committees. The Legislature must, by concurrent resolution, approve or recommend changes to each energy strategy and report. The advisory committee must be dissolved within three months of the report being conveyed.

Other. The number of Department staff administering innovation and policy functions who are exempted from civil service provisions is capped at ten, including three already exempted under current law.

The 1967 statute abolishing the State Census Board is decodified.

Votes on Final Passage:

House	56	38	
Senate	45	2	(Senate amended)
House			(House refuses to concur)
Senate	45	2	(Senate amended)
House	61	36	(House concurred)

Effective: July 1, 2010

Partial Veto Summary: The Governor's partial veto eliminates the section that required the Department, with guidance of an advisory committee and information from a technical experts group, to produce an updated state energy strategy and implementation report by December 1, 2010, again in 2011, and every five years thereafter. The section also required the Legislature to approve or recommend changes to the state energy strategy by concurrent resolution.

VETO MESSAGE ON E2SHB 2658

April 1, 2010

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 404, Engrossed Second Substitute House Bill 2658 entitled:

"AN ACT Relating to refocusing the mission of the department of commerce, including transferring programs."

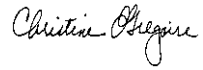
Section 404 of Engrossed Second Substitute House Bill 2658 outlines ways the state energy strategy must identify administrative actions, regulatory coordination, and legislative recommendations that need to be undertaken to ensure that the energy strategy is implemented and operationally supported by all state agencies and regulatory bodies responsible for implementation of energy policy in the state. I strongly agree with the intent of this section. However, a subsection in Section 404 provides that the Legislature shall, by concurrent resolution, approve or recommend changes to the energy strategy and updates. Such provisions create ambiguities that may impede the Department of Commerce in the performance of its duties.

As this bill recognizes, the energy strategy is the primary guidance for implementation of the state's energy policy and should be an integrated document that includes proposed executive actions under existing law as well as any proposals for new legislation. Section 404 could be read to require legislative approval before the Department undertakes any actions that are included in the strategy. Executive actions authorized by existing law should not be subject to legislative approval, as such a requirement would infringe upon the right and ability of the executive branch to execute the laws. Therefore, I will direct the Department to undertake activities outlined in Section 404 while retaining the authority to implement existing laws without a requirement for additional legislative approval.

For these reasons I have vetoed Section 404 of Engrossed Second Substitute House Bill 2658.

With the exception of Section 404, Engrossed Second Substitute House Bill 2658 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

HB 2659
C 197 L 10

Modifying reporting requirements for timber purchases.

By Representatives Ormsby, Orcutt, Blake, Smith, Sullivan and Van De Wege.

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: Every harvester of timber is required to pay an excise tax of 5 percent of the stumpage value of any trees that are harvested. The excise tax applies to timber harvested from both private and public lands.

Every person who purchases more than 200,000 board feet of private timber in a voluntary sale is required to report certain information in a timber purchase report to the Department of Revenue (Department). Information that is required in the timber purchase report includes the sale date, total sale price, total acreage involved in the sale, net volume of timber purchased, road construction that was required, data from the timber cruise, and any timber thinning information. The Department may assess a penalty of $250 for failure to submit the timber purchase report each month.

Information gathered in the timber purchase report is used by the Department to establish tables of stumpage values. A stumpage table is required to be prepared for each species of tree that is commercially harvested in Washington. The values on the tables indicate the amount that each species would sell for at a voluntary sale made in the ordinary course of business. The stumpage value tables are used to calculate the excise tax due from each timber harvester.

The requirement to submit a timber purchase report to the Department expires on July 1, 2010.

Summary: The timber purchase report requirement is revised to also include:

- the seller's name, address and contact information;
- the forest practices application or harvest permit number, if available;
- an estimate of net volume by tree species and log grade; and
- a description and value of all property improvements such as road construction, road improvements, reforestation, land clearing, and stock piling of rocks;

Timber cruise and timber thinning data are no longer required information for the timber purchase report. Timber purchase reports submitted are confidential taxpayer.

The expiration date for authority to require a timber purchase report is extended from July 1, 2010, to July 1, 2014.

Votes on Final Passage:

House	95	0
Senate	47	0

Effective: June 10, 2010

SHB 2661
C 37 L 10

Regarding the Washington State University extension energy program's plant operations support program.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Hudgins, Hunt, Kenney and Morrell; by request of Department of General Administration and WSU Extension Energy Program).

House Committee on Technology, Energy & Communications
Senate Committee on Environment, Water & Energy

Background: In 1997 the Plant Operations Support (POS) Program was formally established and housed at the Department of General Administration (GA). The purpose of the POS Program is to provide information and technical assistance on physical plant operation and maintenance issues to state and local governments. The POS Program is funded by voluntary subscription charges and service fees.

In September of 2007 the POS Program co-located with the Washington State University Extension Energy Program (WSU Energy Program). In July of 2009 the GA and the WSU Energy Program entered into an interagency agreement, which resulted in the GA no longer offering its POS services on a subscription basis pursuant to the POS Program statute and the WSU Energy Program establishing its own subscription-based support program under the name POS Consortium.

Summary: The statute establishing the POS Program within the GA is repealed.

The POS Program is created at the WSU Energy Program. The POS Program must provide information, technical assistance, and consultation services regarding physical plant operation and maintenance issues to state and local governments, tribal governments, and non-profit organizations. In operating the POS Program, the WSU Energy Program may not enter into facilities design or construction contracts on behalf of state or local government agencies, tribal governments, or nonprofit organizations.

The POS Program must be supported by voluntary subscription charges and service fees.

Votes on Final Passage:

House	96	1
Senate	45	0

Effective: June 10, 2010

EHB 2667
C 38 L 10

Concerning communications during a forest fire response.

By Representatives Chandler, Simpson, Kelley and Warnick.

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: Regional fire defense boards develop regional fire service plans that include requirements for fire agencies to respond across jurisdictional boundaries. The regional fire service plans must be consistent with other approved emergency management plans. Regional boards consist of representatives from the counties within the region and the Department of Natural Resources (DNR).

Regional fire service plans must be approved by the State Fire Protection Policy Board (Policy Board). The Policy Board consists of nine members appointed by the Governor. The Policy Board is responsible for developing comprehensive state policy regarding fire protection services including adopting the state fire protection master plan and advising the Chief of the Washington State Patrol and the State Fire Marshal.

The DNR is in direct charge of the forest fire service of the state. The DNR adopts rules for forest fire prevention, control and suppression.

The state Interoperability Executive Committee was formed in 2003 by the Legislature to develop policies and make recommendations to the Information Services Board regarding technical standards for state radio communications systems, including emergency communications systems. The interoperability of communication systems ensures that all emergency responders can communicate with each other across all levels of government and across all jurisdictions.

Summary: The DNR must adopt rules that provide for dedicated radio frequencies, or other interoperability radio frequencies, for fire mobilization that are available to all responders when the forest fire crosses jurisdictional lines.

Regional fire service plans developed by regional fire defense boards must provide for dedicated radio frequencies, or other interoperability radio frequencies, for fire mobilization that are available to all responders when the forest fire crosses jurisdictional lines.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: June 10, 2010

EHB 2672
C 2 L 10 E1

Concerning tax relief for aluminum smelters.

By Representatives Linville, Ericksen, Quall, Morris, Armstrong, Williams, Condotta, Simpson, Van De Wege and Conway.

House Committee on Finance

Background: In 2004 the aluminum manufacturing industry received a package of incentives designed to keep it operating during a period of high energy costs and falling aluminum prices. The incentives were scheduled to expire on January 1, 2007, but were renewed in 2006. Tax incentives for the aluminum industry are:

- a reduced business and occupation (B&O) rate from 0.484 percent to 0.2904 percent for manufacturers of aluminum;
- a B&O tax credit for the amount of property taxes paid on an aluminum smelter;
- a sales and use tax credit against the state portion of the tax for personal property, construction materials, and labor and services performed on buildings and property at an aluminum smelter; and
- an exemption from the brokered natural gas use tax on gas delivered through a pipeline.

The exemptions provide about $3.5 million per year of tax relief for the participants.

The excise tax preferences expire January 1, 2012, and the B&O credit for property taxes ends with property taxes paid in calendar year 2011.

The Citizen Commission for Performance Measurement of Tax Preferences (Commission) was established in 2006 (EHB 1069). The seven-member Commission is made up of five appointees (two appointed by the House of Representatives, two appointed by the Senate, one appointed by the Governor) and two non-voting members (the State Auditor and the Chair of the Joint Legislative Audit and Review Committee (JLARC)). The Commission develops a schedule to review nearly all tax preferences at least once every 10 years. The Commission also schedules preferences with expiration dates for reviews two years before the tax preference expires.

Tax preference reviews are conducted by the JLARC according to the schedule established by the Commission. For each tax preference, the JLARC provides recommendations to continue, modify, schedule for future review, or terminate the preference. The Commission reviews and comments on the JLARC report.

The aluminum tax incentives were reviewed in 2009. The JLARC recommended that the Legislature should extend the expiration date for the aluminum smelter tax preferences because the public policy goal of preserving family wage jobs is being maintained, and because the high energy prices that brought about the tax preference

are higher and more volatile than when the incentives were originally enacted.

The Commission endorsed the recommendation to extend the expiration date, and further recommended that the Legislature should consider establishing a final expiration date. In addition, the Legislature should explore other alternative means of achieving family wage jobs in rural communities.

Summary: The aluminum tax incentives set to expire in 2012 are extended for five years.

The following tax incentives are extended until January 1, 2017: the reduced B&O rate from 0.484 percent to 0.2904 percent for manufacturers of aluminum; the sales and use tax credit against the state portion of the tax for personal property, construction materials, and labor and services performed on buildings and property at an aluminum smelter; and the exemption from the brokered natural gas use tax on gas delivered through a pipeline. The B&O tax credit for the amount of property taxes paid on an aluminum smelter is extended through 2017 property taxes.

Reports on the effectiveness of the tax incentives by the fiscal committees of the House of Representatives and Senate are eliminated and replaced by the JLARC tax preference review process.

The Citizen Commission for Performance Measurement of Tax Preferences is directed to schedule a review of the tax references for the aluminum industry in 2015. The review will include an analysis of the marginal number of jobs retained and the wages, hours, and benefits paid in these jobs. The analysis will also include a demographic analysis of the workers in the retained jobs relative to the surrounding communities.

Votes on Final Passage:

First Special Session

House	94	0
Senate	42	0

Effective: July 13, 2010

HB 2676

C 4 L 10 E1

Extending the pay back period for certain energy conservation loans.

By Representatives Chase and Simpson.

House Committee on Technology, Energy & Communications
Senate Committee on Environment, Water & Energy
Senate Committee on Ways & Means

Background: Financing of Energy Conservation by Public Utility Districts. Public utility districts are authorized to assist the owners of structures or equipment in financing the acquisition and installation of materials and equipment for the conservation or more efficient use of energy. Any financing authorized by a public utility district must only be used for conservation purposes in existing structures.

Eligible energy conservation measures may include projects that allow a customer of a public utility district to generate all or a portion of their own electricity through an on-site distributed electricity generation system that uses as its fuel solar, wind, geothermal, or hydropower, or other renewable resource that is available on-site and not from a commercial source.

Customers pay back their loans to a public utility district through incremental additions to their utility bill. The pay back period for energy conservation loans may not exceed 120 months.

Financing of Energy Conservation by Irrigation Districts. Irrigation districts engaged in the distribution of energy are authorized to assist the owners of residential structures in financing the acquisition and installation of materials and equipment for the conservation or more efficient use of energy.

Owners of residential structures pay back their loans to the irrigation district through incremental additions to their utility bill. The pay back period for energy conservation loans may not exceed 120 months.

Summary: The pay back period for energy conservation loans provided by a public utility district or an irrigation district is extended from 120 months to 240 months.

Votes on Final Passage:

House	91	1

First Special Session

House	91	0
Senate	39	1

Effective: July 13, 2010

HB 2677

C 5 L 10 E1

Extending the pay back period for certain water conservation loans.

By Representatives Chase and Simpson.

House Committee on Technology, Energy & Communications
Senate Committee on Environment, Water & Energy
Senate Committee on Ways & Means

Background: Financing of Water Conservation by Municipal Water Distribution Utilities. Any city or town engaged in the sale or distribution of water may assist the owners of structures in financing the acquisition and installation of fixtures, systems, and equipment for the conservation or more efficient use of water.

Owners of structures pay back their loans to a city or town through incremental additions to their utility bill. The pay back period for water conservation loans may not exceed 120 months.

Financing of Water Conservation by County Water Distribution Utilities. Any county engaged in the sale or distribution of water may assist the owners of structures that are provided water service by the county in financing the acquisition and installation of fixtures, systems, and equipment for the conservation or more efficient use of water.

Owners of structures pay back their loans to a county through incremental additions to their utility bill. The pay back period for water conservation loans may not exceed 120 months.

Financing of Water Conservation by Water and Sewer Districts. Any water and sewer district may assist the owners of structures in financing the acquisition and installation of fixtures, systems, and equipment for the conservation or more efficient use of water in the structures of the owner.

Owners of structures pay back their loans to a water and sewer district through incremental additions to their utility bill. The pay back period for water conservation loans may not exceed 120 months.

Summary: The pay back period for water conservation loans provided by a municipal water distribution utility, a county water distribution utility, or a water and sewer district is extended from 120 months to 240 months.

Votes on Final Passage:

House	91	1

First Special Session

House	91	1
Senate	39	1

Effective: July 13, 2010

SHB 2678
C 39 L 10

Modifying distributions of funds by the horse racing commission to nonprofit race meets.

By House Committee on Commerce & Labor (originally sponsored by Representatives Quall, Priest, Simpson, Sullivan and Conway; by request of Horse Racing Commission).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Washington Horse Racing Commission (Commission) licenses horse racing facilities and regulates horse racing in Washington. A class 1 racing association owns and operates its own race facility and offers at least 40 race days per year. A nonprofit facility holds meets on 10 days or fewer and has an average daily handle of $120,000 or less. The Commission licenses one class 1 racing association, Emerald Downs in Auburn, and four nonprofit tracks in Kennewick, Waitsburg, Walla Walla, and Dayton.

The Commission's operations are financed primarily through a tax of 1.3 percent on the daily gross receipts of pari-mutuel betting machines at the class 1 racing association, with the remainder generated from licensing fees and fines imposed for regulatory violations. An additional 1 percent tax is levied on the daily gross receipts of pari-mutuel machines at the class 1 racing association.

Another 0.1 percent tax is levied on the gross receipts of pari-mutuel machines at the class 1 racing association and is used for the nonprofit purse. In 2007 this tax generated $140,000.

Nonprofit Purse. The Commission is required annually to distribute $300,000 on a pro rata basis for nonprofit purses. Funding for the nonprofit purse is derived from the following sources: the 0.1 percent tax on pari-mutuel betting machines at the class 1 racing association; interest earned on the Commission Operating Account (Commission Account); fines imposed by the Board of Stewards; and the Commission Account.

Over the last four years, the nonprofit race meets have totaled 19 racing days per year, and the nonprofit tracks have received $15,789.47 per race day from the Commission.

Source Market Fee on Advance Deposit Wagering. In 2004 a statute authorized advance deposit wagering, a form of pari-mutuel wagering in which an individual deposits money in an account which is used to pay for wagers made in person, by telephone, or through communication by other electronic means.

The Commission has implemented rules requiring advance deposit wagering service providers to distribute a source market fee on a monthly basis. A source market fee is defined by administrative rules as the part of a wager made by a Washington resident that is returned to the Commission and the class 1 racing association. Under the rules, 90 percent of the source market fee is directed to the class 1 racing association and 10 percent is directed to the Commission. The nonprofit purse receives from the Commission's share of the source market fee 0.5 percent.

Summary: The Commission funding of nonprofit purses is made on a per-race-day basis instead of a pro rata basis and equals $15,800 per race day.

The following hierarchy of funding sources is created to fund the nonprofit purse:

- 0.1 percent tax on pari-mutuel machines at the class 1 racing association;
- fines imposed by the Board of Stewards;
- a percentage of any source market fee generated from advance deposit wagering at the percentage approved by the Commission;
- interest earned on the Commission Account; and
- the Commission Account.

If the 0.1 percent tax on pari-mutuel machines generates more than $15,800 per nonprofit race day, the excess must be returned to the class 1 racing association. Excess

funds from the other sources of funding are deposited in the Commission Account.

Votes on Final Passage:

House	95	0
Senate	47	1

Effective: June 10, 2010

SHB 2680

C 272 L 10

Implementing a guardianship program.

By House Committee on Early Learning & Children's Services (originally sponsored by Representatives Roberts, Kagi, Angel, Seaquist, Walsh, Maxwell and Kenney).

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

Background: A dependency guardianship is a permissible permanency option under state and federal law for children who have been in foster care and for whom the prospects of reunification with a parent, or adoption, are not promising. Establishing a dependency guardianship in Washington requires filing a petition, a court hearing, and specific findings by the court. If the court finds, among other factors, that a dependency guardianship is in the child's best interest, a dependency guardianship order is entered specifying the rights and duties of the guardian. Although a dependency guardianship is considered a permanency option and the dependency guardian has many of the same rights and responsibilities of a parent, the underlying dependency is not dismissed and the court may order continued involvement by the Department of Social and Health Services (DSHS) or supervising agency.

Dependency guardians may be eligible for a subsidy on behalf of the child, but unlike most foster care reimbursements, guardianship subsidies for non-relatives are funded with state-only dollars. As of May 2008, there were about 785 subsidized dependency guardianships and about 765 unsubsidized dependency guardianships in Washington.

In 2008 with the enactment of the Fostering Connections to Success and Increasing Adoptions Act (Act), the federal government authorized the use of federal funds to provide subsidy payments to relatives serving as guardians for children exiting the foster care system. To be eligible, the relative must be licensed by the DSHS as a foster parent and have the child placed in the relative's home for a period of six consecutive months prior to establishment of the guardianship. Following entry of the guardianship order, the relative may continue to receive the subsidy without having to continue being a licensed foster parent. The Act allows states to waive non-safety standards when licensing relatives seeking to be appointed as guardians and eligible for the guardianship subsidy. In October 2009 the DSHS began implementation of the Relative Guardianship Subsidy Program for eligible dependency guardians.

Foster parent licensing includes a criminal history background check. In Washington, the list of crimes that can disqualify a person, including a relative, from being licensed as a foster parent (and later appointed as a guardian) is more comprehensive than the list of disqualifying crimes under the federal Adoption and Safe Families Act (ASFA).

Summary: A new chapter is created in Title 13 setting forth a process for the establishment, modification, and termination of guardianships for children in foster care. Dependency guardianships are removed as a future permanency option for children in foster care. Existing dependency guardianships may continue or may be converted by the court to a guardianship upon the request of the dependency guardian and the DSHS or supervising agency.

Any party to the dependency may petition the court for an order of guardianship for a child in foster care. The petition must name the proposed guardian, who must be at least 21 years of age and meet the minimum qualifications to care for children established by the DSHS. Foster parents, relatives, and other suitable persons with whom the child has been placed in the underlying dependency are eligible to be guardians. In the hearing on a guardianship petition, the rules of evidence apply and the parties have the right to present evidence and cross examine witnesses. Notice of a proposed guardianship must be given to all parties. The court must appoint a guardian ad litem (GAL) or attorney for the child in the guardianship proceedings. The court may direct the GAL or attorney appointed in the underlying dependency proceeding to also serve the child in the guardianship proceeding, or may appoint a different GAL or attorney. A child 12 years and older is a party to guardianship proceedings.

Required Court Findings. To enter an order of guardianship the court must find that it is in the child's best interests to establish a guardianship and dismiss the dependency, rather than terminate parental rights and pursue adoption, or continue efforts to reunify the child and parent. Upon the agreement of the DSHS, the parent, and the child, if the child is 12 or older, the court may enter an order of guardianship.

In the absence of agreement between the parties, the court also must enter specific findings that:

- the child has been in out-of-home care for six months following the entry of the order of dependency;
- the services ordered have been offered or provided and all necessary services reasonably available to correct parental deficiencies have been offered or provided; and
- there is little likelihood that conditions will be remedied so that the child can be returned to the parent in the near future.

Guardianship Order. A guardianship order must:

- appoint a person to be the guardian for the child;
- specify the guardian's rights and responsibilities concerning the care, custody, control, and nurturing of the child;
- specify the guardian's authority, if any, to receive, invest, and expend funds, benefits, or property belonging to the child;
- specify an appropriate frequency and type of contact between the parent or parents and the child, if applicable, and between the child and his or her siblings, if applicable; and
- specify the need for and scope of continued oversight by the court, if any.

Guardian's Rights and Duties. Once appointed, the guardian has the following rights and duties:

- duty to protect, nurture, discipline, and educate the child;
- duty to provide food, clothing, shelter, education as required by law, and health care for the child, including but not limited to, medical, dental, mental health, psychological, and psychiatric care and treatment;
- right to consent to health care for the child and sign a release authorizing the sharing of health care information with appropriate authorities, in accordance with state law;
- right to consent to the child's participation in social and school activities;
- duty to notify the court of a change of address of the guardian and the child; and
- for a child who has independent funds or other valuable property under control of the guardian, the guardian must provide an annual written accounting to the court regarding receipt and expenditure by the guardian of any such funds or benefits.

A guardianship will remain in effect until the child reaches age 18, or until it is terminated by the court. The court is required to dismiss the underlying dependency when a guardianship is established or when a current dependency guardianship is converted to a guardianship under the new chapter. After the entry of the guardianship order, the court may not order the DSHS or supervising agency to provide continuing case management services to the guardian or the child.

Modification of Guardianship. A parent or a guardian may request a modification to the visitation provisions of a guardianship order by filing a petition with the court and providing notice to all parties. If the court finds, based on the affidavits filed, adequate cause exists for hearing the petition, the court shall schedule a hearing. If the court finds that a petition for modification was brought in bad faith, the court may assess the attorney's fees and costs of the nonmoving party against the moving party.

Termination of Guardianship. Any party to a guardianship proceeding may request termination of the guardianship by filing a petition and supporting affidavit alleging a substantial change of circumstances for the child or the guardian, and that the termination is necessary to serve the best interests of the child. The petition and affidavit must be served on all parties to the guardianship and the DSHS.

If termination of the guardianship is in dispute, the court may terminate the guardianship only if it finds upon the basis of facts that have arisen since the guardianship was established or that were unknown to the court at the time the guardianship was established:

- that a substantial change has occurred in the circumstances of the child or the guardian; and
- that termination of the guardianship is necessary to serve the best interests of the child.

Upon the agreement of the guardian and a parent seeking to regain custody of the child, the court may terminate a guardianship if it finds by a preponderance of the evidence and on the basis of facts that have arisen since the guardianship was established that:

- the parent has successfully corrected the parenting deficiencies identified by the court in the dependency action, and the circumstances of the parent have changed to such a degree that returning the child to the custody of the parent no longer creates a risk of harm to the child's health, welfare, and safety;
- the child, if 12 years or older, agrees to termination of the guardianship, the return of custody to the parent; and
- termination of the guardianship and return of custody of the child to the parent is in the child's best interests.

Relative Guardianship Subsidy. When licensing relatives seeking to be appointed as guardians and eligible for a relative guardianship subsidy, the DSHS must, on a case-by-case basis and when in the child's best interests:

- waive non-safety licensing standards; and
- apply the list of disqualifying crimes from the ASFA, rather than Washington's list of disqualifying crimes, unless doing so would compromise the child's safety or would jeopardize the state's eligibility to continue receiving federal funding for child welfare.

Votes on Final Passage:

House	94	0	
Senate	46	0	(Senate amended)
House	96	0	(House concurred)

Effective: June 10, 2010

HB 2681
C 191 L 10

Allowing compensation for part-time judges' judicial services.

By Representatives Goodman, Rodne and Kelley.

House Committee on Judiciary
Senate Committee on Judiciary

Background: District courts are county courts that have jurisdiction over misdemeanor and gross misdemeanor criminal cases and most civil actions involving claims of $75,000 or less. District court judges are elected to four-year terms. In order to serve as a district court judge, a person must be a registered voter of the district court district and an attorney admitted to practice law in Washington. In a district with a population of less than 5,000, the person does not have to be an attorney if the person has passed the qualifying exam for lay judges by January 1, 2003. There are 88 full-time district judges and 24 part-time district judges serving in the district courts.

When a district judge is unable to serve due to an absence, disqualification, or other reason, the district court may appoint a judge *pro tempore* to temporarily serve in place of the district judge, or the district court may "borrow" a district judge from another district court on a temporary basis.

A judge *pro tempore* must meet the same requirements as a district judge, except that a judge *pro tempore* need not be a registered voter of the district. Compensation for a district judge *pro tempore* is determined by the local legislative authority.

A district judge may temporarily provide judicial services in another district court if the judge is able to be absent from the judge's own district and the county legislative authority approves the absence of the judge. A visiting district judge is entitled to reimbursement for subsistence, lodging, and travel expenses. These expenses are paid by the visited district and must be approved in advance by the county legislative authority for the visited district.

Summary: A visiting part-time district judge may receive compensation for judicial services if the county legislative authority in the visited district approves the payment in advance and the visiting judge is not serving in a judicial capacity in the judge's own district.

Votes on Final Passage:

House	97	0	
Senate	39	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 10, 2010

SHB 2684
C 40 L 10

Establishing opportunity centers at community colleges.

By House Committee on Higher Education (originally sponsored by Representatives Kenney, Sullivan, Liias, Hasegawa, Simpson, Nelson, Goodman and Chase).

House Committee on Higher Education
House Committee on Ways & Means
Senate Committee on Higher Education & Workforce Development

Background: The 2003 Capital Budget called for "the State Board for Community and Technical Colleges (SBCTC) to conduct a study, with input from an advisory committee, on the feasibility and benefits of establishing one-stop satellite offices co-locating the Employment Security Department (ESD) and the Department of Social and Health Services (DSHS) on community college campuses."

The stated intent was to: improve service delivery to shared clients/students of the two-year colleges, the DSHS, and the ESD; improve employment outcomes for people struggling to achieve self-sufficiency and prosperity for their families; and make better use of tax dollars by locating these services in facilities owned by the state rather than in leased buildings.

The SBCTC formed an advisory committee that included representatives from the ESD, the DSHS, and the workforce development councils (WDCs) and worked throughout 2004 to conduct focus groups and interviews with various stakeholder groups. The advisory committee recommended moving forward with a pilot at North Seattle Community College. Based on its study, the advisory group indicated that this co-location model had the potential to use state resources more effectively and to enhance service delivery through the integration of services needed by working-age adults.

Summary: An Opportunity Education and Employment Center (Center) is established within the Seattle Community College district. The Center will house various educational and social service providers that will integrate access to employment, counseling, and public benefit programs as well as education, training, financial aid, and counseling offered through community colleges. The Center is required to form partnerships that will enhance service provision.

The Center is required to provide the following services: ESD and WDC WorkSource services; job listing, referral, and placement; job coaching; employment counseling, testing, and career planning; unemployment insurance claim filing assistance; cash grant programs run by the DSHS; the Supplemental Nutrition Assistance Program; housing assistance; child support assistance; child care subsidies; WorkFirst and Temporary Assistance to Needy Families; state General Assistance and

Supplemental Security Income facilitation; vocational rehabilitation services and referrals; Medicaid and medical services; alcoholism and drug addiction treatment and support act referrals; case management and mental health referrals; community college financial aid; support services; college counseling services related to career pathways and basic-skills resources for English language learners; high school completion; and adult basic education.

The Chancellor of the Seattle Community College district must convene a workgroup (Workgroup) that is charged with governing the Center. The Workgroup must include representatives of the King County WDC, North Seattle Community College, the ESD, and the DSHS. Each year a chair will be chosen from among the Workgroup's membership, with the chairmanship rotating among participating agencies.

The Workgroup is tasked with determining protocols and policies for service delivery and general operation, developing cross-agency training for agency employees located at the Center, and developing a plan to establish a common information-technology framework that could facilitate interagency access to files and information, including any common application and screening systems that facilitate access. The plan developed by the Workgroup must be accomplished within existing resources and to the extent federal privacy laws allow.

In addition, the Workgroup must also develop a release of information form that may be voluntarily completed by Center clients to facilitate information sharing and compliance with all applicable state and federal laws.

Agencies are required to apply for any applicable waivers of federal and state law to facilitate the intended goals of the Center.

The Center is additionally responsible for jointly developing evaluation criteria with the SBCTC. By December 1, 2011, and annually thereafter, the SBCTC must provide an evaluation of existing Centers based on these criteria. The report must also include data on any federal and state legislative barriers to integration.

By December 1, 2010, the SBCTC must make recommendations on the location of a new Center. If future Centers are created, they will be governed by the Workgroup.

Votes on Final Passage:

House	61	36	
Senate	30	17	

Effective: June 10, 2010

SHB 2686

C 228 L 10

Concerning fees for dental services that are not covered by insurance or contract.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Driscoll, Hinkle, Condotta, Moeller and Goodman).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Washington Dental Services notified participating dentists it was changing provider contract provisions to allow it to limit fees charged by contracted dentists for dental services not covered by the insurer's dental plans.

Summary: Disability insurers and health care service contractors are prohibited from requiring a contracting dentist to provide services to a subscriber at a fee set by, or subject to the approval of, the insurer, unless the dental services are covered services under the applicable contract. Covered services include services that would be reimbursable but for the application of contractual limitations such as benefit maximums, deductibles, coinsurance, waiting periods, or frequency limitations.

Votes on Final Passage:

House	97	0	
Senate	45	1	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2010

HB 2694

C 25 L 10 E1

Regarding a bachelor of science in nursing program at the University Center.

By Representatives Sells, White, McCoy, Kenney, Ericks, O'Brien, Roberts and Chase.

House Committee on Higher Education
House Committee on Education Appropriations
Senate Committee on Higher Education & Workforce Development
Senate Committee on Ways & Means

Background: Management and leadership responsibility for the north Snohomish, Island, and Skagit counties' higher education consortium is assigned, in statute, to Everett Community College (ECC). The ECC is charged with collaborating with community and business leaders, other local community colleges, the public four-year institutions, and the Higher Education Coordinating Board (HECB) to develop an educational plan for the region based on the university center model. In April of 2009, Gray Wolf Hall opened as the new home of the University Center of North Puget Sound. The University Center at

ECC offers over 20 bachelor's and master's degrees from six partner universities.

The ECC offers an associate degree nursing program that graduates approximately 70 to 90 students per year. The University Center at ECC does not offer a bachelor of science in nursing. There is a bachelor of science in nursing program offered by the University of Washington-Bothell at its Bothell campus and at Skagit Community College.

Despite recent growth in nursing education capacity, shortages still persist for registered nurses. According to a June 2007 study by the Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) Center for Health Workforce Studies, the average age of Washington's registered nurses was 48 years. More than a third were 55 years of age or older. In light of the age demographics, it was predicted that there would be a high rate of registered nurses retiring from nursing practice over the next two decades which will significantly reduce the supply. This reduction comes at the same time as the state's population grows and ages.

The registered nurse education capacity in Washington impacts the supply of registered nurses in the state. If the rate of graduation in registered nursing does not increase, projections show that supply in Washington will begin to decline by 2015. In contrast, if graduation rates increased by 400 per year, the supply of registered nurses would meet estimated demand by the year 2021.

The HECB's Employer Demand Joint Report 2009 Update of *A Skilled and Educated Workforce* showed an annual supply of 2,912 registered nurses, with 3,019 additional registered nurses needed to meet the average annual demand for 2004-2014.

Summary: Subject to specific funding, the University Center at ECC, in partnership with the University of Washington-Bothell, may offer a bachelor of science in nursing program with capacity for up to 50 full-time students.

Votes on Final Passage:

House	97	0	
First Special Session			
House	93	0	
Senate	43	2	(Senate amended)
House	96	0	(House concurred)

Effective: July 1, 2010

HB 2697

C 156 L 10

Concerning real estate broker licensure fees.

By Representatives Conway and Condotta.

House Committee on Commerce & Labor
House Committee on General Government Appropriations
Senate Committee on Labor, Commerce & Consumer Protection

Background: In 1989 the Washington Center for Real Estate Research (Center) was established at Washington State University. The Center's purpose is to provide research and education services to real estate licensees, others in the industry, and the public, including consumers, agencies, and communities in Washington and the Pacific Northwest.

Since 1999 the Center has been funded, in part, with revenues from a $10 fee assessed on real estate licensees when their licenses are issued or renewed. The Department of Licensing (Department) collects the fees and deposits them in the Washington Real Estate Research Account (Account). Moneys in the Account must be appropriated. The Department's authority to collect the fees and related provisions expire September 30, 2010.

Summary: The Department's authority to collect a $10 fee from real estate licensees to fund the Center's activities is extended for five additional years (from September 30, 2010, to September 30, 2015). Related provisions are also extended for five years.

Votes on Final Passage:

House	91	0
Senate	44	4

Effective: July 1, 2010

SHB 2704

C 30 L 10

Transferring the Washington main street program to the department of archaeology and historic preservation.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Takko, Hinkle, Appleton, Haler, Rolfes, Van De Wege, Quall, Warnick and Morris).

House Committee on State Government & Tribal Affairs
House Committee on General Government Appropriations
Senate Committee on Government Operations & Elections

Background: In 2005 the Legislature created the Washington Main Street Program (Program) in the Department of Commerce (DCOM) to provide technical assistance to communities undertaking a comprehensive downtown or neighborhood commercial district revitalization initiative and management strategy. The DCOM operates the Program in consultation with an advisory committee. Financial assistance may be provided to communities for certain Program costs. The DCOM was directed to develop the criteria for selecting the recipients of assistance and will provide the designation of local projects. Priority for technical and financial assistance is given to downtown or neighborhood revitalization programs located in a rural

county. The DCOM may not provide assistance to cities with populations of 190,000 or more.

The Program is funded through a business and occupation (B&O) tax credit. The B&O tax credit is available for 75 percent of the amount donated directly to a local Program or 50 percent of the contribution amount to the Main Street Trust Fund. In order to receive a credit, a taxpayer must apply to the Department of Revenue. Total credits cannot exceed $100,000 per calendar year for an individual Program, or $250,000 per calendar year for a taxpayer, and may only be claimed against tax due in the calendar year following approval. The total amount of credits per year statewide is capped at $1.5 million per calendar year. Credits may not be approved for Programs in cities with populations of 190,000 or more.

Summary: The administration of the Washington Main Street Program is moved from the Department of Commerce to the Department of Archeology and Historic Preservation.

Votes on Final Passage:

House	91	7
Senate	45	0

Effective: July 1, 2010

HB 2707

C 58 L 10

Concerning the method of calculating public utility district commissioner compensation.

By Representatives Simpson, Angel, Finn and Kretz.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Public Utility Districts. Public utility districts (PUDs) are limited purpose local governments separate from cities, towns, and counties that are authorized to generate and distribute electrical energy, provide potable water, and provide sewer and telecommunications services. Public utility districts are governed by an elected board of commissioners composed of either three or five members. Commissioners receive per diem compensation for each day spent devoted to the business of the PUD at a rate not exceeding $90 per day and $12,600 in any year.

In addition, PUD commissioners receive salaries as follows:

- In PUDs receiving total gross revenue of more than $15 million in the previous fiscal year, commissioners receive a salary of $1,400 per month. The board of commissioners may pass a resolution to increase monthly salary to $1,800.
- In PUDs receiving total gross revenue of from $2 million to $15 million in the previous fiscal year, commissioners receive a salary of $1,000 per month. The board of commissioners may pass a resolution to increase monthly salary to $1,300.
- The commissioners of any other PUD serve without salary. The board of commissioners may pass a resolution to provide for monthly salary not exceeding $600 for each commissioner.

Commissioners may choose to waive all or any portion of their compensation.

Summary: Provisions authorizing PUD commissioners to increase monthly compensation through resolution are removed. The statutorily established salaries of PUD commissioners are changed to equal the maximum amounts that may currently be authorized by a combination of the previous statutory amounts and a resolution of the PUD commissioners. The salaries are set as follows:

- $1,800 in PUDs receiving total gross revenues of more than $15 million in the previous fiscal year;
- $1,300 in PUDs receiving total gross revenues of $2 million to $15 million in the previous fiscal year; and
- $600 for any other PUD.

In addition, PUDs are required to provide per diem compensation of $90 to each commissioner. The salaries and per diem compensation of PUD commissioners must be periodically adjusted for inflation by the Office of Financial Management.

Votes on Final Passage:

House	96	0
Senate	28	19

Effective: June 10, 2010

SHB 2717

C 262 L 10

Restricting leave from state facilities.

By House Committee on Human Services (originally sponsored by Representatives Shea, Parker, Ross, Haler, Klippert, Taylor, McCune, Short, Kristiansen, Kretz, Crouse, Hinkle, Johnson, Rodne, Bailey, Orcutt, Angel, Fagan, Smith, Condotta, Pearson and Warnick).

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

Background: Commitment to State Facilities. A court may order that a person be committed to a state hospital facility in order to determine whether the person is competent to stand trial, to restore a person's competence so that the person may stand trial, or as a result of a finding of not guilty by reason of insanity.

Authorized Absences. Once committed to a state hospital facility, the court may order a conditional release allowing release from the state hospital or facility under certain conditions. A conditional release may be allowed for work release, training, or education purposes. A person may also be granted a furlough which would allow

him or her to leave the facility for a period of time unescorted.

Notice of Authorized Absences. *County Prosecutors.* Before a person is authorized to leave on an unescorted leave or furlough, the superintendent or professional person in charge of the state facility must notify in writing the prosecuting attorney of any county to which the person is released and the prosecuting attorney of the county in which the criminal charges against the committed person were dismissed. Notice must be given at least 45 days in advance of the anticipated release and must describe the conditions under which the release is to occur. The prosecuting attorney may seek a temporary restraining order to prevent the release of the person on the grounds that the person is dangerous to self or others.

Law Enforcement. At least 30 days prior to release on furlough, the superintendent of each state institution must notify appropriate law enforcement agencies. Notification must include the places to which the person has permission to go, and the dates and times during which the person will be on furlough. If the person to be released has been found not guilty by reason of insanity of a sex, violent, or felony harassment offense, the superintendent must notify the Chief of Police of the city in which the person will reside, the Sheriff of the county, and if it has been requested in writing, the victim of the crime for which the person was committed. If the crime was a homicide, the victim's next of kin must be notified, if a request has been made in writing, as well as any person specified in writing by the prosecuting attorney.

Summary: A person committed to a state facility for the purpose of determining competency, restoring competency, or as the result of a finding of not guilty by reason of insanity, unless authorized by the court, is not allowed to leave the state institution where he or she has been committed except for:

- necessary medical or legal proceedings not available in the facility where he or she is confined;
- visits to the bedside of a member of an immediate family member who is seriously ill; or
- attendance at the funeral of an immediate family member.

If a person is authorized to leave the facility for one of these reasons, he or she must be escorted by a person approved by the Secretary of the Department of Social and Health Services (Secretary), and the escort must be in visual or auditory contact at all times with the person on leave unless otherwise authorized by the court.

Prior to any authorized release, the Secretary must give notification to any county or city law enforcement agency having jurisdiction in the location of the person's destination.

Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

Effective: June 10, 2010

2SHB 2731

PARTIAL VETO

C 231 L 10

Creating an early learning program for educationally at-risk children.

By House Committee on Ways & Means (originally sponsored by Representatives Goodman, Haler, Maxwell, Priest, Kagi, Sullivan, Seaquist, Quall, O'Brien, Jacks, Haigh, Pedersen, Darneille, Kenney, Rolfes, Hunter, Williams, Orwall, Liias, Carlyle, Roberts, Simpson, Walsh, Nelson, Kelley, Dickerson, Appleton, Eddy, Sells and Morrell).

House Committee on Early Learning & Children's Services
House Committee on Ways & Means
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: Department of Early Learning. Created in 2006, the Department of Early Learning (DEL) is charged with implementing state early learning policy and coordinating, consolidating, and integrating child care and early learning programs. One of the purposes underlying the creation of the DEL is to promote linkages and alignment between early learning programs and elementary schools. The DEL has approached a number of its initiatives over the past three years with the ultimate goal of improving school readiness for Washington's children. The Director of the DEL serves on the Quality Education Council.

Quality Education Council. The Quality Education Council (QEC) was created by statute in 2009 to serve as the education reform implementation and oversight body. The Superintendent of Public Instruction (SPI) serves as chair of the QEC. In its January 2010 report to the Governor and the Legislature, the QEC included 13 recommendations, including a recommendation for the inclusion of an early learning program for at-risk 3- and 4-year-olds within the definition of basic education.

Early Childhood Education and Assistance Program. The Early Childhood Education and Assistance Program (ECEAP) is the state-funded voluntary preschool program serving children ages 3 and 4 from low-income households. Children from families with income at or below 110 percent of the federal poverty level are eligible for enrollment in the ECEAP. In addition, under rules adopted by the DEL, up to 10 percent of total enrollment slots may be used to enroll children who do not qualify on the basis of family income, including children with developmental delays. Priority for enrollment is given to children from families with the lowest incomes, children in foster care, and children from families with multiple needs. Program standards for the ECEAP are developed by the DEL and

include standards for curriculum, provider credentials, and family support services.

Program of Basic Education. The 1977 Basic Education Act describes the program of basic education as:

- the goal of the school system, which includes providing students the opportunity to develop essential knowledge and skills in various subjects;
- the instructional program to be made available by school districts; and
- the determination and distribution of state funding to support the instructional program.

Previous Legislation. In 2009, as it passed the Legislature, Engrossed Substitute House Bill 2261 (ESHB 2261), among other reforms: declared the intent to develop a program of early learning within basic education; directed the SPI and the DEL to convene a working group to develop the basic education program of early learning; and required status reports and a final report be delivered to the QEC. This section of ESHB 2261 was vetoed by the Governor. The Governor's veto message included her commitment to "providing quality early learning programs for all" Washington's children, and requested the SPI and the Director of the DEL "to work together to bring a proposal forward that ensures all Washington children have the benefit of early childhood education." By letter, the Governor also requested that Thrive by Five Washington be included in development of the proposal and that a final report be delivered by December 1, 2009.

The Early Learning Advisory Council incorporated the proposal requested by the Governor in her veto message into the draft Early Learning Plan (ELP) presented to the Legislature on December 2, 2009. Among the recommendations in the current draft ELP is a recommendation to increase investments in, and phase in the implementation of, enhanced early learning opportunities for children ages birth to grade 3. The opportunities should be available to all who wish to access them, and they should work to close the preparation and achievement gap children are experiencing.

Summary: Beginning September 1, 2011, a voluntary early learning program is established to provide developmentally appropriate and comprehensive services to eligible 3- and 4-year-olds and their families (Program). When fully implemented, the Program will be an entitlement program for eligible children. The DEL is vested with governance and rule-making authority.

Funding for the Program will be appropriated to the DEL, and allocated on a per-eligible-child basis. The DEL will contract with school districts and community-based, DEL-approved early learning providers to deliver services. For the initial phase of implementation, the Legislature will appropriate to the DEL an amount that is not less than the amount appropriated for the ECEAP in the 2009-11 biennium.

During the initial implementation phase of the Program, in school years 2011-12 and 2012-13, the Program will utilize the same eligibility criteria and program standards used by the ECEAP. On a space-available basis, and so long as eligible children are not displaced, Program providers may allow enrollment of non-eligible children on a fee basis. The ECEAP eligibility criteria are revised so that a child who qualifies for special education is also eligible for the Program.

The DEL will adopt rules as necessary and appropriate relating to:

- minimum program standards, including lead teacher, assistant teacher, and staff qualifications;
- approval of program providers; and
- accountability and adherence to performance standards.

In partnership with school districts, the DEL will:

- monitor program quality to assure the Program is responsive to the needs of eligible children; and
- coordinate the transition from preschool to kindergarten so that children and their families are well-prepared and supported.

Beginning in the 2013-14 school year, additional funding will be phased-in incrementally in school districts providing state funded full-day kindergarten. Full implementation of the Program is to be achieved in the 2018-19 school year, at which time any eligible child will be entitled to enroll.

Beginning December 1, 2012, and annually thereafter, the Office of Financial Management and the DEL will review caseload forecasts and provide recommendations to the Legislature and the Governor for funding increases to achieve full implementation by the 2018-19 school year.

Votes on Final Passage:

House	67	28	
Senate	29	16	(Senate amended)
House			(House refused to concur)
Senate	33	15	(Senate amended)
House	70	27	(House concurred)

Effective: June 10, 2010

Partial Veto Summary: The Governor vetoed the section making legislative findings regarding the links between high-quality preschool experience and successful K-12 outcomes and declaring legislative intent to implement an entitlement early learning program for eligible children.

VETO MESSAGE ON 2SHB 2731

March 29, 2010

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 1, Second Substitute House Bill 2731 entitled:

"AN ACT Relating to implementing a program of early learning for educationally at-risk children."

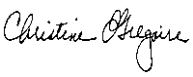
Section 1 indicates the Legislature's intent regarding the future of early learning in our state. The Legislature is undertaking a study of the optimal approach for implementing a voluntary program for early learning in Senate Bill 6759 which I am signing

today. I look forward to future legislation implementing the results of that study. Because the language in this section presupposes the outcome of the study called for in Senate Bill 6759, I am vetoing this section.

For this reason, I have vetoed Section 1 of Second Substitute House Bill 2731.

With the exception of Section 1, Second Substitute House Bill 2731 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

HB 2734
C 157 L 10

Allowing federally qualified community health centers to buy surplus real property from the department of transportation.

By Representatives Kagi, Liias, Chase, Miloscia, Clibborn, Wallace, Maxwell, Nelson, Simpson and Santos.

House Committee on Transportation
Senate Committee on Transportation

Background: The Washington State Department of Transportation (WSDOT) often acquires land in anticipation of constructing highway or transportation projects. When these properties owned by the state are no longer needed for future transportation projects, there is a specified process for the WSDOT to dispose of this surplus property.

If the WSDOT determines that any real property is no longer needed for transportation purposes, the WSDOT can sell the property or exchange it for other land at fair market value to the following entities or persons: (1) any other state agency; (2) the city or county where the property is situated; (3) any other municipal corporation; (4) regional transit authorities; (5) the former owner of the property from whom the state acquired title; (6) if the property is used as a residence, to the tenant of the property, so long as the tenant has lived there at least six months and paid rent on time; (7) any abutting property owner, unless there is more than one interested abutting property owner, in which case an auction procedure applies; (8) any other person, through written solicitation of bids; (9) any other owner of real property, where that property is required for transportation purposes; (10) if it is residential property, any non-profit organization dedicated to affordable housing, as further specified in state law; or (11) a federally recognized Indian tribe within whose reservation boundaries the property is located.

State law does not specify which of these entities or persons has priority to acquire the WSDOT's surplus property. The proceeds from the sale of surplus properties must be deposited into the Motor Vehicle Fund.

Summary: Federally qualified community health centers, as defined in state law, are added to the list of persons and entities entitled to purchase surplus real property from the WSDOT, until June 30, 2012, when the act expires.

Votes on Final Passage:

House	77	21	
Senate	31	14	(Senate amended)
House	74	21	(House concurred)

Effective: June 10, 2010

HB 2735
C 180 L 10

Encouraging the need for representation of children in dependency matters.

By Representatives Goodman, Appleton, Rolfes, Seaquist, Finn, Rodne, Williams, Haigh, Pettigrew, Nelson, Darneille, Hasegawa and Ormsby.

House Committee on Judiciary
Senate Committee on Human Services & Corrections

Background: Children in Dependency. The Department of Social and Health Services (DSHS) or any person may file a petition in court to determine if a child should be a dependent of the state due to abuse, neglect, abandonment, or because there is no parent or custodian capable of caring for the child. If the court determines the child is dependent, the court conducts periodic reviews and makes determinations about the child's placement and the parent's progress in correcting parental deficiencies.

The court must appoint a guardian ad litem (GAL) for the child unless the court finds the appointment unnecessary. If the child is age 12 or older and requests an attorney, or if the GAL or the court determines that the child needs one, the court may, appoint an attorney to represent the child. The county is responsible for the cost of the attorney.

Reinstatement of Parental Rights. If the parent fails to take the corrective measures needed for the child to return home safely, the court may eventually terminate the parent's parental rights. A dependent child may petition the court to reinstate the previously terminated parental rights of his or her parent if, among other things, the child is age 12 or older and has not achieved a permanency plan within three years of the final order terminating parental rights. A court may hear a petition filed by a child under the age of 12 upon a showing of good cause. A permanency plan identifies a particular outcome as a primary goal for the child, such as adoption or long-term relative care. A child seeking to petition for reinstatement must be provided an attorney at no cost to the child.

Summary: The DSHS and the child's GAL must notify a child who is age 12 or older in a dependency proceeding of the child's right to request an attorney and must ask the child whether he or she wants an attorney. The DSHS and

the GAL must notify the child every year and upon the filing of any motion affecting the child's placement, services, or familial relationships.

The DSHS must note in the child's service and safety plan, and the GAL must note in his or her report to the court, the child's position regarding appointment of an attorney. The GAL must provide the court with the GAL's recommendation regarding whether appointment of an attorney is in the child's best interests.

The court must also ask a child who is age 12 or older in a dependency proceeding whether he or she has been informed by the DSHS and the GAL regarding the child's right to request an attorney. The court must make an additional inquiry at the first regularly scheduled hearing after the child's fifteenth birthday.

If a child is eligible to petition the court to reinstate previously terminated parental rights and a parent has contacted the DSHS or the child's GAL regarding reinstatement, the DSHS or the GAL must notify the child about his or her right to petition for reinstatement.

Within available resources, the Administrative Office of the Courts (AOC) must develop recommendations for voluntary training and caseload standards for attorneys representing children in dependency proceedings. The AOC must work with the Washington Supreme Court Commission on Children in Foster Care and report its recommendations to the Legislature by December 31, 2010.

Votes on Final Passage:

House	95	0
Senate	47	0

Effective: June 10, 2010

HB 2740

C 59 L 10

Regarding the definition of land use decision in the land use petition act.

By Representatives Seaquist and Angel.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: The Land Use Petition Act. The Land Use Petition Act (LUPA) was enacted in 1995 to provide uniform, expedited judicial review of land use decisions made by counties, cities, and unincorporated towns. Land use decisions subject to judicial review under the LUPA are limited to:

- applications for project permits or approvals that are required before real property may be improved, developed, modified, sold, transferred, or used;
- interpretations regarding the application of specific requirements to specific property; and
- enforcement by local jurisdictions of ordinances relating to particular real property.

Land use decisions that do not fall under the LUPA are approvals to use, vacate, or transfer streets, parks and other similar types of public property, approvals for area-wide rezones and annexations, and applications for business licenses. In addition, the LUPA does not apply to land use decisions that are subject to review by legislatively created quasi-judicial bodies, such as the Shorelines Hearings Board, the Environmental and Land Use Hearings Board, and the Growth Management Hearings Board.

A person seeking review of a land use decision must file a petition in superior court and serve all parties within 21 days of the issuance of the land use decision. The parties must follow certain procedures within specified timeframes intended to expedite the judicial process.

"Land use decision" is defined to mean a final determination by a local jurisdiction's governing body or officer with the highest level of authority to make the decision, including those with the authority to hear appeals at the local, non-judicial level.

Generally, the court sets a hearing within a few months of the filing of the petition. The court may affirm or reverse the land use decision or remand it for modification or further proceedings.

Judicial relief may be granted based on any one of the following grounds:

- the decision maker followed an unlawful procedure or failed to follow a required procedure;
- the land use decision is erroneous in its interpretation or application of the law;
- the land use decision is not supported by evidence;
- the land use decision is outside the authority or jurisdiction of the decision maker; or
- the land use decision violates the petitioner's constitutional rights.

Recent Court Cases Pertinent to LUPA Appeals. In recent years there have been conflicting decisions by the courts of appeal in this state regarding when time limits for the filing of judicial appeals begin to run in cases involving motions for the reconsideration of local administrative decisions.

In *Skinner v. Civil Service Commission of the City of Medina* (*Skinner*), Division I of the Washington State Court of Appeals ruled that where the law allows a local, non-judicial motion for reconsideration of an administrative decision, the time limit for the filing of a judicial appeal runs from the date of the final order on the motion for reconsideration rather than from the date of the original administrative decision. This ruling has been appealed to the Washington State Supreme Court, which has agreed to review the case.

Contrary to the ruling in *Skinner*, in 2009 Division II of the Washington State Court of Appeals ruled in *Mellish v. Frog Mountain Pet Care* that under LUPA the 21-day limit for filing a judicial appeal begins to run on the date

the order is entered on the original, administrative land use decision, regardless of whether a party has filed a local, non-judicial motion for reconsideration.

Summary: Under the LUPA, when a motion for reconsideration of a local land use decision has been filed with the local decision-making authority, the date of the "land use decision" is the date of the entry of the decision on the reconsideration motion rather than the date of the original decision.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: June 10, 2010

2SHB 2742

C 269 L 10

Addressing accountability for persons driving under the influence of intoxicating liquor or drugs.

By House Committee on Transportation (originally sponsored by Representatives Goodman, Liias, Sells, Hasegawa, Maxwell, Roberts, Jacks, Carlyle, Rolfes, Simpson, O'Brien and Morrell).

House Committee on Judiciary
House Committee on Transportation
Senate Committee on Judiciary

Background: License Suspension of Persons Arrested for DUI. When a person is arrested for driving under the influence of alcohol or any drug (DUI), the person's driver's license may be suspended as a result of an administrative action by the Department of Licensing (DOL) and as a result of a criminal conviction. Administrative suspension periods last from 90 days to two years depending on whether the driver refused to take a blood or breath alcohol concentration test (BAC) and whether there have been prior offenses. The suspension period based on a criminal conviction also varies, ranging from 90 days to four years, depending on the offender's BAC level and prior offenses.

Ignition Interlock License. An ignition interlock license (IIL) authorizes a person to drive a noncommercial vehicle with an ignition interlock device while his or her regular driver's license is suspended for alcohol-related DUI. Persons who have an administrative suspension may apply for an IIL. Persons who are suspended based on a conviction are ordered by the court to apply for an IIL. The court may waive the requirement under certain circumstances. If the requirement is waived, the court must order the person to submit to alcohol monitoring. Persons who receive a deferred prosecution must also apply for an IIL. An IIL is not available for persons convicted of DUI based on driving under the influence of drugs. A person is not eligible to receive an IIL if the person has been convicted of vehicular homicide or vehicular assault within seven years of the current offense. The IIL lasts for the length of time the person's regular driver's license is suspended.

An ignition interlock device is not required on cars owned by the person's employer and driven as a requirement of employment during working hours. The person must provide the DOL with a declaration from the employer that the person is required to drive a vehicle owned by the employer.

Additional Ignition Interlock Requirements. After the suspension period of the person's regular driver's license expires and the person is eligible to reinstate his or her regular driver's license, the person must drive with an ignition interlock device for either one year, five years, or 10 years, depending on whether the person was previously restricted. This statutory requirement is not related to an IIL and applies whether or not a person received an IIL.

Prior Offenses. The penalties and license suspension periods under the DUI statutes vary depending on, among other things, whether the person has had any prior offenses within seven years. The terms "prior offense" and "within seven years" are defined. In a recent Washington Supreme Court (Court) case, the Court held that the terms are ambiguous.

In the case, one of the defendants was arrested for DUI in 2001. He received a deferred prosecution. In 2005 he was again arrested for DUI. His deferred prosecution was revoked. The issue was whether the 2005 conviction counted as a "prior offense within seven years" of the 2001 deferred prosecution, for purposes of sentencing. According to the Court, "prior offense within seven years," could mean either: (1) that the offense to be counted as a "prior" must have occurred before the offense for which the defendant is being sentenced; or (2) that the offense to be counted as a prior could have occurred either before or after -- so long as it is within seven years of -- the offense for which the defendant is being sentenced.

Summary: Ignition Interlock License. Changes are made regarding who may apply for an IIL. A person who has been convicted of vehicular homicide or vehicular assault due to driving under the influence may apply for an IIL. Persons whose licenses have been suspended due to DUI based on driving under the influence of drugs may apply for an IIL. Persons who enter into deferred prosecutions for DUI are no longer required to apply for an IIL.

The employer vehicle exception is expanded to include vehicles leased or rented by the person's employer and vehicles whose care or maintenance is the temporary responsibility of the employer and driven at the direction of the employer.

The list of circumstances under which the court may waive the requirement that a person apply for an IIL is expanded. If a court finds that a person is not eligible to receive an IIL, the court is not required to make any further subsequent inquiry or determination as to the person's eligibility. The court must order alcohol monitoring in cases

where the IIL requirement is waived and the court has orders that the person not consume alcohol.

Additional Ignition Interlock Requirements. When a person has his or her regular driver's license reinstated and an ignition interlock device is required to be installed, the requirement remains in effect until the DOL receives a declaration from the person's ignition interlock vendor certifying that there have been no "incidents" in the four consecutive months prior to the date the requirement expires. An "incident" is: (1) an attempt to start the vehicle with a BAC of .04 or higher; (2) failure to take or pass any required re-test; or (3) failure of the person to appear at the vendor when required.

Prior Offenses. The definitions of "prior offenses" and "within seven years" are amended. A prior offense within seven years means that the arrest for the prior offense occurred either before or *after* the arrest for the current offense. However, if a deferred prosecution is revoked based on a subsequent DUI-related conviction, the subsequent conviction may not be treated as a prior offense of the revoked deferred prosecution for the purposes of sentencing.

Liability. If as part of the person's judgment and sentence, a person is required to install an ignition interlock device on all motor vehicles operated by the person and the person is under the jurisdiction of the municipality or county probation or supervision department, the probation or supervision department must verify the installation of an ignition interlock device. The county probation or supervision department satisfies the requirement to verify installation if it receives a written verification by an ignition interlock company stating that it has installed a device on a vehicle owned or operated by the person. The municipality or county has no further obligation to supervise the use of the device by the person and is not civilly liable for any injuries or damages caused by the person for failing to use a device or for driving under the influence of intoxicating liquor or any drug.

Other Provisions. It is a gross misdemeanor, rather than a misdemeanor, for a person to drive a vehicle without an ignition interlock device when the person is required to have one.

A person commits driving while license suspended in the second degree if he or she is driving while his or her regular driver's license is suspended and the person is eligible to obtain an IIL but did not obtain one.

Procedures for the DOL to cancel IILs and occupational and temporary restricted licenses are amended to be consistent with current practices for cancellations of regular driver's licenses. The effective date of cancellation is 45 days, rather than 15 days, from the date the DOL mails the notice of cancellation.

Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House	95	0	(House concurred)

Effective: January 1, 2011

SHB 2745

C 158 L 10

Concerning compliance with the environmental protection agency's renovation, repair, and painting rule in the lead-based paint program.

By House Committee on Environmental Health (originally sponsored by Representatives Hudgins, Campbell and Upthegrove; by request of Washington State Department of Commerce).

House Committee on Environmental Health
House Committee on General Government Appropriations
Senate Committee on Environment, Water & Energy

Background: Lead was commonly used in paint until it was banned for residential use in 1978. Exposure to lead can be highly toxic, especially to children ages six and younger. Ingesting or breathing dust from lead-based paint is the most common form of lead exposure. Dust is released by the deterioration of paint and can occur during remodeling activities.

In 1992 the U.S. Congress passed the Residential Lead-Based Paint Hazard Reduction Act. Under this law, the U.S. Environmental Protection Agency (EPA) and other federal agencies developed a national program to prevent and reduce lead-based paint exposures and hazards. This law allows states and Indian tribes to operate programs with authorization from the EPA, and in 2004 Washington implemented a lead-based paint program (program). The state program provides work practice standards for lead-based paint activities, requires certification and training of paint professionals and firms working with lead-based paint activities, and provides accreditation of trainers who offer training courses that lead to certification.

Lead-based paint activities include inspections to identify lead-based paint, risk assessments to find lead-based paint hazards, and abatement activity designed to permanently remove lead-based paint hazards.

The state program meets federal requirements for lead-based paint activities and is funded by federal money. The program may cease if federal money is not available.

In April 2008 the EPA adopted a rule that requires contractors performing renovation, repair, and painting projects that disturb lead-based paint in homes, child care facilities, and schools, built before 1978, to be certified and to follow specific work practices to prevent lead contamination. This rule is effective in April 2010. Compliance with federal law includes changes in rules adopted by the EPA.

Summary: Renovators and dust sampling technicians are subject to the requirements of the state's lead-based paint activities program. Individuals involved in modification of homes, child care facilities, and schools, built before 1978, must meet the requirements for training and certification similar to those individuals currently involved in lead-based paint activities such as inspections, risk-assessments, and abatement activity.

Work practice standards must include all lead-based paint activities.

The Department of Commerce (Department) is authorized to issue badges with photo identification for workers who are involved in renovation and dust sampling activities involving lead-based paint. The Department may assess a fee to process the application.

The state must inform the Code Reviser when it has ceased implementation of the program due to lack of federal funding.

Votes on Final Passage:

House	95	0
Senate	31	17

Effective: June 10, 2010

ESHB 2747

C 181 L 10

Limiting the use of restraints on pregnant women or youth.

By House Committee on Human Services (originally sponsored by Representatives Darneille, Cody, Williams, Kagi, Pedersen, Nelson, Dickerson, Hasegawa and Chase).

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

Background: There are approximately 1,500 women in the custody of the Department of Corrections (DOC) and many women who are held in custody in city and county corrections facilities and juvenile detention facilities. From November 2008 through October 2009, there were 35 births within the DOC. There are approximately 59 female juveniles in the custody of the Juvenile Rehabilitation Administration (JRA). On average, one youth in JRA's custody gives birth in a year.

Summary: Use of Restraints. No restraints of any kind may be used on any pregnant woman or youth incarcerated in a correctional or detention facility while she is in labor, during childbirth, or in postpartum recovery. Restraints may only be used in extraordinary circumstances on a pregnant woman or youth incarcerated in a correctional or detention facility during transportation to and from visits to medical providers and court proceedings during the third trimester of her pregnancy.

Extraordinary circumstances exist where an officer makes an individualized determination that restraints will be necessary to prevent escape or injury to herself, medical or correctional personnel, or others. Whenever restraints are used, the corrections officer must document in writing the reasons for their use, the kind of restraint used, and the reasons why such restraints were considered the least restrictive.

Nothing in this act affects the use of hospital restraints requested for the medical safety of the patient by treating physicians.

If the doctor, nurse, or other health professional treating the pregnant woman or youth requests that restraints not be used, the corrections officer accompanying the pregnant woman or youth shall immediately remove all restraints. Any time restraints are used on a pregnant woman or youth, they must be the least restrictive available and the most reasonable under the circumstances. In no case shall leg irons or waist chains be used on any pregnant woman or youth.

No correctional personnel shall be present during the pregnant woman's or youth's labor or childbirth while she is being attended to by medical personnel, unless specifically requested by medical personnel. If the employee's presence is requested by medical personnel, the employee should be female if practicable.

Notice. The Washington Association of Sheriffs and Police Chiefs, the Department of Corrections, the Department of Social and Health Services, the Juvenile Rehabilitation Administration, and the Criminal Justice Training Commission must, by September 1, 2010, jointly develop an information packet for distribution. The packet must describe the requirements of this act. The information packet, once developed, must be distributed to all medical staff and nonmedical staff involved in the transportation of women and youth who are pregnant.

Notice of the requirements of this act must be provided to all women or youth who are pregnant at the time that a state correctional facility assumes custody of them. Notice of the requirements of this act must be posted in conspicuous locations in an institution, detention or correctional facility, including where medical care is provided.

Votes on Final Passage:

House	95	0	
Senate	46	0	(Senate amended)
House	93	1	(House concurred)

Effective: June 10, 2010

HB 2748

C 198 L 10

Concerning dues paid to the Washington public ports association by port districts.

By Representatives Simpson, Jacks and Chase.

House Committee on Local Government & Housing

Senate Committee on Government Operations & Elections

Background: Port Districts. Washington's public port districts were authorized by the Legislature in 1911 under the Port District Act. Port districts have numerous powers related to the movement of goods and the development of facilities within their district.

Washington Public Ports Association. In 1961 the Legislature established the Washington Public Ports Association (Association) to serve as the coordinating agency for all public port districts in the state.

As specified in statute, the purposes of the Association are to:

- conducting studies common to all ports;
- exchanging information relative to port construction, operation, and management;
- promoting cooperative efforts between ports and local associate development organizations to assist economic development efforts and build local capacity; and
- operating as a clearinghouse for information, public relations, and liaison for member ports.

Membership to the Association is voluntary. Port districts that are members of the Association are statutorily authorized to pay membership dues. Association membership dues are established under the Association's bylaws. Annual dues may not exceed a sum equal to the amount which would be raised by a levy of $.01 per $1,000 of assessed value against the taxable property within the district.

Summary: The statutory limit for Association membership dues is removed.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: June 10, 2010

ESHB 2752

C 229 L 10

Modifying provisions relating to providing shelter to a minor.

By House Committee on Early Learning & Children's Services (originally sponsored by Representatives Dickerson, Orwall, Walsh, Goodman, Kagi, Roberts, Pedersen, Green, Santos and Nelson).

House Committee on Early Learning & Children's Services

Senate Committee on Human Services & Corrections

Background: Any person providing shelter to a minor who knows the youth is absent from home without parental permission is required to notify the youth's parent, law enforcement, or the Department of Social and Health Services within eight hours of becoming aware that the youth is away from home without permission.

The Washington State Patrol (WSP) maintains data files to assist local law enforcement agencies. These files contain information relating to stolen and wanted vehicles; outstanding warrants, children who have been reported as runaways, and stolen property.

Summary: Legislative findings are made regarding: the desire to better serve youth by protecting them from the dangers of being on the street, and the risks of predators seeking to capitalize on the vulnerability of youth; and the desire to notify parents that youth are safe and off the streets even though the youth may not be ready to begin the conflict resolution process with parents.

At the request of a parent or other legal custodian or guardian, and if there is no cost to do so, the WSP must make information from its data files publicly available when it relates to children who have been reported as runaways. The information must be limited to only that which will facilitate the safe return of the youth to his or her home.

Licensed youth shelters and other licensed organization serving homeless or runaway youth and their families must comply with the following requirements when providing shelter to youth who are homeless or who have run away from home:

- Within eight hours of learning a youth is away from home without permission, shelter staff must consult the information made publicly available by the WSP. If a youth being served by the shelter is listed as missing, shelter staff must immediately notify the Department of Social and Health Services (DSHS) with a description of the youth's physical and emotional condition and the circumstances surrounding the youth's contact with the shelter. Shelter staff must continue consulting the publicly available information at least once every 8 hours during the youth's stay at the shelter, unless notice has already been provided to the youth's parent, law enforcement, or the DSHS.
- Within 72 hours, and preferably within 24 hours, shelter staff must notify the youth's parent with 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 a parent, including but not limited to the potential the child will be subjected to child abuse or neglect, the shelter or organization must instead notify the DSHS.

A private right of action is established for a parent if an unlicensed youth shelter or unlicensed homeless youth program fails to notify the parent, law enforcement, or the

DSHS with eight hours of learning the youth is away from home without permission.

Votes on Final Passage:

House	95	3	
Senate	45	0	(Senate amended)
House	91	4	(House concurred)

Effective: June 10, 2010

ESHB 2753

C 6 L 10 E1

Creating the Washington works housing program.

By House Committee on Capital Budget (originally sponsored by Representatives Orwall, Springer, Maxwell, Jacks, Nelson, Simpson, Conway, Ormsby, Chase and Santos).

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: The Bond Cap Allocation Program (BCAP) at the Department of Commerce authorizes the issuance of the state's bond cap. Bond cap is the tax-exempt private activity bonds issued by state issuers pursuant to Congressional authorization. The BCAP reviews and approves bond issuances for projects to ensure compliance with federal and state law and to ensure that the state does not exceed its tax-exempt issuance ceiling.

Bond cap is the maximum amount of tax-exempt private activity municipal bonds that may be issued by state issuers for a given year. The federal Tax Reform Act of 1986 identifies the amount of bond cap allocated to each state, which is currently $90 per capita. The Tax Reform Act of 1986 defines private activity bonds as bonds used to fund projects or programs that include more than 10 percent private participation or use more than 5 percent of the proceeds for loans to private business or individuals.

The categories of tax-exempt bonds that receive allocations of bond cap in Washington are housing, student loans, small issue (also known as Industrial Development Bonds or IDBs and Industrial Revenue Bonds or IRBs), exempt facility, redevelopment, and remainder.

The Washington State Housing Finance Commission (HFC) was created by the Legislature in 1983. The HFC is not a state agency, it does not receive or lend state funds, and its debt is not backed by the full faith and credit of the state. The HFC acts as a conduit of federal allocated bond cap. It issues both tax-exempt and taxable bonds to provide below market-rate financing to nonprofit and for-profit housing developers that set aside a certain percentage of their units for low-income individuals and families. The HFC also acts as a conduit issuer of bonds for nonprofit facilities and beginning farmers and ranchers.

Bond cap is also issued through other state issuers, including the State Higher Education Facilities Authority, the Washington Economic Development Finance Authority, local governments, ports, and economic development authorities.

Summary: One billion dollars of the HFC's outstanding debt is for the implementation of the Washington Works Housing Program to increase opportunities for nonprofit organizations and public agencies to purchase, acquire, build, and own real property used for affordable housing if subsidies are available.

The purpose of the program is to provide financing for affordable housing that meets the following income and rent restrictions:

- During the period of time before the bonds are retired: (1) at least 20 percent of the units must be rented to households earning less than 50 percent of the area median income, and an additional 31 percent of the units must be rented to households earning less than 80 percent of the area median income; or (2) 40 percent of the units must be rented to households earning less than 60 percent of the area median income, and an additional 11 percent of the units must be occupied by households earning less than 80 percent of the area median income.
- After the bonds issued for a project are retired, the amount charged for rent must be adjusted to sufficiently pay reasonable operation and maintenance expenses, and make reasonable deposits into a reserve account to provide affordable housing to very low or low income households for the remaining useful life of the property.

If no subsidies are available to make financing feasible, the HFC may authorize the portion of the $1 billion available for the Workforce Housing Program to support its other bond programs until the $1 billion is issued or state subsidies are available.

The HFC must enter into a recorded regulatory agreement to ensure that the property will meet the required income and rent restrictions.

Bond allocations and reallocations of bond cap, except tax-exempt private activity bond cap, must be determined by Internal Revenue Service code or by Department of Commerce rule.

The date by which available initial allocations may be allocated or reallocated to an issuer within the same bond use category, except for the remainder category, is changed from prior to September 1 to July 1.

The dates are changed for requests and reversions for bond cap use for all bond categories except housing and student loans.

Out-of-date references to the Community Economic Revitalization Board and the public utility issuers are removed, the private activity bond allocation ratification section of law is repealed, and the references to the federal Internal Revenue Service code are revised.

Votes on Final Passage:

House	75	22	
First Special Session			
House	68	25	
Senate	29	11	(Senate amended)
House	71	22	(House concurred)

Effective: July 13, 2010

SHB 2758

C 112 L 10

By House Committee on Finance (originally sponsored by Representatives Hunter, Condotta, Kessler and Orcutt; by request of Department of Revenue).

House Committee on Finance
Senate Committee on Ways & Means

Background: Retail sales 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 and digital products and some services. A retail sale is a sale to the final consumer or end user of the property, product, or service. If retail sales taxes were not collected when the property, products, or services were acquired by the user, then use taxes apply to the value of most tangible personal property and digital products and some services when used in this state.

Wholesale purchases (i.e. sales for resale) are not subject to sales tax since the purchaser is not the final consumer or end user of the property, product, or service. Until January 1, 2010, buyers making wholesale purchases used self-issued resale certificates to purchase goods without incurring sales tax. The purchaser would provide the seller with the resale certificate at the time of purchase. A 2008 Department of Revenue (DOR) compliance study concluded that sales and use tax noncompliance through the misuse of self-issued resale certificates had led to a substantial amount of unpaid state and local sales and use taxes each year.

To address the misuse of resale certificates, legislation was enacted in 2009 (SSB 6173) replacing resale certificates with DOR issued seller's permits. Effective January 1, 2010, buyers may no longer use self-issued resale certificates. Every business that sells at wholesale and has blanket resale certificates on file must replace them with seller permits. Generally, a business may use a seller's permit if it engages in wholesale purchases and had no documented misuse of a resale certificate. Contractors must further demonstrate that 25 percent or more of material and labor costs during the preceding 12 months related to retail or wholesale construction activities. Businesses that do not make wholesale purchases as part of their business are not issued a sellers permit. In September 2009, the DOR began mailing permits to qualifying businesses. Businesses that did not automatically receive a permit could apply directly.

For wholesalers, retailers, and manufacturers (collectively referred to as wholesalers) permits issued to taxpayers who register with the DOR after January 1, 2009, are valid for two years and may be renewed for four years. Permits issued to taxpayers who registered with the DOR on or before January 1, 2009, are valid for four years. For contractors, reseller permits are valid for one year and renewed annually. Businesses seeking a new seller's permit or to renew or reinstate a seller's permit must apply to the DOR. The DOR is required to rule on all applications within 60 days. Permits can be verified online at the DOR's website.

Summary: A "seller's permit" is renamed. It is now referred to as a "reseller permit."

The DOR must use its best efforts to rule on a permit application within 60 days, but the 60 day requirement is no longer mandatory. If the DOR fails to rule on the application within 60 days, the applicant may resubmit the application or request a review with the DOR.

Permit applications for wholesalers, retailers, and manufacturers (collectively referred to as wholesalers) may be denied on the basis of material misstatements in the application or being incomplete. (These requirements already exist for contractor reseller permits.)

Applications to renew wholesaler reseller permits submitted more than 90 days before the expiration of the current permit must be refused. (This requirement already exists for contractor reseller permits.)

The categories for which the DOR may initially issue a wholesaler reseller permit for 24 months instead of 48 months is expanded to include a number of different circumstances where the taxpayer has had limited or inconsistent contact with the DOR.

The DOR is authorized to adopt a uniform expiration date for reseller permits if the DOR determines that a uniform expiration date will improve administrative efficiency. The DOR is also authorized to extend or shorten the effective period of a permit by up to 6 months if a uniform expiration date is adopted.

The DOR's reseller permit website may provide additional information about the permit holder such as: the status of the holder's reseller permit, the expiration date of the holder's permit, and the permit holder's name, entity type, and mailing address.

The DOR is authorized to automatically issue or renew a contractor reseller permit if the DOR determines that the contractor is entitled to make purchases at wholesale and the collection of sales and use taxes will not be jeopardized. (This authorization already exists for wholesaler reseller permits.)

Beginning July 1, 2013, contractor reseller permits will be valid for 24 months instead of 12 months. However, the DOR may issue or renew contractor reseller permits

for 24 months beginning July 1, 2011, if the DOR is satisfied that the buyer is entitled to make wholesale purchases.

The 12 month look-back period for contractors to meet the 25 percent threshold is extended to 24 months.

Rules adopted by the DOR related to establishing a uniform expiration date for reseller permits are exempt from the requirements for adopting legislative rules.

A number of non-substantive technical and clarifying changes are made to the reseller permit provisions.

Most of the provisions of the act operate retroactively as well as prospectively.

Votes on Final Passage:

House	95	0
Senate	48	0

Effective: June 10, 2010
July 1, 2010 (Sections 2, 3, 11, 12, and 15)

SHB 2775
C 275 L 10

Regarding membership on the state building code council.

By House Committee on Local Government & Housing (originally sponsored by Representatives Dammeier, Hasegawa, Hunt, Armstrong, Short, Kristiansen, Springer, Kelley, Morrell, Pearson, Chase and Kretz).

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: The State Building Code Council (Council) is responsible for the adoption and maintenance of the various building, residential, fire, and other model codes that comprise the State Building Code (SBC).

The Council is comprised of 15 members, who are appointed by the Governor.

The Council must consist of various specified representatives of local governments, as well as representatives from building construction industries, the architectural design, structural engineering, mechanical engineering, and building materials and components professions. The Council must also include one representative from communities of persons with disabilities and one representative of the general public.

The Council includes five ex officio, nonvoting members, including two members of the House of Representatives, two members of the Senate, and one employee of the electrical division of the Department of Labor and Industries.

The Governor must seek nominations from recognized organizations with an interest in the building construction trade or industry before making appointments to the Council for representatives of private sector industries. Members serve three-year terms on the Council.

Summary: Any Council member appointed to represent a specific private sector industry must maintain similar employment throughout his or her term on the Council. Retirement or unemployment may not be cause for termination from the Council. Any Council member who begins employment outside the industry that he or she was appointed to represent may not vote on Council actions, but may participate as an ex officio, nonvoting member until a replacement member has been appointed.

The departing member must notify the Council staff and the Governor's Office within 30 days of the date of new employment outside the specific industry. The Governor must appoint a replacement member within 60 days upon receiving notification that a Council member is no longer qualified to serve on the Council.

Votes on Final Passage:

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

Effective: June 10, 2010

SHB 2776
PARTIAL VETO
C 236 L 10

Regarding funding distribution formulas for K-12 education.

By House Committee on Education Appropriations (originally sponsored by Representatives Sullivan, Priest, Maxwell, Dammeier, Carlyle, Finn, Anderson, Eddy, Nelson, Goodman, Orwall, Hunter, Simpson, Jacks, Kagi, Ormsby, Morrell, Probst and Santos).

House Committee on Education Appropriations
House Committee on Ways & Means
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: Overview. Legislation enacted in 2009 (chapter 548, Laws of 2009 or Engrossed Substitute House Bill 2261) revised the definition of the program of Basic Education and established new methods for distributing state funds to school districts to support this program of Basic Education. Various technical working groups were established to continue implementation of the legislation, as well as a Quality Education Council (QEC) composed of eight legislators, leaders of four state education agencies, and a representative of the Governor's Office.

Prototypical School Funding Formula. The current funding formula for Basic Education relies on allocations of three different types of staff (certificated instructional, certificated administrative, and classified) per 1,000 full-time equivalent (FTE) students, plus an allocation for non-employee-related costs calculated per certificated staff. Funding for categorical programs such as the Learning Assistance Program (LAP), the Transitional Bilingual

Instructional Program (TBIP), and the Highly Capable Program is expressed as a per-student allocation. Funding for Special Education is through an excess cost allocation, which is a specified percent of the Basic Education allocation. With the exception of minimum staffing ratios, these formulas and their funding values are found in the state appropriations act and associated documents rather than in statute.

The current statutory allocation for classified staff is based on one staff for each 60 students. The 2009-2011 state appropriations act contains an enhanced allocation of one staff for every 58.75 students.

The 2009 Basic Education legislation provides that, beginning September 1, 2011, to the extent the technical details have been adopted by the Legislature, the distribution formula for the Basic Education allocation will be based on minimum staffing and nonstaff costs to support instruction and operations in prototypical schools. A certain amount of detail about the structure of the formula was placed into statute. However, with the exception of the excess cost allocation for Special Education, the 2009 Basic Education legislation did not contain any numeric values for the various funding formula elements to be implemented in 2011.

The 2009 Basic Education legislation also repealed, effective September 1, 2011, a law requiring school districts to maintain a minimum staffing ratio of 46 certificated instructional staff (CIS) per 1,000 full-time equivalent students.

Funding Formula Technical Working Group. The Office of Financial Management (OFM) and the Office of the Superintendent of Public Instruction (OSPI) were directed to convene a working group made up of individuals with expertise in education finance to develop the details of the new funding formula and submit recommendations to the Legislature by December 1, 2009.

The Funding Formula Technical Working Group (FFTWG) developed a recommended set of numeric values for the prototypical school funding formula that are intended to represent, as closely as possible, a translation of current levels of state funding for Basic Education into the new formula elements. Its final report calls these the Baseline values. The report also recommends various adjustments to the structure of the formula that appears in statute.

The QEC recommended that the 2010 Legislature adopt the Baseline values and details of the prototypical school funding formula as recommended by the FFTWG and place these values into statute, to take effect September 1, 2011.

Pupil Transportation Funding Formula. The 2009 Basic Education legislation authorized a new funding formula that uses a regression analysis of various cost factors to allocate funds to school districts. The laws authorizing the new formula take effect September 1, 2013, but implementation of the formula is to be phased-in according to an implementation schedule adopted by the Legislature.

The QEC recommended that the new formula be authorized beginning September 1, 2011, rather than 2013, and further recommended that funding for the new formula be phased-in over a three-year period beginning in 2011.

Other Funding Working Groups. The 2009 Basic Education legislation also created a Local Finance Working Group and a Compensation Working Group. The Local Finance Working Group is to be convened beginning July 1, 2010, to develop options for a new system of supplemental school funding through local levies and local effort assistance. Its report is due December 1, 2011. The Compensation Working Group is to be convened beginning July 1, 2011, with an initial report due by December 1, 2012.

The QEC recommended that these two groups be convened immediately, with reports due in 2010. The QEC also recommended that the FFTWG be continued and asked to provide technical advice to the OSPI and the QEC.

Other QEC Recommendations. The QEC's January 2010 report also contained recommendations to phase-in enhancements of state allocations for K-3 class size, maintenance, supplies, and operating costs (MSOC), and full-day kindergarten above the values expressed in the Baseline. The QEC recommended that these enhancements be adopted in statute.

Summary: Intent. The Legislature intends to adopt the technical details of a new distribution formula for Basic Education and authorize a phase-in of implementation of a new distribution formula for pupil transportation. The Legislature also intends that per-pupil Basic Education funding for a school district not be decreased as a result of the transition to the new formulas. The Legislature will continue to review the formulas and make revisions as necessary for technical purposes and to correct errors.

Prototypical School Funding Formula. The following numeric values for average class size, which forms the basis of allocations for classroom teachers in the funding formula, are specified:

- Grades K-3 25.23
- Grade 4 27.00
- Grades 5-6 27.00
- Grades 7-8 28.53
- Grades 9-12 28.74
- Middle and high school CTE 26.57
- Skill center programs 22.76

The state appropriations act must specify class sizes for high poverty schools, laboratory science, Advanced Placement, and International Baccalaureate.

The following allocations of building-level staff for each level of prototypical school are specified:

	Elementary	Middle	High
• principals and building administration	1.253	1.353	1.880
• teacher librarians	0.663	0.519	0.523

• guidance counselors	0.493	1.116	1.909
• teaching assistance	0.936	0.700	0.652
• office support and non-instructional aides	2.012	2.325	3.269
• custodians	1.657	1.942	2.965
• student and staff safety	0.079	0.092	0.141
• parent involvement coordinators	0.000	0.000	0.000

The allocations for health and social services staff are subdivided into three new categories:

	Elementary	Middle	High
• school nurses	0.076	0.060	0.096
• social workers	0.042	0.006	0.015
• psychologists	0.017	0.002	0.007

A new category of administrative staff allocations is created, called district-wide support, to be allocated per 1,000 FTE students in the school district:

• technology support	0.628
• facilities, maintenance, and grounds	1.813
• warehouse, laborers, and mechanics	0.332

Staffing unit allocations for central office administration are calculated as 5.3 percent of the staffing unit allocations for classroom teachers, building-level staff, and district-wide support.

Minimum allocations of additional resources to support the LAP, TBIP, and Highly Capable Programs provide, as a statewide average, the following instructional hours per week per student in a class size of 15:

• LAP	1.5156 hours
• TBIP	4.778 hours
• Highly Capable	2.159 hours

The minimum allocations for the MSOC per FTE student are specified as the following 2008-09 values, which must be adjusted annually for inflation:

• technology	$ 54.43
• utilities and insurance	$147.90
• curriculum and textbooks	$ 58.44
• other supplies and library materials	$124.07
• professional development	$ 9.04
• facilities maintenance	$ 73.27
• central administration and security	$ 50.76
Total:	$517.90

Additional modifications are made to the structure of the funding formula.

For purposes of the statewide salary allocation schedule, those staffing categories from the prototypical school formula that are considered certificated instructional staff are specified. The requirement that school districts maintain a minimum staffing ratio of 46 CIS per 1,000 students in Basic Education is restored rather than repealed as of September 1, 2011.

Enhancements. The average class size for grades K-3 must be reduced beginning in the 2011-13 biennium and beginning with schools with the highest percent of low-income students, until the class size in the formula beginning in the 2017-18 school year is 17.0 students per classroom teacher.

Beginning in the 2011-13 biennium, funding must continue to be phased-in incrementally each year for full-day kindergarten until full statewide implementation is achieved in the 2017-18 school year.

Beginning in the 2011-13 biennium, the allocations for the MSOC must be annually increased after being adjusted for inflation until the following 2007-08 values are provided beginning in the 2015-16 school year:

• technology	$ 113.80
• utilities and insurance	$ 309.21
• curriculum and textbooks	$ 122.17
• other supplies and library materials	$ 259.39
• professional development	$ 18.89
• facilities maintenance	$ 153.18
• central administration and security	$ 106.12
Total:	$1,082.76

Pupil Transportation Funding Formula. Laws authorizing a new pupil transportation funding formula take effect September 1, 2011, instead of September 1, 2013. The phase-in of the implementation of the new formula must begin no later than the 2011-13 biennium and be fully implemented by the 2013-15 biennium.

Funding Working Groups. The Local Finance Working Group is convened by April 1, 2010, and a report is required by June 30, 2011. In addition to its existing task, this group is directed to examine district capacity and facility needs associated with phasing in class size reduction and full-day kindergarten, as well as analyze the potential use of local funds that are made available from proposed increases in funding for transportation and the MSOC.

The initial report from the Compensation Working Group is due by June 30, 2012. Lead responsibility for convening the Compensation Working Group is re-assigned to the OSPI, in collaboration with the OFM. The FFTWG is to be periodically convened to provide advice and technical assistance to the OSPI and the QEC.

Other Items. The OSPI must implement and maintain an internet-based portal that provides, for each school building, the staffing levels and other funding elements assumed in the prototypical school funding formula, along with a comparison of how school districts actually deploy staff and resources in the building.

The Washington State Institute for Public Policy must annually calculate a savings to taxpayers resulting from improved extended graduation rates compared to the prior school year. The OSPI must include this estimate in its annual dropout and graduation report.

One non-legislative representative from the Achievement Gap Oversight and Accountability Committee is

added to the QEC. The QEC must submit a report by December 1, 2010, that includes recommendations for closing the achievement gap, increasing the high school graduation rate, and assuring adequate state allocations for classified staff in schools.

Votes on Final Passage:

House	73	23	
Senate	47	2	(Senate amended)
House			(House refuses to concur)
Senate	47	0	(Senate amended)
House			(House refuses to concur)
Senate	30	17	(Senate amended)
House	71	26	(House concurred)

Effective: June 10, 2010
March 29, 2010 (Section 6)
September 1, 2011 (Sections 2, 3, 4, 8, 10, 13 and 14)

Partial Veto Summary: The Governor vetoed a section that required the WSIPP to calculate annually the savings to taxpayers resulting from improved graduation rates. The same section appears in another enacted bill: Chapter 243, Laws of 2010.

VETO MESSAGE ON SHB 2776

March 29, 2010

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 11, Substitute House Bill 2776 entitled:

"AN ACT Relating to funding distribution formulas for K-12 education."

Section 11 amends RCW 28.175.010 to add the requirement that the Washington State Institute for Public Policy annually calculate savings to taxpayers resulting from improved graduation rates. Since this provision is also contained in Senate Bill 6403 which I am also signing today, I am vetoing Section 11 in order to avoid a double amendment regarding the same subject.

For this reason, I have vetoed Section 11 of Substitute House Bill 2776.

With the exception of Section 11, Substitute House Bill 2776 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESHB 2777

PARTIAL VETO
C 274 L 10

Modifying domestic violence provisions.

By House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Goodman, O'Brien, Driscoll, Kessler, Maxwell, Finn, Hurst, Williams, Appleton, Hudgins, Kelley, Ericks, Morrell, McCoy, Seaquist, Green, Carlyle, Conway, Pearson and Simpson).

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Judiciary

Background: Domestic violence can generally be defined as any action that causes physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury, or assault between family or household members; sexual assault of one family or household member by another; or the stalking of one family or household member by another family or household member.

Often victims of domestic violence seek help and protection through a court order. There are several types of orders a court may grant that restrict a person's ability to have contact with another: (1) protection orders; (2) no-contact orders; (3) restraining orders; and (4) foreign protection orders.

Law Enforcement and Arrest Provisions. Generally, a police officer is required to arrest a person 16 years of age or older if the officer has probable cause to believe that the person has assaulted a family or household member within the four hours preceding arrest. The officer is required to arrest the person who the officer believes is the primary physical aggressor. In making this determination, the officer must consider certain factors, such as the comparative extent of injuries inflicted and the history of domestic violence between the parties.

No-Contact Orders. A defendant arrested or cited for an offense involving domestic violence is required to appear in person before the court. The court must determine the necessity of imposing a no-contact order or other conditions of pretrial release. Upon arrest or conviction of an offense involving domestic violence, a court may enter a no-contact order prohibiting a defendant from contacting the protected party. No-contact orders may be issued without either the request or permission of the protected party.

Protection Orders. A victim of domestic violence who is 16 years of age or older may petition the court for a civil protection order. A court issuing a protection order may impose a variety of conditions, such as restraining the respondent from having contact with the victim.

Sentencing Reforms. *Sentencing.* Under the Sentencing Reform Act (SRA), an offender convicted of a felony has a standard sentence range that is based on the seriousness of the offense and the offender's prior felony convictions. The number of points an offender receives for current and prior felonies varies according to certain rules. Generally, the SRA and the points that an offender receives do not apply to convictions for misdemeanor or gross misdemeanor offenses.

Courts and Probation. District and municipal courts may impose a maximum of two years probation following a sentence for a non-felony offense involving domestic violence.

Aggravating Circumstance. 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). The SRA provides a list of factors that a court may consider in deciding whether to impose an exceptional sentence outside of the standard range for a felony offense involving domestic violence. Any factor that increases a defendant's sentence above the standard range, other than the fact of a prior conviction, must be proven to a jury beyond a reasonable doubt.

Treatment/Services for Perpetrators and Victims. The Department of Social and Health Services (DSHS) certifies domestic violence perpetrator programs that: (1) accept perpetrators of domestic violence into treatment to satisfy court orders; or (2) represent themselves as treating domestic violence perpetrators. The DSHS must adopt rules and enforce minimum qualifications for treatment programs.

Human Remains Disposition. Washington law governs who has the right to control the disposition of a person's remains. Absent a prearrangement filed by the decedent, the right to control the disposition of the remains vests in the following order:

1. the surviving spouse or registered domestic partner;
2. the surviving adult children;
3. the surviving parents of the decedent;
4. the surviving siblings of the decedent; or
5. a person acting as a representative of the decedent under the signed authorization of the decedent.

Summary: Law Enforcement and Arrest Provisions. For the purposes of identifying the primary physical aggressor, the arresting officer must consider the history of domestic violence of each person involved, including whether the conduct was part of an ongoing pattern of abuse. When funded, the Washington Association of Sheriffs and Police Chiefs must convene a model policy work group to address the reporting of domestic violence to law enforcement in cases where the victim is unable or unwilling to make a report in the jurisdiction where the alleged crime occurred.

No-Contact Orders. At the time of the defendant's first appearance before the court for an offense involving domestic violence, the prosecutor must provide the court with the defendant's criminal history and history of no-contact and protection orders.

All courts are required to develop policies and procedures to grant victims a process to modify or rescind a no-contact order. The Administrative Office of the Courts (AOC) is required to develop a model policy to assist the courts in implementing this requirement. The AOC also must develop a pattern form for no-contact orders issued for offenses involving domestic violence. A no-contact order issued by the court must substantially comply with the pattern form developed by the AOC.

Protection Orders. New provisions are created to address when a court, in issuing protection orders for domestic violence, sexual assault, and harassment, may exercise personal jurisdiction over a nonresident. When issuing a domestic violence protection order, courts may restrain the respondent from cyber stalking or monitoring the actions, location, or communication of the victim by using wire or electronic technology.

Any person 13 years of age or older may petition the court for a domestic violence protection order if he or she is the victim of violence in a dating relationship and the respondent is 16 years of age or older. A petitioner who is under the age of 16 must petition the court through a parent, guardian, or next friend. "Next friend" means any competent individual, over eighteen years of age, chosen by the minor and capable of pursuing the minor's stated interest in the action.

With regard to protection orders, the AOC must update the law enforcement information form that it provides for the use of a petitioner who is seeking an ex parte protection order, as a way to prompt the petitioner to disclose on the form whether the person whom the petition is seeking to restrain has a disability, brain injury, or impairment requiring special assistance. Any law enforcement officer that knowingly serves a protection order to such a respondent requiring special assistance must make a reasonable effort to accommodate the needs of the respondent to the extent practicable without compromise to the safety of the petitioner.

Reconciling No-Contact and Protection Orders. By December 1, 2011, the AOC must develop guidelines for all courts to establish a process to reconcile duplicate or conflicting no-contact or protection orders issued in Washington. The AOC must provide a report to the Legislature by January 1, 2011, concerning the progress made to develop these guidelines.

Sentencing Reforms. *Sentencing.*The formula for calculating an offender's score under the SRA is adjusted. For the purpose of computing an offender's score, if the present conviction is for a felony domestic violence offense, an offender must receive:

- (1) two points (double score) for each prior adult offense conviction, (2) a one-half point for the first juvenile offense conviction, and (3) one point (single score) for each second and subsequent juvenile offense convictions, involving one of the following felony domestic violence-related offenses:
  1. a violation of a no-contact order or protection order;
  2. Harassment;
  3. Stalking;
  4. first degree Burglary;
  5. first and second degree Kidnapping;

6. Unlawful Imprisonment;
7. first and second degree Robbery;
8. first, second, and third degree Assault; and
9. first and second degree Arson.

- one point (single score) for each prior adult repetitive domestic violence offense where domestic violence was plead and proven. "Repetitive domestic violence offenses" include the following non-felony offenses: Assault, violation of a no-contact order or protection order, Harassment, and Stalking.

In all cases, the charge for domestic violence must be plead and proven to a jury.

Courts and Probation. During sentencing for a non-felony offense involving domestic violence, the prosecutor must provide courts of limited jurisdiction with the defendant's criminal history and history of no-contact and protection orders. The maximum period of probation that may be imposed by district and municipal courts is increased from two years to five years. In sentencing for an offense involving domestic violence, courts of limited jurisdiction must consider whether:

- the defendant suffered a continuing pattern of coercion, control, or abuse by the victim of the offense and the offense is a response to that coercion, control, or abuse;
- the offense was part of an ongoing pattern of psychological, physical, or sexual abuse of a victim or multiple victims manifested by multiple incidents over a prolonged period of time; and
- the offense occurred within the sight or sound of the victim's or the offender's minor children under the age of 18.

Aggravating Circumstance. Under the SRA, a court may impose an exceptional sentence below the standard sentence range for offenses involving domestic violence if the defendant suffered a continuing pattern of coercion, control, or abuse by the victim of the offense, and the offense is a response to that coercion, control, or abuse. An aggravating circumstance that permits an exceptional sentence when the offense was part of an ongoing pattern of abuse of the victim is changed to a pattern of abuse involving a victim or multiple victims.

Treatment/Services for Perpetrators and Victims. Any program that provides domestic violence treatment to perpetrators of domestic violence must be certified by the DSHS and meet minimum standards for domestic violence treatment purposes. The DSHS may conduct on-site monitoring visits of treatment programs, including reviewing program and management records, to determine the program's compliance with minimum certification qualifications and rules.

Transmittal of Concealed Pistol License Information between Agencies. The AOC must convene a work group to address the issue of transmitting information between the courts and law enforcement regarding the revocation of concealed pistol licenses for those individuals that are subject to a protection order or no-contact order. The workgroup must review current practices, identify methods to expedite the transfer of information, and report its recommendations to the Legislature by December 1, 2010.

Human Remains Disposition. A person who has been arrested for or charged with first or second degree Murder or first degree Manslaughter by reason of the death of the decedent is prohibited from controlling the disposition of the decedent's remains. The right to control the disposition vests in an eligible person in the next applicable class listed in statute.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2010

Partial Veto Summary: The provision is vetoed that required the Washington Association of Sheriffs and Police Chiefs, when funded, to convene a model policy work group to address the reporting of domestic violence to law enforcement in cases where the victim is unable or unwilling to make a report in the jurisdiction where the alleged crime occurred.

VETO MESSAGE ON ESHB 2777

April 1, 2010

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 202, Engrossed Substitute House Bill 2777 entitled:

"AN ACT Relating to modifying domestic violence provisions."

This bill makes a number of changes to the laws relating to domestic violence. Section 202 adds a new section to chapter 36.28A RCW. This section provides that "[w]hen funded" the Washington association of sheriffs and police chiefs shall convene a work group to develop a model policy regarding the reporting of domestic violence to law enforcement in cases where the victim is unable or unwilling to make a report in the jurisdiction where the alleged crime occurred. The Legislature has not provided funding for this work group. Rather than leave an inoperable section in statute, I have vetoed Section 202. If the Legislature makes funds available for this purpose in the future, the tasks and directions to the work group may be included in an appropriations bill.

For this reason, I have vetoed Section 202 of Engrossed Substitute House Bill 2777.

With the exception of Section 202, Engrossed Substitute House Bill 2777 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

E2SHB 2782

PARTIAL VETO

C 8 L 10 E1

Concerning the security lifeline act.

By House Committee on Ways & Means (originally sponsored by Representatives Dickerson, Appleton, McCoy, Carlyle, Morrell, Kagi, Kessler, Green, Ericks, Moeller, Roberts, Nelson and Orwall).

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

Background: Access to Benefits. Individuals may apply for and renew public assistance benefits online from their home and from kiosks located in the waiting areas in the offices of the Department of Social and Health Services (DSHS). The benefits available through this online service access application include food assistance, cash assistance, medical assistance, drug or alcohol treatment, assisted living, child care, and in-home care.

Since the summer of 2009, the DSHS has been working with a steering committee composed of nonprofit organizations, government agencies, and community organizations to develop a web-based benefits portal to allow eligible persons to apply for and access additional benefits such as energy assistance, federal student aid, housing assistance, and others. A Request for Proposals is being developed, and the steering committee is seeking private funding for the portal project.

Food Stamp Employment and Training Program. The Food Stamp Employment and Training Program (Program) was established and administered through the Employment Security Department and the DSHS pursuant to a provision in the Washington Administrative Code. Recipients of assistance under the Basic Food Program, unless they are exempt, are required to participate in the Program. Participants engage in job search workshops and receive assistance in job placement.

Emphasis in the Program is given to participants who have been assessed as needing basic education, a General Equivalency Diploma (GED), English as a second language, or vocational training in order to increase their opportunity for employment. Currently 12 community colleges participate in the Program.

General Assistance Program. The General Assistance Program (General Assistance) is a public assistance program for low income individuals. Recipients are eligible for a cash grant, food assistance, and medical care, including mental health care. Individuals who are eligible for General Assistance are not eligible for other federal assistance other than food assistance, and they are incapacitated from gainful employment because of a physical or mental infirmity that will likely continue for at least 90 days. If the infirmity is primarily due to a drug or alcohol addiction, a person is not eligible for General Assistance. The monthly cash grant amount for general assistance is $339.

Summary: Opportunity Portal. The Secretary of the DSHS will act as the executive branch sponsor of the portal planning process. The DSHS must:

- identify and select an appropriate solution and acquisition approach to integrate technology systems for a user-friendly electronic tool for Washington residents to apply for benefits;
- facilitate the adaptation of state information technology systems to allow applications for benefits generated through the Opportunity Portal and other compatible electronic application systems to seamlessly link to state information systems;
- ensure that the Opportunity Portal provides access to state, federal, and local services which include health care services, higher education financial aid, tax credits, civic engagement, nutrition assistance, energy assistance, family support, and disability lifeline benefits;
- maximize collaboration with community-based organizations to facilitate use by low-income individuals and families;
- provide access to the Opportunity Portal through many and varied locations;
- maximize available federal and private funds for the development and initial operation of the Opportunity Portal; and
- determine a solution and acquisition approach by June 1, 2010.

Paperless Application Processes. The DSHS must develop a plan for implementing paperless application processes for the services included in the Opportunity Portal. The plan should include the goal of achieving the transition of the services offered through the Opportunity Portal to paperless application processes by July 1, 2012.

Funding and Contracting. The Secretary of the DSHS must seek private funding for the development and initial operation of the Opportunity Portal. Incidental costs to state agencies are to be derived from existing resources. If private funding sufficient to implement and operate the Opportunity Portal is not secured by December 31, 2010, the section authorizing its implementation becomes null and void.

Any contract that DSHS enters into to implement the Opportunity Portal must be performance-based.

Reporting. The DSHS must submit an annual report to the Legislature and the Governor regarding implementation, outcomes, and use of the Opportunity Portal. The first report is due on December 1, 2011.

Expanding the Basic Food Employment and Training Program. The DSHS, the Employment Security Department, and the State Board for Community and Technical Colleges must work in a partnership to expand the Basic

Food Employment and Training Program (Program). Subject to federal approval, the Program will be expanded to three additional community colleges or other community-based locations in 2010 and will expand the capacity of the 12 currently participating colleges.

The agencies working in partnership must seek out community organizations that can provide support services and case management to participants in the Program, and they must identify funds with which to draw down federal matching funds for employment and training services. Support services provided by community-based organizations must supplement, and not replace, the positions or work of employees of the DSHS.

Employment and training funds may be allocated for skill development for employment, vocational education, English as a second language, job readiness, tuition, housing, counseling, transportation, and other services.

Reporting. The DSHS must annually track and report outcomes, including federal funding received, the number of participants served, completion rates, wages, and other outcome-related data. The report must be submitted to the Governor and appropriate legislative committees on November 1 of each year, beginning in 2010.

Disability Lifeline Program. The General Assistance Program is renamed the "Disability Lifeline Program." All of the eligibility requirements and conditions that were in place for the General Assistance Program, including the cash benefit amount, remain in place. An individual may not continue to receive Disability Lifeline benefits if he or she refuses without good cause to participate in needed treatment or other program services. Good cause includes an emotional or physical disability that prevents participation or the unavailability of treatment.

The DSHS must adopt medical criteria for Disability Lifeline incapacity determinations to ensure that the eligibility decisions are consistent with statutory requirements and are based on clear, objective medical information. The standard for incapacity is not intended to be as stringent as the federal Supplemental Security Income (SSI) disability standards. In any event, the criteria for eligibility must not be more restrictive than the standards for federal SSI standards. Any eligibility decision which rejects uncontroverted medical opinion must set forth clear and convincing reasons for such action.

There are additional provisions contained in the Disability Lifeline Program:

Eligibility Time Limits. As of September 1, 2010, a person will not be eligible to receive Disability Lifeline benefits for more than 24 months in a 5-year period. This time limit is retroactive, and applies to persons already receiving benefits. The months spent receiving General Assistance-Unemployable (GA-U) benefits prior to the effective date of the act will be counted towards the 24-month limit. Months spend on the Disability Lifeline or the GA-U expedited program or the General Disability Lifeline or GA programs under the categories of aged, blind, or disabled do not count toward the 24-month limit.

By July 1, 2010, the DSHS must review the cases of all persons who have received Disability Lifeline or GA-U benefits for at least 20 months as of that date. The review should determine whether the person meets the federal SSI income disability standard and whether the receipt of additional services could lead to employability. Beginning on September 1, 2010, the DSHS must review clients who have been receiving benefits for more than 12 months as of that date. If the DSHS identifies a need for additional services, it must provide case management services such as assistance with transportation or housing to facilitate access to needed services. A person may not be deemed to have exceeded the time limit unless he or she has received a case review.

The time-limit provisions of the act expire June 30, 2013.

Early Supplemental Security Income Transition Project. The DSHS must implement the Early Supplemental Security Income Transition Project (Project) starting in King, Pierce, and Spokane counties. The program in these three counties must be implemented no later than July 1, 2010 and extend statewide no later than October 1, 2011, and must use performance-based contracts.

The Project must systematically screen Disability Lifeline applicants to determine whether they are likely eligible for federal SSI. The Project must also maintain a centralized appointment and clinical data system and assist persons receiving Disability Lifeline Benefits with obtaining additional medical or behavioral health examinations needed to meet the federal SSI disability standard. Persons under this Project who are found to be likely eligible for federal Supplemental Security Income (SSI) will be moved into the Disability Lifeline Expedited program.

The Project will have the following performance goals:

- persons receiving Disability Lifeline benefits should be screened within 30 days of entering the Project to determine the propriety of their transfer to the Disability Lifeline Expedited program; and
- 75 percent of persons receiving Disability Lifeline benefits that appear likely to qualify for federal SSI benefits must be transferred to the Disability Lifeline Expedited program within four months of their application for Disability Lifeline benefits.

By December 1, 2011, the DSHS must report to the Governor and the appropriate policy and fiscal committees regarding the project's performance goals.

Housing Voucher Program. The Department of Commerce and the DSHS must jointly develop a Housing Voucher (HV) Program. To the greatest extent possible, the housing resources provided by the HV Program must follow the supportive housing model. The Department of

Commerce must administer the HV Program and identify the current supply of private and public housing, including acquisition and rental of existing housing stock. The Department of Commerce must develop funding strategies and design the HV Program to maximize the ability of the DSHS to recover federal funding.

Applicants who are homeless and have been assessed as needing chemical dependency or mental health treatment, or both, must agree as a condition of eligibility to accept a housing voucher in place of a cash grant if a voucher is available. The dollar-value of the housing voucher is established by the DSHS and may differ from the value of the cash grant. Persons receiving a housing voucher will also receive a $50 cash stipend per month. Persons who refuse to accept a housing voucher, but are otherwise eligible for Disability Lifeline Benefits, remain eligible for medical care services benefits.

If the Department of Commerce determines that sufficient housing is not available, persons who are homeless and have mental health or chemical dependency needs will receive a cash grant instead of a housing voucher.

The Department of Commerce and the DSHS must evaluate the impact of the use of the housing vouchers and report to the Governor and Legislature by November 30, 2012, regarding supply, affordability, appropriateness, and use of housing; outcomes; participation in chemical dependency or mental health treatment; contact with law enforcement; use of hospital emergency room services; and commitments under the Involuntary Treatment Act.

Referral to the Division of Vocational Rehabilitation. The Economic Services Administration (ESA) must work jointly with the Division of Vocational Rehabilitation (DVR) to develop an assessment tool to determine whether the programs offered by the DVR could assist persons receiving Disability Lifeline benefits in returning to the work force. The assessment tool must be completed no later than December 1, 2010. The ESA must begin using the tool no later than January 1, 2011. By December 10, 2011, the Department must report on the use of the tool and the success of DVR programs in returning persons to the work force.

Referral to the Department of Veterans Affairs. During the application process for Disability Lifeline benefits, the DSHS must inquire whether the applicant has ever served in the U.S. military. For any applicant who has served, the DSHS must confer with a veteran's benefit specialist with the Washington State Department of Veterans Affairs to determine whether the applicant is eligible for any benefits or programs offered by either the state or federal government.

Basic Health Plan Enrollment. Individuals who have lost eligibility for Disability Lifeline Program benefits due to improvements in their health status and who are eligible for subsidized basic health coverage must be given high priority for enrollment in the Basic Health Plan.

Access to Chemical Dependency Treatment. If the DSHS or an entity that has contracted with the DSHS to provide medical care services to Disability Lifeline Program clients determines that chemical dependency treatment is necessary to improve a client's health status for transition to employment or transition to federal disability benefits, the DSHS or the contracting entity must give the client high priority to enroll in chemical dependency treatment within funds appropriated for chemical dependency treatment. The first priority goes to pregnant women and parents. This requirement expires on June 30, 2013.

Report by the Washington State Institute for Public Policy. By December 1, 2012, the Washington State Institute for Public Policy (WSIPP) must submit a report to the Governor and the Legislature that analyzes the experience of persons terminated from Disability Lifeline Benefits. The report must include: the number of persons terminated who transferred to federal SSI benefits; the number of persons who became employed; the rate of use of hospital emergency room services; arrest and criminal conviction data; mortality rate; and whether the case review and performance goal standards of the Early Supplemental Security Income Transition Project have been met.

Funding for the Act. The provisions of this act must be implemented within the amounts appropriated specifically for this purpose in the State Omnibus Operating Appropriations Act.

Votes on Final Passage:

House	55	41	
First Special Session			
House	59	36	
Senate	28	16	(Senate amended)
House	57	40	(House concurred)

Effective: March 29, 2010
July 1, 2010 (Section 10)

Partial Veto Summary: Removes the section which gives priority to former Disability Lifeline clients for enrollment the Basic Health Plan.

VETO MESSAGE ON E2SHB 2782

March 29, 2010

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 9, Engrossed Second Substitute House Bill 2782 entitled:

"AN ACT Relating to establishing the security lifeline act."

This bill reforms one of the oldest safety net programs in Washington State for better efficiency and fiscal management. Section 9 would require the Health Care Authority to prioritize ineligible disability lifeline recipients for enrollment in the subsidized Basic Health Plan. The Health Care Authority would be required to continue to process these applications, even if subsidized enrollment is limited or closed due to lack of funding. Prioritizing ineligible disability lifeline recipients is counter to the reform actions exemplified within the security lifeline bill. Section 9 would limit the Health Care Authority's ability to efficiently manage enrollment to the appropriated budget, maintain a balanced risk pool, and is detrimental to the long-term viability of the Basic

Health Plan.

We must preserve a viable safety net and access to health care for all Washington residents.

For these reasons, I have vetoed Section 9 of Engrossed Second Substitute House Bill 2782.

With the exception of Section 9, Engrossed Second Substitute House Bill 2782 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SHB 2789

C 22 L 10

Authorizing issuance of subpoenas for purposes of agency investigations of underground economic activity.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Chase, Hudgins, Moeller and Simpson).

House Committee on Commerce & Labor
House Committee on Ways & Means
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Department of Labor and Industries (L&I) has authority to issue subpoenas for testimony and records in connection with any matters relating to workers' compensation. Likewise, the Employment Security Department (ESD) has authority to issue subpoenas for testimony and records in connection with any dispute related to unemployment compensation. The Department of Revenue (DOR) has similar authority with respect to taxes administered by the DOR.

In 2007 the Washington State Supreme Court (Court) held in *State v. Miles* that a search of personal banking records by the Department of Financial Institutions (DFI) without a judicially issued warrant or subpoena violated Article I, section 7, of the Washington Constitution. Article I, section 7 states that "[n]o person shall be disturbed in his private affairs . . . without authority of law." The Court invalidated the DFI's statute to the extent it authorized the DFI to issue subpoenas to third parties for otherwise private information not related to the regulated business activities.

In 2009 legislation was enacted establishing a process for the DOR to apply to a court for a subpoena for third party records. The subpoena must be served on the third party.

Summary: Legislative findings are made that underground economy activity in the state results in lost revenue to the state and is unfair to law-abiding businesses. The Legislature further finds that the issuance of subpoenas is a highly useful tool in the investigation of underground economy activity. The Legislature intends to provide a process for the L&I, the ESD, and the DOR to apply for court approval of an agency investigative subpoena where the agency seeks such approval, or where court approval is required by law or Article I, section 7 of the state Constitution. The Legislature does not intend to require court approval except where otherwise required, or to create any new authority to subpoena records or any new rights for any person.

The L&I, the ESD, and the DOR, through their respective agency heads and agents, may apply for and obtain a superior court order authorizing a subpoena in advance of its issuance. The application must: state that an order is sought pursuant to the authority granted; specify the records, documents, or testimony; and declare under oath that an investigation is being conducted for a lawfully authorized purpose and that the documents or testimony are reasonably related to an investigation within the L&I, the ESD, or the DOR's authority, as appropriate. Where the application is made to the satisfaction of the court, the court must issue an order approving the subpoena. No prior notice to any person is required.

Votes on Final Passage:

House	98	0
Senate	36	10

Effective: June 10, 2010

SHB 2801

C 239 L 10

Regarding antiharassment strategies in public schools.

By House Committee on Education (originally sponsored by Representatives Liias, Johnson, Pedersen, Hunt, Orwall, Maxwell, Quall, Moeller, Chase, Williams, Nelson and Simpson).

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

Background: A law enacted in 2002 required each school district, by August 1, 2003, to adopt a policy prohibiting harassment, intimidation, or bullying of any student. "Harassment, intimidation, or bullying" was defined to include any intentional written, verbal, or physical act that:

- physically harms a student or damages a student's property;
- has the effect of substantially interfering with a student's education;
- is so severe, persistent, or pervasive that it creates an intimidating or threatening educational environment; or
- has the effect of substantially disrupting the orderly operation of the school.

The legislation required the Office of Superintendent of Public Instruction (OSPI) to develop a model prevention policy and training materials to assist school districts

and make these available in a variety of ways. Although not required under the law, the OSPI also developed a model procedure for how school districts could address alleged or known acts that violated the policy.

A September 2008 report by Washington State University's Social and Economic Sciences Research Center (SESRC) entitled *Bullying in Washington Schools: Update 2008* found that although districts have responded to the statutory requirement to have anti-bullying policies, bullying has not declined significantly in Washington public schools since 2002. The SESRC also found that districts do not address the problem uniformly, and students and parents continue to seek assistance against bullying. A report prepared by the Office of the Education Ombudsman (OEO) in 2008 found that 28 percent of all interventions by the OEO involved student bullying or harassment, and bullying was part of 21 percent of special education intervention cases.

Summary: The OSPI, in consultation with the OEO and other interested parties, must revise and update the model harassment, intimidation, and bullying prevention policy and procedure by August 1, 2010. The OSPI is also tasked with adopting rules regarding district communication of the policy and procedure to parents, students, employees, and volunteers.

By August 1, 2011, school districts are required to adopt or amend their policies to, at a minimum, incorporate the OSPI's model policy and procedure. Each district must also designate one person as the primary contact regarding the policy. The primary contact receives copies of all formal and informal complaints, has responsibility for assuring implementation of the policy and procedure, and serves as primary liaison with the OSPI and the OEO.

Each school district must provide to the OSPI a summary of its policies, procedures, and training materials to be posted on the school safety center website, along with a link to the district's website for further information. The district primary contact must annually update and verify the accuracy of the information.

The OEO is designated as the lead agency to provide resources and tools to parents and families about anti-harassment policies and strategies.

Votes on Final Passage:

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

Effective: June 10, 2010

EHB 2805

C 276 L 10

Regarding public works involving off-site prefabrication.

By Representatives Ormsby, Campbell, Williams, Van De Wege, Simpson, White, Chase, Hasegawa, Rolfes and Conway.

House Committee on Commerce & Labor
House Committee on Capital Budget
Senate Committee on Labor, Commerce & Consumer Protection

Background: Under Washington's prevailing wage law, wages paid to laborers, workers, and mechanics on public works projects of the state or political subdivisions must be not less than the prevailing rate of wage in the same trade or occupation in the locality within the state where the labor is performed. The Washington State Supreme Court has held that the prevailing wage law applies to the off-site manufacture of prefabricated items for use on a particular project. The prevailing wage law, however, does not apply to work performed outside Washington.

Contractors and subcontractors on public works projects must submit to the awarding agency an "intent" to pay prevailing wage and an "affidavit" that prevailing wages have been paid before certain payments are made.

In 2005 the Capital Projects Advisory Review Board (CPARB) was created to review alternative public works contracting procedures and provide guidance to state policymakers on ways to further enhance the quality, efficiency and accountability of public works contracting methods.

Contractors bidding on public works contracts must meet responsibility criteria in order to be considered a responsible bidder and qualified to be awarded a public works project. Bidders must: be registered as a contractor; have a current state unified business identifier number; have industrial insurance, unemployment insurance, and a state excise tax registration number; not be disqualified from bidding for prevailing wage or contractor registration violations; and be in compliance with apprenticeship utilization requirements.

Summary: Public works contracts estimated to cost over $1 million must contain a provision requiring contractors and subcontractors to submit information regarding any off-site, prefabricated, nonstandard, project-specific items produced under each contract and produced outside Washington. The information that must be provided is: (1) the estimated cost of the public works project; (2) the name of the awarding agency and the title of the public works project; (3) the contract value of the off-site, prefabricated, nonstandard, project specific items produced outside Washington; and (4) the name, address, and federal employer identification number of the contractor that produced the off-site, prefabricated, nonstandard, project specific items.

The information must be provided to the Department of Labor and Industries (Department) as a part of the affidavit of wages paid form. Only the contractor or subcontractor who directly contracted for the items. A failure to submit the information does not constitute a violation of the prevailing wage requirements.

"Off-site, prefabricated, nonstandard, project-specific items" means products or items that are: (1) made primarily of architectural or structural precast concrete, fabricated steel, pipe and pipe systems, or sheet metal and sheet metal duct work; (2) produced specifically for the public work and not considered to be regularly available shelf items; (3) produced or manufactured by labor expended to assemble or modify standard items; and (4) produced at an off-site location.

The Department of General Administration must develop standard contract language regarding these requirements and post the language on the agency's website. The Department must transmit information collected to the CPARB for review.

In order to meet the responsible bidder criteria and qualify to be awarded a public works project, a bidder on a public works subject must not have violated these requirements more than once, as determined by the Department.

The requirements apply to contracts entered on or after September 1, 2010, and expire December 31, 2013. The Department of Transportation and local transportation public works are exempt from the requirements.

Votes on Final Passage:

House	54	43	
Senate	28	18	(Senate amended)
House	52	42	(House concurred)

Effective: June 10, 2010

HB 2823

C 60 L 10

Permitting retired participants to resume volunteer firefighter, emergency worker, or reserve officer service.

By Representatives Kristiansen, Armstrong, Blake and Kelley.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (Volunteer Fire System) provides death, disability, medical, and retirement benefits to volunteer firefighters and reserve officers in cities, towns, and fire protection districts. The Volunteer Fire System is funded by member and employer contributions and a portion 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 Volunteer Fire System, but participation in the pension component is optional. 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 the Volunteer Firefighters' and Reserve Officers' Relief and Pension Act injured in the performance of duty. Eligibility for pension benefits from the Volunteer Fire System begin after 10 years of service. The amount of the pension vested increases for each five years of service beyond the minimum 10 years and for payments made into the pension portion of the Volunteer Fire System. 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.

Summary: Retired volunteer firefighters that are at least age 65 and have been collecting a pension for at least three months are permitted to resume volunteer firefighting. Retired participants who choose to resume volunteer service are not eligible for disability payments in the event that the retired participant becomes disabled as the result of the performance of his or her duties. Local governments must require retired firefighters to submit to annual medical exams and pay additional annual charges to the Volunteer Fire System for the increased cost of medical and relief coverage of the retired participant volunteer firefighters.

Votes on Final Passage:

House	98	0
Senate	44	0

Effective: June 10, 2010

SHB 2828

C 113 L 10

Requiring hospitals to report certain health care data.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Campbell and Morrell).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Under Department of Health (DOH) hospital licensing standards, hospitals must maintain infection control programs to reduce the occurrence of hospital-acquired infections. As part of this program, hospitals must adopt policies and procedures consistent with Centers for Disease Control and Prevention (CDC) guidelines regarding infection control in hospitals.

Hospitals must also collect and report data on certain health care-associated infections. This requirement was phased in as follows:

- on July 1, 2008, reporting began on central line-associated bloodstream infections in the intensive care unit;
- on January 1, 2009, reporting began on ventilator-associated pneumonia; and
- on January 1, 2010, reporting began on surgical site infections related to cardiac surgery, total hip and knee replacement, and hysterectomy.

The data on these infections must be collected according to the definitions and methods of the CDC's National Healthcare Safety Network (NHSN). The data must be routinely submitted to the NHSN in accordance with its requirements. Hospitals must release to the DOH, or grant the DOH access to, their hospital-specific information as requested.

Annually on December 1, the DOH publishes on its website a health care-associated infection report that compares infection rates at individual hospitals. The Washington State Hospital Association also publishes various hospital quality measures on its website.

Summary: The requirement is modified for hospitals to report health-care associated infections for specified surgical sites. For three years or until the National Healthcare Safety Network releases a revised module successfully interfacing with a majority of the reporting hospitals' computer systems, whichever occurs first, the hospitals must report the surgical site infection data to the Washington State Hospital Association's Quality Benchmarking System (QBS). The data must include the number of infections and the total number of surgeries performed for each type of surgery.

The data reported to the QBS are not to be included in the DOH's annual health care-associated infection report. The Washington State Hospital Association must use the QBS data as the basis for an annual report published on its website, beginning December 1, 2010, comparing surgical site infection rates at individual hospitals.

Votes on Final Passage:

House	95	0
Senate	47	0

Effective: March 18, 2010

EHB 2830

C 87 L 10

Addressing credit union regulatory enforcement powers.

By Representatives Simpson, Bailey, Kirby, Kelley, Rodne and Nelson; by request of Department of Financial Institutions.

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

Background: Credit unions doing business in Washington may be chartered by the state or federal government. The National Credit Union Administration regulates federally chartered credit unions. The Department of Financial Institutions (Department) regulates state-chartered credit unions. State law provides for the organization, regulation, and examination of state credit unions.

Examination and Supervision. The Department is required to examine and investigate the affairs of credit unions on a regular basis. The Department may compel the production of records and the testimony of witnesses in connection with examinations.

The Department may issue and serve a credit union director, supervisory committee member, officer, or employee with written notice of intent to remove the person from office or employment or to prohibit the person from participating in the conduct of the affairs of the credit union, if:

- the person has committed a material violation of law or an unsafe or unsound practice;
- the credit union has suffered or is likely to suffer substantial financial loss or other damage, or the interests of the credit union's share account holders and depositors could be seriously prejudiced by reason of the violation or practice; and
- the violation or practice involves personal dishonesty, recklessness, or incompetence.

The Department may also issue and serve a credit union with a written notice of charges and intent to issue a cease and desist order, if the credit union has committed or is about to commit a material violation of law or an unsafe or unsound practice. The order may require the credit union and its directors, supervisory committee members, officers, employees, and agents to cease and desist from the violation or practice and may require them to take affirmative action to correct the conditions resulting from the violation or practice.

In certain situations, the Department may place a credit union under supervisory direction, or appoint a conservator, liquidating agent, or receiver, if the credit union:

- consents to the action;
- has failed to comply with the requirements of the Department while the credit union is under supervisory direction;
- has committed or is about to commit a material violation of law or an unsafe or unsound practice, and such violation or practice has caused or is likely to cause an unsafe or unsound condition at the credit union; or
- is in an unsafe or unsound condition.

Prohibited Acts. It is a misdemeanor for a director, supervisory committee member, officer, employee, or agent of a credit union to knowingly violate, or consent to a violation of, the provisions regulating credit unions. It is a class C felony for a person to knowingly:

- subscribe to, make, or cause to be made a false statement or entry in the books of a credit union;
- make a false statement or entry in a report required to be made to the Department; or
- exhibit a false or fictitious paper, instrument, or security to a person authorized to examine a credit union.

Corporate Governance. State credit unions are governed by a board of directors. By statute, board members are deemed to stand in a fiduciary relationship to the credit union and have specified duties stemming from this relationship. A "supervisory committee" monitors both the financial condition of the credit union and the decisions of the board. Supervisory committees must:

- keep fully informed as to the financial condition of the credit union and the decisions of the credit union's board;
- perform or arrange for a complete annual audit of the credit union and a verification of its members' accounts; and
- report its findings and recommendations to the board and make an annual report to members at each annual membership meeting.

Summary: Examination and Supervision. Numerous changes are made to the provisions regarding examination and supervision of credit unions. The entities that the Department may examine and supervise are expanded. The Department may examine and investigate:

- subsidiaries of a non-public organization in which a credit union has a material investment;
- any tier subsidiary of a credit union service organization; and
- an entity that provides alternative share insurance.

The Director of the Department of Financial Institutions (Director) may conduct administrative hearings regarding removal or prohibition orders and temporary cease and desist orders. The Director may also appoint conservators for a credit union. The Director, the Department, and its employees are immune from liability for actions taken in regard to a conservatorship or receivership. Conservators and receivers may cancel any executory contract or lease within six months of becoming aware of the contract or lease.

The Director may issue and serve an order suspending a person from further participation in any manner in the conduct of the affairs of a credit union, if the Director determines that such an action is necessary for the protection of the credit union or the interests of the credit union members. The suspension lasts until administrative proceedings are completed, or the Thurston County Superior Court (Court) issues a stay. If a Department action causes a board of directors of a credit union to not have enough directors for a quorum, the board may exercise its authority with the remaining members. If the Department removes all of the directors, the Department must appoint temporary directors.

It is clarified that credit unions must comply with United States' generally accepted accounting principles. The venue for all temporary cease and desist orders and receivership actions is the Court.

Prohibited Acts and Penalties. In addition to the other prohibited acts, it is also a misdemeanor for a person to knowingly make or disseminate a false report or other misrepresentation about the financial condition of a credit union.

The Director may assess civil fines of up to $10,000 to a credit union for violation of:

- a material provision regulating credit unions;
- a final or temporary order, including a cease and desist, suspension, removal, or prohibition order;
- a supervisory agreement;
- a condition imposed in writing in connection with the grant of any application or other request; or
- any other written agreement entered into with the Director.

A continuing violation is considered a single violation. The Department is given rule-making authority to implement these provisions.

Definitions. Some definitions are modified and others are added. The definition of "material violation of law" is modified to include violation of a supervisory agreement or breach of fiduciary duties by a member of a board of directors, an officer, or a member of a supervisory committee. A definition for "significantly undercapitalized" is included to mean a net worth to total assets ratio of less than 4 percent. Significant undercapitalization is considered an unsafe or unsound condition.

Corporate Governance. Members of supervisory committees have the same fiduciary duties as directors, board officers, and senior operating officers of a credit union. Directors may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- officers or employees of the credit union who are reliable and competent in the matters presented;
- legal counsel, public accountants, or other persons as to matters within the person's professional or expert competence; or
- a committee of the board of directors which merits confidence.

A director is not liable for any action taken as a director, or any failure to take any action, if the director complied with the requirements regarding his or her fiduciary relationship.

Credit Union Organization. Once a credit union is approved by the Department, the Department delivers a copy of the credit union's approved articles of incorporation and

the state filing fee, paid by the Department, to the Secretary of State.

Votes on Final Passage:

House	98	0
Senate	45	0

Effective: March 17, 2010

EHB 2831

C 88 L 10

Regulating state-chartered commercial banks, trust companies, savings banks, and their holding companies.

By Representatives Simpson, Bailey, Kirby, Kelley, Chase, Wallace, Rodne and Nelson; by request of Department of Financial Institutions.

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

Background: The Department of Financial Institutions (Department) charters, examines, and regulates commercial banks, trust companies, and savings banks.

When a bank, trust company, or savings bank is determined to be engaged in, or is planning or attempting to engage in, unsafe or unsound practices, the Department may issue and serve a notice of charges. When the Department determines that continuation of the acts cited in the notice of charges is likely to cause insolvency or substantial dissipation of assets or earnings of the bank or trust company or to otherwise seriously prejudice the interests of its depositors, the Department may issue a temporary cease and desist order.

The Department has the authority to remove a director, officer, or employee from office to prohibit his or her participation in the affairs of a bank, trust company, or savings bank. It is a gross misdemeanor to violate an order of removal. The Department may also disallow loans by a bank, trust company, or savings bank to its directors on account of unsafe and unsound practices.

It is prohibited for any person to make false entries into the books of a bank, trust company, or savings bank or for the removal, destruction, or concealment of records. Directors and employees of banks, trust companies, and savings banks, who have been convicted of violating banking laws, may not engage in or become an officer or official of any bank, trust company, or savings bank. Directors can be liable if they knowingly violate, or knowingly permit any officers or agents from violating any banking laws.

In certain situations, the Department may take possession of a bank, trust company, or savings bank. Prior to taking possession, notice must be given to the bank, trust company, or savings bank. If it appears to the Department that any offense or delinquency renders a bank, trust company, or savings bank in an unsound or unsafe condition to continue its business, or the bank has capital that is too reduced, has suspended payments of its obligations, or is insolvent, the Department may take possession without notice. Transfers of property or assets by a bank, trust company, or savings bank because of insolvency are void if the transfers show a preference of one creditor over another, or if the transfers prevent an equal distribution among creditors.

If it appears to the Department that a bank or trust company is in an unsafe condition, appears to have exceeded its powers, has failed to comply with the law, or gives its consent, then the Department may place the bank or trust company under supervisory authority, and it must comply with the Department's requirements. If the bank or trust company fails to comply with the Department's requirements, the Department may appoint a conservator.

Summary: Numerous changes are made to the provisions regulating state-chartered commercial banks, trust companies, savings banks, and many provisions are extended to their holding companies.

Extension of Provisions to Holding Companies. Some of the Department's enforcement authority over banks, trust companies, and savings banks is extended to their holding companies. This includes the authority to:

- adopt rules governing holding company examination and enforcement;
- issue and enforce cease and desist orders;
- remove directors, officers, or employees if necessary for the protection of the financial institution, or the interests of the depositors or trust beneficiaries;
- disallow loans to directors on account of unsafe and unsound practices;
- make liable for false entries into a book, and for the removal, destruction, or concealment of records;
- prohibit those who have been convicted of certain banking laws from participation in the affairs of a financial institution or its holding company; and
- make directors liable for permitting employees to violate any of the banking laws.

In addition to the existing grounds for issuing a cease and desist order, the Department may issue one in cases where a bank, trust company, or savings bank is less than adequately capitalized. Some definitions are added to the provisions regulating banks, trust companies, and savings banks. The definitions of "adequately capitalized," "critically undercapitalized," "significantly undercapitalized," "undercapitalized," and "well-capitalized," are consistent with the definitions in the prompt corrective action provisions of the Federal Deposit Insurance Act.

Definitions are also provided for holding companies. A "holding company" means a bank holding company or financial holding company of a bank organized under state law or converted to a state bank, or a holding company of a trust company.

Insolvency and Liquidation. The standards for giving official notice of unsafe conditions to banks, trust companies, and savings banks are clarified. In addition to other situations, the Department may take possession without prior notice when the bank, trust company, or savings bank is critically undercapitalized with no reasonably foreseeable prospect of recovery. Like with banks and trust companies, with the consent of the director, a savings bank may voluntarily surrender itself to the Department's possession. A notice of the voluntary surrender must be posted on the door of the bank.

The supervisory direction and conservatorship standards that exist for banks and trust companies are extended to savings banks.

Penalties. Banks, trust companies, savings banks, their holding companies, and their directors, officers, employees, and agents, must comply with:

- provisions regulating banks and investment of trust funds;
- directions or orders of the Department;
- supervisory agreements with the Department; and
- applicable statutes, rules and regulations administered by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation.

Violations of these provisions may subject the offender to a penalty of up to $10,000 for each offense.

Other Provisions. Some clarifications are made to who may use the terms, "bank," "banker," "bancorp," "bancorporation," and "trust."

It is clarified that, in addition to examination reports, the Department may share work papers, supervisory agreements or directives, orders, or other information obtained in the conduct of an examination or investigation with other regulators.

Many technical, clarifying, and modernizing changes are also made.

Votes on Final Passage:

House	98	0
Senate	46	0

Effective: March 17, 2010

ESHB 2836

PARTIAL VETO

C 36 L 10 E1

Concerning the capital budget.

By House Committee on Capital Budget (originally sponsored by Representatives Dunshee and White; by request of Governor Gregoire).

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: Washington operates on a biennial budget cycle. The Legislature authorizes expenditures for capital needs in the state omnibus capital appropriations act (capital budget), for a two-year period and authorizes bond sales through passage of a bond bill associated with the capital budget to fund a portion of these expenditures. The current capital budget covers the period from July 1, 2009, through June 30, 2011.

Summary: The Supplemental Capital Budget appropriations in the amount of $433 million are made for the 2009-11 biennium. (See Substitute House Bill 2836 budget summary document.)

Votes on Final Passage:

First Special Session

House	59	36	
Senate	33	13	(Senate amended)
House	61	36	(House concurred)

Effective: May 4, 2010

Partial Veto Summary: The Governor vetoed three sections of the capital budget bill. A reduction in design funding for the Bates Technical College - Mohler Communications Technology Center - was vetoed in the Community and Technical College System section. Two sections giving direction to the Office of Financial Management (OFM) were also vetoed. One of the provisos directs OFM to require preliminary energy audits on projects included in agency budget requests for renovations or improvements. The second section eliminates OFM's authority to transfer funds from one capital project to another within the same state agency, prohibits allotments for contingencies above the amount required for completion of a project and proposed alternates if agencies cannot document a programmatic need and an operational budget savings, and prohibits allotments for equipment costs or project scope beyond the funded project.

VETO MESSAGE ON ESHB 2836

May 4, 2010

The Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 5061, 6003 and 6012, Engrossed Substitute House Bill 2836 entitled:

"AN ACT Relating to the capital budget."

Section 5061, page 98, Community and Technical College System, Bates Technical College Mohler Communications Technology Center

Design funding for the Mohler Communications Technology Center at Bates Technical College was reduced by $563,000 from the budget approved by the 2009 Legislature. This reduced budget amount would not be sufficient to pay for currently executed contracts, and the costs cannot be deferred until the next biennium. Therefore, I am vetoing Section 5061.

Section 6003, page 111, Office of Financial Management Budget Instructions

With this proviso, the Office of Financial Management must require that preliminary energy audits be conducted on project requests that involve significant renovations or improvements in owned or leased facilities. Reducing energy consumption is a high priority, but requiring energy audits before funding decisions are made will be burdensome and costly. I am directing the Office of Financial Management to develop instructions to state agencies

that will serve the goal of reducing energy costs without requiring formal audits for every project. Therefore, I am vetoing Section 6003.

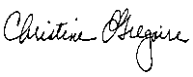
Section 6012, page 121-122, Project Transfer Authority

This proviso eliminates existing authorization for the Office of Financial Management to approve the transfer of funds from one capital project to another within the same state agency. It also places limitations on approving spending plans for construction contingencies, bid alternates, and equipment costs for capital budget projects already approved by the Legislature. These limitations are too stringent for state agencies and may cause unintended cost increases and schedule delays. I am directing the Office of Financial Management to continue to scrutinize capital project spending plans to identify additional savings that can be directed to new projects in the 2011-13 Biennium. Therefore, I am vetoing Section 6012.

For these reasons, I have vetoed Sections 5061, 6003 and 6012 of Engrossed Substitute House Bill 2836.

With the exception of Sections 5061, 6003 and 6012, Engrossed Substitute House Bill 2836 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SHB 2841
C 277 L 10

Concerning the standard health questionnaire.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Hinkle, Cody, Kristiansen, Morrell and Pearson).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Persons wishing to purchase an individual health benefit plan must complete a standard health questionnaire unless:

- they are moving from one geographic area to another where the current health plan is not offered;
- their established health care provider is no longer in the network of the individual health plan;
- they have exhausted the Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation coverage and apply within 90 days;
- they lose group coverage from a group that was exempt from COBRA requirements but had at least 24 months of continuous coverage immediately prior to disenrollment;
- they had at least 24 months of continuous coverage in the Basic Health Plan immediately prior to application; or
- they are eligible to purchase or drop COBRA continuation coverage.

Individuals who do not qualify for COBRA coverage because their employer employs fewer than 20 employees do not have to complete the standard health questionnaire if they apply for an individual health care policy within 90 days of a federally defined qualifying event.

Summary: Individuals who are applying for an individual health benefit plan because their employer has gone out of business do not have to take the standard health questionnaire if application is made within 90 days of the employer discontinuing group coverage and the person had at least 24 months of continuous group coverage immediately prior to discontinuation.

Votes on Final Passage:

House	96	0	
Senate	45	0	(Senate amended)
House	95	0	(House concurred)

Effective: June 10, 2010

ESHB 2842
C 97 L 10

Addressing confidentiality as it relates to insurer receivership.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Parker, Kirby and Kenney; by request of Insurance Commissioner).

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

Background: The Insurance Commissioner (Commissioner) oversees the regulation of insurance in Washington. An important regulatory responsibility of the Commissioner is monitoring the solvency of insurers. The monitoring is achieved by the use of risk assessment formulas and various financial reporting requirements. If certain criteria are met, the Commissioner may apply for a court order for rehabilitation or liquidation of a domestic insurer (an insurer formed under the laws of Washington).

There are specific procedures to follow in the rehabilitation. One of the first steps in rehabilitation is the appointment of the Commissioner to take charge of the insurer by a superior court. The Commissioner, in turn, generally assigns a person or persons to manage the insurer and try to correct the solvency issues. If the court believes the concerns are resolved, the court may release the insurer from rehabilitation. If the court decides the insurer cannot be rehabilitated, it may order the Commissioner to liquidate the insurer.

A superior court will appoint the Commissioner as the liquidator to sell the insurer's assets and distribute the proceeds to insurer's claimants under the Uniform Insurers Liquidation Act (UILA).

In the UILA, "receiver" is defined to include "receiver, liquidator, rehabilitator, or conservator as the context may require."

The Public Records Act (PRA) requires that all state and local government agencies make all public records available for public inspection and copying unless they fall within certain statutory exemptions. Information produced by, obtained by, or disclosed to the Commissioner in the course of a financial or market conduct examination, financial analysis, or a market conduct desk audit is generally exempt from public disclosure requirements. There are several exceptions to this general exemption. One exception is records connected to allegations of official negligence or malfeasance.

If exempt information obtained in the course of a financial or market conduct examination, financial analysis, or a market conduct desk audit is connected to allegations of negligence or malfeasance by the Commissioner, then any person may petition a superior court in Washington for access to the information. In that case, the court must conduct an in-camera review after providing notice to the Commissioner and parties who provided information. The court may order the Commissioner to allow the petitioner access to the information; the petitioner must maintain its confidentiality. After conducting a hearing, the court may order disclosure of the information if the court finds that there is a public interest in disclosure and that exemption from disclosure is not necessary to protect any individual's right of privacy or any vital government function.

Summary: Documents and other information obtained by the Commissioner in the Commissioner's capacity as a receiver (whether the insurer is in rehabilitation or liquidation) remain private company documents and other information and are:

- confidential by law and privileged;
- records under the jurisdiction and control of the receivership court;
- not subject to the PRA or laws requiring the preservation of public records; and
- not subject to subpoena directed to the Commissioner or any person who received documents and other information while acting under the authority of the Commissioner.

The Commissioner may use such documents and other information to further any regulatory or legal action brought as a part of the Commissioner's official duties. The confidentiality and privilege related to those documents and other information is not waived if the information is shared with any person acting under the authority of the Commissioner, representatives of insurance guaranty associations, the National Association of Insurance Commissioners and its affiliates and subsidiaries, regulatory and law enforcement officials of other states and nations, the federal government, and international authorities.

The Commissioner and any person who received documents and other information while acting under the authority of the Commissioner as receiver is not required to testify in any private civil action concerning any confidential and privileged documents, materials, or information.

The confidentiality or privilege related to the records does not apply in any litigation to which the insurer in receivership is a party. If there is such litigation, the state's rules of civil procedure are the controlling authority regarding what must be disclosed.

Any person may file a motion in the receivership matter to allow inspection of private company documents and information otherwise not subject to review if the person is able to demonstrate:

- a legal interest in the receivership estate; or
- a reasonable suspicion of negligence or malfeasance by the Commissioner related to an insurer's receivership.

The court must conduct an in-camera review after notifying the Commissioner and every party that produced the documents and information. The court may order the Commissioner to allow the petitioner to have access to the documents and information, provided the petitioner maintains the confidentiality of the information. The petitioner must not disclose the information to any other person, except as ordered by the court.

After a hearing, the court may order that the information may be disclosed publicly if the court finds that there is a public interest in the disclosure of the information and protection of the information from public disclosure is clearly unnecessary to protect any individual's right of privacy, or any company's proprietary information, and the Commissioner has not demonstrated that disclosure would impair any vital governmental function, or the receiver's ability to manage the estate.

The PRA is amended to exempt the documents and materials from public disclosure requirements. The Commissioner is not required to comply with the requirements of the PRA regarding records that are under the control of a receivership court, unless ordered to do so by the receivership court.

Votes on Final Passage:

House	96	1
Senate	45	0

Effective: June 10, 2010

HB 2858

C 61 L 10

Regarding the purchasing authority of institutions of higher education.

By Representatives Appleton, Anderson, Sells, White and Wallace.

House Committee on Higher Education
Senate Committee on Higher Education & Workforce Development

Background: As agencies of Washington, the institutions of higher education have been granted statutory authority in many areas concerning general operation and administration. The enabling statutes that establish each institution and proscribe powers and duties to the various boards of regents or trustees contain provisions that authorize the boards to delegate powers and duties to the president or his or her designee. Each has adopted specific delegations governing procurement transactions.

Washington law contains several chapters that deal specifically with how the procurement process will occur. They are as follows:

RCW 43.19: General Administration. The state procurement code establishes general requirements for state procurements of goods and services. This code grants each of the institutions several elements of authority: (1) authority for the purchase of specialized equipment, instructional, and research material for its own use; (2) authority to conduct all other purchases in accordance with the code's requirements, regardless of whether Washington has mandatory use contracts in place for the goods or services required; (3) authority to purchase materials, supplies, and equipment for resale to other than public agencies; and (4) certain provisions that allow for acquisitions other than through the formal sealed-bid process, including purchases from legitimate sole sources, purchases from non-profit cooperative hospital group purchasing organizations, and emergency purchases.

RCW 39.29: Personal Service Contracts. The laws governing personal Service contracts require that institutions conduct these contracts in accordance with regulations adopted by the Washington State Office of Financial Management.

RCW 43.78: Public Printer. The institutions are given discretion whether to use the services of the state printer. The governing board often delegates authority to conduct acquisitions of printing services to a particular department. For instance, at the University of Washington, the power is delegated to the University's Publications Services Department.

RCW 43.105: Department of Information Services. The Department of Information Services (DIS) adopts regulations and delegates authority to individual agencies for conducting the acquisitions of data processing and communications goods and services. The institutions have been delegated authority by the DIS to conduct all such acquisitions, with review required by the DIS for only the largest acquisitions.

Washington law authorizes state agencies to enter into cooperative purchasing, but only with other federal and state governmental entities. A number of universities and colleges throughout the United States participate in group purchasing organization contracts established by consortia of universities or other entities and realize savings due to the combined purchasing power from member institutions. Washington institutions of higher education are not allowed to participate in this type of consortia.

Summary: The institutions of higher education are authorized to make purchases that are governed by the state procurement code, state regulations regarding personal service contracts, the state printer, and the DIS through group purchasing organizations.

Votes on Final Passage:

House	97	0
Senate	40	0

Effective: June 10, 2010

HB 2861

C 98 L 10

Adding state certified court reporters to the list of persons authorized to administer oaths and affirmations.

By Representatives Rodne, Pedersen and Wallace.

House Committee on Judiciary
Senate Committee on Judiciary

Background: A court reporter is a person whose occupation is to make a verbatim written record of spoken or recorded speech. Court reporters are used to document the official record and produce official transcripts of court proceedings, administrative hearings, depositions, and other proceedings.

Court reporters are required to be certified in order to operate in Washington. The Department of Licensing is responsible for the certification and regulation of court reporters, including regulating the standards of professional practice and requirements for transcript preparation. To be certified in Washington, a court reporter must meet certain standards and either: pass the state certification examination; or have a certification or registration designation from the National Court Reporters Association or the National Stenomask Verbatim Reporters Association.

Court reporters often have to administer oaths or affirmations, e.g., when documenting the record for a deposition taken in connection with a court proceeding. Court reporters, however, are not included in a state statute that designates who is authorized to administer oaths and affirmations and take testimony. Under this statute, persons authorized to administer oaths and affirmations and take testimony are judges, court clerks, and notaries public.

Summary: State-certified court reporters are authorized to administer oaths and affirmations and take testimony in actions or proceedings.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: June 10, 2010

2SHB 2867
C 232 L 10

Promoting early learning.

By House Committee on Ways & Means (originally sponsored by Representatives Kagi, Sells, White, Hunt, Chase, Kessler, Morrell, Van De Wege, Kenney and Hasegawa; by request of Governor Gregoire).

House Committee on Early Learning & Children's Services
House Committee on Ways & Means
Senate Committee on Early Learning & K-12 Education

Background: Department of Early Learning. Created in 2006, the Department of Early Learning (DEL) is charged with implementing state early learning policy and coordinating, consolidating, and integrating child care and early learning programs. One of the purposes underlying the creation of the DEL is to promote linkages and alignment between early learning programs and elementary schools. The DEL has approached a number of its initiatives over the past three years with the ultimate goal of improving school readiness for Washington's children.

Thrive by Five Washington. Thrive by Five Washington (Thrive) is a nongovernmental private-public partnership created in 2006 to mobilize public and private partners to advance development and learning of children from birth to age 5.

Early Learning Advisory Council. In 2007 the Early Learning Advisory Council (ELAC) was created by statute to advise the DEL on statewide early learning needs and progress. The ELAC was directed to work in conjunction with the DEL to develop a statewide early learning plan.

Summary: The Legislature finds that research demonstrates the connection between early childhood development and later academic and social functioning, and that there is a shortage of high-quality services and programs for children age birth to 3 and their parents and caregivers.

The DEL in collaboration with Thrive and the ELAC will develop a comprehensive birth-to-three plan offering education and support through a continuum of options. Birth-to-three programs may include: home visiting; quality incentives for infant and toddler child care subsidies; quality improvements for family home and center-based child care programs serving infants and toddlers; professional development; early literacy programs; and informal supports for family, friend, and neighbor caregivers.

The DEL will report to the Legislature by December 1, 2010, with the birth-to-three plan and recommended appropriation levels to implement the plan. The plan itself will be prepared within existing resources.

Votes on Final Passage:

House	66	32	
Senate	43	2	(Senate amended)
House	73	24	(House concurred)

Effective: June 10, 2010

ESHB 2876
PARTIAL VETO
C 209 L 10

Concerning pain management.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Moeller, Green and Morrell).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Pain management is the practice of medically treating people suffering from pain, including the management of long-term pain. Pharmacological interventions for pain often include the use of opioids. Because of the health risks associated with opioid use, there are several state rules and guidelines for prescribing such drugs.

For example, both the Medical Quality Assurance Commission (MQAC), the Board of Osteopathic Medicine and Surgery (BOMS), and the Podiatric Medical Board (PMB) have adopted guidelines for the treatment of pain with opioids. Additionally, the MQAC and the BOMS have adopted rules that require practitioners treating pain to be knowledgeable about the complex nature of pain, familiar with pain treatment terms used in the pain guidelines, and knowledgeable about acceptable pain treatment modalities. The rules also state that practitioners will not be disciplined based solely on the quantity or frequency of opioids prescribed as long as the care provided is consistent with currently acceptable medical practices.

Other guidelines for the treatment of pain were developed by the Agency Medical Director's Group, which is a consortium of agencies that purchase or regulate health care, including the Department of Corrections, the Department of Health (DOH), Department of Labor and Industries (L&I), the Department of Social and Health Services (DSHS), and the Health Care Authority in consultation with a panel of pain experts. The purpose of the guidelines is to assist primary care providers when prescribing opioids in a safe and effective manner and to assist primary care providers in treating patients whose morphine equivalent dose already exceeds 120 mg per day.

The DOH also hosts a work group on reducing opioid abuse and unintentional poisonings. The group consists of representatives from the DOH, the DSHS, the L&I, the MQAC, the Board of Pharmacy, the University of Washington, the Office of the Attorney General, and other public and private entities.

Summary: By June 30, 2011, the MQAC, the BOMS, and the PMB must repeal their rules on pain management.

By June 30, 2011, the MQAC, the BOMS, the PMB, the Dental Quality Assurance Commission, and the Nursing Care Quality Assurance Commission must all adopt new rules on chronic, non-cancer pain management. The new rules must contain the following elements:

- dosing criteria, including a dosage amount that may not be exceeded without consultation with a pain management specialist, and exigent or special circumstances under which the dosage amount may be exceeded without a consultation. The rules regarding consultation with a pain management specialist must, to the extent practicable, take into account:
  - circumstances under which repeated consultations would not be necessary or appropriate for a patient undergoing a stable, ongoing course of treatment for pain management;
  - minimum training and experience that is sufficient to exempt a provider from the consultation requirement;
  - methods for enhancing the availability of consultations;
  - allowing the efficient use of resources; and
  - minimizing the burden on practitioners and patients;
- guidance on when to seek specialty consultation and ways in which electronic specialty consultations may be sought;
- guidance on tracking clinical progress by using assessment tools focusing on pain interference, physical function, and overall risk for poor outcome; and
- guidance on tracking the use of opioids.

The boards and commissions must adopt the new rules in consultation with the Agency Medical Directors' Group, the DOH, the University of Washington, and the largest associations representing the professions the boards and commissions regulate. The boards and commissions adopting the rules must work collaboratively to ensure that the rules are as uniform as practicable. The rules must be submitted to the Legislature on January 11, 2011.

The rules do not apply to:

- palliative, hospice, or other end-of-life care; or
- the management of acute pain caused by an injury or a surgical procedure.

Votes on Final Passage:

House	97	0	
Senate	37	10	(Senate amended)
House			(Refuses to concur)
Senate	36	12	(Senate amended)
House	96	1	(House concurred)

Effective: June 10, 2010

Partial Veto Summary: The following provisions were vetoed:

- the requirement that the boards and commissions work collaboratively to ensure that the rules are as uniform as practicable; and
- the requirement that the boards and commissions submit the rules to the Legislature on January 11, 2011.

VETO MESSAGE ON ESHB 2876

March 25, 2010

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 8, Engrossed Substitute House Bill 2876 entitled:

"AN ACT Relating to pain management."

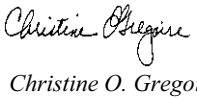
The bill generally requires state health care boards and commissions to adopt rules, including dosage standards, on chronic, noncancer pain management. Section 8, however, requires that before final adoption, these rules be submitted to the Legislature.

Members of the Legislature may review agency rules, proposed or final, and their perspectives are valuable. However, requiring proposed rules to be submitted to the Legislature would infringe upon the role of the executive branch and would blur the distinction between the Legislature and a state agency with regard to the rulemaking process.

For these reasons, I have vetoed Section 8 of Engrossed Substitute House Bill 2876.

With the exception of Section 8, Engrossed Substitute House Bill 2876 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

HB 2877

C 41 L 10

Authorizing payment of regulated company stock in lieu of a portion of salary for educational employees.

By Representative Moeller.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The board of directors of a school district, the Teachers' Retirement System, the Superintendent of Public Instruction, and Educational Service District Superintendents are permitted to establish tax-deferred annuities for their employees through the establishment of a deferral program under the provisions of federal law commonly referred to as 403(b) plans.

A 403(b) plan is a tax-advantaged salary deferral retirement program for employees of educational institutions and certain other non-profit organizations. The 403(b) plans must be sponsored by the institution, which then acts in the capacity of a fiduciary. The employer is responsible for establishing the plan and selecting the plan investments. Once the plan has been established, the employee defers a portion of his/her annual salary into the fund. Among the types of investments that are permitted

in 403(b) accounts are annuity and variable annuity contracts with insurance companies and custodial accounts that consist of mutual funds which meet the definition of qualified regulated company stock. The latter of these is called a 403(b) (7) account. The 403(b) plan requirements do not permit investment in individual stocks. If offered by an employer, 403(b) plans must be made available to all employees.

State law permits Washington educational employers to establish 403(b) programs, but limits the types of investments to tax deferred annuity contracts.

Summary: The board of directors of a school district, the Teachers' Retirement System, the Superintendent of Public Instruction, and Educational Service District Superintendents are authorized to provide the option to purchase certain mutual funds qualified as regulated company stock held in a custodial account, as well as tax deferred annuities for employees' federal Internal Revenue Service qualified section 403(b) accounts.

Votes on Final Passage:

House	94	0
Senate	48	0

Effective: June 10, 2010

SHB 2893

PARTIAL VETO

C 237 L 10

Changing school levy provisions.

By House Committee on Education Appropriations (originally sponsored by Representatives Sullivan, Carlyle, Hunter, Maxwell, Nelson, Hunt, Appleton, Simpson, Dickerson, White, Pedersen, Green, Sells, Eddy, Springer, Williams, Orwall, Goodman, Conway, Kenney, Rolfes, Ericks, Ormsby, Kagi, Roberts and Jacks).

House Committee on Education Appropriations
House Committee on Ways & Means
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: Levy Authority. In 1977 when the state assumed additional responsibility for funding schools, school district maintenance and operation levy authority was limited by enactment of the levy lid law.

This law determines the maximum amounts school districts may collect through local maintenance and operation levies. The original 1977 law, which took effect in 1979, sought to limit levy revenue to 10 percent of a school district's state basic education allocation. It also contained a grandfather clause which permitted districts that historically relied heavily on excess levies to exceed the 10 percent limit.

Most districts may raise 24 percent of the district's levy base. There are 91 school districts that are grandfathered at higher percentages that range from 24.01 percent to 33.9 percent.

A district's levy base includes most state and federal revenues received by the district in the prior school year. When voters pass a levy for support of a school district, no further tax levies for maintenance and operation may be authorized for the levy period. A maintenance and operations levy may last up to four years.

Local Effort Assistance. The Local Effort Assistance program (LEA) or levy equalization was created in 1987 to mitigate the effect that above-average property tax rates might have on the ability of a school district to raise local revenues through voter-approved levies. The LEA is expressly not part of basic education.

The LEA rate is set at 12 percent, half of the 24 percent levy lid that is applied to the majority of districts.

I-728 and I-732 Funds. Initiative 728 (I-728), adopted in November 2000, dedicated lottery proceeds and a portion of the state property tax for educational purposes by transferring revenues to the Student Achievement Program and the Education Construction Account. Student Achievement Program funds may be used for: hiring more teachers to reduce class sizes and making necessary capital improvements; creating extended learning opportunities for students; providing professional development for educators; and providing early childhood programs.

In the 2003-05 and 2009-11 biennial state omnibus appropriation acts, funding was reduced for I-728.

Initiative 732 (I-732), adopted in November 2000, provided an annual cost-of-living adjustment for K-12 teachers and other school employees. As amended in 2003, it requires the state to allocate to districts a cost-of-living adjustment for school district employees in the state funded salary base.

In the 2003-05 and 2009-11 biennial state omnibus appropriation acts, funding for I-732 was reduced.

Legislation enacted in 2004 allows school districts to include in their levy bases the amounts that districts would have received if I-728 and I-732 had been fully implemented. This inclusion is scheduled to expire at the end of calendar year 2011.

K-4 Enhancement. The state omnibus appropriations act provides funding for additional staffing in K-4 classrooms beyond basic education. All districts receive this enhanced allocation, except for the 2009-11 biennium.

Districts with more than 25 percent of their K-4 student enrollment in online learning programs only receive the enhancement to the extent that they actually use it to enhance the number of staff in those grades.

Summary: The following changes apply to levies to be collected in calendar years 2011 to 2017:

- The levy lid is increased by 4 percentage points, including districts with "grandfathered" status. For non-grandfathered districts, this increases the lid from 24 percent to 28 percent.

- The LEA payments for qualified districts are increased from 12 percent to 14 percent.
- The levy base continues to include amounts that the districts would have received under I-728 and I-732 if funding for these initiatives had not been reduced. Definitions are provided for the "I-728 rate" and the "I-732 base" to clarify how the inclusions attributable to I-728 and I-732 are calculated.
- The enhanced allocation for grades K-4 is included in districts' levy bases, in the event that it is reduced in the future.

In addition, school districts may return to voters in the middle of a levy cycle for additional levy authority, except for additional levies to provide for subsequently enacted increases affecting the district's levy base or maximum levy percentage.

The act declares that its provisions constitute a comprehensive plan for revising school levy laws, such that if any section passed by the Legislature is invalidated or not signed into law, or if the Superintendent of Public Instruction does not certify by June 30, 2010, that full funding has been appropriated for the LEA rates specified in the bill, the bill is null and void.

Votes on Final Passage:

House	55	41
Senate	29	19

Effective: June 10, 2010
March 29, 2010 (Sections 1 and 3-9)
January 1, 2018 (Section 2)

Partial Veto Summary: Section 12 of the act states that sections within the act constitute a single integrated plan for revising the laws relating to school district maintenance and operations levies, and that if the act were not enacted into law, all sections were null and void. It further required the Office of the Superintendant of Public Instruction to certify that local effort assistance had been fully funded in the appropriations act.

The Governor responded in her veto message that this section "purports to provide that the veto of *any* section of this bill is a veto of the *entire* bill. This attempt to constrain the Governor's veto power is inconsistent with our state constitution."

VETO MESSAGE ON SHB 2893

March 29, 2010

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 12, Substitute House Bill 2893 entitled:

"AN ACT Relating to school levies."

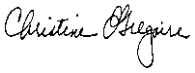
Section 12 provides in part: "If each provision of this act as passed by the senate and house of representatives is not enacted into law, the entire act is null and void." The only action that could prevent any provision of the bill from being enacted into law is the veto power of the Governor. The Washington Constitution provides the Governor with the power to object to one or more sections of a bill while approving other sections of the bill. Section 12 purports to provide that the veto of any section of this bill is a veto of the entire bill. This attempt to constrain the Governor's veto power is inconsistent with our state constitution.

As noted by the Washington Supreme Court in Washington State Legislature v. Lowry, 131 Wn.2d 309, 320 (1997), "[o]ur constitution condones neither artful legislative drafting nor crafty gubernatorial vetoes." Neither the Legislature in its bill drafting nor the Governor in exercising the veto should deprive the other of the fair opportunity to exercise its constitutional prerogatives. A veto of Section 12 will cause "the act ... to be considered now just as it would have been if the vetoed provisions had never been written into the bill at any stage of the proceedings." State ex rel. Stiner v. Yelle, 174 Wash. 402, 408 (1933).

For these reasons, I have vetoed Section 12 of Substitute House Bill 2893.

With the exception of Section 12, Substitute House Bill 2893 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

ESHB 2913

C 99 L 10

Authorizing innovative interdistrict cooperative high school programs.

By House Committee on Education Appropriations (originally sponsored by Representatives Haigh, Priest, Quall, Haler, Kessler, Kagi, Nealey, Finn, Maxwell, Sullivan and Kenney).

House Committee on Education
House Committee on Education Appropriations
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: There are 47 school districts that do not offer a full range of grades K through 12 for their resident students. These are known as non-high districts. Students in non-high districts enroll in neighboring high school districts when they reach the grade levels not offered in their home district. In 2008-09, there were 2,315 full-time equivalent students from non-high districts who attended school in another district under these provisions.

The high school districts report the enrollment of the non-high district students and receive all state funding allocations for those students. The non-high district makes a payment to the high school district to cover the per-student cost of any local levies in the high school district. If there are no local levies, there is no non-high payment. There is also a process outlined in statute for non-high districts to participate in paying their share of capital facilities costs in high school districts that serve more than one-third of the non-high districts' students.

The Superintendent of Public Instruction (SPI) must adopt rules governing the establishment of any secondary program or new grades 9 through 12 in a non-high district. Any new program must be approved by the SPI. One of

the rules requires enrollment of at least 400 students in 9th through 12th grade, with a lesser number permitted if there is substantial evidence that this level will be reached within three years and be a relatively stable population. Only three of the non-high districts reported enrollment of more than 350 secondary students in 2008-09.

To assure a minimum level of staffing, the state appropriations act provides enhanced basic education allocations of instructional, administrative, and classified staff units for school districts that operate two or fewer high schools with an enrollment of 300 or fewer students, not including alternative schools.

Summary: Two or more non-high school districts may form an inter-district cooperative to offer an Innovation Academy Cooperative (Academy) for their resident high school students. Student enrollment in an Academy is optional. For students in the participating non-high districts who attend school in a high school district instead of the Academy, current laws regarding non-high payments and capital facilities payments still apply. State basic education funding allocations for the Academy are based on small high school allocations under the state appropriations act. 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.

An Academy is defined as 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 in science, technology, engineering, and mathematics;
- 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;
- intensive and accelerated learning to enable students to complete credits in a short time period; and
- creative scheduling and use of existing school or community facilities to minimize costs and maximize access for students who may be geographically dispersed.

The non-high districts must also work with community and technical colleges and four-year higher education institutions to expand the options offered through an Academy.

Non-high districts proposing to offer an Academy must submit a copy of the proposed inter-district cooperative agreement and an operating and instructional plan for the Academy to the SPI for review. The purpose of the review is to provide technical assistance and advice and to assure the agreement addresses issues such as data reporting, correct calculation of payments, and proper budgeting. The review must also assure that the instructional program will enable students to earn high school credit and complete a high school diploma. Approval of the agreement and plans by the SPI is required before an Academy begins operation.

Changes are made to laws pertaining to non-high payments, enrollment of students in other districts, and the establishment of new secondary programs in non-high districts to permit Academies as authorized under the act.

The SPI must conduct a review of the implementation of the act to identify keys to success and any barriers to successful implementation of Academies and submit a report to the legislative Education committees by January 1, 2013.

Votes on Final Passage:

House	95	0
Senate	45	0

Effective: June 10, 2010
September 1, 2011 (Section 6)
January 1, 2012 (Section 15)

ESHB 2921

C 3 L 10

Making 2010 supplemental operating appropriations.

By House Committee on Ways & Means (originally sponsored by Representatives Linville, Darneille, Ericks, Pettigrew, Probst, Haigh, Sullivan, Kelley and Wallace).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The state government operates on a fiscal biennium that begins July 1 of each odd-numbered year. The 2009-11 biennial Omnibus Operating Appropriations Act appropriated $31.4 billion from the State General Fund and two other accounts, referred to as Near General Fund-State. The total budgeted amount, which includes state and federal funds, is $58.7 billion.

Summary: Appropriations are modified for the 2009-11 biennium. Near General Fund-State appropriations are reduced by $45.4 million. Total budgeted funds decrease by $54.8 million.

State agencies are prohibited, except for a number of exemptions, from creating new positions and filling vacant positions, from entering into personal service contracts, from purchasing equipment over $5,000, and from paying for out-of-state travel for the remainder of the biennium. An exception process is established for critically necessary work of an agency when approved by the director of the Office of Financial Management (or the director's designee), for non-judicial and non-legislative agencies, the Chief Justice of the Supreme Court for judicial agencies, and the Secretary of the Senate and Chief Clerk of the House of Representatives for legislative

agencies. Authorized exceptions must be published electronically at least quarterly on the state fiscal website.

The provisions prohibiting hiring, personal service contracts, equipment purchases over $5,000, and out-of-state travel, with a number of exemptions, along with the exception process, take effect thirty days after the effective date of the act.

Votes on Final Passage:

House	77	19	
Senate	45	3	(Senate amended)
House	97	0	(House concurred)

Effective: February 15, 2010
March 17, 2010 (Sections 601-605)

ESHB 2925

PARTIAL VETO
C 199 L 10

Concerning impact payments of a municipally owned hydroelectric facility.

By House Committee on Ways & Means (originally sponsored by Representatives Kretz, Short and Condotta).

House Committee on Local Government & Housing
House Committee on Ways & Means
Senate Committee on Government Operations & Elections

Background: A city that owns and operates a public utility with electricity generating facilities located in another county *may* provide financial assistance to that county to compensate for the financial and social impacts of such facility on the affected community. The city and county are authorized to enter into contracts for the provision of such compensation.

After March 17, 1955, if a city either constructs hydroelectric facilities or acquires land for that purpose in another county and the hydroelectric project has impacts that negatively affect county revenues, transportation, public welfare, or local school districts, then the city must enter into a financial compensation agreement with the county and/or the affected school districts.

Summary: A city with a population greater than 500,000 that owns and operates a public utility with electricity generating facilities in another county must provide financial compensation to that county, the municipalities within that county, and local school districts, so as to compensate for the impacts of the generating facility that negatively affect local revenues, public welfare, and/or the school districts. The financial compensation must be provided pursuant to a contract between the city owning the hydroelectric facilities and the affected county.

After March 17, 1955, a municipal utility located in a city with a population exceeding 500,000 and that has hydroelectric facilities located in another county, or that acquires land in another county for the development of such facilities, must provide financial compensation to the affected county. The compensation must be paid annually pursuant to an agreement between the municipal utility and the county.

When a compensation contract or agreement required under the act expires, the city or its municipal utility must continue to compensate the county under the terms of the expired contract/agreement until a new contract/agreement is executed. For contracts/agreements that have expired prior to the effective date of the act and a new contract/agreement has not been executed, the city must compensate the county or counties under the terms of the expired contract/agreement from the time of the expiration until a new contract/agreement is executed.

In the event the compensation contract/agreement expired prior to the effective date of the act, the city or its municipal utility is indebted to the county for any resulting arrearage accruing from the time of the expiration of the contract/agreement until such time as a new contract/agreement is executed by the parties. The dollar amount of such arrearage is calculated retroactively by reference to the payment terms set forth in the most recent expired compensation contract/agreement between the city or its municipal utility and the county.

In the event the compensation contract/agreement expires, or has expired prior to the effective date of the act, and the parties are unable to reach agreement within six months of such expiration, then either party may initiate arbitration proceedings. The city, or its municipal utility, is responsible for arbitration costs. However, the city and the county are each responsible for their own attorneys' fees and litigation expenses related to such arbitration proceedings.

Votes on Final Passage:

House	93	5	
Senate	48	0	(Senate amended)
House	95	2	(House concurred)

Effective: June 10, 2010

Partial Veto Summary: The effective date was changed from an immediate emergency clause to 90 days after session.

VETO MESSAGE ON ESHB 2925

March 23, 2010

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, Engrossed Substitute House Bill 2925 entitled:

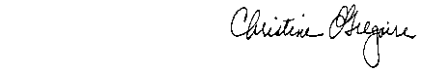
"AN ACT Relating to impact payments of a municipally owned hydroelectric facility."

The bill requires large cities that own a hydroelectric facility in another county to continue to make financial compensation payments to the county in the event an existing compensation agreement between the city and county expires. There is no emergent need for the bill to become effective immediately, and therefore the emergency clause in Section 3 of this bill is unnecessary.

For this reason I have vetoed Section 3 of Engrossed Substitute

House Bill 2925.
With the exception of Section 3 of Engrossed Substitute House Bill 2925 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SHB 2935
C 210 L 10

Regarding environmental and land use hearings boards.

By House Committee on General Government Appropriations (originally sponsored by Representatives Van De Wege, Sells, Blake, Takko, Darneille, Walsh, Hinkle and Kessler; by request of Governor Gregoire).

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

Background: Environmental Hearings Office. The state Environmental Hearings Office (EHO) contains five boards that hear appeals from decisions made by state and local regulatory agencies. Each board has powers and procedures typical of an adjudicative tribunal, such as the power to administer oaths, take depositions, issue subpoenas, and conduct investigations. The EHO boards conduct administrative hearings and issue written decisions that outline the facts and relevant law for each case. The EHO is composed of the Pollution Control Hearings Board (PCHB), the Shorelines Hearings Board (SHB), the Environmental and Land Use Hearings Board (ELUHB), the Forest Practices Appeals Board (FPAB), and the Hydraulic Appeals Board (HAB). The EHO is independent of state and local regulatory agencies.

The PCHB hears appeals from orders and decisions made by the Department of Ecology (Ecology), local conservation districts, local air pollution control boards, and local health departments. There are three members on the PCHB, and the chair of the PCHB must also be the chair of the Shorelines Hearings Board.

The SHB hears appeals of decisions issued by local governments and Ecology under the Shoreline Management Act (SMA). Local governments initiate the planning and administer a regulatory program for management of development along the state shorelines consistent with the SMA, which includes administering and issuing shoreline substantial development, conditional use, and variance permits. Shoreline conditional use and variance permits granted by local governments must be reviewed by Ecology, which then issues the final decision. Local governments and Ecology may also issue fines under the SMA. Appeals of these shoreline-related permits and penalties are heard by the six members of the SHB, three of which must be the three members of the PCHB. The chair of the SHB must also be the chair of the PCHB.

The ELUHB is composed of six members, three of which are the SHB members serving as members of the PCHB. At least one member is an attorney. The three other members of the ELUHB, who serve part-time, are: the State Land Commissioner or designee, one representative from the Washington State Association of Counties, and one representative from the Association of Washington Cities. The chairperson of the PCHB is the chairperson of the ELUHB. The ELUHB hears petitions from certain permit decisions of state agencies, air agencies or local governments, involving an economic development project located within a county that qualifies as a distressed area and a natural resources impact area.

The FPAB hears appeals of decisions made by the Department of Natural Resources (DNR), including the approval or denial of forest practices applications, civil penalties, stop work orders, and notices to comply.

The HAB has exclusive jurisdiction to hear appeals arising from the approval, denial, conditioning, or modification of a hydraulic permit issued by the Washington Department of Fish and Wildlife for the diversion of water for agricultural irrigation or stock watering purposes, for stream bank stabilization to protect farm and agricultural lands, or for off-site mitigation plans. The HAB also has jurisdiction to hear appeals of the approval, denial, conditioning, or modification of a hydraulic permit for the construction, replacement, or repair of a marine beach front bulkhead or rock wall.

Growth Management Act/Growth Management Hearings Boards. The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, the GMA establishes numerous requirements for local governments obligated by mandate or choice to fully plan under the GMA and a reduced number of directives for all other counties and cities.

The GMA establishes three regional Growth Management Hearings Boards (GMHBs): an Eastern Washington board, a Central Puget Sound board, and a Western Washington board. Each GMHB consists of three full-time members qualified by experience or training who also meet residency requirements. Compositional provisions for GMHBs require at least one member to be an attorney in Washington and at least one member to have been a city or county elected official. Additionally, no more than two members of a GMHB may be from the same political party. The GMHB members are appointed by the Governor to six-year terms. The 2009 state omnibus appropriations act assumed a reduction of GMHB members from nine to eight.

The GMHBs have limited jurisdiction and may only hear and determine petitions alleging:

- that a state agency or planning jurisdiction is noncompliant with the GMA, specific provisions of the

SMA, or certain mandates of the State Environmental Policy Act relating to qualifying plans, regulations, or amendments; or

- that the 20-year planning population projections adopted by the Office of Financial Management should be adjusted.

The GMHBs must make findings of fact and prepare a written decision in each decided case. Findings of fact and decisions become effective upon being signed by two or more members and upon being filed at the applicable GMHB office. Decisions of a GMHB may be appealed to the applicable board within 60 days. Final decisions of the GMHB may be appealed to superior court.

The GMHBs are governed by statutory requirements for conduct and procedure. For example, a majority of a GMHB constitutes a quorum for making decisions, adopting rules, and conducting other official business.

Summary: The Environmental and Land Use Hearing Office (ELUHO), a single quasi-judicial land use and adjudicatory agency is created by consolidating the powers, duties, and functions of the EHO and the GMHBs.

On July 1, 2010, the EHO consists of the PCHB, the SHB, and the ELUHB. The FPAB and the HAB functions are transferred to the PCHB.

On July 1, 2011, ELUHO is created and will consist of the PCHB, the SHB, and the GMHB; the ELUHB statutes are repealed. Not later than July 1, 2012, the GMHB must consist of seven members qualified by experience or training in matters pertaining to land use law or land use planning. The Governor may reduce the GMHB to six members if warranted by the GMHB's caseload. The Governor must designate one member of either the PCHB or the GMHB to be the Director of the ELUHO during the term of the Governor. The Director may appoint one or more administrative appeals judges in the cases before the environmental boards, and with the consent of the chair of the GMHB, one or more hearing examiners in cases before the GMHB. The administrative appeals judges possess the powers and duties conferred by the Administrative Procedures Act.

The PCHB has jurisdiction to hear and decide appeals from the DNR, the Department of Fish and Wildlife (WDFW), and the Parks and Recreation Commission. This includes decisions of the DNR and the WDFW that are reviewable under the Forest Practices Act, and the DNR appeals of county, city, or town objections under the Forest Practices Act other than requests for mitigation by forest landowners who violate rules related to forest land conversions. Additionally, the PCHB has jurisdiction over forest health hazard orders, decisions by the WDFW relating to a hydraulic project approval permit, and decisions by the DNR relating to surface mining. The PCHB also has jurisdiction over decisions of a state agency to take temporary possession of a derelict vessel.

The PCHB, SHB, and ELUHB may schedule a conference for the purposes of attempting to mediate a case upon the request of one or more parties and with the consent of all the parties. Mediation must be conducted by an administrative appeals judge or other duly authorized agent of the board who has received training in dispute resolution techniques or has a demonstrated history of successfully resolving disputes.

Any person with standing may commence an appeal to the PCHB by filing a notice of appeal within 30 days from the date of receipt of the decision being appealed. The appeal is timely if it is filed with the PCHB and served upon the state or local agency within the same 30-day period. The appeal must contain: (1) the appellant's name and address; (2) the date and docket number of the order, permit, license, or decision appealed; (3) a copy of the order, permit, license, or decision that is the subject of the appeal; (4) a clear, separate, and concise statement of every error alleged to have been committed; (5) a clear and concise statement of the facts upon which the requester relies to sustain his or her statement of error; and (6) a statement setting forth the relief sought. Any party aggrieved by a final decision and order of the PCHB may obtain judicial review of the final decision and order. The state or local agency that issued the decisions appealed to the PCHB may also obtain judicial review.

If Ecology disapproves a comprehensive solid waste management plan or plan amendments prepared by a county or a city, the county or city may appeal the decision to the PCHB.

A Hydraulic Project Permit may be appealed to the PCHB within 30 days from the date of the receipt of the decision by the WDFW. Issuance, denial, conditioning, or modification of a Hydraulic Project Permit may be informally appealed to the WDFW within 30 days from the date of receipt of the decision. Requests for informal appeals must be filed in the form and manner prescribed by the WDFW by rule. A permit decision that has been informally appealed to the WDFW is appealable to the board within 30 days from the date of receipt of the WDFW's decision on the informal appeal. Issuance of a penalty for a hydraulic project permit violation may be informally appealed to the WDFW within 30 days from the date of receipt of the penalty. A penalty that has been informally appealed to the WDFW is appealable to the PCHB within 30 days from the date of receipt of the WDFW's decision on the informal appeal.

A person seeking to contest the temporary possession or custody of a derelict vessel by a state agency may appeal to the PCHB within 30 days of the date the state agency acquired custody of the vessel. The PCHB must hear and determine the validity of the decision to take the vessel. Within five days after the request for a hearing, the PCHB must notify the vessel owner and the state agency of the date, time, and location for the hearing. A proceeding brought regarding a derelict vessel may be heard by

one member of the PCHB, whose decision is the final decision of the PCHB.

Ecology's final decision on a proposed master program or master program amendment by a local government planning under GMA may be appealed to the GMHB by filing a petition within 60 days from the date of Ecology's final decisions to approve or reject a proposed master program or master program amendment. Ecology's written notice must conspicuously and plainly state that it is Ecology's final decision and there will be no further modifications.

This act applies only to appeals that are commenced on or after the effective date of this act. Various sections concerning the FPAB and the HAB are repealed. However, these repeals do not affect any existing right acquired or liability or obligation incurred under these statutes, nor do they affect any proceeding instituted under them. All pending cases before the FPAB and the HAB must be continued and acted upon by those boards. All existing rules of the FPAB remain in effect to be used by the PCHB until the PCHB adopts superseding rules for forest practices appeals.

Votes on Final Passage:

House	89	7	
Senate	45	2	(Senate amended)
House	91	6	(House concurred)

Effective: June 10, 2010
July 1, 2010 (Sections 1, 3, 5, 7, 9-14 and 16-42)
July 1, 2011 (Sections 2, 4, 6, 15, 43 and 46)
June 30, 2019 (Section 8)

SHB 2939

PARTIAL VETO
C 253 L 10

Concerning notations on driver abstracts that a person was not at fault in a motor vehicle accident.

By House Committee on Transportation (originally sponsored by Representatives Dammeier, Orwall, Parker, Probst, Morrell, Kessler, Smith and Kenney).

House Committee on Transportation
Senate Committee on Transportation

Background: The Director of the Department of Licensing (DOL) maintains a case record on every person licensed to operate a motor vehicle in Washington. These case records, or abstracts, contain information relating to a person's driving record, including:

- a list of motor vehicle accidents in which the person was driving;
- whether any of the motor vehicle accidents resulted in a fatality;
- any reported convictions, forfeitures of bail, or findings that an infraction was committed based upon a violation of any motor vehicle law;
- the status of the person's driving privilege in Washington; and
- any reports of failure to appear in response to a traffic citation or failure to respond to a notice of an infraction.

Certified abstracts may only be released to specified persons, including:

- the individual named in the abstract;
- an employer, prospective employer, or volunteer organization for which the individual named in the abstract has applied for a position that requires the transportation of certain groups;
- a transit authority checking prospective vanpool drivers;
- specified insurance companies;
- an alcohol/drug assessment or treatment agency approved by the Department of Social and Health Services;
- city and county prosecuting attorneys;
- state colleges, universities, or agencies for risk management or employment purposes; and
- units of local government authorized to self-insure.

A full abstract may be released to the individual named in the abstract, an employer or prospective employer, or a city or county prosecuting attorney. Certain requesters are allowed to receive partial abstracts, meaning driving records that date back a limited number of years.

State-approved alcohol/drug assessment or treatment agencies receive an abstract covering a period of not more than five years, plus any records of alcohol-related driving offenses for a period of not more than 10 years.

Information may only be used for specific purposes depending on who requests the abstract. An abstract provided to an alcohol/drug assessment or treatment agency may only be used to assist its employees in determining the appropriate level of treatment.

Persons requesting the abstract, other than the individual named in the abstract, may not give any information contained in the abstract to a third party unless authorized. Prosecutors are authorized to provide the abstract to state-approved alcohol/drug assessment or treatment agencies.

The DOL may destroy certain records, such as applications for drivers' licenses, if they have been microfilmed or are older than five years. However, the DOL must keep convictions for vehicular homicide and vehicular assault permanently on file. Convictions for driving under the influence of intoxicating liquor or drugs must be kept for 15 years from the date of the conviction.

Summary: The DOL is required to indicate in a driving abstract obtained for employment purposes that an individual was not at fault in a particular accident if the

individual named in the abstract provides the DOL with court records showing that the individual was not at fault.

The entirety of the statute is rewritten in plain language, and the Office of the Superintendent of Public Instruction is allowed to receive driving record abstracts and discuss the abstract with the employing school district.

Votes on Final Passage:

House	95	0	
Senate	45	0	(Senate amended)
House	96	0	(House concurred)

Effective: October 31, 2010

Partial Veto Summary: The governor vetoed section 2, thereby eliminating the null and void clause.

VETO MESSAGE ON SHB 2939

March 30, 2010

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 2, Substitute House Bill 2939 entitled:

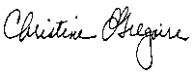
"AN ACT Relating to notations on driver abstracts that a person was not at fault in a motor vehicle accident."

Section 2 of the legislation states the bill is null and void if funding is not provided in the transportation budget. The transportation budget as passed the Legislature did not contain funding for this bill. However, I am vetoing this section with the understanding that the Department of Licensing will assess the costs of implementing the bill and request any needed funding in 2011.

For this reason, I have vetoed Section 2 of Substitute House Bill 2939.

With the exception of Section 2, Substitute House Bill 2939 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

E2SHB 2956

C 30 L10 E1

Concerning the hospital safety net.

By House Committee on Ways & Means (originally sponsored by Representatives Pettigrew, Williams and Maxwell; by request of Governor Gregoire).

House Committee on Health & Human Services Appropriations
House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Medical assistance is available to eligible low-income state residents and their families from the Department of Social and Health Services (DSHS), primarily through the Medicaid program. Most of the state medical assistance programs are funded with matching federal funds in various percentages. Federal funding for the Medicaid program is conditioned on the state having an approved Medicaid state plan and related state laws to enforce the plan. Coverage is provided through fee-for-service and managed care systems.

Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services. Healthy Options is the DSHS Medicaid managed care program for low-income people in Washington. Healthy Options offers eligible families, children under 19, and pregnant women a complete medical benefits package.

In 1989 legislation was enacted creating county-based Regional Support Networks (RSNs) to design and administer publicly-funded mental health services. There are 13 RSNs that contract with the state for outpatient, crisis, residential, and inpatient services through licensed mental health agencies. The system serves approximately 50,000 individuals per year. The majority of persons served are Medicaid eligible adults who have chronic and persistent mental illness, and children/youth with severe emotional disturbances. Approximately 6,500 persons who are served by the mental health system are not Medicaid eligible.

The federal government also matches state funding for Disproportionate Share Hospitals (DSH), which are hospitals that serve a disproportionate share of Medicaid clients or the uninsured. States make DSH payments directly to hospitals, and the federal government reimburses them for part of the payments based on each state's Medicaid matching rate. States receive a DSH allotment that sets an upper limit on how much federal Medicaid money states can spend on DSH payments.

Provider taxes have been used by some states to help fund the costs of the Medicaid program. States collect funds from providers and pay them back as Medicaid payments, and states can claim the federal matching share of those payments.

Provider taxes must conform to federal laws requiring that the taxes are generally redistributive in nature and that no hospitals are "held harmless" from the burden of the tax. The taxes must be broad-based, which means they must be imposed on all providers in a given class, and uniform, which means the same tax rate must apply across providers. If a tax is not broad-based and uniform it must meet statistical tests that demonstrate that the amount of the tax is not directly correlated to Medicaid payments. Additionally, Medicaid payments for these services may not exceed Medicare reimbursement levels.

The Health Care Authority (Authority) administers the Basic Health Plan (BHP), which is a health care insurance program for low-income Washington residents. The BHP assists enrollees by providing a state subsidy to offset the costs of premiums. The BHP currently has approximately 70,000 subsidized enrollees statewide.

Summary: Intent. The acts stated purpose is to provide for a safety net assessment on certain Washington hospitals, which will be used solely to augment funding from all

other sources and thereby obtain additional funds to restore recent reductions and to support additional payments to hospitals for Medicaid services.

The Legislature finds that Washington hospitals, working with the DSHS, have proposed a hospital safety net assessment to generate additional state and federal funding for the Medicaid program, which will be used to partially restore recent reductions in hospital reimbursement rates and provide for an increase in hospital payments. The Hospital Safety Net Assessment Fund (Fund) allows the state to generate additional federal financial participation for the Medicaid program and provides for increased reimbursement to hospitals.

It is the intent of the Legislature:

- to impose a hospital safety net assessment to be used solely for the purposes specified in this act;
- that funds generated by the assessment shall be used solely to augment all other funding sources and not as a substitute for any other funds;
- the total amount assessed shall not exceed the amount needed, in combination with all other available funds, to support the reimbursement rates and other payments in this act; and
- to condition the assessment on receiving federal approval for receipt of additional federal financial participation and on continuation of other funding sufficient to maintain hospital rates and Small Rural DSH payments at least at levels in effect on July 1, 2009.

Assessments. Hospital provider assessments are imposed on certain hospitals unless exempted. Exempted hospitals include those that are owned or operated by the federal or state government, hospitals that participate in the Certified Public Expenditure (CPE) program, hospitals that do not charge directly or indirectly for hospital services, and long-term acute care hospitals.

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 hospital has more than 60,000 patient days per year. The assessments increase periodically in four phases, and they range from $10 to $200 depending on the phase and the type of hospital.

During the period after December 31, 2010, the DSHS may adjust the assessments or the number of non-Medicare inpatient days used to calculate the assessments on Prospective Payment System hospitals with more than 60,000 non-Medicare inpatient days to comply with federal statutes and regulations. Assessments will also be reduced if new hospital funding is available to fund the rate restorations or payment increases.

Hospital Safety Net Assessment Fund. The Fund is created within the State Treasury. The DSHS, in cooperation with the Office of Financial Management (OFM), will administer and monitor the Fund. Proceeds from the assessments are deposited into the Fund, and the interest earned on money in the Fund is credited to the Fund.

Increased Hospital Payments. Money in the Fund may be used for various increases in hospital payments. Inpatient and outpatient payment rates are restored to levels in place on June 30, 2009. Small Rural DSH payments are restored to 120 percent of the levels in place on June 30, 2009. Starting February 1, 2010, hospitals receive payment rate increases ranging from 3 percent to 13 percent for inpatient services and 21 percent to 41 percent for outpatient services, depending on the hospital type. Critical Access Hospitals that are not eligible for Small Rural DSH payments receive payments of $50 per Medicaid inpatient day. Hospitals that are exempt from the assessments are not excluded from the rate increases.

Upon expiration of the act in July 2013, hospital rates will either return to the rates that would have been in effect July 1, 2009, if the DSHS had not implemented 4 percent rate reductions, or to a rate structure specified in the 2013-15 operating budget.

The sum of $49.3 million per biennium may be expended in lieu of state general fund payments to hospitals. An additional sum of $17.5 million for the 2009-11 biennium may be expended in lieu of state general fund payments to hospitals if additional matching funds under the federal American Recovery and Reinvestment Act of 2009 are extended beyond December 31, 2010.

Quality Incentive Payments. The DSHS, in collaboration with the Health Care Authority, the Department of Health, the Department of Labor and Industries, the Washington State Hospital Association (WSHA), the Puget Sound Health Alliance, and the Forum, is required to design a system for providing quality incentive payments to hospitals.

The design of the system must 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. Reporting burdens on hospitals should be minimized by giving priority to measures that hospitals are currently required to report to government agencies. Measures should 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 should be designed so that all non-critical access hospitals are able to receive the payments.

The DSHS must submit the design of the hospital quality incentive payment system to the Legislature by December 15, 2010.

Starting in Fiscal Year 2013, assessments may be increased to support an additional 1 percent increase in inpatient hospital payments for non-critical access hospitals that meet quality incentive benchmarks.

Managed Care Payments. The DSHS must pay managed care organizations (MCOs) and Regional Support Networks (RSNs) for the additional state taxes due as a result of the payments to MCOs and RSNs to fund the hospital rate restorations and increases in this act. The DSHS shall require MCOs and RSNs to pay hospitals within 45 days after the MCOs or RSNs receive payments from the DSHS for hospital rate restorations and increases.

The MCOs are required to pay hospitals at rates that are no lower than the restored and increased rates established in this act. The DSHS is required to ensure that the hospital rate increases are included in the development of Healthy Options managed care premiums.

The MCOs that subcontract with prepaid or capitated health care organizations are required to pay those organizations for the increased hospital rates, and the health care organizations are required to pay hospitals for the increased rates.

Administration. The sum of $1 million per biennium may be disbursed from the Fund for payment of administrative expenses incurred by the DSHS related to this act.

If other funding becomes available to support increased reimbursement rates, the DSHS must reduce the assessment amount. Conversely, if the DSHS determines that there are insufficient funds to support the increased payment rates, the assessment rates will be increased accordingly along with a contingency factor of up to 10 percent.

Any funds left over in the Fund at the end of a biennium carry over into the next biennium and are used to reduce the assessments applied in the following fiscal year.

The DSHS must submit any adjustments to the assessments and the supporting data for the adjustments to the WSHA for review and comment at least 60 calendar days prior to implementing the adjustments.

The DSHS, in cooperation with the OFM, must develop rules for calculating the assessments to individual hospitals, notifying hospitals of the assessed amounts, and collecting the amounts due.

The DSHS must provide data on the Fund balance, assessments paid by each hospital, and annual Medicaid fee-for-service and Healthy Options payments for inpatient and outpatient hospital services to WSHA by November 30 of each year.

The DSHS must amend its DSH reporting instructions to ensure that it receives the necessary data to report on Healthy Options hospital payments.

The DSHS must submit a study to the Legislature by December 1, 2012, recommending the amount of assessments required to continue to support hospital payments based on an evaluation of Medicaid hospital payments relative to Medicaid hospital costs, the state's economic condition, and the impacts of federal health care reform.

Hospitals participating in the CPE program will receive rate increases from the Fund rather than through the baseline mechanism that provides state grants to hospitals that receive less under the CPE program than they would if they did not participate.

Hospitals must treat the assessments as operating overhead expenses, and they may not pass on the costs of the assessments to patients or other payers. The DSHS may require hospital chief financial officers to submit certified statements that they have not increased charges or billings as a result of the assessments. Hospitals may include the assessments on their Medicaid and Medicare cost reports.

Conditions. The assessment, collection, and disbursement of funds is subject to four conditions. First, the federal Centers for Medicare and Medicaid Services (CMS) must approve any necessary state plan amendments or waivers. Second, the DSHS must withdraw the aspects of the pending state plan amendment related to reducing hospital inpatient and outpatient rates by 4 percent. Third, the DSHS must amend its contracts with MCOs to the extent necessary to comply with the provisions of the act. Fourth, the OFM must certify that the Legislature has provided appropriations for the next fiscal year to support the increased payments.

The act does not take effect or ceases to be imposed if one of five conditions is met. First, an appellate court or CMS determines that any portion of the act is invalid, except for the section related to payments to Critical Access Hospitals that are not eligible for Small Rural DSH payments. Second, Medicaid inpatient or outpatient payment rates are reduced below levels specified in the act. Third, the increased hospital payments are not eligible for federal matching funds, except for payments for the University of Washington Medical Center and Harborview Medical Center. Fourth, other funding available for the Medicaid program is not sufficient to maintain Medicaid inpatient or outpatient reimbursement rates for hospitals and Small Rural DSH payments at 100 percent of levels in effect on July 1, 2009. Fifth, the Fund is used to supplant other funds.

Basic Health Plan. The increases in inpatient and outpatient reimbursement rates in this act shall not be reflected in hospital payment rates for services provided to Basic Health enrollees.

2009-11 Operating Budget. The provisions in the 2009-11 State Omnibus Operating Appropriations Act related to Small Rural Indigent Assistance DSH payments and the prorated inpatient payment policy are restored.

Expiration. This act expires on July 1, 2013.

Votes on Final Passage:

House	78	19	
First Special Session			
House	71	22	
Senate	28	17	(Senate amended)
House			(House refuses to concur)
Senate	26	15	(Senate amended)

House 65 31 (House concurred)
Effective: April 27, 2010

E2SHB 2961
C 182 L 10

Establishing a statewide electronic sales tracking system for the nonprescription sales of ephedrine, pseudoephedrine, and phenylpropanolamine.

By House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Campbell, Hurst, Morrell, Kelley and Ormsby).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: Restrictions on the Sale of Methamphetamine Precursors. Methamphetamine is a highly addictive stimulant that affects the central nervous system. Certain drugs that may be purchased without prescription, so-called "methamphetamine precursors," may be used to manufacture methamphetamine illegally; e.g., ephedrine, pseudoephedrine, or phenylpropanolamine. There are, therefore, several restrictions on the purchase and sale of methamphetamine precursors. These restrictions include:

- a ban on selling methamphetamine precursors to persons under the age of 18;
- a ban on selling methamphetamine precursors unless the purchaser presents photographic identification;
- a requirement that products containing methamphetamine precursors be kept in a central location not accessible to customers without assistance; and
- a cap on a seller's total sales of methamphetamine precursors if the seller previously acquired methamphetamine precursors in a suspicious transaction.

In addition, there are federal and state restrictions on the amount of methamphetamine precursors that may be sold to individual customers. The federal Combat Methamphetamine Epidemic Act of 2005 (CMEA) imposes a daily sales limit of 3.6 grams per purchaser and prohibits a purchaser from buying more than nine grams during a 30 day period. In Washington, the daily sales limit is two packages with no more than three grams per package; i.e., six grams per day. A person may not possess more than 15 grams of methamphetamine precursors at a time.

Electronically Tracking Methamphetamine Precursor Sales. In 2005 the Legislature created a pilot project to determine the efficacy of requiring merchants to maintain electronic logs of methamphetamine precursor purchases. The Board of Pharmacy was required to convene a work group to evaluate the data collected during the pilot project. The work group's report, issued in 2007, found that retail transaction logs are an effective means of restricting access to methamphetamine precursors and recommended an electronic point-of-sale data collection system for real-time transmission of information.

The CMEA requires sellers of methamphetamine precursors to maintain a written or electronic logbook containing the quantities of the products sold, the names of the products sold, the names and addresses of purchasers, and dates and times of sales. State and local law enforcement agencies are authorized to access the logbooks. The logbook may not be used for any purpose other than to comply with federal law or to facilitate a product recall.

Summary: Restrictions on the Sale of Methamphetamine Precursors. Methamphetamine precursors must be placed either behind a counter where the public is not permitted or in a locked display case where customers must ask employees for assistance to gain access. A customer must electronically or manually sign a record of any transaction in which he or she purchased methamphetamine precursors. The record must contain the name and address of the purchaser, the date and time of the sale, the name and the initials of the person conducting the transaction, the name of the product sold, and the total quantity in grams of the precursors being sold.

The daily sales limit for methamphetamine precursors is changed to reflect federal law. A merchant may not sell more than 3.6 grams of methamphetamine precursors to a purchaser in a single day or more than nine grams per purchaser in a 30-day period. Likewise, a purchaser may not buy more than 3.6 grams of methamphetamine precursors in a single day or more than nine grams in a 30-day period.

Electronically Tracking Methamphetamine Precursor Sales. The Board of Pharmacy (Board) must implement a real-time electronic sales tracking system to monitor the non-prescription sale of products containing methamphetamine precursors. The system must be available without cost for accessing the system to the state or retailers. The Board may enter into a public-private partnership to make the system available. The Board may not raise licensing or registration fees to fund the rule making or implementation of the system. The Board must adopt rules regarding the privacy of the purchaser and any public or law enforcement records submitted to the tracking system consistent with federal law.

The electronic sales tracking system must contain the following elements:

- the capability to generate a stop sale alert, which is a notification that completion of the sale would result in the seller or purchaser violating the quantity limits for methamphetamine precursors; and
- an override function for use by a dispenser of methamphetamine precursors who has a reasonable fear of imminent bodily harm. Each instance in which the override function is utilized must be logged by the system.

The records in the electronic tracking system are confidential and only for the use of the seller, except that:

- the records must be provided to a court when lawfully required;
- the records must be open to inspection by the Board;
- the records may be used to track whether a person has violated the methamphetamine precursor purchase limits or to generate a stop sale alert; and
- the records must be available to any general authority Washington peace officer or a federal law enforcement officer in accordance with rules adopted by the Board regarding the privacy of the purchaser of methamphetamine precursors and law enforcement access to the records submitted to the tracking system consistent with federal law.

Beginning July 1, 2011, or the day the system is available, whichever is later, a seller (i.e., a pharmacy, shopkeeper, or itinerant vendor) of non-prescription methamphetamine precursors must submit the required information to the system before completing a sale. The seller may not complete the sale if the system generates a stop sale alert, unless he or she is in reasonable fear of imminent bodily harm. If the seller is unable to use the system due to a mechanical or electronic failure, he or she must maintain a written log or alternative electronic recordkeeping mechanism until the mechanical or electronic failure is resolved.

A seller's use of the electronic sales tracking system must be without cost for accessing the system. A seller may withdraw from participation in the system if the system is no longer being furnished without cost for accessing the system. If the seller withdraws, he or she must maintain alternate records. "Cost for accessing the system" is defined to include costs relating to access to the web-based electronic sales tracking software, the web-based software known as Software as a Service, training, and technical support. "Cost for accessing the system" does not include costs relating to Internet access, hardware, or other equipment.

A seller participating in the system is not liable for civil damages arising from:

- any act or omission connected with the seller's participation, except for acts or omissions constituting gross negligence or willful or wanton misconduct; and
- a data breach proximately caused by a failure on the part of the tracking system to take reasonable care through the use of standard levels of encryption.

A seller may submit a written request to the Board for an exemption from the electronic sales tracking system. The request must state the reasons for the exemption. The Board may grant the exemption for good cause, which includes situations where the installation of the necessary equipment to access the system is unavailable or cost prohibitive. In no case may an exemption exceed 180 days, although the Board may grant multiple exemptions if there is significant hardship. If an exemption is granted, the seller must maintain a logbook in hardcopy form and must require the purchaser to submit the same information prior to the completion of the sale as would be required if the seller was participating in the tracking system. The logbook must be available for inspection by law enforcement or the Board during normal business hours in accordance with the rules adopted by the Board.

Votes on Final Passage:

House	74	21	
Senate	46	1	(Senate amended)
House	84	13	(House concurred)

Effective: June 10, 2010

SHB 2962

C 200 L 10

Allowing county treasurers to use electronic bill presentment and payment that includes an automatic electronic payment option for property taxes.

By House Committee on Local Government & Housing (originally sponsored by Representatives Probst and Hunter).

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: General Authority and Duties of County Treasurers. County treasurers have various duties and authorities relating to the receipt, processing, and disbursement of funds. Treasurers are the custodian of the county's funds and the administrator of the county's financial transactions. In addition to their duties relating to county functions, treasurers provide financial services to special purpose districts and other units of local government. Treasurers are also responsible for the collection and receipt of taxes owed to counties.

County treasurers may accept credit cards, charge cards, debit cards, and other electronic communications for any payment of any kind. With some exceptions, a person paying through electronic communications is required to bear the cost of processing the transaction in an amount determined by the treasurer. The treasurer's cost determination must be based upon costs incurred by the treasurer and may not exceed the additional direct costs incurred by the county to accept the specific form of payment utilized by the payer.

Timing of Real and Personal Property Tax Payments. If the total amount of tax or special assessments on personal property or on any lot, block or tract of real property is $50 or more, and if half of the amount due is paid on or before April 30, the remainder of the tax is due and payable on or before October 31.

Summary: County treasurers are authorized to collect taxes, assessments, fees, rates, and charges by electronic

bill presentment and payment. "Electronic bill presentment and payment" is defined to mean statements, invoices, or bills that are created, delivered, and paid using the Internet. Electronic bill presentment and payment includes an automatic electronic payment from a person's checking account, debit account, or credit card.

Taxpayers may opt to use electronic bill presentment and payment, but treasurers may not compel the use of the electronic billing and payment system. Prior to the sending of an electronic bill, the taxpayer and treasurer must sign an agreement that may include provisions for a prepayment collection charge. Electronic bill presentment and payment may be on a monthly or other periodic basis as the treasurer deems proper for prepayments, and all prepayments must be paid in full by the applicable April 30 or October 31 due date.

The treasurer must pay any collection costs, investment earnings, or both on prepayments to the credit of a county treasurer service fund account that must be created and used only for the payment of expenses incurred by the treasurer, without limitation, in administering the system for collecting prepayments.

Votes on Final Passage:

House	76	22
Senate	35	12

Effective: June 10, 2010

HB 2973

C 183 L 10

Creating resident student classifications for certain members of the military and their spouses and dependents.

By Representatives Orcutt, Wallace, Herrera, Probst, McCune, Klippert, Kelley, Hunter, Kretz, Campbell and Johnson.

House Committee on Higher Education
Senate Committee on Higher Education & Workforce Development

Background: Resident Student. Classification as a resident qualifies a student to pay in-state tuition rates which are lower than nonresident rates. The statutory definition of resident student encompasses several categories of students, including:

- a financially independent student who has established a domicile in the state of Washington for one year immediately prior to the first day of class for which the student has registered and has established such domicile in this state for other than educational purposes;
- a dependent student whose parent or parents have maintained a domicile in Washington for one year prior to the start of class;
- a student who has spent at least 75 percent of his or her junior and senior years in a Washington high school and whose parents maintained a domicile in Washington for at least one year in the five-year period preceding the student's enrollment, and who enrolls in college within six months of leaving high school;
- any person who has completed his or her senior year in a Washington high school, received a high school diploma or its equivalent, continuously lived in Washington three years prior to receiving the diploma and continued to live in Washington after receipt, and who provides an affidavit indicating that he or she will file an application to become a permanent resident; and
- a student who is on active military duty stationed in this state or who is a member of the Washington National Guard, as well as his or her spouse or dependents.

Border County Higher Education Opportunity Project. Columbia Basin Community College, Clark College, Lower Columbia Community College, Gray's Harbor Community College, and Walla Walla Community College may charge resident tuition rates to students who moved to Washington from an Oregon border county within the last 12 months and had lived in the border county for at least 90 days immediately prior to moving to Washington.

The Tri-Cities and Vancouver branch campuses of Washington State University may charge resident tuition rates to students who moved to Washington from one of these nine Oregon border counties provided that the student: (1) moved to Washington within the last 12 months; (2) lived in the border county for at least 90 days immediately prior to moving to Washington; and (3) is enrolled for eight credits or less.

The nine eligible Oregon border counties are Columbia, Multnomah, Clatsop, Clackamas, Morrow, Umatilla, Union, Wallowa, and Washington.

Summary: A student who resides in Washington and is on active military duty stationed in one of the nine Oregon border counties is considered a resident student and eligible to pay in-state tuition rates. Spouses and dependents of active military members stationed in one of the nine Oregon border counties and living in Washington are also eligible for in-state tuition rates as long as the spouse or dependent also resides in Washington. If the person on active military duty moves from Washington or is reassigned out of one of the nine Oregon border counties, his or her spouse or dependent maintains resident status as long as the spouse or dependent resides in Washington and is continuously enrolled in a degree program.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: June 10, 2010

ESHB 2986
C 278 L 10

Requiring the appointment of nonvoting labor members to public transportation governing bodies.

By House Committee on Local Government & Housing (originally sponsored by Representatives Simpson, Upthegrove, Campbell, Carlyle, Liias, Driscoll, Williams, Ormsby, Sullivan, Nelson, Sells, Appleton, Chase, Seaquist, Ericks, Goodman, Morrell, Green, Dickerson, Hudgins, Van De Wege, White, Maxwell, Miloscia, Conway, Moeller, Jacks, Hurst, Kenney and Hasegawa).

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Metropolitan Transit Commission. State law authorizes two or more cities to create a metropolitan municipal corporation for the purpose of providing essential services to the residents of the metropolitan area encompassed by the participating cities. The creation of a metropolitan municipal corporation requires voter approval, and the functions, authority, and governance of the corporation are subject to specified statutory requirements. The corporation is governed by an appointed body known as the metropolitan municipal council (council). A metropolitan municipal corporation is authorized to provide regional transportation services through the creation of a metropolitan transit commission (MTC). An MTC may be granted the authority to construct, own, and operate a regional transportation system in accordance with specified requirements. An MTC is governed by a commission consisting of seven voting members, six of whom are appointed by the council. The six appointed commissioners must meet specified criteria as a prerequisite to holding office. The seventh member is the chair of the council and acts as the ex officio chair of the MTC. Commissioners serve four-year terms and receive compensation as determined by the council.

A county that establishes a metropolitan municipal corporation for the provision of essential county services is not required to establish an MTC as the governing body of the county transit system. In such instances, the governing body of the county itself serves as the governing body of the transit system.

County Transportation Authority. The legislative body of a county is authorized to create a county transportation authority (CTA) to provide transportation services to a county and the cities located therein. A CTA may be granted the authority to construct, own, and operate a county-wide transportation system in accordance with specified requirements. A CTA is managed by a six-member governing body consisting of elected officials from the county and cities within the county and who are appointed in accordance with specified criteria.

Public Transportation Benefit Area. A public transportation benefit area (PTBA) is a type of municipal corporation created to provide regional transportation service to all or a portion of a county or multiple counties. It is authorized to construct, own, and operate a regional transportation system within its jurisdictional boundaries in accordance with specified statutory requirements. The creation of a PTBA requires the convening of a public transportation improvement conference attended by an elected official from each city and county falling within the jurisdiction of the proposed PTBA. The governance of a PTBA is provided by a governing body consisting of not more than nine (or 15 if the PTBA is multi-county) elected officials from the governments of the cities and counties participating in the PTBA.

Summary: A public transportation system owned or operated by specified categories of public transportation entities must include in its governing body a nonvoting member recommended by the labor organization representing the majority of its employees. This requirement is applicable to governing bodies of the public transportation systems of the following types:

- a metropolitan transit commission;
- a county transportation authority; and
- a public transportation benefit area.

The governing body of the public transportation system must exclude the nonvoting labor representative member from attending any portion of an executive session held for the purpose of discussing negotiations with labor organizations. The chair or co-chair may exclude the nonvoting member from attending any other executive session. Such member must comply with all bylaws and policies of the governing body of the transit entity to which he or she is appointed.

A public transportation benefit area authority is exempt from the requirement that a nonvoting member be appointed to its governing body if the authority has no employees represented by a labor union.

Votes on Final Passage:

House	66	29	
Senate	28	19	(Senate amended)
House	63	32	(House concurred)

Effective: June 10, 2010

SHB 2990
C 102 L 10

Addressing alternative city assumption and tax authority provisions pertaining to water-sewer districts.

By House Committee on Local Government & Housing (originally sponsored by Representatives Pettigrew, Santos, Simpson and Kenney).

House Committee on Local Government & Housing

House Committee on Finance
Senate Committee on Government Operations & Elections
Senate Committee on Ways & Means

Background: Overview of Water-Sewer Districts. Water districts are units of local government initially authorized in 1913 to provide potable water facilities, sanitary sewers, drainage facilities, and street lighting. Sewer districts are units of local government initially authorized in 1941 to provide sanitary sewers, drainage facilities, and potable water facilities. Legislation enacted in 1996 consolidated water district laws with sewer district laws and made a number of technical changes to these laws. Among other changes, the term sewer system, which had been defined to include both sanitary sewers and drainage systems, was altered to apply only to sanitary sewer systems, and separate provisions were added for drainage systems.

Water-sewer district (district) powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants within and outside the district, and to develop and operate systems of sewers and drainage. In addition, a district has broad authority to create facilities, systems, and programs for the collection, interception, treatment, and disposal of wastewater, and for the control of pollution from such wastewater.

Before implementing plans for the development of facilities or incurring any indebtedness, a district must adopt a general comprehensive plan for the types of services it proposes to provide. Such general comprehensive plans must be consistent with specified requirements.

Assumption of Jurisdiction Over a Water-Sewer District by a City or Town. State law establishes legislative and electoral mechanisms, based upon geographic location and property valuation, for the assumption of jurisdiction over districts by cities or towns. This regulatory scheme provides several sets of requirements applicable to various types of assumptions occurring under specified circumstances, including the following:

- Whenever all of the territory of a district is located within the corporate boundaries of a city, the city legislative body may adopt a resolution or ordinance to assume jurisdiction over the entire district.
- Whenever a portion of a district equal to at least 60 percent of its area, or 60 percent of the assessed valuation of the real property lying within the district, is included within the corporate boundaries of a city, the city may assume by ordinance the full and complete management and control of that portion of the entire district not included within another city. Related statutes specify that under certain circumstances the district may, upon a favorable vote of a majority of all voters within the district, require a city to assume responsibility for the operation and maintenance of the district's property, facilities, and equipment throughout the entire district.
- Whenever the portion of a district included within the corporate boundaries of a city is less than 60 percent of the area of the district and less than 60 percent of the assessed valuation of the real property within the district, the city may assume, by ordinance, jurisdiction of the district's responsibilities, property, facilities and equipment within the corporate limits of the city. The city may also assume responsibility for the operation and maintenance of the district's property, facilities, and equipment throughout the entire district upon a favorable vote of a majority of all voters within the district.
- Whenever more than one city, in whole or in part, is included within a district, the city which has within its boundaries 60 percent or more of the area of the assessed valuation of the district may, with the approval of any other city containing part of such district, assume responsibility for operation and maintenance of the district's property, facilities, and equipment within such other city.

Summary: Interlocal Agreement for City Taxation of Services Provided by a Water-Sewer District. Pursuant to an interlocal agreement between a city and a district, a city may impose a tax upon the gross revenues of a water-sewer system operating within its boundaries that are derived from services the district provides within the city. The district may include the cost of the tax in the rates or charges imposed on city residents receiving services from the district.

The interlocal agreement may include provisions addressing the assumption of the district by the city and the expenditure of the tax revenues within those areas of the city encompassed by the district.

The act applies only to those cities meeting specified population requirements and located in a county with a population of at least 1.5 million.

Pre-Assumption Feasibility Study. A city that imposes a tax on the gross revenues of a district derived from the district's sale of services within the city, and which adopts a resolution to assume all or part of the district, is required to complete a feasibility study regarding the assumption. This feasibility study must comply with specified criteria and procedural requirements, including:

- The study must be jointly and equally funded by the city and the district through a mutually agreed upon contract with a qualified, independent consultant with expertise involving public water and sewer systems.
- The study must address specified issues agreed upon by the city and the district and which relate to functional and operational impacts, financial consequences, water rights, etc.

- The study must be completed within six months of the passage of the resolution proposing the assumption.
- The findings of the study must be presented as a public record and made available to the registered voters of the district.
- The findings of the study must be made available to the voters prior to a vote on the proposed assumption.

A feasibility study is not necessary if the board of commissioners of the water-sewer district consents to the assumption of jurisdiction by the city.

Voter Approval of a City's Assumption of a District. A city imposing a tax on the services provided to city residents by a district may not assume jurisdiction over all or part of the district absent the approval of the voters residing within the district. For an assumption to take place, a ballot measure proposing such assumption must be approved by a majority of those district residents voting on the proposition.

Expiration Date of the Act. The act expires on January 1, 2015.

Votes on Final Passage:

House	60	38
Senate	39	8

Effective: June 10, 2010

HB 2996

C 100 L 10

Including approved private schools in the superintendent of public instruction's record check information rules.

By Representatives Quall and Priest.

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

Background: School districts, educational service districts, the State Center for Childhood Deafness and Hearing Loss, the State School for the Blind, and contractors who will have regularly scheduled unsupervised access to children must require a record check through the Washington State Patrol (WSP) criminal identification system and through the Federal Bureau of Investigation (FBI) before hiring an employee. Federal Bureau of Indian Affairs funded schools may use this same process to perform record checks for their employees and applicants for employment.

The Office of the Superintendent of Public Instruction (OSPI) has adopted rules regarding record checks and access to record check information. As required by the authorizing legislation, these rules include written procedures providing employees and applicants access to and review of information obtained pursuant to the record checks described above. Pursuant to statutory directive, these rules also contain written procedures limiting access to the OSPI record check database to only those individuals processing record check information at the OSPI, the appropriate school district or districts, the Washington State Center for Childhood Deafness and Hearing Loss, the State School for the Blind, the appropriate educational service district or districts, and the appropriate tribal schools.

Most teachers in private schools must have a Washington teaching certificate. The certification process includes record checks. Private schools may require that employees who have regularly scheduled unsupervised access to children undergo a record check through the WSP and through the FBI. Although the OSPI must provide a copy of the record to the private school employee or applicant, there is no statutory provision specifically authorizing individuals processing record check information for private schools to have access to information from the OSPI record check database.

Summary: Rules adopted by the OSPI regarding access to record check information are applicable to approved private schools, as well as to those persons and entities already covered under the rules.

Votes on Final Passage:

House	96	0
Senate	40	0

Effective: June 10, 2010

SHB 2998

C 2 L 10

Suspending certain monetary awards and salary increases.

By House Committee on Ways & Means (originally sponsored by Representatives Seaquist, Armstrong, Hunt, Kessler, Wallace, Conway and Darneille).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Washington Management Service (WMS) is a personnel system established for civil service managers in state government. Washington Management Service employees develop policies or direct the work of an agency, administer policies or programs of an agency or agency subdivision, or manage local offices or subdivisions of agencies. Washington Management Service positions often have responsibility for personnel administration, legislative relations, public information, or budgets, or have other duties that include exercising authority that is not merely routine or clerical in nature and requires the consistent use of independent judgment. During 2009 about 4,500 of the 65,000 non-higher education state employees occupied WMS positions.

Washington Management Service employees do not receive automatic annual salary increments as civil service employees do. Instead, a WMS employee's agency has discretion to grant WMS progression increases.

Progression increases are added to base salary due to "growth and development" in the job. These progression increases were halted for a period of one year by the enactment of Engrossed Second Substitute Bill 5460 (relating to reducing the administrative cost of state government) on February 18, 2009.

The Exempt Management Service (EMS) is the employment category used for senior, executive-level positions that are exempt from state civil service law. They are at-will employees and serve at the pleasure of the appointing agency or authority. Creation of EMS positions is generally restricted, and may be designated either by statute or by the Director of Personnel at the request of the Governor or other elected official. During 2009 there were about 1,250 EMS positions in state government.

"Performance Based Incentives and Bonuses" are considered to include awards or lump-sum payments that agencies may grant to civil service and WMS employees in recognition of special job performance, outstanding achievements, and special accomplishments under the general authority established in the state civil service statutes and rules. Such payments do not generally become a permanent addition to base pay.

In Chapter 534, Laws of 2009 (Engrossed Substitute House Bill 2049) the Department of Personnel was required to annually report on the award of performance-based incentives and bonuses to the Governor and Legislature. That report was first submitted in December of 2009, and it indicated that about $1.9 million in performance based incentives and bonuses was awarded to employees, with an average award amount of $204.

Summary: No monetary-based awards or incentives may be granted to the Washington Civil Service, the Washington Management Service (WMS), or Civil Service-exempt employees until June 30, 2011. In addition, no growth and development progression adjustments may be granted to the WMS employees, nor any monetary performance-based awards or incentives to the Housing Finance Commission employees through June 30, 2011. The prohibitions on awards do not apply to the awards granted by the Washington State Productivity Board.

Votes on Final Passage:

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

Effective: February 15, 2010

HB 3007

C 155 L 10

Authorizing airport operators to make airport property available at less than fair market rental value for public recreational or other community uses.

By Representatives Upthegrove, Orwall, Williams and Wallace.

House Committee on Local Government & Housing
Senate Committee on Transportation

Background: Cities, towns, and port districts are authorized to acquire, maintain, and operate sites and facilities within their boundaries for the aerial transportation of persons or property.

Additionally, municipalities, a term defined in statute, that have established or may establish airports or other air navigation facilities within their boundaries are granted specific powers related to airport operations, including the authority to:

- vest authority for the construction, enlargement, maintenance, operation, and regulation of airports or related facilities in an officer, board, or body of the municipality;
- adopt and amend all needed rules, regulations, and ordinances for the management, government, and use of airport properties under its control;
- sell or lease real or personal property acquired for airport purposes and belonging to the municipality, which, in the judgment of its governing body, may not be required for aircraft landings, aircraft takeoffs or related aeronautic purposes; and
- determine, with some limitations, the charges or rental for the use of any properties under its control and the terms and conditions under which the properties may be used.

Summary: Municipalities that have established or may establish airports may make airport property available for less than fair market rental value if, prior to the lease or contract authorizing the use, the airport operator's governing board or body adopts a policy and related procedures meeting specified requirements. The policy must establish that the lease or other contract enhances the public acceptance of the airport and serves the airport's business interest, and the procedures must set forth an approval process for the lease or contract.

If the airport operator has adopted the required policy and procedures, the property may be leased or licensed at less than fair market rental value if the municipality's governing body finds that 13 specific criteria are met. Examples of the required criteria include the following:

- the lease or license of the subject property enhances public acceptance of the airport in a community in the immediate area of the airport;
- the subject property is put to a desired public recreational or other community use by the community in the immediate area of the airport;
- the desired community use and the community goodwill that would be generated serves the business interest of the airport in ways that can be articulated and demonstrated; and

- the lease or other contract for community use must be used by nonprofits and must not benefit private individuals.

Votes on Final Passage:

House	79	16
Senate	43	1

Effective: June 10, 2010

ESHB 3014
C 16 L 10 E1

Modifying the sales and use tax deferral program for investment projects in rural counties.

By House Committee on Finance (originally sponsored by Representatives Kessler, Morrell and Van De Wege; by request of Governor Gregoire).

House Committee on Finance

Background: The retail sales tax applies to the selling price of tangible personal property and of certain services purchased at retail. Sales tax is paid by the purchaser and collected by the seller. The use tax is imposed on items used in the state that were not subject to the retail sales tax and includes purchases made in other states and from sellers who do not collect Washington sales tax.

The Rural County Sales and Use Tax Deferral Program (program) grants a deferral of sales and use tax for manufacturing, including computer-related businesses, research and development laboratories, commercial testing facilities, and vegetable seed conditioning facilities located in rural counties, Community Empowerment Zones (CEZ), or a county containing a CEZ.

The sales and use taxes on qualified construction and equipment costs for such businesses located in these specific geographic areas are waived when all program requirements have been met and verified. These waiver requirements include: (1) an annual report covering each calendar year that must be filed by March 31 of the following year; (2) a verification by the Department of Revenue (DOR) that all purchases are eligible; (3) use of the facility for qualified activities during the year in which the investment project is certified as operationally complete by the DOR and for each of the following seven years; and (4) employment requirements that have been met for a business located in a CEZ or county containing a CEZ.

This program is scheduled to expire on July 1, 2010.

Summary: The rural county sales and use tax deferral program (program) is extended from July 1, 2010, to July 1, 2020. Counties with an unemployment rate which is at least 20 percent above the state average for three years and community empowerment zones (CEZ) are eligible under the program. For the purpose of hiring in CEZs, residents include people living within a county in which the zone is located.

The Department of Revenue (DOR) is required to establish a list of qualifying counties by July 1, 2010, which is effective for 24 months. The list will be updated every two years based on Employment Security Department data.

The definition of "manufacturing" is clarified retroactively to include computer programming and other related services only if the service provides a new, different, or useful substance or article of tangible personal property for sale. Computer programming and other computer related services are eliminated from the definition of "manufacturing" beginning July 1, 2010.

Deferral recipients must complete annual surveys which the DOR will use to complete annual statistical reports to the Legislature and a final outcomes report due December 1, 2019.

Tax deferrals remain in place for up to two years during periods of temporary shutdowns in counties with a population of less than 20,000 people. To qualify for relief from paying deferred taxes during a temporary shutdown, the remaining labor force must be greater than 10 percent of the recipient's labor force at the time the deferral was approved by the DOR. If the number of employment positions falls below the 10 percent threshold during the two year period, the amount of deferred taxes outstanding is due immediately. Recipients seeking relief from paying deferred taxes must apply to and be approved by the DOR. A recipient is entitled to this relief only once.

The rural county sales and use tax deferral program expires July 1, 2020.

Votes on Final Passage:

First Special Session

House	87	6	
Senate	41	2	(Senate amended)
House			(House refuses to concur)
Senate	43	0	(Senate amended)
House	83	6	(House concurred)

Effective: July 1, 2010
July 13, 2010 (Section 3)

SHB 3016
C 279 L 10

Updating provisions concerning the modification, review, and adjustment of child support orders to improve access to justice and to ensure compliance with federal requirements.

By House Committee on Judiciary (originally sponsored by Representative Pedersen; by request of Department of Social and Health Services).

House Committee on Judiciary
Senate Committee on Human Services & Corrections

Background: A party to a child support order may petition the court for modification of the order at anytime upon

a showing of a substantial change in circumstances. An order may be modified one year or more after it has been entered without a showing of a substantial change in circumstances for limited reasons, such as if the order works a severe economic hardship on either party or if the child is in high school and support beyond the child's 18th birthday is needed. Child support orders may be adjusted once every 24 months based upon changes in the parents' income without a showing of a substantial change in circumstances. An order may also be adjusted 24 months from the date of the entry or the last adjustment, whichever is later, based upon changes in the statutory child support economic.

The Division of Child Support (DCS) of the Department of Social and Health Services provides services to establish, modify, and enforce child support orders. The DCS must provide services if a family is receiving Temporary Assistance to Needy Families (assistance).

In assistance cases, the DCS may file an action to modify a child support order if the support order is 25 percent or more below the appropriate support amount established in the standard calculation and the reasons for deviation from that amount are not set forth in findings.

The statute does not address when and under what circumstances the DCS may provide services in nonassistance cases.

Summary: In cases in which assistance is being paid on behalf of the child, the DCS may file an action to modify or adjust a child support order if the order is at least 25 percent *above or* below the standard calculation and the reasons for deviation are not set forth in findings.

In nonassistance cases, the DCS may file an action to modify or adjust an order if the case meets the DCS's review criteria, the order is at least 25 percent above or below the standard calculation, and a party to the order or another jurisdiction has requested review. In addition, the DCS may file an action, in nonassistance cases, to modify or adjust a child support order under any of the statutorily authorized circumstances, if a party to the order requests review.

If testimony other than an affidavit is required in any modification proceeding, the court must permit a party or witness to testify by telephone or other electronic means, unless good cause is shown.

Votes on Final Passage:

House	96	0	
Senate	48	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 10, 2010

E2SHB 3026

C 240 L 10

Regarding school district compliance with state and federal civil rights laws.

By House Committee on Ways & Means (originally sponsored by Representatives Santos, Quall, Chase, Upthegrove, Kenney, Hunt, Nelson, Liias, McCoy, Hudgins, Simpson and Darneille).

House Committee on Education
House Committee on Education Appropriations
House Committee on Ways & Means
Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means

Background: Achievement Gap Oversight and Accountability Committee. The 2008 Legislature commissioned five studies to analyze the differences in academic achievement and educational outcomes among various subgroups of students. These differences are referred to as the achievement gap. The commissioned studies drew from research, best practices, and personal, professional, and cultural experiences, and included various recommendations to close the achievement gap.

In 2009 the Legislature created the Achievement Gap Oversight and Accountability Committee (Committee) to synthesize findings and recommendations from the 2008 studies into an implementation plan, and to recommend policies and strategies to close the achievement gap. The Committee is comprised of six legislators, a representative of federally recognized tribes in Washington, and four members representing African-Americans, Hispanic Americans, Asian Americans, and Pacific Islander Americans. The Committee is tasked with reporting annually to the Legislature on strategies to address the achievement gap and improvement of education performance measures for groups of students.

Among its recommendations to the Legislature, the Committee recommended that OSPI be given legal authority to take affirmative steps to ensure that school districts comply with civil rights laws, similar to the authority the OSPI already has with respect to discrimination on the basis of sex.

State Civil Rights Laws. *Washington Law Against Discrimination.* The Washington Law Against Discrimination (WLAD) recognizes the right to be free from discrimination because of race, creed, color, national origin, sex, honorably discharged veteran or military status, sexual orientation, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability. Schools are recognized in both statute and regulation as places of public accommodation and, thus, are barred by this law from discriminating on the basis of any of these protected classes.

The WLAD created the Human Rights Commission (HRC). Any person claiming to be aggrieved by an alleged unfair practice may file a complaint with the HRC.

Upon receipt of an individual complaint that appears to fall within the WLAD, the OSPI advises the complainant to contact the HRC. Additionally, whenever the HRC has reason to believe that any person has been engaged in or is engaging in an unfair practice, the HRC may itself issue a complaint.

The HRC must investigate complaints and issue written findings of fact as well as a finding as to whether there is or is not reasonable cause to believe that an unfair practice has been or is being committed. Upon a finding of reasonable cause, the HRC staff must endeavor to eliminate the unfair practice by conference, conciliation, and persuasion.

If an agreement is reached, the HRC issues an order setting forth the terms of the agreement. If no agreement is reached, the HRC requests the appointment of an administrative law judge (ALJ) to hear the complaint. An ALJ is empowered to award damages, to require that wrongful conduct cease and desist, and to order affirmative action so as to effectuate the purposes of the law. There is a right of judicial review from the ALJ's final order.

In addition, rather than go through the HRC complaint process, a complainant may instead file a civil suit against the alleged wrongdoer. Available relief includes an injunction against further violations, the recovery of actual damages, and reasonable attorneys' fees.

Sexual Equality in Public Schools. Discrimination on the basis of sex for any student in grades kindergarten through grade 12 of the Washington public schools is expressly prohibited by the sexual equality chapter found in the school code. There is overlap with the WLAD, in that discrimination on the basis of sex is expressly prohibited under each and both apply to schools.

Under the sexual equality law, the OSPI is charged with developing regulations and guidelines to eliminate sex discrimination as it applies to employment, counseling and guidance services to students, recreational and athletic activities for students, access to course offerings, and in textbooks and instructional materials used by students. The OSPI is also charged with developing criteria for use by school districts in developing sexual harassment policies, and districts are required to adopt and implement such a policy.

The OSPI is specifically required to monitor compliance by districts, establish a compliance timetable and regulations for enforcement, and establish guidelines. Pursuant to rules adopted by the OSPI, each district must appoint an employee who is responsible for monitoring and coordinating compliance, including taking and investigating complaints and providing a written report to the district superintendent. The district superintendent must respond in writing to the complainant within 30 days of receipt of the complaint, setting forth whether the district denies the allegations or spelling out the nature of the corrective actions deemed necessary. If the complainant remains aggrieved, he or she may appeal to the school board. Upon receipt of a complaint, the school board must schedule a hearing and render a written decision.

There is a right of appeal to OSPI from a school board's decision. Such appeals must be conducted de novo, which means that the parties present evidence afresh rather than putting the record from the board before the OSPI. The OSPI is also explicitly empowered to enforce and obtain compliance by appropriate order, which may include the termination of all or part of moneys to the offending district, the termination of specified programs in which violations are flagrant, the institution of a mandatory affirmative action program, and the placement of the offending district on probation with appropriate sanctions until compliance is achieved.

Similar to the WLAD, an aggrieved person has the right to bring a civil action in superior court. Both civil damages and appropriate injunctive relief are available. There is no right to recover attorneys' fees as there is under the WLAD.

This 1975 law is specifically supplementary to, and does not supersede, existing law and procedures and future amendments thereto relating to unlawful discrimination based on sex.

Harassment, Intimidation, and Bullying Prevention Policies. Each school district is required to adopt a policy that prohibits the harassment, intimidation, or bullying of any student. The OSPI is charged with providing a model harassment, intimidation, and bullying prevention policy as well as disseminating training materials. The Washington State School Directors Association (WSSDA) is charged with developing a model cyber bullying policy.

The OSPI model policy and procedure includes informal and formal complaint processes that can be adopted and implemented at the school district level. The OSPI Safety Center website, which hosts the model policy and procedure, notes that each school board adopts its own discipline policies and that, with certain limited exceptions such as in the case of sex discrimination, the OSPI has not been authorized to enforce local rules adopted by each individual school board.

Federal Civil Rights Laws. *Section 504 of the Rehabilitation Act of 1973 and Individuals with Disabilities Act.* Section 504 and the Individuals with Disabilities Act (IDEA) require school districts to provide students with disabilities a free appropriate public education. There are a range of options for addressing individual complaints under these laws, including complaints alleging an act of discrimination on the basis of disability:

- collaborative problem solving;
- mediation. Funded by the OSPI, mediation is available statewide at no charge to parents or districts;
- citizen complaint to the OSPI about alleged district violation. The OSPI investigates to determine whether a violation has occurred. If there is not enough information, the OSPI staff visit the district. The OSPI issues a final decision within 60 days,

unless there has been an extension of time. Either the complainant or the district may ask the U.S. Department of Education to review the final decision;
- citizen complaint to the U.S. Department of Education, Office for Civil Rights (OCR). A complainant may choose, but is not required, to first utilize the institution's grievance process; and
- due process hearing may be requested by a parent of a student with disabilities, the adult student, or a school district. Any such request is directed to the OSPI. Hearings are conducted by administrative law judges appointed by the OSPI. Any party aggrieved by the final decision may appeal to the courts. The prevailing party may recover attorneys' fees.

Title VI of the 1964 Civil Rights Act. This federal law prohibits discrimination on the basis of race, color, or national origin in programs or activities receiving federal funds. Agencies and institutions that receive federal funds covered by Title VI include the 50 state education agencies and their sub-recipients, as well as many other entities.

The OCR's principal enforcement activity is through investigation and resolution of complaints filed by individuals alleging discrimination. The OCR also conducts a compliance review program of selected recipients in order to identify and remedy discrimination that may not be addressed through complaint investigations. Compliance reviews differ from complaint investigations in that the OCR has discretion in selecting the institutions it will review. Additionally, through a program of technical assistance, the OCR provides guidance and support to recipient institutions to assist them in voluntarily complying with the law.

Title IX of the 1972 Education Amendment. Title IX of the Education Amendments was enacted in 1972. Since then, all institutions receiving federal assistance for educational programs or activities have been obligated to protect against discrimination on the basis of sex. Although the law is probably best known for enforcing equity in sports, its text addresses all educational resources, programs and activities.

Title IX regulations require recipients to designate a Title IX coordinator, adopt and disseminate a nondiscrimination policy, and put grievance procedures in place to address complaints of discrimination on the basis of sex in educational programs and activities. These are similar to the requirements imposed under Washington's sexual equality law.

Means of Ensuring Compliance. State law specifically confers authority upon the OSPI to represent the state in the receipt and administration of federal funds. Pursuant to this authority, the OSPI has adopted regulations that provide for a citizen complaint process relative to violations of certain federal education laws, including Title IX, by recipients of federal funds. Also included in these OSPI regulations is a provision indicating that, if compliance is not achieved, the OSPI may initiate fund withholding, fund recovery, or any other sanctions deemed appropriate.

The federal government requires that the OSPI provide written assurances of both state and local compliance with several civil rights and access laws, including Title VI, Title IX, Section 504, the Age Discrimination Act of 1975 and, if applicable, the Boy Scouts of America Equal Access Act of 2001, as well as regulations, guidelines, and standards adopted under all these statutes. Included in this assurance form is a provision indicating that noncompliance may result in the termination of funds, the denial of future funds, a court order requiring compliance, or other judicial relief.

Summary: The Legislature recognizes that the school code currently includes a chapter recognizing the deleterious effect of discrimination on the basis of sex, specifically prohibiting such discrimination in the state's public schools, and requiring the OSPI to monitor and enforce compliance. The Legislature further finds that the common school code does not include specific similar acknowledgment of the right to be free from discrimination on other bases, nor do the common school laws specifically direct the OSPI to monitor and enforce compliance with various other federal and state civil rights laws. Finally, the Legislature acknowledges the recommendation from the Committee to specifically authorize the OSPI to take affirmative steps to ensure that school districts comply with civil rights laws, similar to its authority with respect to discrimination on the basis of sex.

A new chapter is added to the school code, prohibiting discrimination on the basis of race, creed, religion, color, national origin, honorably discharged veteran or military status, sexual orientation including gender expression or identity, the presence of any sensory, mental, or physical disability, or the use of a trained dog guide or service animal by a person with a disability. The new chapter is similar to the sexual equality chapter already in the school code. The OSPI is tasked with developing rules and guidelines to eliminate discrimination as it applies to public school employment, counseling and guidance services to students, recreational and athletic activities for students, access to course offerings, and in textbooks and instructional materials used by students.

The OSPI must monitor and enforce compliance with the chapter and the rules developed thereunder. Similar to orders issued under the sexual equality chapter, the OSPI order may include, but is not limited to, termination of all or part of state apportionment or categorical monies to the offending school district, termination of specified programs in which violations may be flagrant, institution of corrective action, and the placement of the offending school district on probation with appropriate sanctions until compliance is achieved.

Similar to the parallel provision found in the sexual equality chapter, any person aggrieved by a violation of

the new chapter, or the rules developed thereunder, has a right of action in superior court for civil damages and such equitable relief as the court determines, but there is no right to recover attorneys' fees. The chapter is supplementary to and does not supersede existing law and procedures relating to unlawful discrimination.

The act is null and void unless funded in the budget.

Votes on Final Passage:

House	59	35	
Senate	30	18	(Senate amended)
House	62	35	(House concurred)

Effective: June 10, 2010

HB 3030

C 201 L 10

Regarding the administration of irrigation districts.

By Representatives Fagan and Hinkle.

House Committee on Local Government & Housing
Senate Committee on Agriculture & Rural Economic Development

Background: Overview of Irrigation Districts. Irrigation districts (districts), authorized by the first state Legislature in 1890, are among the oldest special purpose districts in Washington. Originally authorized to provide irrigation facilities and services, they have since been authorized to provide: (1) drainage systems; (2) domestic water; (3) electric energy generation, purchasing and distribution; (4) fire hydrants; (5) sewerage systems; (6) residential energy conservation program assistance; (7) heating systems; and (8) street lighting. Among special purpose districts only port districts possess a greater range of powers. Districts are governed by an elected board of directors.

Jointly Created Governmental Entity: Contract Between Two or More Irrigation Districts. Two or more districts may jointly create a separate legal entity which may exercise the same powers and authority granted to districts generally. Such an entity must be created through a contract between or among the participating districts. The jointly created entity has only those powers, rights, and responsibilities that are conveyed to it through the contract.

Irrigation District Upgrading and Improvement Fund. Districts are authorized to create an upgrading and improvement fund financed from the annual revenue of the district. The board determines which portion of a district's revenue will be placed in the fund, which may include revenue derived from the sale, delivery, or distribution of electrical energy. Moneys from the fund may be used for the following purposes:

- to modernize, improve, or upgrade the irrigation or facilities of the district; or
- to respond to an emergency affecting a district's irrigation facilities.

Small Works Roster: Project Contracting by Irrigation Districts. Generally, state agencies and certain local governments may use a small works roster process to award contracts for public works estimated to cost $300,000 or less. A single roster may be created or there may be different rosters for different specialties or categories of anticipated work. In addition, distinctions may be made between contractors based on a geographic area. The agency or local government may solicit bids from all appropriate contractors on the roster, but at a minimum five bids must be solicited. The contract, if awarded, is awarded to the lowest responsible bidder. An effort must be made to equitably distribute the opportunity among contractors on the appropriate roster if bids are solicited from less than all listed contractors.

State law limits the use by districts of the small works roster process is limited to projects estimated to cost $100,000 or less.

Boundary Review Boards and Irrigation Districts. Generally, the formation of a district and any alteration of a district's boundaries may be subject to review by a Boundary Review Board (BRB).

The BRBs are authorized in statute to guide and control the creation and growth of municipalities in metropolitan areas. While statute provides for the establishment of BRBs in counties with at least 210,000 residents, the law provides that a BRB may be created and established in any other county. The BRB members are appointed by the Governor and local government officials from within the applicable county. Some members are appointed by the BRBs themselves from nominees of special districts within the applicable county. After initial appointments, all members serve four-year terms. Upon receiving a timely request for review that meets statutory requirements, and following an invocation of a BRB's jurisdiction, a BRB must review and approve, disapprove, or modify certain proposed actions, including actions pertaining to the creation, incorporation, or change in the boundary of any city, town, or special purpose district. In reaching decisions on proposed actions, BRBs must satisfy public hearing requirements and attempt to achieve objectives prescribed in statute, including the preservation of natural neighborhoods and communities, and the use of physical boundaries. Generally, decisions on proposed actions must be made within 120 days of the BRB receiving a valid request for review.

Federal Reclamation Projects and Irrigation Districts. The U.S. 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.

A district is authorized to enter into contracts with the federal government with respect to matters relating to

federal reclamation projects. Such contracts must be consistent with pertinent federal reclamation laws.

Summary: Limitations on BRB Review of Changes to District Boundaries. The BRBs do not have jurisdiction to review additions to, or exclusions of, district lands if such lands fall within the boundaries of a federal reclamation project.

Small Works Roster Process: Project Contracting by Irrigation Districts. The upper limit of the estimated cost of a district project eligible for the small works roster process is increased from $100,000 to $300,000.

Districts are required to follow the uniform small works roster provisions set forth in RCW 39.04.155, which is applicable to most public entities in the state, including: state agencies; educational institutions; cities; counties; port districts; school districts; water-sewer districts; and fire protection districts.

Upgrading and Improvement Fund. A legal entity created by a contract between two or more districts is authorized to establish an upgrading and improvement fund.

A district may use its upgrading and improvement fund for licensing hydroelectric power facilities and for payment of capital improvements.

Votes on Final Passage:

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

Effective: June 10, 2010

ESHB 3032

C 89 L 10

Defining normal wear and tear for a motor vehicle for the purpose of a service contract.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Simpson and Bailey).

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

Background: Certain transactions that fall within the definition of insurance have been addressed by exemptions from the Insurance Code (Code) or the creation of a specific regulatory structure. Entities regulated under these chapters 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.

In 1990 a chapter was created in the Code to regulate motor vehicle service contracts. In 1999 a chapter in the Code was created for the regulation of service contracts. In 2006 the service contract chapter was overhauled, motor vehicle service contracts and "protection products" were included, and the motor vehicle service contracts chapter was repealed.

A "service contract" is a contract to perform the repair, replacement, or maintenance of property or the payment for the repair, replacement, or maintenance for operational or structural failure due to a defect in materials or workmanship, or normal wear and tear.

Registration. Service contract providers must register with the Insurance Commissioner (Commissioner). Persons selling and marketing service contracts are not required to register with the Commissioner unless they are service contract providers. The Commissioner may suspend or revoke the registration of a service contract provider for failure to comply with the specific requirements.

Regulatory Oversight. A service contract provider must meet requirements regarding:

- financial responsibility;
- record-keeping;
- form filings;
- disclosures; and
- refunds to consumers within 30 days of purchase if no claim is made.

Penalties for Violations. The Commissioner may take enforcement actions for violations of the service provider statutes. A violation of the service contract chapter is also a violation of the Consumer Protection Act.

Summary: The definition of "service contract" is modified to include a contract or agreement sold for separate consideration for the repair or replacement of tires or wheels damaged as a result of coming into contact with ordinary road hazards including but not limited to potholes, rocks, wood debris, metal parts, glass, plastic, or composite scraps.

Tire or wheel manufacturers and motor vehicle manufacturers are exempt from the requirements of the service contract chapter.

Votes on Final Passage:

House	95	0
Senate	45	0

Effective: June 10, 2010

SHB 3036

C 241 L 10

Requiring a public meeting before a school district contracts for nonvoter-approved debt.

By House Committee on Education (originally sponsored by Representatives Quall, Kenney and Santos).

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

Background: School districts, like other government entities, possess authority to issue two general classifications of debt: nonvoter-approved and voter-approved. Districts

may borrow or issue debt without a vote of the voters for the following purposes:

- purchasing real or personal property or property rights;
- purchasing sites for buildings or athletic facilities;
- improving energy efficiency of school buildings; and
- making structural changes and additions to school facilities.

A district's nonvoter-approved indebtedness is limited to an amount not exceeding three-eighths of 1 percent of the value of the taxable property in the district. Any debt above that limit must be approved by the voters in the district. Nonvoter-approved debt is paid from existing revenue sources because it does not provide the district additional taxing authority.

Summary: Before issuing nonvoter-approved bonds in excess of $250,000, a school district must hold a public hearing on the proposal. In advance of the public hearing, the district must publish notice, at least one time each week for two consecutive weeks, in a newspaper of general circulation in the district or in a newspaper of general circulation in the county or counties in which the district is located. The last notice may be published no later than seven days immediately before the meeting.

The notice must indicate:

- the date, time, and place of the meeting;
- the purpose and amount of the bonds;
- the type, terms, and conditions of the bonds;
- the means identified for repayment; and
- that any person may appear at the hearing and comment on the topic of issuing such bonds.

The public notice and hearing requirements do not apply to any refinancing or refunding of bonds. The act applies prospectively only.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: June 10, 2010

ESHB 3040

C 179 L 10

Regarding the licensing of appraisal management companies.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Wood, Appleton, Rolfes, Sells, Sullivan and Finn).

House Committee on Commerce & Labor
House Committee on General Government Appropriations
Senate Committee on Labor, Commerce & Consumer Protection

Background: An appraisal management company (AMC) is a business entity that administers a panel of appraisers to complete real estate appraisal assignments on behalf of other entities. An AMC's functions include recruiting appraisers, negotiating fees, and administering appraisal orders.

Real estate appraisers evaluate the value of real property. The Department of Licensing (Department) certifies and licenses real estate appraisers.

The Department regulates many businesses and professions under specific licensing laws. Each business and profession is under either the disciplinary authority of the Director of the Department, or a board or commission charged with regulating that particular profession. The Uniform Regulation of Business and Professions Act (URBPA) provides consolidated disciplinary procedures for these licensed businesses and professions.

Summary: Licensing. A person in business as an AMC or engaging in appraisal management services must obtain a license from the Department. The Department must adopt rules, adopt fees, carry out these provisions, and investigate violations.

"Appraisal management services" means to perform any of the following functions on behalf of a lender, financial institution, mortgage broker, loan originator, or any other person:

- administer an appraiser panel;
- recruit, qualify, verify licensing or certification, and negotiate fees and service level expectations with persons who are part of an appraiser panel;
- receive an order for an appraisal from one person, or entity, and deliver the order for the appraisal to an appraiser for completion;
- track and determine the status of appraisal orders;
- conduct quality control of a completed appraisal prior to the delivery of the appraisal to the person that ordered the appraisal; and
- provide a completed appraisal to one or more persons that have ordered an appraisal.

An "appraiser panel" is defined as a network of licensed or certified appraisers who are independent contractors of an AMC who perform appraisals through the AMC.

An application for licensure must include certain information about the entity and controlling persons, and certification that the entity:

- has a system and process in place to verify that members of the appraiser panel are properly licensed or certified;
- has a system in place to review the work of all appraisers performing real estate appraisal services;
- maintains a detailed record of each service request and the appraiser that performs the appraisal; and
- maintains a complete copy of appraisal reports.

Applicants must also maintain a surety bond of $25,000 with Washington as obligee. The AMC must include names under which it does business on any engagement document issued.

Owners. A person that owns more than 10 percent of an AMC must be of good moral character and submit to a background investigation. An AMC may not be more than 10 percent owned by: a person who has had an appraiser's license or certificate denied, canceled, or revoked; or an entity that is more than 10 percent owned and directly controlled by a person who has had an appraiser's license or certificate denied, canceled, or revoked.

Controlling Persons. An AMC is required to designate one controlling person to be the main contact for all communication with the Department and the AMC. A controlling person must be of good moral character and submit to a background investigation. A controlling person must never have been subject to an appraisal license or certificate denial or revocation or any other disciplinary action related to the license or certificate.

Appraisers. An AMC may not employ or contract with an appraiser who has been:

- subject to a disciplinary action or any license or certificate denial or revocation;
- convicted of an offense that reflects adversely upon the appraiser's integrity, competence, or fitness to meet the responsibilities of an appraiser;
- convicted of, or who has pled guilty or nolo contendre to, a felony related to participation in the real estate or mortgage loan industry:
  1. during the seven-year period preceding the date of the application for licensing and registration; or
  2. at any time preceding the date of application, if the felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering.

Exemptions. The provisions regulating an AMC do not apply to units within a financial institution that assign appraisal requests or to an appraiser that enters into an agreement with another appraiser for the performance of an appraisal.

Adjudication of Disputes Between an AMC and an Appraiser. An AMC may not remove an appraiser from an appraiser panel without following certain procedures. The AMC must notify the appraiser of the reasons why the appraiser is being removed from the appraiser panel, including if the appraiser is being removed from the panel for illegal conduct, a violation of state licensing standards, substandard performance, or administrative purposes. If the appraiser is removed for alleged illegal conduct or a violation of state licensing provisions, the appraiser may file a complaint with the Department for a review of the decision. The Department may investigate the complaint. During the investigation, the appraiser remains removed from the appraiser panel.

If, after an opportunity for hearing and review, the Department determines that an appraiser did not commit a violation of law, the Department must order that an appraiser be restored to the appraiser panel without prejudice. Following such an order, an AMC may not refuse to make assignments to an appraiser, reduce the number of assignments, or otherwise penalize the appraiser in relation to the adjudicated complaint.

The Department may not make any determination regarding the nature of the business relationship between the appraiser and the AMC.

Disciplinary Actions. In addition to unprofessional conduct described in the URBPA, the Department may take disciplinary action against an AMC for the following:

- failing to meet the minimum licensing qualifications;
- failing to pay appraisers no later than 45 days after completion of the appraisal service, whichever comes first, unless otherwise agreed, or unless the appraiser has been notified in writing that a bona fide dispute exists regarding the performance or quality of the appraisal service;
- failing to pay appraisers even if AMC is not paid by its client;
- coercing, extorting, colluding, compensating, instructing, inducing, intimidating, or bribing an appraiser;
- altering a completed appraisal report submitted by an appraiser;
- copying and using the appraiser's signature for any purpose or in any other report;
- extracting, copying, or using only a portion of the appraisal report without reference to the entire report;
- prohibiting the appraiser from referencing the appraisal fee, the AMC fee, the AMC name or identity, or the client's or lender's name or identity in the appraisal report;
- knowingly requiring an appraiser to prepare an appraisal report under such a limited time frame that the appraiser believes it does not afford the appraiser the ability to meet all relevant legal and professional obligations or provide a credible opinion of value for the property being appraised;
- requiring, or attempting to require, an appraiser to modify an appraisal report except as permitted in situations where an AMC requests that an appraiser provide more information or correct objective factual errors;
- prohibiting or inhibiting legal or other allowable communication between the appraiser and the lender, a real estate licensee, a property owner, or any other party from whom the appraiser believes information would be relevant in completing the appraisal;

- knowingly requiring the appraiser to do anything that violates state and federal laws regulating appraisers; or
- prohibiting the transfer of an appraisal from one lender to another lender if the lenders are allowed to transfer an appraisal under applicable federal law.

The URBPA also applies to regulation of the AMCs.

Votes on Final Passage:

House	98	0	
Senate	45	2	(Senate amended)
House	94	0	(House concurred)

Effective: July 1, 2011

SHB 3046

C 212 L 10

Addressing the dissolution of the assets and affairs of a nonprofit corporation.

By House Committee on Judiciary (originally sponsored by Representatives Driscoll, Rodne, Kretz, Ormsby, Wood, Johnson and Parker).

House Committee on Judiciary
Senate Committee on Judiciary

Background: The Washington Nonprofit Corporation Act (WNCA) provides rules and requirements on the organization and operation of nonprofit corporations and the relationship between members, directors, and officers of the corporation.

The WNCA governs how a nonprofit corporation may be dissolved. Nonprofit corporations may be dissolved either voluntarily, administratively, or judicially. In certain situations, a nonprofit corporation may be subject to liquidation and dissolution as the result of proceeding brought by a member, director, or creditor of the nonprofit corporation or the Attorney General (AG).

In a proceeding to liquidate the assets and affairs of a nonprofit corporation, a court has the power to issue injunctions, appoint receivers, and take other actions to preserve the corporate assets and carry on the affairs of the nonprofit corporation until a full hearing is held. After a hearing, a court may appoint a liquidating receiver with the authority to collect or dispose of any of the assets of the nonprofit corporation. In proceedings to liquidate the assets and affairs of a nonprofit corporation, a court must enter a decree dissolving the corporation after all debts, obligations, and liabilities of the corporation have been paid or discharged. Upon entry of the dissolution decree, the nonprofit corporation ceases to exist.

Model Nonprofit Corporation Act. The Model Nonprofit Corporation Act, Third Edition, was adopted by the American Bar Association (ABA) in 2008. Prior to its adoption, the ABA sponsored a task force to make changes to its own Revised Model Nonprofit Corporation Act. This task force was comprised of attorneys from around the nation.

Summary: The procedures for judicial liquidation are repealed and replaced with provisions governing judicial dissolution from the Model Nonprofit Corporation Act, Third Edition, adopted by the ABA.

A superior court may dissolve a nonprofit corporation in a proceeding brought by the AG, a creditor, 50 members or members holding at least 5 percent of the voting power, whichever is less, or by one or more directors, if certain criteria are met. In a proceeding brought to dissolve a nonprofit corporation, a court may issue injunctions, appoint a general or custodial receiver with all powers and duties as the court directs, take other action required to preserve the corporate assets, and carry on the activities of the nonprofit corporation until a full hearing can be held.

After giving notice to all parties, a court must hold a hearing before appointing a general or custodial receiver. Among other powers, a court-appointed general receiver may dispose of all or any part of the assets of the nonprofit corporation and sue and defend suits by the corporation. A court-appointed custodial receiver may exercise all of the powers of the nonprofit corporation to the extent necessary to manage the affairs of the corporation consistent with its mission and in the best interests of its creditors.

Other provisions are created to address venue in a dissolution proceeding and compensation paid to a court-appointed general or custodial receiver and counsel.

After a hearing, if a court determines that one or more grounds for judicial dissolution exist, the court may enter a decree dissolving the nonprofit corporation and specifying the effective date of dissolution. After entering the decree of dissolution, the court must direct the winding up and liquidation of the nonprofit corporation's affairs.

The act is prospective and only applies to actions or proceedings commenced on or after the effective date of the act.

Votes on Final Passage:

House	97	0	
Senate	44	1	(Senate amended)
House	97	0	(House concurred)

Effective: March 25, 2010

HB 3061

C 213 L 10

Addressing claims of insolvent self-insurers under industrial insurance.

By Representative Condotta.

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Employers must provide industrial insurance through the State Fund administered by the Department of Labor and Industries (Department) or, if qualified, may self-insure. Certain public entities (school districts, educational service districts, and public hospitals) may self-insure as groups.

To be certified by the Department as a self-insurer, an employer must have sufficient financial ability to ensure prompt payment of compensation to its injured workers and must meet other requirements. The Department requires self-insurers to provide surety in an amount determined by the Department to cover the self-insurer's industrial insurance liabilities. The surety may be cash, corporate or governmental securities, a bond, or a letter of credit. The Director of the Department (Director) may withdraw the certification of a self-insurer if the employer no longer meets the requirements of a self-insurer, the deposit is insufficient, or the employer engages in specified acts.

If a self-insurer defaults on any industrial insurance obligation, the Director may take steps to fulfill the defaulting employer's obligations from the surety deposit. If the surety is exhausted, costs are paid from a self-insurers' Insolvency Trust Fund. Private self-insured employers pay an assessment into the Insolvency Trust Fund in proportion to their claim costs.

When an industrial injury results in death or permanent total disability, a self-insured employer must pay into the Pension Reserve Fund (or provide a bond or annuity) for the costs of the injury. However, when death or permanent total disability is partially caused by a prior injury, pension costs resulting from the prior injury are paid by the Second Injury Fund. In all pension or death cases, the Department must evaluate whether payment should be made from the Second Injury Fund.

Summary: If a self-insured employer is in default, the Department must transfer the balance of the employer's surety into the Insolvency Trust Fund when all claims against the self-insurer are closed and the self-insurer has been in default for 10 years.

If a self-insurer employer is in default or the Director has withdrawn a self-insurer's certification, the Department does not evaluate whether payment should be made from the Second Injury Fund in permanent total disability or death cases. Instead, in such cases the costs of the pension reserve must first be assessed against the self-insurer's surety and where the surety is insufficient, the remaining cost must be assessed against the Insolvency Trust Fund.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: June 10, 2010

SHB 3066
C 114 L 10

Creating uniformity among annual tax reporting survey provisions.

By House Committee on Finance (originally sponsored by Representatives Parker, Springer, Eddy, Condotta and Wallace).

House Committee on Finance
Senate Committee on Ways & Means

Background: Businesses claiming certain tax incentives must provide data on annual accountability reports or surveys filed with the Department of Revenue. In general, accountability reports and surveys require information about employment and economic activities related to the tax incentives. While there are many similarities between the surveys and reports, there are also inconsistencies, including differences in the information reported, penalties for failure to file, due dates, filing extensions, filing requirements, and the entities which report back to the Legislature on the specific tax incentive program.

Summary: Various tax incentive statutes are amended that require recipients to file an annual survey or an annual report with the Department of Revenue. A uniform annual survey and a uniform annual report is created. References are deleted to all existing annual report and annual survey statutes, which are repealed and replaced with the uniform annual report and annual survey requirement.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 10, 2010

2SHB 3076
C 280 L 10

Concerning the involuntary treatment act.

By House Committee on Ways & Means (originally sponsored by Representatives Dickerson and Kenney; by request of Governor Gregoire).

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

Background: The Involuntary Treatment Act (ITA) sets forth the procedures, rights, and requirements for an involuntary civil commitment. When a designated mental health professional receives information alleging that a person, as a result of a mental disorder: (1) presents a likelihood of serious harm; or (2) is gravely disabled, the designated mental health professional may file a petition for an initial detention.

The Washington Supreme Court has held that the standard of "likelihood of substantial harm" evidenced by a recent overt act under the ITA provides a constitutional basis for detention under non-emergency circumstances. The Court did not define "recent," but under the facts of the case in which it made its decision, the acts referred to had occurred within five to six days prior to the filing of the petition for initial detention.

Likelihood of Serious Harm and Gravely Disabled. By law, "likelihood of serious harm" means that there is a substantial risk that:

- physical harm will be inflicted by a person upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself;
- physical harm will be inflicted by a person upon another, as evidenced by behavior which has caused such harm or which places another person or persons in reasonable fear of sustaining such harm; or
- physical harm will be inflicted by a person upon the property of others, as evidenced by behavior which has caused substantial loss or damage to the property of others; or that the person has threatened the physical safety of another and has a history of one or more violent acts.

A person is "gravely disabled" if the person, as a result of a mental disorder:

- is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or
- manifests severe deterioration in routine functioning evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety.

Authority for Involuntary Commitment. Under non-emergency circumstances, the court may authorize persons to be initially detained for up to 72 hours for evaluation and treatment. Upon a petition to the court and subsequent order, the person may be involuntarily held for a further 14 days. Upon a further petition and order by a court, a person may be held for a period of 90 days. If circumstances warrant, the Court may order a less restrictive alternative. If a person has been determined to be incompetent and criminal charges have been dismissed, and the person has committed acts constituting a felony as a result of a mental disorder and presents a substantial likelihood of repeating similar acts, the person may be further committed for a period of up to 180 days. No order of commitment under the ITA may exceed 180 days.

Information Considered by the Court. The ITA sets forth the kinds of information that may be considered by a court in determining whether a petition for an evaluation and treatment for 72 hours, for a commitment of 14 days, or a commitment of 90 days should be granted.

For a 72-hour evaluation and treatment, the designated mental health professional who is conducting the evaluation must include all reasonably available information regarding: (1) prior recommendations for evaluation of the need for civil commitments when made pursuant to criminal allegations; (2) a history of one or more violent acts; (3) prior determinations of incompetency or insanity; and (4) prior commitments under the ITA.

For a petition for a 14-day commitment following a 72-hour evaluation and treatment, or a subsequent 90-day commitment, the court is required to give great weight to: (1) a recent history of one or more violent acts; or (2) a recent history of one or more commitments under the ITA or its equivalent provisions under the laws of another state. The existence of prior violent acts may not be the sole basis for determining whether a person presents a likelihood of serious harm.

The statute defines "recent" as a period of time not exceeding three years prior to the current hearing.

Summary: Risk Assessment Tool. The Washington State Institute for Public Policy, in collaboration with the Department of Social and Health Services and other applicable entities, is required to search for a validated mental health assessment tool or combination of tools for the assessment of individuals for detention, commitment, or revocation under the ITA. This provision expires on June 30, 2011.

Determinations for Civil Commitment. A Designated Mental Health Professional (DMHP) conducting an evaluation for a 72-hour commitment under the ITA must consider all reasonably available information from credible witnesses and records regarding:

- prior recommendations for evaluation for civil commitments as ordered by a superior court judge;
- historical behavior of the person, including a history of one or more violent acts;
- prior determinations of incompetency or insanity;
- prior commitments under the ITA.

A credible witness may include family members, landlords, neighbors, or others with significant contact and history of involvement with the person being evaluated. If the DMHP relies upon information from a credible witness in reaching the decision to detain an individual under the Involuntary Treatment Act, the DHMP must provide to the prosecutor contact information for that witness. Either the DMHP or the prosecutor must provide notice of the date, time, and location of any probable cause hearing for the person detained.

The DMHP and the court, when making a determination regarding detention under the ITA, may consider symptoms and behavior, which standing alone would not support detention. These symptoms and behaviors may support a finding of a likelihood of serious harm to the person or others or that the person is gravely disabled. The symptoms that may be considered are those which:

- 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;
- represent a marked and concerning change in the baseline behavior of the person; and
- without treatment, the continued deterioration of the respondent is probable.

Notice Upon Discharge. When a person who has been detained under the ITA is discharged from an evaluation and treatment facility or state hospital, the facility or hospital must provide notice of the discharge to the office of the DHMP responsible for the initial commitment and the professional office for the DHMP in the county where the person is expected to reside. The facility or hospital must also provide the offices of the DHMP with a copy of any less restrictive order or conditional release order issued upon discharge.

The notice and documents must be provided no later than one business day following the discharge. No notice is required if the person is discharged for the purpose of transfer to another facility for continued detention and treatment.

The Department of Social and Health Services must maintain and make available an updated list of contact information for offices of DMHPs around the state.

Financial Obligations for Defendants. A judge, before imposing any legal financial obligations upon a defendant who suffers from a mental health condition, must first determine that the defendant has the means to pay such sums. This requirement does not apply to the victim penalty assessment or any restitution ordered by the court.

Votes on Final Passage:

House	98	0	
Senate	46	0	(Senate amended)
House			(House refuses to concur)
Senate	48	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 10, 2010
January 1, 2012 (Sections 2 and 3)

SHB 3105
C 159 L 10

Including alternative fuel vehicles in a strategy to reduce fuel consumption and emissions from state agency fleets.

By House Committee on Ecology & Parks (originally sponsored by Representatives Rolfes, Wallace, Kenney and Ormsby).

House Committee on Ecology & Parks
Senate Committee on Environment, Water & Energy

Background: The Director of the Department of General Administration (GA), in consultation with the Office of Financial Management (OFM) and other state agencies, is required to develop strategies to reduce fuel consumption and emissions from all classes of vehicles. State agencies must then use these strategies to:

- phase in fuel economy standards for motor pools and leased vehicles to achieve an average fuel economy standard of 36 miles per gallon (mpg) for passenger vehicle fleets by 2015;
- achieve an average fuel economy of 40 mpg for light duty passenger vehicles purchased after June 15, 2010; and
- achieve an average fuel economy standard of 27 mpg for light duty vans and sport utility vehicles (SUVs) purchased after June 15, 2010.

Beginning October 31, 2011, state agencies must report annually on their progress toward meeting the requirements to reduce fuel consumption.

The GA, in consultation with the OFM and other state agencies, must develop a separate fleet fuel economy standard for all other classes of vehicles and report the progress made toward meeting the fuel consumption and emissions goals to the Governor and Legislature by December 1, 2012.

Average fuel economy calculations must be based upon the current U.S. Environmental Protection Agency composite city and highway mpg rating.

Vehicles excluded from the agency fleet average fuel economy calculation include emergency response vehicles, passenger vans with a gross vehicle weight of 8,500 pounds or greater, vehicles that are purchased for off-pavement use, and vehicles that are driven less than 2,000 miles per year.

Summary: After June 15, 2010, when purchasing new petroleum-based fuel vehicles for vehicle fleets, state agencies must either achieve an average fuel economy of 40 mpg for light duty passenger vehicles, or purchase ultra-low carbon fuel vehicles.

After June 15, 2010, when purchasing new petroleum-based fuel vehicles for vehicle fleets, state agencies must either achieve an average fuel economy of 27 mpg for light duty vans and SUVs, or purchase ultra-low carbon fuel vehicles.

State agencies should, when financially comparable over the vehicle's useful life, consider purchasing or converting to ultra-low carbon fuel vehicles.

Definitions for "ultra-low carbon fuel vehicle" and "petroleum-based fuel source" are added.

Votes on Final Passage:

House	96	0	
Senate	48	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 10, 2010

SHB 3124

C 214 L 10

Requiring a report to child protective services when a child is present in the vehicle of a person arrested for driving or being in control of a vehicle while under the influence of alcohol or drugs.

By House Committee on Early Learning & Children's Services (originally sponsored by Representatives Roberts, Kagi, Simpson and Kenney).

House Committee on Judiciary
House Committee on Early Learning & Children's Services
Senate Committee on Human Services & Corrections

Background: Certain persons are required by law to notify child protective services or law enforcement when there is reasonable cause to believe a child has been abused or neglected. These persons are commonly called mandated reporters.

In a study by the Centers for Disease Control and Prevention (CDC) regarding collisions involving drunk driving when children were present in the car the CDC reported that 1,451 children were killed between 1997-2002. This represented 68 percent of all child deaths from vehicle collisions. Of the children who died in these crashes, less than one-third were properly buckled in a child safety restraint.

Summary: When a child under age 13 is present in the car of a parent or legal custodian or guardian being arrested for a drug- or alcohol-related driving offense, the arresting law enforcement officer must promptly notify child protective services. The officer is not required to take custody of the child, unless there is no one properly authorized to take custody of the child or the officer believes the child will be at imminent risk unless taken into emergency custody.

Votes on Final Passage:

House	94	0	
Senate	47	0	(Senate amended)
House			(House refused to concur)
Senate	47	1	(Senate amended)
House			(House refused to concur)
Senate			(Senate insists on its position)
House	97	0	(House concurred)

Effective: June 10, 2010

E2SHB 3141

PARTIAL VETO

C 273 L 10

Regarding delivery of temporary assistance to needy families.

By House Committee on Ways & Means (originally sponsored by Representatives Kagi, Pettigrew, Seaquist, Kenney and Ormsby).

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

Background: Temporary Assistance for Needy Families. The Temporary Assistance for Needy Families (TANF) program is administered with federal block grant funding, appropriated to the Department of Social and Health Services (DSHS) by the state. Federal law permits the use of TANF funding for the following purposes:

- to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- to end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- to encourage the formation and maintenance of two-parent families.

Washington's TANF program is called WorkFirst. Under WorkFirst, recipients receive a comprehensive evaluation prior to referral to job search activities. The evaluation is facilitated by a WorkFirst specialist and covers a broad range of topics. Information obtained through the evaluation process is used to develop an individual responsibility plan (IRP) for the recipient. The IRP includes an employment goal, a plan for obtaining employment as quickly as possible, and a description of services to remove barriers to employment and to enable the recipient to obtain and keep employment. Federal law requires states to include a job search component in their TANF programs. Washington's job search component typically calls for 12 weeks of job.

Working Connections Child Care Program. The Working Connections Child Care program (WCCC) provides child care subsidies for working families with incomes at or below 200 percent of the federal poverty level. In addition to low-income working families, WCCC subsidies also may be paid on behalf of:

- families receiving TANF who are enrolled in approved activities; and

- parents under age 22, not on TANF, who are enrolled in high school or a General Education Development (GED) program.

The Economic Services Administration (ESA) within the DSHS has responsibility for verifying families' eligiblity to receive WCCC subsidies. Under policies adopted by the Department of Early Learning (DEL), eligibility determinations for WCCC subsidies are effective for a period of up to six months, after which a reauthorization process is conducted to determine continued eligibility.

Changes that can result in a family becoming ineligible for subsidies include:

- an increase in income;
- the loss of a job or a temporary lay-off;
- not keeping current with the obligation to make the monthly co-payment to the provider;
- not providing notice of changes in the family's circumstances within the time frames required; or
- not providing all documentation requested at the time of the reauthorization.

When a family loses eligibility for a WCCC subsidy, it may result in the child experiencing a change in caregiver and environment if, when eligibility is reinstated, the child's enrollment slot with the caregiver has already been filled by another child.

Summary: Temporary Assistance for Needy Families. The primary goal of the TANF program is economic self-sufficiency for families through unsubsidized employment. The WorkFirst job search requirements are modified to require consideration of the applicant's marketable job skills, attachment to the labor force, and level of education or training when determining the length of time job search is required. The TANF wage subsidy program is named the Community Jobs Program.

The WorkFirst subcabinet will collaborate with the Governor and reevaluate the WorkFirst program in the context of legislative intent regarding the focus of the WorkFirst program. The reevaluation also will reflect consideration of research relating to family economic self-sufficiency and completion of adequate training and education programs. The subcabinet will develop a proposal for the Legislature to redesign the state's use of the TANF funding in a manner that makes optimum use of all funds available to promote more families moving out of poverty to sustainable self-sufficiency. The proposal is due December 1, 2010, and must include:

1. a process for reassessing persons who are unable to achieve sustainable self-sufficiency through employment after a prolonged period;
2. a plan for referring persons who have been unsuccessful in finding sustainable employment to the Community Jobs Program program; and
3. a schedule for developing and implementing three pathways to family self-sufficiency that will be used to guide case management and engage parents early in developing a comprehensive plan to achieve self-sufficiency while addressing families' current basic needs. The pathways must address the needs of:
   - persons with no barriers to employment who have work experience, education, or attachment to the job force;
   - persons who have barriers to employment, no work experience, or little education or skills; and
   - persons who are disabled or caring for a disabled child or family member.

The WorkFirst subcabinet is required to adopt the goal of increasing the percentage of TANF recipients who eventually are able to increase household earnings to a level that is at or above 200 percent of the federal poverty level. The proposal for redesigning delivery of TANF-funded programs also must delineate specific strategies to achieve the goal.

Beginning December 1, 2010, and annually thereafter, the OFM, in consultation with other state agencies, must report to the Governor and the Legislature with estimates of:

- the percentage of Washington residents with income at or above 200 percent FPL; and
- the percentage of WorkFirst clients who have achieved earning at or above 200 percent FPL.

Working Connections Child Care Program. Beginning in Fiscal Year 2011, for families with children enrolled in the Early Childhood Education Assistance Program (ECEAP), Head Start, or Early Head Start, the WCCC subsidy authorization will be valid for 12 months unless a change in circumstances requires a reauthorization sooner. The DEL will report to the Legislature by September 1, 2011, with:

- an analysis of the impact of the twelve-month authorization period on the stability of child care, program costs, and administrative savings; and
- recommendations to expand the application of the twelve-month authorization period to additional populations of children in care.

Votes on Final Passage:

House	51	43	
Senate	27	20	(Senate amended)
House	57	38	(House concurred)

Effective: June 10, 2010

Partial Veto Summary: Vetoes section 1, making legislative findings pertinent to the families seeking assistance through the WorkFirst program, section 3, directing a reevaluation and a proposal for redesigning the WorkFirst program, and section 4, requiring that job search requirements in the individual's case plan be developed with consideration of the individual's marketable job skills, attachment to the labor force, and level of education or training.

VETO MESSAGE ON E2SHB 3141

April 1, 2010

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 1, 3, and 4, Engrossed Second Substitute House Bill 3141 entitled:

"AN ACT Relating to redesigning the delivery of temporary assistance for needy families."

This bill directs significant changes to the Temporary Assistance for Needy Families program (TANF) known as the WorkFirst program. The WorkFirst program is an important safety net program for many of Washington's low-income families and children. As Washington addresses an economic downturn, our important and vital safety net programs must provide appropriate assistance to Washington residents. The WorkFirst program has been in existence for almost 13 years. In conversations with the Legislature, I expressed my support for reevaluation of the WorkFirst program to examine how to best meet the challenges for various Washington families to obtain work stability and family self-sufficiency.

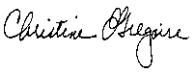
Section 3 of the bill directs an executive cabinet level workgroup, the WorkFirst Subcabinet, to examine and report on the TANF program in the context of a reframed legislative intent set forth in Section 1. Section 4 makes a programmatic change in advance of any examination and report. The best way for an executive cabinet level workgroup to examine a broad, programmatic agenda of a $900 million block grant program is under the direction of the Governor, without restrictions or initial assumptions.

Although I have vetoed Sections 1, 3 and 4, I am directing the WorkFirst Subcabinet to examine the best practices to meet the needs of WorkFirst families to obtain employment and achieve family self-sufficiency. The WorkFirst Subcabinet shall provide a report and plan to implement the best practices for WorkFirst families and children that are sustainable.

For these reasons, I have vetoed Sections 1, 3, and 4 of Engrossed Second Substitute House Bill 3141.

With the exception of Sections 1, 3, and 4, Engrossed Second Substitute House Bill 3141 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SHB 3145

C 42 L 10

Improving administration of wage complaints.

By House Committee on Commerce & Labor (originally sponsored by Representatives McCoy, Roberts, Simpson, Goodman, Kenney, Conway and Ormsby).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Legislation enacted in 2006 authorizes the Department of Labor and Industries (Department) to order the payment of wages owed, including interest and, for willful violations of wage payment requirements, civil penalties.

If an employee files a wage complaint for a violation of a wage payment requirement, the Department must investigate the complaint. A "wage payment requirement" includes the requirements to pay minimum wages, overtime compensation, final wages, and the requirement to withhold only lawful deductions from wages.

The Department must issue either a citation and notice of assessment (citation) or a determination of compliance no later than 60 days after receiving the complaint and within three years after the date when the wages were due. The Department may order the employer to pay employees all wages owed, including interest. If the violation is willful, the Department may also order the employer to pay a civil penalty.

Civil penalties for willful violations of wage payment requirements must be the greater of $500 or 10 percent of unpaid wages, but not more than $20,000.

The Department must waive civil penalties if the employer pays the wages owed, including interest, within 10 business days of receiving the citation. The Department may waive civil penalties at any time if the employer pays the wages owed.

An employee who has filed a wage complaint may elect to terminate the Department's administrative action and preserve a private right of action by providing written notice to the Department within 10 business days of the issuance of a citation. If the employee elects to terminate the Department's administrative action, the Department must discontinue its action against the employer and vacate a citation already issued.

There are also procedures for collection of unpaid wages and civil penalties.

The Department has authority to take assignments of wage claims. After taking assignments of any wage claim, the Department may require the employer to give a bond. The Department may require the bond in situations where an employer is representing to employees that he or she is able to pay wages and that the employees are not being paid. If after 10 days the employer does not obtain the bond, the Department may commence a suit to compel the employer to obtain the bond or cease doing business.

Summary: The Department is not required to waive civil penalties for repeat willful violators of the wage payment laws. A "repeat willful violator" is defined as an employer that has been the subject of a final and binding citation and notice of assessment for a willful violation of a wage payment requirement within three years of the date of issue of the most recent citation and notice of assessment for a willful violation of a wage payment requirement.

The minimum civil penalty for willful violations is raised to $1,000 from $500 and a new civil penalty is established.

The Department must assess a civil penalty against any repeat willful violator in an amount of not less than $1,000, or 10 percent of the total amount of unpaid wages, whichever is greater. The maximum civil penalty for a

repeat violator is $20,000. The Department may, however, waive or reduce a civil penalty if the employer pays all wages and interest owed to the employee.

The Department may extend the 60-day time period for investigating the complaint by providing advance written notice setting forth good cause for an extension and specifying the duration of the extension.

The wages and interest owed must be calculated from the first date wages were owed, except that the Department may not order the employer to pay any wages and interest that were owed more than three years before the date the complaint was filed.

The statute of limitations for civil actions is tolled during the investigation of a wage complaint. The investigation begins on the date the employee files the wage complaint and ends when:

- the wage complaint is finally determined through a final and binding notice of assessment or determination of compliance; or
- the Department notifies the employer and the employee that the wage complaint has been otherwise resolved or the employee has elected to terminate the action.

A successor to an employer's business becomes liable for any outstanding citation or penalty against the employer's business, if the successor has:

- actual knowledge of the outstanding citation and notice of assessment; or
- a prompt, reasonable, and effective means of verifying an outstanding citation from the Department.

A "successor" means any person to whom an employer quitting, selling out, exchanging, or disposing of a business sells or otherwise conveys in bulk and not in the ordinary course of the employer's business, more than 50 percent of the property, whether real or personal, tangible or intangible, of the employer's business.

The bonding authority of the Department is expanded so an employer may be required to obtain a bond after the Department receives a wage complaint against the employer.

Votes on Final Passage:

House	96	0
Senate	44	2

Effective: June 10, 2010

ESHB 3178

PARTIAL VETO

C 282 L 10

Creating efficiencies in the use of technology in state government.

By House Committee on Ways & Means (originally sponsored by Representatives Carlyle, Anderson, Hunter, Rolfes, Eddy, Takko, Probst, Wallace, Maxwell, Van De Wege, Kelley, Green, Sullivan, Hudgins, Hope, Morrell, Springer, Ericks, Hunt, Goodman, Jacks and Finn).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Information Technology Work Group. The state has undertaken a variety of efforts in recent years to examine opportunities to improve the administration and coordination of state information technologies (IT). In 2007, the state omnibus appropriations act created the Information Technology Work Group (Work Group), which is composed of legislative members, state agency directors, chief information officers, and members of the business community. In November of 2007, the Work Group made a number of recommendations regarding IT project approval and oversight, purchasing practices, and the shared use of the Department of Information Services (DIS) infrastructure. The Work Group also recommended that a consultant be hired to conduct an evaluation of IT in support of the continued efforts of the Work Group. In September of 2008, the House of Representatives signed a contract with Pacific Technologies, Inc. (PTI) to conduct an evaluation of, and develop a strategy for, the governance and delivery of state IT services.

Recent IT Reports. In 2009 the Legislature received three reports related to the provision of IT in state government. While the scope and objectives of the reports vary, all three reports provide high-level recommendations regarding how the state could increase efficiency in the provision of IT.

Pacific Technologies, Inc. Report. The PTI report was completed in June of 2009 at the request of the Legislature and the Work Group. In its final report, the PTI made a number of recommendations regarding IT governance and service delivery, including recommendations to:

- refocus the Information Services Board (ISB) on setting and guiding IT direction for the state;
- establish a Project Review Board for level 3 projects;
- centralize desktop and infrastructure support functions to achieve economies of scale, while leaving application support in state agencies; and
- optimize and reduce IT infrastructure in alignment with enterprise architecture best practices.

Unisys Report. The Unisys report was commissioned in 2009 as part of the authorization from the Legislature to the DIS to construct a new state data center and office building. Specifically, Unisys was directed to outline how the state could consolidate independent state agency data centers to achieve cost savings to offset higher facility costs.

In its report, Unisys recommended that efforts be made to standardize IT in state government. According to Unisys, standardization would allow the state to achieve greater economies of scale, reduce costs, and provide for a more efficient transition to the new state data center. Such

standardization efforts could include: discontinuing individual agency server purchases; developing virtualization standards; consolidating servers; and establishing data storage requirements.

State Auditor's Report. In January of 2010, the State Auditor issued an "Opportunities for Washington" report, which identified a number of areas with respect to IT where the state could improve service and reduce costs. The State Auditor's report identified several opportunities for improving service and cutting costs: (1) reduce the number of state agency data centers; (2) consolidate International Business Machines (IBM) mainframes under one shared service provider; (3) standardize and centralize IT support; (4) consolidate servers within the DIS and better use technology to reduce the number of servers needed; (5) use network resources more efficiently by eliminating duplication and using resources provided by the DIS; (6) include e-mail administration as part of centralized e-mail service; and (7) provide competitively priced shared data storage at the DIS. However, the State Auditor acknowledged that changes should be made to how the DIS operates before further consolidation or sharing of IT infrastructure services occurs.

Department of Information Services. The DIS was formed in 1987 as a result of consolidating the state's four independent data processing and communications systems. The Director of the DIS is responsible for overseeing the functions of the DIS, as well as maintaining a strategic planning and policy component for the state by serving as the state Chief Information Officer (CIO).

The DIS provides IT services, upon request, to state agencies, local governments, and public benefit non-profit entities in the state on a cost-recovery basis. The DIS also performs work delegated to it by the ISB, including the review of agency portfolios, the review of agency investment plans and requests, and implementation of statewide and interagency policies, standards, and guidelines.

Information Services Board. The ISB was also formed in 1987. The ISB is given a broad range of duties under statute, including policy development, strategic IT planning, oversight of executive branch agencies' IT projects, and delegation of authority to the DIS and the agencies. One of the ISB's primary functions is reviewing and providing oversight and spending authorization for larger, higher risk IT projects administered by executive branch agencies.

Wireless Service. Many state agencies provide portable handheld wireless devices to their employees. Agencies may purchase wireless service plans or devices through an IT Master Contract offered through the DIS, but generally may also purchase wireless service or devices from other sources.

Data Storage and Data Centers. The state has both centralized data center capacity, as well as independent data processing capabilities, in numerous agency data centers. The capabilities of these in-house data centers range from servers placed in office space to full-fledged facilities with dedicated cooling, power, and staff.

State agencies have varied data storage requirements, equipment, resources, and multiple variations in implementation of data retention policies. The Unisys report found that, among the 21 agencies surveyed, there were over 195 different storage devices within the agencies' data centers.

Summary: Information Technology Savings. The Office of Financial Management (OFM), with the assistance of the DIS, must identify areas of potential savings that will achieve the savings identified in the omnibus appropriations act. These areas of potential savings must include wireless service, telephony, desktop computers, e-mail services, and data storage.

The OFM must work with state agencies, including the DIS, to generate savings equal to the amount specified in the omnibus appropriations act. To accomplish this objective, state agencies must provide total cost of ownership data to the OFM upon request regarding IT products and services.

The OFM must reduce agency allotments by the amounts specified in the omnibus appropriations act to reflect these savings. The allotment reductions must be placed in unallotted status and remain unexpended.

Higher education institutions, the State Board for Community and Technical Colleges, the Higher Education Coordinating Board, offices headed by a statewide elected official, the legislative branch, and the judicial branch are exempted from the provisions pertaining to achieving IT savings.

Pilot Projects. The OFM, in consultation with the DIS and the ISB, must develop and execute a pilot program to contract with one or more private providers for the delivery, support, maintenance and operation of IT through application managed services or other similar programs. This pilot must operate across one or more functional areas, or for the IT needs of one or more state agencies. In selecting a private provider for the pilot program, the OFM must engage in a competitive bid or request for proposals process.

The objective of the pilot program will be to assess: (1) the agency's IT application portfolio; (2) opportunities to use best practices and tools; and (3) whether the agency should proceed with application managed services or other similar programs based on the results of the assessment.

The DIS and the OFM must report on the assessment findings by September 1, 2010, and make a final report of the pilot results by June 30, 2011.

Information Technology Inventory. The DIS must conduct a detailed inventory from existing data sets of all IT assets owned or leased by state agencies. This inventory must be used to inform the development of a state IT asset management process. Prior to implementation of any

state IT asset management process, the DIS must submit its recommended approach to the ISB for approval.

Wireless Phone Service. State agencies must purchase cellular or mobile phone service from the state Master Contract, unless the state agency provides to the OFM evidence that the agency is securing wireless devices or services from another source for a lower cost than through participation in the state Master Contract. Institutions of higher education, the State Board for Community and Technical Colleges, the Higher Education Coordinating Board, offices headed by a statewide elected official, the legislative branch, and the judicial branch are exempt from this requirement.

Information Technology Reporting. Additional requirements are added to the State Budget and Accounting Act related to IT reporting. The OFM must collect from agencies information to produce reports, summaries and budget detail of all current and proposed expenditures for IT by state agencies. In addition, the OFM must collect information for all existing IT projects as defined by ISB policy. The OFM must work with the DIS to maximize the ability to draw this information from the IT portfolio management data collected by the DIS.

The biennial budget documentation submitted by the OFM must include an IT plan identifying proposed IT projects and their current and projected costs according to a method similar to the capital budget process. This plan must be submitted electronically, in a format agreed upon by the OFM and the Legislative Evaluation and Accountability Program (LEAP) Committee.

The OFM also must institute a method of accounting for IT-related expenditures, including creating common definitions for what constitutes an IT investment.

The Administrative Office of the Courts and the Legislative Service Center must develop and submit an IT portfolio to the Legislature, the DIS, and the OFM.

The DIS, in coordination with the ISB and the OFM, must evaluate agency budget requests and submit funding recommendations to the Legislature. The DIS must also submit recommendations regarding consolidation of similar proposals or other efficiencies it may find in reviewing proposals.

The DIS must also include additional items in its report to the Legislature on major IT projects. This report must include original and final budgets, original and final schedules, and data regarding progress made toward meeting the performance measures included in the original proposal. The first report is due December 15, 2011, and every two years thereafter.

Enterprise Strategy for IT. The ISB must develop an enterprise-based strategy for IT in state government. In developing an enterprise-based strategy, the ISB is encouraged to consider several strategies as possible opportunities for achieving greater efficiency, including personal computer replacement policies, shared services initiatives, pilot programs, data storage, and partnerships with private providers. The legislative and judicial branches are encouraged to coordinate with, and participate in, shared services initiatives, pilot programs, and development of the enterprise-based strategy.

Information Services Board Oversight. The ISB must develop contracting standards for IT acquisition and purchased services and work with state agencies to ensure deployment of standardized contracts. The ISB, in consultation with the OFM, must review state agency IT budgets. Any IT projects under the ISB's purview must be reviewed based on independent technical and financial information, regardless of whether the project or service is being provided by public or private providers. This review must be conducted by independent, technical staff support, if funds are appropriated. The ISB also may acquire project management assistance.

Review of Plan to Consolidate State Data Centers. The OFM must contract with an independent consultant to: (1) conduct a technical and financial analysis of the state's plan to consolidate state data centers and office space; and (2) develop a strategic business plan outlining options for use of the site that maximize its value consistent with the terms of the finance lease and related agreements. The strategic plan must be submitted to the Governor and the Legislature by December 1, 2010.

Review of IT Governance. By December 1, 2010, the DIS and OFM must review: (1) best practices in IT governance, including private sector practices and lessons learned from other states; (2) existing statutes regarding IT governance, standards, and financing to identify inconsistencies between current law and best practices; and (3) what financial data is needed to evaluate IT spending from an enterprise view.

Legislative Intent. An existing intent section is repealed and replaced by a new intent section.

Votes on Final Passage:

House	97	1	
Senate	47	0	(Senate amended)
House	94	3	(House concurred)

Effective: June 10, 2010

Partial Veto Summary: The Governor vetoed sections 5, 13, 14, and 15 of the act. Section 5 requires the Information Services Board to develop standardized contracts and review state agencies information technology (IT) budgets. Section 13 requires the Office of Financial Management (OFM) to develop and executive a pilot program to contract with private providers for the delivery, support, maintenance, and operation of IT projects. Section 14 requires the Department of Information Services to report on its efforts to develop a centralized project management office. Section 15 requires the OFM to contract with an independent consultant to conduct a financial and technical analysis of the state's plan for the consolidated state data center and office building.

VETO MESSAGE ON ESHB 3178

April 1, 2010

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 5, 13, 14 and 15, Engrossed Substitute House Bill 3178 entitled:

"AN ACT Relating to creating efficiencies in the use of technology in state government."

Section 5 requires the Information Services Board to develop standardized contracts and to review state agency information technology budgets. I am vetoing Section 5 because the Department of Information Services already has the authority to standardize its contracts and has already implemented many standardized contracts. In developing a statewide enterprise-based information technology strategy, the Office of Financial Management and Department of Information Services can determine if additional contract standardization is required. In addition, it is premature to vest additional authority and staff in the Information Services Board prior to the information technology governance review called for in Section 16 of this bill. Finally, no funding was provided to implement these subsections.

Section 13 requires the Office of Financial Management to develop and execute a pilot program to contract with private providers for the delivery, support, maintenance, and operation of information technology projects and report on the findings. I am vetoing this section because funding has not been provided for this purpose in the omnibus appropriations act and the Office of Financial Management cannot absorb the cost.

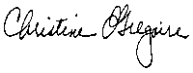
Section 14 requires the Department of Information Services to report on the efforts to develop a centralized project management office by November 1, 2010. I am vetoing this section because it codifies a requirement for the Department to produce a one-time report on the status of the establishment of a Centralized Information Technology Project Management Office that was funded as part of the 2007 Supplemental Budget. The Department has already completed the report and will submit it to the Legislature.

Section 15 requires the Office of Financial Management to contract with an independent consultant to conduct a technical and financial analysis of the state's plan for the Consolidated State Data Center and Office Building and to develop a business plan outlining the various options for use of the site. I am vetoing this section because funding was not provided for this purpose in the omnibus appropriations act and the Office of Financial Management cannot absorb the cost.

For these reasons, I have vetoed Sections 5, 13, 14 and 15 of Engrossed Substitute House Bill 3178.

With the exception of Sections 5, 13, 14 and 15, Engrossed Substitute House Bill 3178 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

ESHB 3179

C 127 L 10

Concerning local excise tax provisions for counties and cities.

By House Committee on Finance (originally sponsored by Representatives Springer and Ericks).

House Committee on Finance
Senate Committee on Government Operations & Elections
Senate Committee on Ways & Means

Background: A county public safety sales and use tax was authorized in 2003. Subject to voter approval, counties may impose a tax of up to 0.3 percent. At least one-third of the tax receipts must be devoted to criminal justice purposes, fire protection purposes, or both. A levying county retains 60 percent of the receipts and the remaining 40 percent is distributed to cities within the county on a per capita basis. The use of tax receipts must be stated in the ballot proposition that goes before the voters. Until calendar 2010, tax receipts could not supplant (replace) existing funds being used for the purpose of the sales and use tax as provided in the ballot proposition. In 2009 this non-supplant restriction was amended, allowing counties to partially supplant existing funds until January 1, 2015. The sales and use tax has been implemented in five counties: Kittitas, Walla Walla, Spokane, Whatcom, and Yakima.

A county mental health/chemical dependency sales and use tax of 0.1 percent was authorized in 2005. The proceeds of the tax must be devoted to county mental health treatment, chemical dependency, and therapeutic court programs and services. Until calendar 2010, tax receipts could not supplant (replace) existing funds being used for these programs and services. In 2009 this non-supplant restriction was amended, allowing counties to partially supplant existing funds until January 1, 2015. The sales and use tax has been imposed in 13 counties: Clallam, Clark, Island, Jefferson, King, Okanogan, San Juan, Skagit, Snohomish, Spokane, Thurston, Wahkiakum, and Whatcom.

Counties may impose a local sales and use tax of 0.1 percent for criminal justice programs. This tax may be levied only by counties; however, the receipts are shared with cities: 10 percent goes to the county and the remaining 90 percent is apportioned to the county and all cities within the county on the basis of population. The initial imposition of the tax is subject to potential referendum by the voters. There are 32 counties levying the tax.

Washington imposes a separate and distinct use tax on the use of natural gas or manufactured gas. This tax is referred to as the brokered natural gas (BNG) use tax. Cities may impose a local version of the BNG use tax. The purpose of BNG use taxes is to eliminate differential tax treatment for natural gas purchased from gas companies, which is subject to state and local utility taxes, and gas purchased directly from producers by large, commercial users, which is not subject to utility taxes. The BNG use tax rates are identical to state and local utility tax rates. On May 20, 2008, Division II of the Washington Court of Appeals rendered a decision addressing the location where natural gas is first used for the purposes of imposing BNG use taxes. The appellant in the case, G-P Gypsum Corporation (Gypsum), consumed natural gas during the process of manufacturing wallboard in Tacoma. Gypsum purchased the

natural gas near both Sumas and Sumner. The City of Tacoma imposed a local BNG use tax. The city argued that while Gypsum took control of the gas at a location outside the city, Gypsum first "used" the gas inside the city. The court held that, for purposes of the local use tax on BNG, the place of first use is where the taxpayer initially exercises dominion and control over the gas and not the location where it is burned or stored by the taxpayer.

Counties, cities, and towns are authorized to impose a tax on gambling activities. Tax rates vary depending upon the type of activity. State law requires any jurisdiction imposing a gambling tax to use the revenue primarily for local gambling enforcement programs.

Summary: Cities may seek voter approval to impose the public safety sales and use tax at a rate not to exceed 0.1 percent. If a county imposes the public safety sales and use tax prior to a city within the county, the city tax rate may not exceed an amount that would cause the total tax rate for the county and city to exceed 0.3 percent. If a city imposes the tax prior to the county in which the city is located, the county must provide a credit against its tax for the city tax. Fifteen percent of the tax proceeds received by a city imposing the public safety sales and use tax must be distributed to the county.

The non-supplant restrictions for the public safety sales and use tax are completely eliminated.

Beginning January 1, 2011, a city with a population in excess of 30,000 and located in a county with a population over 800,000 is authorized to imposed the mental health/ chemical dependency sales and use tax if the county has not imposed the tax. Once a city has imposed the tax, the county is required to provide a credit against its tax for any city tax.

The non-supplant restrictions for the criminal justice sales and use tax are completely eliminated.

The brokered natural gas use tax is imposed at the location where the gas is burned by the taxpayer or stored in a facility of the taxpayer for later consumption.

The permitted uses of local gambling taxes are expanded to include any public safety purpose.

Votes on Final Passage:

House	51	47	
Senate	28	18	(Senate amended)
House	58	39	(House concurred)

Effective: June 10, 2010

HB 3197

C 31 L 10 E1

Transferring funds from the budget stabilization account to the general fund.

By Representatives Sullivan, Linville, Seaquist, Ericks and Haigh.

House Committee on Ways & Means

Background: The Budget Stabilization Account (BSA), also known as the "rainy day fund," was created by a constitutional amendment approved by the voters in 2007. The State Treasurer (Treasurer) must transfer 1 percent of general state revenues into the BSA annually. (General state revenues basically are revenues to the State General Fund other than state property tax revenues, which are dedicated to schools.) Transfers into the BSA during the 2009-11 biennium are projected to total $252.2 million.

Appropriations from the BSA require a three-fifths vote of each house of the Legislature unless: (1) the employment growth forecast made by the Economic and Revenue Forecast Council for that fiscal year is less than 1 percent; or (2) the Governor declares a state of emergency resulting from a catastrophic event that requires government action to protect life or safety. In those cases, the Legislature may appropriate from the BSA with a constitutional majority vote of each house.

Employment growth for Fiscal Year 2009 was -1.8 percent, and -3.4 percent for 2010, and is projected to be 1.7 percent for 2011.

Summary: The State Treasurer is directed to transfer $229 million from the Budget Stabilization Account into the State General Fund for Fiscal Year 2011. The intent of the transfer is to minimize reductions to public school programs in the 2010 supplemental Omnibus Operating Appropriations Act.

Votes on Final Passage:

First Special Session

House	69	28
Senate	30	14

Effective: July 13, 2010

SHB 3201

C 17 L 10 E1

Fees for infant screening.

By House Committee on Ways & Means (originally sponsored by Representatives Pettigrew, Linville, Sullivan and Ericks).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Newborn infants born in Washington are screened for several heritable genetic disorders before they are discharged from a hospital. In 2007, screenings were performed for approximately 85,000 newborns. The Department of Health (DOH) assesses a one-time charge for the screening, which is added to billings for maternity services. The fee is $60.90 per infant. This newborn screening fee does not cover follow-up treatment services for children who screen positive. The DOH is authorized to collect an additional fee to fund specialty clinics that provide treatment services for hemoglobin diseases,

phenylketonuria, congenital adrenal hyperplasia, and congenital hypothyroidism. Except during the 2005-07 biennium when the Legislature authorized the temporary increase of the fee to $6.60 to fund the cost of treatment for five additional disorders that had been added to the newborn screening panel, the fee has been set at $3.50. Since 2007, the additional cost has been covered through State General Fund resources.

Summary: The fee to support specialty clinics that provide services for infants with congenital disorders is increased from $3.50 to $8.40. The purposes for which the fee may be used are extended to the support of organizations conducting community outreach, education, and adult support related to sickle cell disease.

Votes on Final Passage:

House	55	42	
First Special Session			
House	55	39	
Senate	26	17	(Senate amended)
House			(House refuses to concur)
Senate			(Senate refused to recede)
House	53	37	(House concurred)

Effective: July 13, 2010

ESHB 3209

PARTIAL VETO

C 283 L 10

Managing costs of the ferry system.

By House Committee on Transportation (originally sponsored by Representatives Clibborn, Rolfes, Seaquist and Morris).

House Committee on Transportation

Background: The Washington State Department of Transportation (WSDOT) Ferries Division operates and maintains ferry vessels and terminals, constructs terminals, and acquires vessels. The system serves eight Washington counties and one Canadian province through 22 vessels and 20 terminals.

The 2009-11 Transportation Budget appropriates $400.6 million for the operating expenses and $98.4 million for the capital expenses of the Ferries Division.

The Washington State Ferry (WSF) system is part of the state highway system. State highways may be constructed, altered, repaired, or improved by state work forces or by contractors. The work may be done by state work forces when:

- estimated costs are less than $60,000; or
- estimated costs are less than $100,000 and delay of the project would jeopardize a state highway or constitute a danger to the traveling public.

The WSF has a maintenance facility located at Eagle Harbor on Bainbridge Island. The WSDOT employees at the site perform maintenance and preservation work on ferry vessels and terminals within the contracting limits in state law.

Representatives of ferry employees at the WSDOT, who are members of a collective bargaining unit represented by a ferry employee organization, bargain with the state over wages, hours, working conditions, insurance, and health care benefits. The first step in negotiations is to agree on impasse procedures. If the parties fail to agree on procedures, the statutory mediation and interest arbitration procedures apply.

Under the statutory interest arbitration process, the arbitrator is limited to deciding between the final offers of the parties on each impasse item, unless the parties have agreed to allow the arbitrator to issue a decision it deems just and appropriate. The statutory factors that the arbitrator must consider in making its decision include:

- past collective bargaining agreements;
- the constitutional and statutory authority of the state;
- the stipulations of the parties;
- the results of a salary survey;
- wage comparisons with other west coast operations doing comparable work, giving consideration to factors peculiar to the area and classifications involved;
- changes in circumstances during the proceedings;
- limitations on ferry toll increases or operating subsidies as the Legislature may impose; and
- other factors that are normally or traditionally taken into consideration.

The interest arbitration award is not binding on the Legislature and, if the Legislature does not approve the funding, is not binding on the state or ferry employee organization.

Before the Governor submits a funding request to the Legislature, the request must be submitted to the Director of the Office of Financial Management (OFM) by October 1 prior to the legislative session in which it will be considered, and the Director of the OFM must certify the request as feasible financially for the state.

Most state employees covered by collective bargaining bargain over health care issues through a super coalition of all the exclusive bargaining representatives of the employees.

Summary: Legislative Findings and Intent. The Legislature makes several findings and declares intent. The Legislature finds that the WSF system is a critical component of the state's highway system and that ferry system revenues are inadequate to support the capital and operating requirements of the ferry system. As such, and drawing on more than four consecutive years of legislative analysis and operating policy reforms, the Legislature finds that a realignment of the ferry compensation policy framework is an appropriate next step toward the Legislature's long-term goal of assuring sustainable, cost-effective ferry service. Furthermore, the Legislature intends to

implement the recommendations from the Joint Transportation Committee ferry study as soon as practicable and establishes legislative intent to make various additional policy changes aimed at further efficiencies and cost savings.

Management Review. The OFM is required to conduct an expert panel review of Washington State Ferries (WSF) management, and WSF is required to provide travel policy data to the Legislature.

Work on Ferry Vessels or Terminals. For the remainder of the 2009-11 biennium, state work forces may construct, alter, repair, or improve the WSDOT ferry vessels and terminals if the estimated cost of the work is less than $120,000. An independent analysis to identify methods of reducing out-of-service times for vessel maintenance, preservation and improvement projects is required. The WSF is also required to analyze contracting out versus maintaining in-house work to determine which results in lower out-of-service vessel time. The DOT is required to develop a proposed vessel maintenance, preservation, and improvement program and present it to the House and Senate transportation committees by December 1, 2010.

Collective Bargaining. The limitation that an arbitrator may only select from the final offers submitted by the parties at bargaining impasses is eliminated. Instead, unless otherwise agreed to by the employee organization and the state in their impasse procedures, an arbitrator is required to issue a decision it deems just and appropriate with respect to each impasse item. Before the Governor may submit them to the Legislature, the OFM is required to certify arbitration awards as being feasible financially for the state. Retirement systems or retirement benefits of any kind are not subject to collective bargaining. Marine employees are included in the health care super coalition for bargaining purposes, and health care benefits are not subject to interest arbitration. When a contract expires before a new one is negotiated, the existing contract is effective for up to one year.

The statutory factors that the arbitrator must consider in making its decision are modified. As an additional factor, an arbitrator must take into consideration the financial ability of the WSDOT to pay for the compensation and fringe benefit provisions of a collective bargaining agreement. The arbitrator must also consider the ability of the state to retain ferry employees; the overall compensation for WSF employees, and a salary survey prepared by the OFM.

The OFM is required to use a nationally recognized firm in the field of HR management and consulting to prepare the salary survey, and the Marine Employees Commission is no longer required to conduct the salary survey.

The WSF may not give free ferry rides to current or former employees and their families, except for current employees if needed for job duties or commuting directly between work and home.

Other Requirements. Signs informing the public that assaults on Washington state employees will be prosecuted to the full extent of the law must be prominently displayed at each terminal and on each vessel. The DOT is required to investigate frequency, severity, and prosecutorial results of assaults and report incidents and make recommendations to House and Senate transportation committees during the 2011 session.

The appropriation for the WSF insurance policy is reduced by $670,000, an error to the fuel proviso is corrected, and the date of the Life Cycle Cost Model report is changed from March 15, 2010, to December 1, 2010.

An appropriation of $7.3 million is made from the Puget Sound Ferries Operating Account for the purpose of travel time associated with ferries employees, and the appropriation is contingent upon the WSDOT's provision of travel pay data to the Governor and the Legislature.

Votes on Final Passage:

House	90	8	
Senate	39	9	(Senate amended)
House	81	16	(House concurred)

Effective: April 1, 2010

Partial Veto Summary: The elimination of free ferry passes for current employees, retirees, and their family members contained in section 17 was vetoed. Additionally, section 18 which included a reduction in the funding for ferries insurance was also vetoed.

VETO MESSAGE ON ESHB 3209

April 1, 2010

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 17 and 18, Engrossed Substitute House Bill 3209 entitled:

"AN ACT Relating to managing costs of the ferry system."

Section 17 eliminates ferry passes for current employees, retirees, and their family members at the end of the current collective bargaining agreements. The issuance of ferry passes is a subject of collective bargaining and should be dealt with as part of the overall compensation package at the bargaining table, not singled out in legislation for elimination. Legislating matters subject to bargaining may restrict the state's ability to address other more important cost savings measures through the collective bargaining process. I am directing my Labor Relations Office to focus in this bargaining cycle on the best approaches to reduce long-term labor costs, including ferry passes and all aspects of the compensation package.

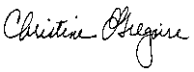
Section 18 reduces the Ferries Division insurance policy appropriation by $670,000, based on a legislative study that concluded that the Department could save money by eliminating some marine insurance coverage. I share the Legislature's interest in saving money over the long term and being responsible stewards of taxpayer dollars by protecting our state-owned assets. While I am vetoing this subsection, I direct the Office of Financial Management to work with the Legislature over the interim to review the Department's marine insurance coverage carefully and to assess whether cost reductions can be made while still adequately protecting taxpayer dollars.

For these reasons, I have vetoed Sections 17 and 18 of Engrossed Substitute House Bill 3209.

With the exception of Sections 17 and 18, Engrossed Substitute

House Bill 3209 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

HB 3219

PARTIAL VETO
C 26 L 10 E1

Making technical corrections to the Revised Code of Washington.

By Representatives Goodman, Rodne, Pedersen, Hudgins, Chase and Upthegrove.

Background: Inaccuracies in the Revised Code of Washington (RCW) may occur in a variety of ways. Sections may be repealed, re-codified, or amended in a way that changes their internal numbering. Other drafting and typographical errors may be made in the drafting process.

In one legislative session, two or more bills may amend the same section of the RCW without reference to each other. These are called "double" or "multiple" amendments. Usually there are no substantive conflicts between double amendments, and the amendments may be re-enacted and merged together.

Under the Washington State Constitution, bills enacted during a legislative session will take effect 90 days after the adjournment of that session, except for those laws that are necessary for the immediate preservation of public peace, health, or safety, or support of state government (usually designated as bills with an emergency clause). It is not clear whether a bill that passed during the 2010 1st Special Session with an effective date prior to July 13, 2010, but without an emergency clause would take effect on the designated date.

Summary: Technical corrections are made to various provisions of the RCW. The bill makes the following changes:

- corrects inaccurate references to terms and statutes that have been amended, re-codified, or repealed;
- re-enacts certain sections of the RCW to merge double amendments;
- replaces references to "the Department of Transportation's six-year investment program" with "the Office of Financial Management's ten-year investment program;"
- corrects a drafting error related to the calculation for the minimum contribution rate for various retirement systems;
- replaces a reference to the "county assessor" with the "county auditor;"
- corrects a drafting error related to a reference to a delayed effective date clause in a 2010 Regular Legislative Session law that took effect immediately pursuant to an emergency clause;
- removes the reference that repeals the Pesticide Incident Reporting and Tracking Review Panel; and
- aligns effective dates to allow specified sections of a bill enacted in the 2010 1st Special Legislative Session to take effect June 30, 2010.

Votes on Final Passage:

First Special Session

House	94	0
Senate	42	0

Effective: July 13, 2010
June 30, 2010 (Sections 11-13)

Partial Veto Summary: The provision restoring the Pesticide Incident Reporting and Tracking (PIRT) Review Panel is vetoed. The PIRT Review Panel is eliminated as a statutory committee.

VETO MESSAGE ON HB 3219

April 23, 2010

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 11, House Bill 3219 entitled:

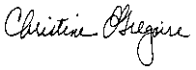
"AN ACT Relating technical corrections to the Revised Code of Washington."

This bill implements several changes recommended by the Statute Law Committee which were not enacted during the regular session. It also updates effective dates for the elimination of boards and commissions and for a campaign law provision.

Section 11 is not a technical change, but reinstates the Pesticide Incident Reporting and Tracking (PIRT) Review Panel which was eliminated in Engrossed Second Substitute House Bill 2617 which I signed on March 29, 2010. Section 11 requires the Department of Health to support the PIRT Review Panel activities, but the operating budget passed by the Legislature does not provide funding for such support. The Department of Health would have to decrease support for pesticide investigation and exposure response activities to fund this panel. In a time of difficult choices, I am vetoing this section so that the Department of Health can focus its limited funding on front line services instead of support to operate the PIRT Review Panel.

For these reasons, I have vetoed Section 11 of House Bill 3219. With the exception of Section 11, House Bill 3219 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SHJM 4004

Naming a certain portion of state route number 110 the "Operations Desert Shield and Desert Storm Memorial Highway."

By House Committee on Transportation (originally sponsored by Representatives Van De Wege, Kessler, Rodne, Liias, Takko, Hurst, Jacks, Hasegawa, Kelley, Eddy, Seaquist, McCoy, Appleton, Hudgins, Morrell, Hope, Sullivan and Nelson).

House Committee on Transportation
Senate Committee on Transportation

Background: The Washington State Transportation Commission (Transportation Commission) is responsible for naming state transportation facilities. An entity or person requesting that a facility be named or renamed must provide sufficient evidence indicating community support and acceptance of the proposal.

The Transportation Commission must consult with the Washington State Department of Transportation (WSDOT) before taking final action to name or rename a state transportation facility. After the Transportation Commission takes action to name or rename the facility, the WSDOT designs and installs the appropriate signs.

Summary: The Transportation Commission is asked to name State Route 110 by and through the Quileute Indian Reservation in the community of La Push the "Operations Desert Shield and Desert Storm Memorial Highway." Copies of the memorial are to be forwarded to the Secretary of Transportation, the Transportation Commission, and the WSDOT.

Votes on Final Passage:

House	96	0
House	96	0
Senate	44	1

ESHJR 4220

Amending the state Constitution so that the provision relating to bailable crimes by sufficient sureties is modified.

By House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Hope, Kelley, Green, Conway, Parker, Hurst, Campbell, Wallace, Orcutt, Simpson, Ericks, Ericksen, Van De Wege, Morrell, Takko, Appleton, Maxwell, Orwall, Pearson, Kirby, Sells, Kenney, Johnson, Dammeier, Roberts and McCune; by request of Governor Gregoire).

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Judiciary

Background: Pretrial release is the release of the accused from detention pending trial. The state Constitution guarantees the right to bail for a person charged with a noncapital crime, and this right has been interpreted as the right to a judicial determination of either release or reasonable bail. For capital offenses where the proof of the accused's guilt is evident or the presumption of the accused's guilt is great, there is no right to bail.

The courts favor pretrial release and bail in appropriate circumstances because the accused is presumed innocent and because the state is relieved of the burden of detention. According to the courts, the purpose of bail is to secure the accused's presence in court.

Court Rules Governing Bail. Courts have inherent power and the statutory authority to make rules regarding procedure and practice in the courtroom. Courts have ruled that setting bail and releasing individuals from custody is a traditional function of the courts. General criminal court rules, which are promulgated by the Washington Supreme Court, and local criminal court rules govern the release of an accused in superior court criminal proceedings. The criminal court rules provide the following framework for pretrial release.

In a noncapital case, there is a presumption that the accused should be released unless the court determines either: (1) release will not reasonably assure that the accused will appear; or (2) there is a likely danger that the accused will commit a violent crime or interfere with the administration of justice. Under these circumstances, the court may impose conditions of release. Whether the accused poses a danger to the community or is a flight risk is a factual determination within the judge's discretion.

In a capital case, the accused must not be released unless the court finds that releasing the accused with conditions will reasonably assure the accused's appearance, will not significantly interfere with the administration of justice, and will not pose a substantial danger to another or the community.

Federal Pretrial Detention. Under the federal Bail Reform Act (Act), a judge may issue an order indefinitely detaining the accused following a detention hearing in which the judge determines that no condition or combination of conditions will reasonably assure the accused's appearance and the safety of any other person and the community.

The detention hearing is held in cases involving: a serious risk that the accused will flee or attempt to obstruct justice; a crime of violence; a crime for which the maximum sentence is life imprisonment or death; a controlled substance offense the maximum sentence for which is 10 years or more; or a felony if the accused has been convicted of two or more specified serious offenses.

The Act provides procedures for the detention hearing, as well as a list of factors to be considered in the determination whether any condition of release will reasonably assure the accused's appearance and the safety of any other person and the community. The facts relied on by a judge to issue a pretrial detention order must be proven by clear and convincing evidence. The U.S. Supreme Court has held that the Act does not violate the right to due process under the Fifth Amendment because it

carefully limits the circumstances in which pretrial detention may be imposed

Sentencing. Aggravated Murder in the first degree is a capital offense. Offenses for which the maximum sentence is the possibility of life in prison include class A felonies, third strike offenses for persistent offenders, and second strike offenses for persistent sex offenders.

Summary: A judge may deny bail to a person charged with an offense punishable by life in prison. To deny bail, there must be a showing by clear and convincing evidence that the person has a propensity for violence that creates a substantial likelihood of danger to the community or any persons. The denial of bail under these circumstances is subject to limitations determined by the Legislature.

Votes on Final Passage:

House	80	17	
Senate	48	0	(Senate amended)
House	92	4	(House concurred)

ESB 5041

C 5 L 10

Encouraging state contracts with veteran-owned businesses.

By Senators Kilmer, Swecker, Hobbs, Shin, Kauffman, Franklin, Marr, Rockefeller, Haugen, Eide, Kastama and McAuliffe; by request of Joint Committee on Veterans' and Military Affairs.

Senate Committee on Government Operations & Elections

House Committee on State Government & Tribal Affairs

Background: State agencies must use a competitive bidding process when purchasing goods and services. Agencies must perform a public solicitation for bidders and award contracts to the lowest responsible bidder. Agencies are authorized, however, to use an alternative process for contracts worth less than $35,000. With few exceptions, agencies must solicit three bids from venders on a list of pre-approved venders maintained by the Department of General Administration. For these contracts, an agency may consider other factors besides price and is not required to award the contract to the lowest bidder.

The Office of Minority & Women's Business Enterprises (OMWBE), for example, assists small businesses in Washington owned by minorities, women, and the socially and economically disadvantaged. OMWBE's services include certifying minority and women-owned businesses, and collecting recorded information from state agencies. State agencies must report to OMWBE what percentage of their goods and services are purchased from minority and women-owned businesses.

In 2007 the Legislature enacted a bill requiring the Department of Veterans Affairs (DVA) to develop and maintain a list of veteran-owned businesses on the DVA website. The purpose of the bill is to mitigate economic impacts incurred by veteran-owned businesses as a result of military service. To qualify as a veteran-owned business, the business must be 51 percent owned and controlled by a veteran or an active or reserve member in any branch of the armed forces of the United States, including the National Guard, Coast Guard, and Armed Forces Reserves.

Summary: A statewide program is created to increase state procurement contracts with veteran-owned businesses. Agency duties to implement the program are as follows:

DVA. DVA must:

- certify veteran-owned businesses;
- maintain a list of certified veteran-owned businesses on its public website;
- collaborate with other state agencies in implementing outreach to veteran-owned businesses;
- collect information from state agencies tracking goods and services contracts awarded to veteran-owned businesses;
- consult agencies to determine what specific information they must report to the DVA; and
- report to the Legislature on the progress of the program by October 2012, and every two years thereafter.

Department of General Administration (GA). GA must identify DVA-certified veteran-owned businesses in its vendor registry for state agency purchasing.

All State Agencies. State agencies are encouraged to award 3 percent of all procurement contracts under $35,000 to veteran-owned businesses. In addition, state agencies must:

- perform outreach to veteran-owned businesses to increase opportunities for veterans to provide goods and services to the state; and
- work to match agency procurement records with the DVA's database of certified veteran-owned businesses to establish how many procurement contracts are being awarded to those businesses.

Votes on Final Passage:

Senate	48	0
House	94	0

Effective: June 10, 2010

SSB 5046
C 6 L 10

Placing symphony musicians under the jurisdiction of the public employment relations commission for purposes of collective bargaining.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles, Keiser, Kline and Franklin).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: The National Labor Relations Board (NLRB) is an independent federal agency that administers the National Labor Relations Act, the primary law governing relations between unions and employers in the private sector. The NLRB has two principal functions: to determine, through secret-ballot elections, whether employees wish to be represented by a union in dealing with their employers, and if so, by which union; and to prevent and remedy unfair labor practices by either employers or unions. The NLRB's jurisdiction is limited to enterprises that involve a substantial effect on interstate commerce. This is based on the yearly amount of business done by the enterprise, stated in terms of total dollar volume of business, and is different for different kinds of enterprises. For example, symphony orchestras are covered if they receive at least $1 million in gross annual revenues. Retail enterprises are covered if their annual volume of business is at least $500,000. Employers who provide social services are covered if they receive at least $250,000 in gross annual revenues.

The Public Employment Relations Commission (PERC) is an independent Washington State agency responsible for resolving disputes involving most public employers and employees, and the unions that represent those employees. When public employers and unions are unable to agree on a written contract establishing the wages, hours, and working conditions of bargaining unit employees, PERC provides mediation to help the parties reach an agreement. PERC's jurisdiction is determined by state law and includes the following groups: state civil service employees; state higher education classified (civil service) employees; community and technical college faculty; public utility district employees; home health care providers; adult family home providers; and certain higher education teaching and research assistants.

Summary: PERC's jurisdiction is extended to symphony musicians who work for a symphony orchestra with a gross annual revenue of more than $300,000 and that does not meet the NLRB's jurisdictional requirements. If an employer and a group of employees are in disagreement as to the selection of a bargaining representative, PERC may intervene. PERC may decide the unit appropriate for collective bargaining, and must determine the bargaining representative by comparing the signature on bargaining authorization cards or by conducting an election.

The exclusive bargaining representative must represent all employees of the unit, regardless of membership in the bargaining representative. If the employer and the exclusive bargaining representative fail to come to an agreement, matters in dispute may be submitted to PERC. A collective bargaining agreement may contain union security provisions, but closed shop provisions are not authorized. The right of nonassociation of employees based on bona fide religious tenets or teachings of a church or religious body of which the employee is a member must be safeguarded in the agreement. The collective bargaining agreement may also provide for binding arbitration.

PERC may appoint an arbitrator, upon request, to assist in the resolution of a labor dispute between the employer and the bargaining representative. The arbitrator must conduct the arbitration as provided in the collective bargaining agreement. PERC may not collect fees for services it provides. PERC must prevent unfair labor practices and issue appropriate remedial orders and may petition superior court for the enforcement of its orders and for temporary relief.

Votes on Final Passage:

Senate	30	17
House	60	36

Effective: June 10, 2010

SSB 5295
C 128 L 10

Implementing unanimous recommendations of the public records exemptions accountability committee.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Kline, Oemig, Rockefeller, Holmquist, King, Hatfield and Hobbs).

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: In 1972 Washington voters approved the Public Disclosure Act by initiative. At the time of approval, the Act contained ten exemptions from disclosure. As of 2006 there were approximately 300 exemptions.

In 2007 the Legislature created the Public Records Exemption Accountability Committee (Sunshine Committee) to review all disclosure exemptions and make recommendations to the Legislature.

In November of 2008 the Sunshine Committee submitted a report to the Legislature documenting 12 recommendations for modifications to disclosure exemptions. Of these, eight were unanimous and four were not.

Summary: The unanimous recommendations of the Sunshine Committee are adopted as follows:

1. Child Mortality Reviews. The Committee agreed with the goals to exempt certain documents from disclosure used for child mortality reviews but felt the exemptions were broader than necessary. The statute governing the confidentiality of child mortality reviews is modified. Health care information collected as part of a child mortality review is not subject to disclosure. Witness statements, documents collected from witnesses, or documents prepared solely for the mortality review are not subject to disclosure. Health departments may continue to disclose statistical compilations and reports that do not identify individual cases or sources.

   The exemption contained in the Public Records Act is modified and makes reference to the exemption as described in the statute on child mortality reviews. Further, if an agency provides copies of exempt documents to another agency, the documents remain exempt to the same extent as with the originating entity. The documents may be marked as exempt to provide notice to the receiving agency, but this marking is not determinative of the document's actual exemption from disclosure.
2. Agricultural Exemptions. Cross-references to other statutes contained in RCW 42.56.380 are rewritten to describe the subject matter of the referenced statute. A new section is added to RCW 42.56 stating that if a brief description in a cross-reference conflicts with the statute referenced, then the referenced statute controls.
3. Wellness Programs. All documents received pursuant to a wellness program are not subject to review, except statistical reports that do not identify an individual. This exemption was moved from RCW 41.04.364 to RCW 42.56.360, and RCW 41.04.364 was repealed.

   Statutes previously related to the State Wellness Program apply to all wellness programs run by state and local government entities.
4. Candidate Lists. Candidate lists for the directors of the Work Force Training and Conservation Board and the Recreation and Conservation Board are subject to public disclosure.
5. Transit Passes and Other Fare Payment Media. Personally identifying information of persons who acquire and use transit passes may not be disclosed to the media. Personally identifying information may be disclosed to the entity, such as the employer or educational institution that is responsible for the pass for the purpose of preventing fraud, and may also be released to law enforcement agencies if the request is accompanied by a court order. Information may be released in aggregate form.
6. Criminal History Records Checks. A cross-reference is added to RCW 42.56.250 referring to exemptions for criminal history records checks for finalist candidates for the State Investment Board in RCW 43.33A.025.
7. Maritime Employees. Salary and benefit information for maritime employees collected from private employers is not subject to review.
8. Investigations Related to Workplace Discrimination. The Committee recommends that exemptions providing confidentiality for those who seek advice from an agency on potential discrimination and for the confidentiality of a current discrimination investigation be retained but clarified. This exemption is clarified in that a current investigation means an active and ongoing investigation.

Votes on Final Passage:

Senate	42	0	
Senate	47	0	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010

ESB 5516
C 9 L 10

Addressing drug overdose prevention.

By Senators Franklin, Kline, Kohl-Welles, Regala, Fraser, Kauffman and Shin.

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: In 2003 the death rate from drug use was 9.9 deaths per 100,000 Washington residents. This rate has increased from 1992, when it was 5.6 deaths per 100,000 residents. Concern exists that some people who witness drug overdoses may be reluctant to summon assistance because they fear being charged with a drug offense.

Summary: A person will not be charged or prosecuted for possession of a controlled substance under the Uniform Controlled Substances Act if: (1) that person believes that he or she is witnessing a drug-related overdose and seeks medical assistance for that person in good faith; or (2) that person experiences a drug-related overdose and is in need of medical assistance. A person will also not be charged if the evidence for the charge of possession of a controlled substance under RCW 69.50.4013, or penalty under RCW 69.50.4014, was obtained as a result of that person seeking or receiving medical assistance. However, that person remains liable for charges of manufacturing or sale of a controlled substance. This protection does not apply to suppression of evidence in other criminal charges.

A person acting in good faith may receive, possess, and administer naloxone to an individual suffering from an apparent opiate-related overdose. Health practitioners or persons who administer, dispense, prescribe, purchase, acquire, possess, or use naloxone in a good faith effort to assist a person experiencing or likely to experience an opiate-related overdose will not be in violation of professional conduct standards or provisions.

A court may impose an exceptional sentence below the standard range if it finds that mitigating circumstances are established by a preponderance of the evidence, including but not limited to, a defendant's good faith effort to obtain or provide medical assistance for someone experiencing a drug-related overdose.

Votes on Final Passage:

Senate	47	1
House	57	39

Effective: June 10, 2010

ESSB 5529

C 129 L 10

Regarding architects.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Jarrett and King).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor
House Committee on General Government Appropriations

Background: A person practicing architecture must be registered. In order to qualify for registration, an applicant must meet the registration requirements and pass an examination that is adopted by the State Board of Registration for Architects (Board). Applicants who fail to pass any section of the examination may retake those sections. If the entire examination is not passed within a five-year period, the applicant must retake the entire exam. To become a registered architect, an applicant must be at least 18 years old, of good moral character, and possess a degree in architecture, three years' work experience, and completion of a structured intern program approved by the Board; or eight years experience, which may include designing buildings as a principal activity, and completion of a structured intern training program approved by the Board.

An architect or architects may form as a business corporation or a professional corporation. Corporations must file with the Board to receive a certificate of authorization. The applicant must submit information relating to the qualifications of the architects, notices of incorporation, bylaws, and the names of the registered architects responsible for the firm.

Applicants must obtain a seal of the design authorized by the Board bearing the architect's name, registration number, the legend "Registered Architect" and the name of the state. Drawings prepared by the registrant must be sealed and signed by the registrant when filed with public authorities. It is unlawful to seal and sign a document after a registrant's certificate of registration or authorization has expired or been revoked or suspended.

Summary: An architect or architectural firm that is registered in another jurisdiction recognized by the Board may offer to practice in Washington if it is clearly and prominently stated in the offer that they are not registered to practice in Washington and they register to practice in the state before practicing architecture or signing a contract to provide architectural services. A person with an accredited architectural degree may use the title "intern architect" when enrolled in an intern program recognized by the Board and working under the supervision of an architect. The name of the Board is changed to the State Board for Architects.

The method for qualifying with work experience is modified. Applicants holding a high school diploma or equivalent and nine years practical architectural work experience qualify for registration if they complete a structured intern training program under the direct supervision of an architect. Before applying for a structured intern training program, the applicant must have six years of work experience, of which three years must be under the direct supervision of an architect. Four years of work experience may be received for postsecondary education courses, including community or technical college courses, that are equivalent to education courses in an accredited architectural degree program.

An applicant who fails to pass a section of the examination is permitted to retake the parts failed. If the applicant does not pass the entire examination within five years, any sections passed in the five years prior must be retaken. If all parts of the test are not passed within five years, the applicant is given a new five-year period that starts from the date of the second oldest passed section. All sections must be passed within a five-year period.

Several clarifications and technical changes are made to the seal and sign provisions. Technical submissions prepared by an architect and filed with public authorities must be sealed and signed. An architect may seal and sign technical submissions that are prepared by the architect or the architect's regularly employed subordinates, or prepared in part by an individual or firm under a direct subcontract with the architects. An architect may seal and sign technical submissions based on prototypical documents provided that the architect obtains written permission from the architect who prepared or sealed the prototypical documents, and from the legal owner to adapt the prototypical documents; and the architect thoroughly analyzes the prototypical documents and adds all required elements and design information. The architect sealing

and signing technical submissions retains full responsibility.

A continuing education requirement is added. To renew a registration, an architect must demonstrate professional development since the last renewal or initial registration. The Board must develop rules, procedures, and exemptions for acceptable professional development activities.

Any business offering architecture services in Washington must register with the Board. A business must file a list of individuals registered as responsible for the practice of architecture by the business entity in the state and information about its organization and activities as the Board establishes by rule. Any business entity practicing or offering to practice architecture is jointly and severally responsible to the same degree as an individual registered architect.

An additional exemption is added for persons doing design work, preparing construction contract documents, and administering a contract for the enlargement, repair, or alteration of up to 4,000 square feet in a building that is larger than 4,000 square feet.

Votes on Final Passage:

Senate	42	2	
Senate	39	8	
House	98	0	(House amended)
Senate	42	5	(Senate concurred)

Effective: June 10, 2010
July 1, 2011 (Sections 7 - 10)
July 1, 2012 (Section 5)

ESSB 5543

C 130 L 10

Reducing the release of mercury into the environment.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Pridemore, Oemig, Rockefeller, Fairley, Murray, Kline, Keiser, Shin, Regala, Franklin, McAuliffe, Fraser, Ranker and Kohl-Welles).

Senate Committee on Environment, Water & Energy
Senate Committee on Ways & Means
House Committee on Environmental Health
House Committee on General Government Appropriations

Background: Mercury is a persistent, bioaccumulative toxin that can damage the human central nervous and cardiovascular systems and cause environmental harm.

In 2003 the Legislature prohibited mercury components in a number of consumer products. The law requires labeling of fluorescent lamps to indicate the presence of mercury and to inform purchasers on the proper disposal of the product.

The Department of Ecology's (department) Chemical Action Plan for mercury identified that a significant amount of mercury released into the environment comes from the disposal of products including fluorescent light tubes that are improperly discarded.

Summary: Effective January 1, 2013, all users must recycle mercury-containing lights. Mercury-containing lights may not be disposed of in waste incinerators or landfills. Mercury-containing lights may be recycled under certain circumstances. Solid waste facilities or collectors are not subject to violations if mercury-containing lights are recycled or disposed of as solid waste under this prohibition.

Every producer of mercury-containing lights (lamps, bulbs, tubes, or other devices containing mercury and providing illumination) sold in or into Washington for residential use must fully finance and participate in a product stewardship program; financing includes the department's costs for administering and enforcing the program. A producer, wholesaler, retailer, distributor or other person may not offer for sale or distribute mercury-containing lights unless the producer is participating in an approved product stewardship program. Product stewardship programs must be fully implemented by January 1, 2013. All product stewardship programs must be approved and contracted by the department but the product stewardship program is operated by a product stewardship organization. Producers may participate in department-approved independent plans that are individually or jointly financed and operated with other producers.

A product stewardship program must submit a proposed plan to the department by January 1 of the year prior to implementation. A product stewardship program must update its plan within two years from the start of the program and every four years thereafter. The program must submit its updated plan to the department for review and approval in accordance with department rules. Each program must provide an annual report to the department with the results of their plan for the prior year. All plans must be made available for public review on the department's website.

The department must establish rules for plan content. The plan must include at least the following elements:

- information about participants;
- a description of the collection system used, including collection site locations, use of existing curbside waste collection, and an explanation of statewide coverage of collection sites and their convenience to consumers;
- use of businesses in the state to provide plan elements (including curbside recycling);
- an explanation of the financing system;
- education and outreach efforts; and
- public review and comment process.

All producers must pay $15,000 to the department to contract with a product stewardship program operated by a product stewardship organization. The department

retains $5,000 for administrative and enforcement costs. Producers participating in an independent plan must pay an annual fee of $5,000 to the department for administrative and enforcement. In addition, producers participating in an independent plan finance the full cost to implement the plan. The department may prioritize its work if fees do not adequately cover the costs to implement the product stewardship program.

Enforcement for producers begins with written warnings. Penalties include:

- Failure to participate in a program. The department must send a written warning to a nonparticipating producer. After 60 days of receiving the warning, the department must assess a penalty of up to $1,000 per violation, which is one day of sales.
- Failure to implement a plan. A producer that fails to implement its approved plan receives a penalty of up to $5,000 for the first violation. If the plan is not implemented in 30 days, the producer receives a penalty of up to $10,000. Each subsequent 30-day period of noncompliance is another violation.
- Additional violations. Failure to submit a plan, update, or change a plan when required, or to submit an annual report after a warning, results in a $10,000 penalty per day of violation.

Penalties are reduced by 50 percent if the producer complies within 30 days of the second violation notice. Producers may appeal penalties to the Pollution Control Hearings Board.

Collectors of unwanted mercury-containing lights must register with the department. Until the department establishes rules, collectors must provide to the department the address and phone number of the collection location and of the person operating the collection location. Collectors must have a spill and release response plan, worker safety plan, and use packaging and shipping materials that minimize the release of mercury into the environment.

The department must list all producers participating in a product stewardship plan on its website. Product wholesalers, distributors, retailers, and electric utilities must check the website to determine that the products are in a product stewardship program. Any person who distributes or sells products from producers not participating in a program are subject to violations and penalties after a warning. Sales of used products are not subject to penalties, under certain circumstances. In-state retailers possessing mercury-containing lights may exhaust existing stock through sales to the public.

The department may adopt administrative rules and performance standards and may establish administrative penalties for failure to meet performance standards. Beginning October 1, 2014, the department must evaluate the impact of the program on availability of energy efficient lighting and nonmercury-containing energy efficient lighting. The department must report to the Legislature concerning the status of the program and recommendations for changes to the act by December 31, 2014.

By June 30, 2012, the sale or purchase of bulk mercury is prohibited. This prohibition does not apply to dangerous waste recycling facilities or treatment, storage, and disposal facilities approved by the department.

Votes on Final Passage:

Senate	37	9	
House	71	27	(House amended)
Senate	36	12	(Senate concurred)

Effective: June 10, 2010

SB 5582

C 10 L 10

Concerning the chief for a day program.

By Senators Parlette and Becker; by request of Washington State Patrol.

Senate Committee on Transportation
House Committee on Public Safety & Emergency Preparedness

Background: For several years, law enforcement agencies within Washington have individually and collectively hosted programs, known as chief for a day, that recognize and give honorary chief or deputy status to chronically ill children.

Chapter 69 of the Laws of 2008 authorized the commissioners and staff of the Criminal Justice Training Commission to participate in a chief for a day program.

Summary: The Legislature finds that participation by the Washington State Patrol (WSP) in charitable work promotes positive relationships between law enforcement and Washington citizens.

WSP is authorized to participate in a chief for a day program, which is defined as a program in which WSP partners with other law enforcement agencies, hospitals, and the community to provide a day of special attention to chronically ill children. The program may include honoring a participating child as a chief, and providing the child with a certificate, badge, uniform, and donated gifts.

WSP may accept grant funds and gifts, and may use its public facilities for the chief for a day program. The participation of WSP in the chief for a day program must conform with laws governing ethics in public service.

Votes on Final Passage:

Senate	44	0
House	96	0

Effective: June 10, 2010

2ESB 5617
C 12 L 10

Changing early learning advisory council provisions.

By Senators Kauffman and McAuliffe.

Senate Committee on Early Learning & K-12 Education
House Committee on Early Learning & Children's Services

Background: In 2007 the Legislature established the Early Learning Advisory Council (ELAC) to advise the Department of Early Learning (DEL) on statewide early learning needs and to develop a statewide early learning plan.

ELAC may include up to 25 members. Twenty-four of the members are specified in statute, including one representative each from DEL, the Office of Financial Management, the Department of Social and Health Services, the Department of Health, the Higher Education Coordinating Board, the State Board for Community and Technical Colleges, the Office of the Superintendent of Public Instruction, the sovereign tribal governments, the Washington Federation of Independent Schools, and, in addition, at least seven leaders in early childhood education, two members of the House of Representatives, two members of the Senate, two parents, one of whom must serve on DEL's Parent Advisory Council, and two members of a private-public partnership, known as Thrive by Five Washington.

ELAC must include diverse, statewide representation from public, nonprofit, and for-profit entities. Its membership must reflect regional, racial, and cultural diversity to adequately represent the needs of all children and families in the state. Council members serve two-year terms. ELAC has two co-chairs. DEL provides staff support.

Summary: ELAC is directed to advise DEL on statewide early learning issues that would build a comprehensive system of quality early learning programs and services for Washington's children and families by assessing needs and the availability of services, aligning resources, developing plans for data collection and professional development of early childhood educators, and establishing key performance measures.

ELAC membership is reduced from 25 to 23 members; all 23 are specified in statute. Thrive by Five is represented by one, instead of two, members. The Governor must appoint seven leaders in early childhood education, with representatives in suggested areas of expertise.

Votes on Final Passage:

Senate	45	0
House	96	0

Effective: June 10, 2010

ESSB 5704
C 131 L 10

Concerning creation of a flood district by three or more counties.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Swecker, Becker, Stevens and Roach).

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing

Background: Special districts are created to provide diking, drainage, and flood control in a defined area. Some of the many allowed activities are flood control; drainage control; protecting life and property from flood water; acquiring, purchasing, or leasing property; restoring lake or river environments; controlling aquatic plants; and enhancing water quality.

The district is government by three members who serve staggered six-year terms. An exception is made whenever five or more special districts consolidate and have five members in its governing body. Such districts may adopt a resolution to retain the five members or reduce its governing body to three members.

Summary: Flood districts that contain three or more counties must have a governing body comprised of one member from each county and two additional members. The legislative authority of each county will select one member for initial appointment. The two most populous counties will each choose an additional member; however, no more than two members may be from the same county. The appointed or elected member must be a registered voter of the district and must reside in the district at least 30 days before the election. Land ownership, however, is not a requirement for serving on the governing body of the flood control district.

Votes on Final Passage:

Senate	48	0	
House	94	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010

2ESSB 5742
C 132 L 10

Concerning crime-free rental housing.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, McCaslin, Hobbs, Schoesler and Hatfield).

Senate Committee on Human Services & Corrections
House Committee on Judiciary

Background: Crime Free Rental Housing Program. The Crime Free Rental Housing Program (program) is based

on the Crime Free Multi-Housing Program that was developed in Arizona in 1992. The program has since been adopted and utilized by many different cities across the country. Generally, the program consists of three phases:

1. Landlord Training – educating landlords and property managers in the basics of crime prevention on their premises;
2. Crime Prevention Through Environmental Design – a walk through of the property by crime prevention specialists to identify crime hazards and steps the landlord can take to improve the safety of the premises; and
3. Crime-Free Commitment – the landlord committing to maintain crime-free activities such as proper screening of tenants, having tenants sign a crime-free addendum to the rental agreement, and maintaining open communication with law enforcement.

Several cities in the state of Washington have adopted the program. Many of the cities have a certification process. By participating in the program and maintaining its commitments, the landlord's housing is certified as "Crime-Free." The landlord can then use this phrase in advertising that landlord's rentals. Some cities in the state have passed ordinances making the program mandatory.

Termination of Tenancy. The Residential Landlord-Tenant Act establishes various duties of landlords and tenants and provides remedies when those duties are not met. Those duties include an obligation not to engage in certain criminal activity including:

1. drug-related activity;
2. gang-related activity; and
3. other activities resulting in arrest that are imminently hazardous to the physical safety of other persons that entail a physical assault or the unlawful use of a firearm or deadly weapon.

If the tenant engages in one of the above activities, the landlord does not have to give the tenant a 30-day notice in which to cure the lack of compliance and may proceed immediately to an unlawful detainer action. An unlawful detainer action allows the landlord to evict the tenant and regain possession of the property if the tenant does not vacate the property after being served with a notice to vacate.

Summary: A crime-free rental housing program is a crime prevention program designed to reduce crime, drugs, and gangs on rental property under the supervision of local police or a crime prevention officer. A local government may establish a crime-free rental housing program. The program must be voluntary, however, a landlord may be required to participate if the landlord has exceeded a reasonable number of crime related incidence on the premises and has failed to make a good faith effort to deter the criminal activity. The police must provide notice to the landlord upon the occurrence of criminal activity in order to require a landlord's participation.

A crime-free rental housing program may not prohibit a landlord from hiring or renting to a person solely because of the person's criminal history.

Except for the prohibition against hiring or renting solely on the basis of a person's criminal history, these provisions do not apply to local ordinances and regulations adopted prior to July 1, 2010. All other regulations and ordinances concerning this subject matter are superseded.

Votes on Final Passage:

Senate	45	0	
House	95	1	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 10, 2010

SSB 5798

C 284 L 10

Concerning medical marijuana.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Kohl-Welles, McCaslin, Keiser, Pflug and Kline).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Under Initiative Measure No. 692, the citizens of the state of Washington approved in November 1998 the Washington State Medical Use of Marijuana Act (act), intended to allow for the limited medical use of marijuana by patients with terminal or debilitating illnesses.

ESSB 6032, enacted in 2007, provided that qualifying patients and any designated provider who assists them in the medical use of marijuana will be deemed to have established an affirmative defense if they comply with the requirements under this act.

Current law requires that a qualifying patient have valid documentation from a physician that states that, in the physician's professional opinion, the patient may benefit from the medical use of marijuana. A physician who advises a qualifying patient regarding the medical use of marijuana cannot be penalized in any manner.

The Department of Health (DOH) has adopted rules defining the quantity of marijuana that could reasonably be presumed to be a 60-day supply. DOH has made recommendations to the Legislature addressing access to an adequate, safe, consistent, and secure source of medical marijuana for qualifying patients. This report is available from the DOH.

Summary: Health care professionals are defined for purposes of this act as physicians, osteopathic physicians, physician assistants and osteopathic physician assistants, naturopaths, and advanced registered nurse practitioners.

Health care professionals provide the valid documentation which authorizes the medical use of marijuana for qualified patients who benefit from its use. Valid documentation for medical marijuana use must be a signed and

dated statement by the health care professional on tamper resistant paper. Tamper resistant paper is defined. Copies of a signed statement by a qualifying patient's health care professional or medical records are still valid documentation if obtained prior to the effective date of this act. Health care professionals who advise patients regarding the medical use of marijuana cannot be penalized for doing so.

Votes on Final Passage:

Senate	37	11	
House	59	39	(House amended)
House	58	40	(House reconsidered)
			(Senate refused to concur)
House	58	39	(House receded/amended)
Senate	34	13	(Senate concurred)

Effective: June 10, 2010

ESSB 5902

C 215 L 10

Promoting accessible communities for persons with disabilities.

By Senate Committee on Ways & Means (originally sponsored by Senators Pridemore, Fraser, McAuliffe, Kline, Kohl-Welles and McDermott).

Senate Committee on Ways & Means
House Committee on Human Services
House Committee on Ways & Means

Background: Currently, any person blocking a parking space reserved for a person with physical disabilities or its access aisle can be fined a penalty of $250. A $250 fine can also be charged to any persons using a special license plate or placard who do not meet the qualifications. Local jurisdictions keep this amount to use for law enforcement.

In 2006 ESHB 2479 required county auditors to establish an advisory committee to assist elections officials in improving the accessibility of elections for voters with disabilities, made up of people with diverse disabilities and accommodation experts. Counties may form joint advisory committees if the total population of the joining counties does not exceed 30,000 and the counties are geographically adjacent.

The Governor's Committee on Disability Issues and Employment was created by executive order in 1987 and advises the Governor, Legislature and other policy-makers on issues affecting people who have disabilities. The committee also recognizes employers employing people with disabilities, monitors equal opportunity and access legislation, and provides training and technical assistance to the business community and the public. At least 50 percent of the members are required to be persons with a disability. The committee is staffed and supported by the Employment Security Department.

The Emergency Management Council advises the Governor and the General of the Washington Military Department regarding state and local emergency management. The council consists of 17 members appointed by the Governor and includes representatives of local governments, including cities and counties, sheriffs, police and fire chiefs, the Washington State Patrol, and professionals knowledgeable in emergency and hazardous materials management. Council duties include developing recommendations for improving emergency management practices, conducting an annual assessment of statewide emergency preparedness, and acting as the state emergency response commission.

Summary: The Governor's Committee on Disability Issues and Employment must oversee grant funding for proposals from accessible community advisory committees that promote greater awareness of disability issues. They must also establish an accessible communities website to provide technical assistance to local governments and accessible community advisory committees, examples of best practices, and a searchable listing of local public accommodations.

The county advisory committees are renamed to accessible community advisory committees and these committees may be reimbursed for travel and meeting costs and receive grant funding. Counties looking to form joint committees can exceed a combined population of 30,000 as long as not more than one of the participating counties has a population greater than 70,000. Counties may also create an Accessible Community Committee if they don't have an existing committee to expand.

A $200 assessment is added to the penalty currently charged for parking in or blocking a space reserved for persons with physical disabilities and the infraction is changed from a traffic infraction to a parking infraction. The courts retain the discretion to reduce the entire penalty but must do so proportionally. Of this assessment $100 must be deposited into the Accessible Communities Account, also created in this bill. Expenditures from the account can be used for:

- reimbursing travel and meeting expenses for county accessible community advisory committees and the disaster response work group;
- creating and maintaining the accessible communities website;
- making changes to court software;
- providing technical assistance for county accessible community advisory committees; and
- issuing grants to county accessible community advisory committees.

The remaining $100 of the assessment must be deposited into the Multimodal Transportation Account to be used for grants for special needs transportation. If less than the full penalty is imposed, proportionate amounts must be deposited into the two accounts.

Only the Commissioner of the Employment Security Department may authorize expenditures. The account is budgeted but does not require an appropriation and earns interest.

Votes on Final Passage:

Senate	37	11	
House	94	4	(House amended)
House	93	4	(House receded/amended)
Senate	44	4	(Senate concurred)

Effective: June 10, 2010

ESSB 6130

C 4 L 10

Amending provisions related to Initiative Measure No. 960.

By Senate Committee on Ways & Means (originally sponsored by Senator Prentice).

Senate Committee on Ways & Means
House Committee on Finance

Background: Initiative 960 (I-960), adopted by the voters in 2007, established by statute certain requirements related to any action of the Legislature which raises taxes or fees.

Cost Projections, Notice of Public Hearings, and Information on Bill Sponsorship. The Office of Financial Management (OFM) must determine the ten-year cost to the taxpayers of any bill raising taxes or fees. The results must be distributed by public press release and emailed to legislators, the media, and the public. The press release for any bill raising taxes or fees must be published upon bill introduction, any public hearing scheduled on such a bill, committee approval, and approval by the Senate or the House. The initial press release upon bill introduction must include contact information for legislators who are sponsors or co-sponsors of the bill. The press release for scheduled hearing must include the contact information for the legislative committee members. The press release for committee approval or approval by the Senate or House must include the names of legislators, their contact information, and how they voted.

Legislative Approval by Two-Thirds or Voter-Approval of Tax Increases. Legislation raising taxes must receive a two-thirds vote of the members of the Senate and the House. Tax increases may be referred to the voters for their approval or rejection.

Raises taxes is defined by I-960 as any action or combination of actions by the Legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the General Fund.

Advisory Vote of the People on Tax Increases. If a legislative bill raising taxes is blocked from a public vote or is not referred to the voters, a measure for an advisory vote by the people is required and must be placed on the next general election ballot. Blocked from a public vote is defined by I-960 as including: adding an emergency clause to a bill increasing taxes, bonding or contractually obligating taxes, or otherwise preventing a referendum on a bill increasing taxes. If the bill involves more than one revenue source, each tax being increased must be subject to a separate advisory vote of the people. The voter-pamphlet entry for advisory votes on a tax increase must be two pages long and must include a ten-year projection of the fiscal impact of the tax on the taxpayers and a description of how each member of the Legislature voted on the tax increase.

Legislative Approval of Fee Increases. No fee may be imposed or increased by a state agency without prior legislative approval.

Summary: After July 1, 2011, two-thirds majority is required to raise taxes. After July 1, 2011, a tax-advisory vote is required for any tax increase not referred to voters or otherwise blocked from public vote.

Votes on Final Passage:

Senate	26	22	
House	51	47	(House amended)
Senate	26	21	(Senate concurred)

Effective: February 24, 2010

2ESSB 6143

C 23 L 10 E 1

Modifying excise tax laws to preserve funding for public schools, colleges, and universities, as well as other public systems essential for the safety, health, and security of all Washingtonians.

By Senate Committee on Ways & Means (originally sponsored by Senator Prentice).

Senate Committee on Ways & Means

Background: The Sales and Use Tax. The sales tax is imposed by the state, counties, and cities on retail sales of most items of tangible personal property and some services, including construction and repair services. If retail sales taxes were not collected when the property or services were acquired by the user, then use taxes are applied to the value of most tangible personal property and some services when used in this state. Use tax rates are the same as retail sales tax rates. The combined state/local rate is between 7 and 9.5 percent, depending on location.

The Federal Earned Income Tax Credit. The earned income tax credit (EITC), established in the federal tax code in 1975, is a refundable tax credit available to eligible workers earning relatively low wages. Because the credit is refundable, an EITC recipient need not owe taxes to receive the benefits. The amount of the credit varies, but it is generally determined by income and family size. Some states with an income tax provide an EITC. For purposes

of the EITC, earned income includes wages, salaries, tips, and other taxable employee pay. The following types of income are not considered earned income: retired persons' disability benefits, pensions and annuities, social security, child support, welfare benefits, workers' compensation benefits, and veterans' benefits. The EITC cannot be claimed unless investment income is less than $3,100 for the 2009 tax year. Generally, a taxpayer may be able to take the credit for tax year 2009 if the taxpayer:

- has three or more qualifying children and earns less than $43,279 ($48,279 married filing jointly);
- has two qualifying children and earns less than $40,295 ($45,295 married filing jointly);
- has one qualifying child and earns less than $35,463 ($40,463 married filing jointly); or
- has no qualifying children and earns less than $13,440 ($18,440 married filing jointly).

For the 2009 tax year, the maximum credit is:

- $5,657 with three or more qualifying children;
- $5,028 with two qualifying children;
- $3,043 with one qualifying child; and
- $457 with no qualifying children.

Working Families' Tax Exemption. In 2008 the Legislature enacted a working families' tax exemption in the form of a state sales tax remittance, equal to a percentage of the EITC. Persons eligible for the credit must file a federal income tax return, receive an EITC, and have resided in Washington for more than 180 days in the year which the exemption is claimed. Eligible persons must pay the sales tax in the year for which the exemption is claimed. For remittances in 2009 and 2010, the exemption for the prior year is $25 or equal to 5 percent of the EITC for which data is available, whichever is greater. For 2011 and thereafter, the exemption for the prior year is $50 or equal to 10 percent of the EITC for which data is available, whichever is greater. For any fiscal period, the working families' tax exemption must be approved in the state omnibus appropriations act. The Department of Revenue (DOR) determines eligibility based on information provided by the applicant, and through audit, administrative records, and verification of Internal Revenue Service records. DOR may use the best data available to process the remittance. DOR may, in conjunction with other agencies or organizations, design a public information campaign to inform potentially eligible persons of the exemption. DOR may contact persons who appear to be eligible. The administrative provisions of chapter 82.32 RCW apply and DOR is granted rulemaking authority. DOR must limit its costs to the initial start-up costs to implement the program. The state omnibus appropriations act must specify funding to be used for the ongoing administrative costs of the program.

Nexus. Nexus is the level of connection with a state necessary under the U.S. Commerce Clause to permit a state to impose a tax or a sales tax collection duty on out-of-state businesses doing business in the state. A state tax is constitutional under the Commerce Clause if it is assessed against a taxpayer with whom the state has a substantial nexus, is fairly apportioned, is nondiscriminatory, and is fairly related to the services provided by the state. Of these requirements, the substantial nexus requirement is often the most difficult to determine. In *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), the Court held that out-of-state businesses must have a physical presence in the state for there to be substantial nexus sufficient under the Commerce Clause to impose a sales tax collection duty. However, the Court was less clear in indicating whether the physical presence standard extends to other taxes. The proper nexus standard for state taxation of out-of-state businesses has been a contentious issue since the *Quill* decision. Numerous state courts have since affirmed economic presence standards, holding that a state may tax businesses with no physical presence within its borders.

The state of Washington uses a physical presence standard to determine whether a business has nexus with Washington. A physical presence standard requires a business to own or use real or personal property in this state, employ employees in this state, or engage, directly or through an agent, in activities in this state significantly associated with the business' ability to establish or maintain a market for its products or services in this state. A few examples of nexus-creating activities include: soliciting sales in this state through employees or other representatives; installing or assembling goods in this state, either by employees or other representatives; maintaining a stock of goods in this state; renting or leasing tangible personal property in this state; or making repairs or providing maintenance or service to property sold in this state.

Apportionment. Generally, a business performing service-taxable activities inside and outside the state must apportion to Washington the gross income derived from Washington activities as determined by a separate accounting method. However, if a separate accounting is impractical or inaccurate, Washington law provides an apportionment formula based on the cost of doing business in Washington versus the cost of doing business everywhere. More specifically, the apportionment formula is a fraction, the numerator of which is the cost of doing business in Washington, and the denominator is the total cost of doing business everywhere. A business' total income, earned inside and outside of Washington, is multiplied by the resulting fraction/percentage to determine the amount of service income subject to Washington's business and occupation (B&O) tax. Under Washington law, only service-taxable activities are subject to the apportionment formula.

Financial institutions are subject to a different formula for apportionment. State law requires that the rules for financial institutions be consistent with uniform rules for apportionment developed throughout the nation. The DOR has issued a rule that provides a standard three-factor formula for financial institutions. The apportionment percentage is the average of a receipts factor, payroll factor,

and property factor. The financial institutions total gross income, earned inside and outside of Washington, is multiplied by the resulting percentage to determine the amount of income subject to Washington's B&O tax.

Royalty income is not apportioned in this state. Instead, royalties are allocated to the domicile of the business.

Economic Substance Doctrine. The economic substance doctrine states that a transaction's tax benefits will not be allowed if the transaction does not have economic substance. This common law doctrine is an effort by the courts to enforce legislative intent in situations in which a literal reading of statutory code would allow a taxpayer to circumvent this intent. The doctrine is used frequently at the federal level to determine whether tax shelters or strategies used to reduce tax liability are considered abusive by the Internal Revenue Service. Washington courts have not used the economic substance doctrine to interpret tax statutes, but instead have relied on traditional methods of statutory construction that include: (1) looking to the plain language of a statute to determine whether the language is ambiguous; (2) giving words their common and ordinary meaning if the words are not ambiguous; (3) evaluating other evidence if language is determined to be ambiguous to ascertain legislative intent; and (4) construing tax exemptions, credits, and deductions narrowly.

Nonresident Sales Tax Exemption. The sales tax is imposed by the state, counties, and cities on retail sales of most items of tangible personal property and some services, including construction and repair services. The state sales rate is 6.5 percent and the local rates vary by location. If retail sales taxes were not collected when the property or services were acquired by the user, then use taxes are applied to the value of most tangible personal property and some services when used in this state. Use tax rates are the same as retail sales tax rates. The combined state/local rate is between 7.0 and 9.5 percent, depending on location.

Persons who reside in a state, possession or Canadian province that imposes a sales tax of less than 3.0 percent are exempt from Washington retail sales tax on tangible personal property purchased for use outside of Washington (i.e., the exemption does not apply to lodging or meals). Sales to residents of other states may also be exempt if their state of residence allows similar exemption for Washington residents; however, no state currently qualifies under this provision of reciprocity.

Direct Seller B&O Tax Exemption. A B&O tax exemption is provided for certain out-of-state sellers that sell consumer products exclusively to or through a direct seller's representative (DSR). Broadly, a DSR is defined to mean a person who buys consumer products for resale in either the home or some other forum that does not constitute a permanent retail establishment. There is no explicit requirement in the statute that the seller make sales of only consumer products through the DSR nor an explicit requirement that prohibits downstream sales of consumer products from being sold at retail from a permanent retail establishment. Traditionally, the exemption has been used by out-of-state sellers engaged in sales of consumer products exclusively through in-home parties or door-to-door selling. A seller qualifying for the exemption does not owe B&O tax on wholesaling or retailing of the consumer products. (The representative owes B&O tax on the commission.) In *Dot Foods, Inc. v. Dep't of Revenue*, 166 Wn.2d 912 (2009), the Washington Supreme Court held that the exemption also applies to out-of-state businesses selling nonconsumer products through its representative in addition to consumer products and to out-of-state businesses for consumer products ultimately sold at retail in permanent retail establishments. Many out-of-state businesses selling consumer products in this state could be eligible for the exemption under this expanded interpretation or could easily restructure their business operations to qualify for the exemption.

Tax Preferences for Manufacturers of Certain Agricultural Products. Washington law provides a preferential tax rate for the business of slaughtering, breaking, or processing of perishable meat products and the wholesaling of such perishable meat products. In *Agrilink Foods, Inc. v. Dep't of Revenue*, 153 Wn.2d 392 (2005), the Supreme Court held that the preferential B&O tax rate applies to the processing of perishable meat products into nonperishable finished products, such as canned food. There had been a question as to whether the finished product had to also be a perishable meat product.

A B&O tax exemption is provided for manufacturing by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, and selling such products at wholesale by the manufacturer to purchasers who transport the goods out-of-state in the ordinary course of business. This exemption expires July 1, 2012, and is replaced by a preferential B&O tax rate.

Preferential B&O Tax Rate for Board of Director Income. The wages of employees is exempt from the B&O tax. Members of corporate boards of directors receive fees for their services. Corporate directors are not employees of the corporation when they engage in their roles as corporate directors.

Foreclosure Real Estate Excise Tax Exemption. The sale of real estate is subject to the state real estate excise tax (REET). The tax is measured by the full selling price, including the amount of any liens, mortgages, or other debts multiplied by the rate of 1.28 percent. State law also authorizes several local REETs.

The REET also applies to transfers of controlling interests in entities that own property in the state. In order for the REET to apply to the sale of a controlling interest in an entity that owns real property, the following must have occurred: (1) the transfer or acquisition of the controlling interest occurred within a 12-month period; (2) the controlling interest was transferred in a single transaction or series of transactions by a single person or acquired by a single person or a group of persons acting in concert; (3)

the entity has an interest in real property located in this state; (4) the transfer is not otherwise exempt from tax under state law; and (5) the transfer was made for valuable consideration. A program established in 2005 requires transfers of controlling interests in an entity that owns real property to be reported to the Secretary of State. Failure to report a transfer of a controlling interest to the Secretary of State can result in interest and penalties, including a 50 percent tax evasion penalty.

The REET is a legal obligation of the seller. Additionally, a statutory lien is placed on the property until the tax is paid. If REET is not properly paid, the DOR may enforce the obligation in an action of debt against the seller, enforce the lien in the same manner as a mortgage foreclosure, or some combination of the two. A buyer may also be liable for the REET unless the buyer notifies the DOR in writing within 30 days following the sale.

The real estate excise tax does not apply to a nonjudicial foreclosure sale of real property by a trustee under the terms of a deed of trust or a judicial foreclosure sale order by a court on any mortgage, lien, or deed of trust. This exemption applies regardless of whether the sale is to the lender or a third party.

Tax Debts - Corporate Officer Liability. Currently, business owners can be held personally liable for uncollected but unremitted sales tax only when a corporation or limited liability company goes out of business.

B&O Tax Credit for New Employment for International Service Activities. Firms engaged in certain international services are entitled to a B&O tax credit of $3,000 for each new job a firm creates. Eligible activities are defined in the statute, which include services such as computer, legal, accounting, engineering, architectural, advertising, and financial services. To qualify, the firm must be located in a community empowerment zone or in a city or group of contiguous cities with a population of at least 80,000.

Rural Job Credit and Deferral Program. A credit against the state B&O tax is provided for manufacturing, research and development, or computer service firms that create new jobs in rural counties or community empowerment zones (CEZs).

Rural counties are defined as those with an average population density of less than 100 persons per square mile. Currently, of the state's 39 counties, only seven (Clark, King, Kitsap, Pierce, Snohomish, Spokane, and Thurston) do not meet this definition. CEZs have been established in King, Kitsap, Pierce, and Spokane Counties.

The amount of the credit is $2,000 for each new job created, unless the new position is paid wages (including benefits) of more than $40,000 annually, in which case the credit is $4,000. To qualify, a firm must increase its total employment in rural counties or CEZs by at least 15 percent. The amount of credit is capped at $7.5 million annually for all firms. The 15 percent job increase percentage is calculated by comparing employment in the four full calendar quarters after employees are hired to employment in the four full calendar quarters before employees were hired.

The Rural County Sales/Use Tax Deferral Program grants a deferral of sales/use tax for manufacturing, and computer-related businesses, research and development laboratories, and commercial testing facilities (excluding light and power businesses) locating in rural counties, CEZ, or a county containing a CEZ. The sales and/or use taxes on qualified construction and equipment costs for such businesses located in these specific geographic areas are waived when all program requirements have been met and verified.

B&O Deduction for Dues and Fees. B&O tax deduction is allowed for amounts received by a business for which no goods or services are received and only give the payee the right to be a member (aka bona fide initiation fees and dues).

B&O Deduction for Bad Debts. A credit or refund against current sales tax liability is allowed for retail sales taxes previously remitted to the state on debts that are deductible as worthless for federal income tax purposes.

Taxation of Brokered Natural Gas. Washington imposes a separate and distinct use tax on the use of natural gas or manufactured gas, referred to as the brokered natural gas (BNG) use tax. Cities may impose a local version of the BNG use tax. The purpose of BNG use taxes is to eliminate differential tax treatment for natural gas purchased from gas companies, which is subject to state and local utility taxes, and gas purchased directly from producers by large, commercial users, which is not subject to utility taxes. The BNG use tax rates are identical to state and local utility tax rates.

Community Solar Incentives. In 2009 the Legislature enacted ESSB 6170, which provided additional incentives for renewable energy systems cost-recovery program, extending the cost-recovery incentive program for renewable energy systems to include community solar projects. As a result, community solar projects are now eligible to receive cost-recovery incentive payments from participating light and power businesses at a base incentive rate of 30 cents for each economic development kilowatt-hour of energy produced. Incentive payments for all other renewable energy systems remain at a base rate of 15 cents for each economic development kilowatt-hour of energy produced.

Sales and Use Tax Exemption for Livestock Nutrient Management Equipment and Facilities. In 2001 the Legislature provided an exemption from sales and use taxes for dairy nutrient management equipment, facilities, and related services. To be eligible the person had to have a certified dairy nutrient management plan. In 2006 the sales and use tax exemption was broadened beyond dairy to other sectors of the livestock industry that had approved nutrient management plans. A sales and use tax exemption applies to the materials, machinery, equipment, and labor and services purchased or used in relation to the operation, repair, cleaning, alteration, or improvement of

livestock nutrient management facilities and equipment. Livestock nutrient management facilities and equipment are machinery, equipment, and structures used in the handling and treatment of livestock manure, such as aerators, agitators, alley scrapers, and augers. The exemption includes repair and replacement parts. The exemption requires facilities and equipment to be used exclusively for activities necessary to maintain a livestock nutrient management plan.

B&O Exemption for Property Management Salaries. B&O tax exemption is allowed for amounts received by a property management company, if the payments are received from a property management trust account for payment of wages and benefits to on-site personnel.

PUD Privilege Tax. Public Utility Districts (PUDs) were created to provide water and electricity, and to conserve water and power resources. Currently, there are 28 PUDs: 23 provide electricity services; 14 provide water or water and wastewater service; and 13 offer wholesale broadband telecommunications service.

The PUDs that generate, transmit, or distribute electricity are subject to the PUD privilege tax. The tax is intended to be in lieu of property tax, since public utility districts are governmental entities and do not pay property taxes.

The tax is based on the amount received from the sale of electricity. A recent lower court case has upheld the request for refund of tax by two PUDs that separate their kilowatt-hour charges from the charge to recoup the costs of providing service regardless of whether any electricity is used (e.g. meter reading, billing, and fixed facilities). These PUDs argue that tax should be paid only on the kilowatt-hour charge. It has been the department's interpretation that the tax applies to the entire amount received.

Sales Tax Exemption for Coal. Purchases of coal used at a thermal electric generating facility placed in operation after 1969 and before July 1, 1997, are exempt from retail sales/use tax. The exemption is contingent upon owners of the plant demonstrating to the Department of Ecology that progress is being made to install the necessary air pollution control devices and that the facility has emitted no more than 10,000 tons of sulfur dioxide during the previous 12 months.

Exemption for Machinery Used to Generate Electricity from Wind. Effective July 1, 2009, through June 30, 2013, purchases and installation of machinery and equipment that will be used directly in a facility that generates no more than ten kilowatts of electricity using solar energy are exempt from sales/use tax. In addition, purchases and installation of machinery and equipment used directly in generating electricity using fuel cells, sun, wind, biomass energy, tidal and wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas in a facility that generates no less than one kilowatt of electricity are exempt from sales/use tax subject to the following: (1) from July 1, 2009, through June 30, 2011, the exemption is 100 percent of the sales or use tax paid; and (2) July 1, 2011, through June 30, 2013, the exemption is in the form of a refund from the DOR of 75 percent of sales or use tax paid.

Summary: Economic Nexus and Apportionment. For purposes of imposing the B&O tax on service activities and the activity of receiving royalty income, a business or individual will have substantial nexus with Washington State if the individual or business meets one of the following requirements: (1) an individual is a resident or domiciled in the state; (2) a business entity is organized or commercially domiciled in Washington State; or (3) the individual or business is organized or domiciled outside the state but has more than $50,000 of property in the state, more than $50,000 of payroll in the state, more than $250,000 of receipts from Washington State, or at least 25 percent of the individual's or business's total property, total payroll, or total receipts in Washington State. This nexus standard only applies to service activities and the activity of receiving royalty income. A business or individual with substantial nexus in any tax year is deemed to have substantial nexus with the state for the following tax year.

Income derived from service activities and royalties is apportioned to Washington based on a receipts factor. The receipts factor is a fraction of which the numerator is the total gross income of the business attributable to Washington State for the activity, and the denominator is the worldwide gross income of the business for the activity. The total worldwide gross income from the activity is multiplied by the receipts factor to determine the amount of income apportioned to Washington for purposes of the B&O tax. Apportionment using the receipts factor would replace the three-factor apportionment formula for financial institutions and the cost apportionment formula for other businesses providing services.

Except for financial institutions, gross income is attributable to Washington State based on the following series of hierarchical rules:

1. if the customer received the benefit of the service in the state or used the business's intangible property in the state;
2. if the customer received the benefit of the service or used the intangible property in more than one state, income is attributable to the state where the service was primarily received or where the intangible property is primarily used;
3. if income cannot be attributed under the foregoing, then the income is attributable to the state where the customer ordered the service or where the royalty agreement was negotiated;
4. if income cannot be attributed under the foregoing, then the income is attributable to the state to which the billing statements or invoices are sent to the customer;

5. if income cannot be attributed under the foregoing, then the income is attributable to the state from which the customer sends payment to the business;
6. if income cannot be attributed under the foregoing, then the income is attributable to the state where the customer is located; and
7. if income cannot be attributed under the foregoing, then the income is attributable to the state where the business is domiciled.

For financial institutions the Department of Revenue (DOR) must adopt their apportionment methods by rule.

Tax Avoidance. DOR must disregard three types of tax avoidance transactions or arrangements: (1) joint ventures or similar arrangements between a construction contractor and the owner or developer of a construction project but that are, in substance substantially guaranteed payments for the purchase of construction services; (2) arrangements through which a taxpayer attempts to avoid the B&O tax by disguising income received from a person that is not affiliated with the taxpayer from business activities that would be taxable in Washington by moving that income to another entity that would not be taxable in Washington; and (3) arrangements though which a taxpayer attempts to avoid sales or use tax by engaging in a transaction to disguise its purchase or use of tangible personal property by vesting legal title or other ownership interest in another entity over which the taxpayer exercises control in such a manner as to effectively retain control of the tangible personal property. In disregarding these three types of transactions or arrangements, DOR may consider the following: arrangements or transactions which do not affect the economic positions of the participants in the arrangement, apart from its tax effects; whether substantial nontax reasons exist for entering into an arrangement or transaction; whether an arrangement or transaction is a reasonable means of accomplishing a substantial nontax purpose; an entities' relative contribution to the work that generates income; the location where work is performed; and other relevant factors.

If a tax deficiency is deemed to be a result of one of these types of abusive tax avoidance transactions, DOR may assess a 35 percent penalty; however, DOR may not assess the penalty if the taxpayer discloses its participation in an abusive tax avoidance transaction before DOR discovers it.

The Joint Tax Avoidance Review Committee is created to monitor the implementation of these tax avoidance provisions and must report back to the Legislature by December 31, 2010.

Direct Seller B&O Tax Exemption. The B&O tax exemption for firms that sell into Washington using direct seller's representatives is eliminated. For periods prior to May 1, 2010, the exemption is retroactively limited to consumer products.

Preferential B&O Tax Rate for Manufacturing Certain Agricultural Products. The B&O preferential tax rate (0.138 percent) for meat processing to the manufacturing of perishable meat products, dehydrated, cured, or smoked meat products, and hides, tallow, and other meat by-products is expressly limited to those activities creating a final product which is at least 50 percent fruit and vegetables to qualify for the preferential tax rate.

The preferential rate for slaughtering, breaking, or processing perishable meat products or selling these perishable meat products at wholesale is modified by requiring that the end product be: a perishable meat product; a nonperishable meat product that is comprised primarily of animal carcass by weight or volume, other than a canned meat product; or a meat by-product. The tax preference for fruit and vegetable manufacturers is modified by requiring that the end product be comprised either exclusively of fruits or vegetables, or any combination of fruits, vegetables, and certain other substances that, cumulatively, may not exceed the amount of fruits and vegetables contained in the product measured by weight or volume.

B&O Tax on Amounts Paid to Corporate Directors. The fees paid to members of corporate boards of directors are explicitly subject to tax under the service and other classification at the 1.5 percent tax rate. After July 1, 2010, fees paid to members of corporate boards of directors would not be exempt under the exemption for wages and salaries for employees.

Tax Debts - Corporate Officer Liability. DOR is allowed additional authority to pursue uncollected sales or use taxes of a terminated or insolvent limited liability business from the chief executive or chief financial officer, or other persons responsible for paying the taxes.

Limiting the Bad Debt Deduction. The deduction is expressly limited to the seller.

Sales Tax Exemption for Livestock Nutrient Equipment and Facilities. The sales and use tax exemption for equipment and facilities used for handling livestock nutrients at dairies and livestock feeding operations is suspended for three years.

PUD Privilege Tax. Gross revenue for purpose of the PUD privilege tax applies to all charges for electricity including recurring charges as a condition of receiving the electricity.

Repeal of B&O Exemption for Property Management Salaries. The B&O exemption for amounts received by a property management company from the owner of a property for gross wages and benefits paid to on-site personnel is limited to only apply to nonprofit property management companies and to property management companies hired by housing authorities.

B&O Tax Increase on Service Activities. Businesses who pay the B&O tax at the rate of 1.5 percent will have an increase of 0.3 percent for three years. In addition, the small business tax credit for these businesses is doubled to

be worth a maximum of $70 a month from $35 a month. The small business tax credit is a permanent change. Public and private hospitals and certain research and development activities are exempt from the increase.

Sales Tax on Bottled Water. The sales tax is extended to bottled water and takes effect June 1, 2010. In addition an exemption is added for persons who purchase bottle water with a prescription, and for persons who do not have potable water. The sales tax on bottled water and the accompanying exemptions expire June 1, 2013.

Sales Tax on Candy. The sales tax is extended to candy and gum and takes effect June 1, 2010. In addition, a $1,000 per job B&O tax credit for candy manufacturers is allowed for a period of two years.

Beer Tax. The excise tax on beer is increased from 26 cents a gallon to 76 cents per gallon. An exemption is provided for the first 60,000 barrels sold by small breweries.

Modifying the First Mortgage Deduction. Certain types of fees and charges are expressly not allowed for the deduction. The servicing of loans by the originator of the loans qualifies for the deduction.

Temporary Tax Increase on Carbonated Beverages. Beginning July 1, 2010, through June 30, 2013, a tax on carbonated beverages is imposed at the rate of 2 cents per 12 ounces. The first $10 million sold by a bottler is exempt from the tax.

Datacenters. This provision is a clarification to SSB 6789 passed during the 2010. The definition of qualifying business is amended so that a lessee of at least 20,000 square feet of space within an eligible computer data center can qualify for the sales tax exemption. The job provisions are amended to provide associated definitions regarding the requirement to increase employment by 35 family wage jobs.

Votes on Final Passage:

Senate	25	23	
House	52	45	(House amended)
First Special Session			
Senate	25	18	
House	53	42	(House amended)
			(Senate refused to concur)
Conference Committee			
House	52	44	
Senate	25	21	

Effective: Various effective dates.

SSB 6192
C 134 L 10

Providing for modification of the disposition concerning restitution in juvenile cases.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Marr and Brandland).

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

Background: A juvenile offender, as part of the juvenile's disposition, may be required to make restitution to persons who have suffered loss or damage as a result of the offense committed by the juvenile. The juvenile court may determine the amount, terms, and conditions of the restitution, including a payment plan of up to ten years, if the court determines that the juvenile does not have the means to make full restitution over a shorter period of time.

Summary: The portion of the juvenile offender's disposition related to restitution may be modified as to amount, terms, and conditions for up to a maximum of ten years after the juvenile's 18th birthday. Restitution may include the costs of counseling reasonably related to the offense.

If the court orders that a juvenile offender's record be sealed, the court's jurisdiction regarding restitution ends. The juvenile can petition the court to have his or her record sealed as long as the juvenile has paid the full amount of restitution ordered.

Votes on Final Passage:

Senate	46	0	
House	90	7	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 10, 2010

SSB 6197
C 13 L 10

Concerning group life insurance.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Berkey, Parlette and Franklin).

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

Background: Policies of group life insurance have been authorized for over 60 years. This authorization is uniformly made by prohibiting contracts of life insurance that insure the lives of more than one individual, unless the policy is offered to one of the specified groups. The groups include employees, credit unions, debtor groups, certain associations, labor unions, public employees, trustee groups, life insurance producers, the Washington State Patrol, and financial institutions. It is the group that is the policyholder. The member of the group is the insured. The beneficiaries may only be persons other than the policyholder.

Certain standard provisions must appear in all group life insurance policies. Each group is individually defined by characteristics that are common to all members of the group. Most groups must meet minimum requirements for the number or percentage, or both, of members of the group whom the group life insurance policy covers. Most

groups have limitations on the source from which the premium payments may come, such as from the policyholder, the insured member of the group, or both. Just over half of the authorized groups may extend the offer of group life insurance coverage to the group-member's spouse and dependent children.

Summary: Group life insurance may be offered to a group of Washington residents who are not members of any of the defined groups. This may occur only if the Insurance Commissioner finds that: issuance of the group policy is not contrary to the best interest of the public; economies of acquisition or administration would result; and the benefits are reasonable in relation to the premiums charged.

An insurer may offer a group life insurance policy that was issued in another state if the other state has substantially similar requirements.

Either the policyholder or the covered person may pay the premiums for the policy.

Votes on Final Passage:

Senate	46	0
House	96	0

Effective: June 10, 2010

SSB 6202

C 133 L 10

Expanding provisions relating to vulnerable adults.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Holmquist, Franklin, Honeyford, McCaslin, Regala, Morton, Keiser, Delvin, Swecker, Rockefeller, Tom, Kline, McAuliffe and Kilmer; by request of Attorney General).

Senate Committee on Human Services & Corrections
House Committee on Public Safety & Emergency Preparedness

Background: A vulnerable adult is defined in Washington law as being a person 60 years of age or older who: has the functional, mental, or physical inability to care for himself or herself; is incapacitated; has a developmental disability; is admitted to a licensed facility; or receives services from home health, hospice, or home care agencies. The Department of Social and Health Services (DSHS) investigates reports of abuse, abandonment, financial exploitation, and neglect of vulnerable adults.

Exploitation or abuse of a vulnerable adult may also constitute a violation of criminal law. A prosecutor may seek an exceptional sentence to enhance the sentence of a defendant convicted of a crime against a victim who is particularly vulnerable, incapable of resistance, or who was the victim of an abuse of trust, confidence, or fiduciary responsibility.

A mandated reporter is a person who has a duty to report suspected assault, financial exploitation, abandonment, abuse, or neglect of a vulnerable adult to DSHS. Mandated reporters include social service and health care providers, social workers, and law enforcement.

Summary: A financial institution, including a broker-dealer or investment advisor, which reasonably believes that financial exploitation of a vulnerable adult has occurred or is being attempted may, but is not required to, refuse a transaction pending investigation by the financial institution, DSHS, or law enforcement. The financial institution and its employees are immune from civil liability for making this determination in good faith. The financial institution must provide notice to all interested persons if the financial institution has contact information, and must notify law enforcement and DSHS. The hold on the transaction must expire after five business days, or ten business days if the transaction involves a sale of securities, unless extended by court order.

A financial institution must ensure that existing employees who have contact with customers and account information receive training concerning the financial exploitation of vulnerable adults.

A mandated reporter must report the death of a vulnerable adult to a medical examiner or coroner and law enforcement when the mandated reporter suspects that the death was caused by abuse, neglect, or abandonment.

Votes on Final Passage:

Senate	47	0	
House	97	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: June 10, 2010

SB 6206

C 137 L 10

Authorizing extensions of the due dates for filing tax incentive accountability reports and surveys with the department of revenue.

By Senators Haugen and Kilmer.

Senate Committee on Ways & Means
House Committee on Finance

Background: Some tax incentive programs require the taxpayer claiming the tax preference to file an annual form (either a report or a survey). Tax incentives that are industry-specific (like programs adopted for aerospace, aluminum smelters, semiconductors sectors) require the recipient to file an annual report. Tax incentives that apply more broadly require the recipient to file an annual survey.

Taxpayers filing these annual reports and surveys report on activity related to the legislative intent of adopting the tax preference, such as job creation, economic activity, and quality of employee compensation. This data is compiled and studied by various entities, like the Department of Revenue, the Citizens' Commission for the

Performance Measurement of Tax Preferences, and the fiscal committees of the Legislature.

If a taxpayer fails to file a required report or survey by the due date then the business cannot claim the benefit and may have to repay any deferred taxes (the penalty for failure to file varies by tax program). Under current law, the only grounds to extend the filing due date or to waive or cancel penalties for failure to file a required report or survey is circumstances beyond the control of the taxpayer. Circumstances beyond the control of the taxpayer does not include misunderstandings or mistakes; rather, it relates to circumstances such as the death of the taxpayer, fire or other casualty, or fraud or other employee crime for which a police report was obtained.

Summary: A 90-day extension of the filing date is allowed for annual accountability reports or surveys for taxpayers who:

- make a request for a filing extension in writing; and
- have timely filed all earlier annual reports and surveys.

No taxpayer may be granted more than one 90-day extension.

This extension applies to surveys and reports due in calendar year 2011 and thereafter.

Votes on Final Passage:

Senate	46	0	
House	98	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 10, 2010

SSB 6207

PARTIAL VETO

C 217 L 10

Allowing local governments to create golf cart zones.

By Senate Committee on Transportation (originally sponsored by Senator Haugen).

Senate Committee on Transportation
House Committee on Transportation

Background: Under Washington law, it is a traffic infraction for any person to drive or move a motor vehicle on any public road if the motor vehicle does not meet safety and equipment standards specified by statute or agency rule.

Two types of vehicles, neighborhood electric vehicles (NEVs) and medium-speed electric vehicles (MEVs), may be operated, within certain conditions, on public roads even though these vehicles do not meet the safety and equipment standards required of higher speed vehicles. However, these vehicles must meet federal safety and equipment standards for low-speed vehicles. Under federal rule, a low-speed vehicle is defined as being capable of traveling at least 20 miles per hour (mph) but not more than 25 mph.

Under Washington law, NEVs are defined as capable of traveling at least 20 mph but not more than 25 mph. MEVs are defined as being capable of traveling at least 30 mph but not more than 35 mph.

Most golf carts, as originally manufactured, have a top speed of less than 20 mph.

Summary: Cities or counties may create golf cart zones by ordinance or resolution. The ordinance or resolution must be for the purpose of permitting incidental use of golf carts on public roads that have speed limits of 25 mph or less. Golf carts are defined as gas-powered or electric-powered four-wheeled vehicles, designed for use on a golf course, that cannot attain a speed higher than 20 mph.

Golf cart drivers within golf cart zones are subject to the same rules of the road as vehicle drivers. Other than rules of the road, golf carts and golf cart drivers within golf cart zones are not subject to most motor vehicle provisions, including provisions on nonhighway and off-road vehicles, vehicle licensing, driver licensing, and safety and equipment standards. However, golf cart occupants operating or riding in a golf cart within a golf cart zone are not exempt from the seatbelt requirements, and golf carts operating on public roads within a golf cart zone must be equipped with reflectors, seatbelts, and rearview mirrors.

A person operating a golf cart on public roads in golf cart zones must be at least 16 years old and must have either completed a driver education course or have previous experience driving as a licensed driver. However, a person who has a revoked license is prohibited from operating golf carts on public roads in golf cart zones.

Local jurisdictions that create golf cart zones may restrict the operation of golf carts to daylight hours and may prohibit the operation of golf carts in designated bicycle lanes that are within a golf cart zone. In addition, local jurisdictions may require a decal to be displayed on golf carts and may charge a fee for the decal.

Golf cart zones must be identified by signage, and accidents that involve golf carts operating on public roads within golf cart zones must be tracked under state reporting requirements.

Votes on Final Passage:

Senate	45	0	
House	96	2	(House amended)
Senate	44	1	(Senate concurred)

Effective: June 10, 2010

Partial Veto Summary: The Governor vetoed the section exempting golf carts operating on public roads within golf cart zones from the child restraint (car seat) law.

VETO MESSAGE ON SSB 6207

March 25, 2010

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 7, Substitute Senate Bill 6207 entitled:

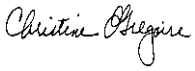
"AN ACT Relating to allowing local governments to create golf cart zones."

This bill authorizes local jurisdictions to allow the use of golf carts on public roads that have speed limits of 25 miles per hour or less, under certain restrictions. The bill contains some important safety precautions, including requiring local jurisdictions to post signs identifying golf cart zones, and requiring that golf carts have seatbelts and proper lighting. Section 7 would exempt passengers under age 16 from the state's seatbelt and child restraint requirements. I believe it is important these passenger safety provisions apply to the use of vehicles transporting a child on a public road.

For this reason, I have vetoed Section 7 of Substitute Senate Bill 6207.

With the exception of Section 7 of Substitute Senate Bill 6207 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6208
C 138 L 10

Concerning temporary agricultural directional signs.

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Hatfield and Shin).

Senate Committee on Transportation
House Committee on Transportation

Background: The Washington State Department of Transportation (WSDOT) has established a process by rule for the permitting and fee schedule of, among other types of signs, temporary agricultural directional signs. Temporary agricultural directional signs are restricted to the following provisions:

1. Signs must be posted only during the period of time the seasonal agricultural product is being sold.
2. Signs must not be placed adjacent to the interstate highway system unless the sign qualifies as an on-premise sign.
3. Signs must not be placed within an incorporated city or town.
4. Premises on which the seasonal agricultural products are sold must be within 15 miles of the state highway, and necessary supplemental signing on local roads must be provided before the installation of the signs on the state highway.
5. Signs must be located so as not to restrict sight distances on approaches to intersections.
6. WSDOT must establish a permit system and fee schedule and rules for the manufacturing, installation, and maintenance of these signs in accordance with the policy of this chapter.
7. Signs in violation of these provisions must be removed in accordance with the procedures as a public nuisance.

A sign erected on the state highway right-of-way is considered a public nuisance and may be removed by WSDOT without notice.

Summary: A temporary agricultural directional sign may be placed within the state highway right-of-way if the sign does not create a safety concern. WSDOT must approve the permit within ten days of receiving the application.

Votes on Final Passage:

Senate	46	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2010

SB 6209
C 43 L 10

Allowing moneys paid to county road funds to be used for park and ride lots.

By Senators Haugen, Berkey, Marr, Shin and Sheldon.

Senate Committee on Transportation
House Committee on Transportation

Background: Generally, all money deposited into a county road fund is restricted to county roads purposes. These uses include the construction, alteration, repair, improvement, or maintenance of county roads and bridges. It may also be used for acquiring rights-of-way and the operations of the county engineering office.

Summary: Clarifies that the construction, maintenance, or improvements of park and ride lots is a county road purpose.

Votes on Final Passage:

Senate	34	12
House	71	27

Effective: June 10, 2010

SSB 6211
C 14 L 10

Creating an agricultural scenic corridor within the scenic and recreational highway system.

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Hatfield and Kohl-Welles).

Senate Committee on Transportation
House Committee on Transportation

Background: The Scenic and Recreational Highway System was created in statute in 1967. Modifications to the

state process for classifying highways as part of the scenic highway system were made in 1999 in order to make Washington highways competitive under the new federal Scenic Byways grant program. Additional highways and the ferry system have been added over time to the scenic highway system either through recommendation from the Department of Transportation followed by legislation, or direct legislation. Additionally, the Transportation Commission may designate, on an interim basis, state scenic byways. In order to become permanent, the Legislature must then approve this designation.

Summary: A portion of State Route 5 in Skagit and Snohomish counties, between Starbird Road and Bow Hill Road, is designated as part of the Scenic and Recreational Highway System. It is also designated as an agricultural scenic corridor. An agricultural scenic corridor is described as an area that showcases the state's historical agricultural area and promotes the maintenance and enhancement of agricultural areas.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: June 10, 2010

SSB 6213
C 15 L 10

Concerning vehicles at railroad grade crossings.

By Senate Committee on Transportation (originally sponsored by Senators Haugen and Swecker; by request of Utilities & Transportation Commission and Washington State Patrol).

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, drivers of certain vehicles are required to stop before crossing railroad tracks. A driver required to stop must stop a certain distance from the tracks and proceed only when the driver determines that it is safe to do so. Drivers of the following vehicles are required to stop before crossing railroad tracks: (1) any vehicle carrying passengers for hire, other than a passenger car; (2) any school bus or private carrier bus carrying children or other passengers; and (3) any vehicle carrying explosive substances or flammable liquids as a cargo or part of a cargo. The requirement to stop does not apply at certain types of railroad crossings, including crossings at which traffic is controlled by crossing gates, a traffic control signal, or a police officer or flagger.

Several state agencies receive grants from the Federal Motor Carrier Safety Administration, including the Department of Licensing, the Utilities and Transportation Commission, and the State Patrol. A condition for the agency grants is that relevant state regulation or law be consistent with corresponding federal rules. A Federal Motor Carrier Safety Administration regulation requires drivers of certain vehicles to stop before crossing railroad tracks.

Summary: The list of vehicles required to stop at railroad crossings is modified. The list references federal guidelines and vehicle classifications to describe vehicles carrying explosive, flammable, and hazardous substances. In addition, commercial motor vehicles transporting passengers are added to the list of vehicles required to stop before crossing railroad tracks.

The list of railroad crossings that are exempt from the stopping requirement is modified. Vehicles must stop at crossings controlled by crossing gates or traffic control signals unless a functioning control signal is transmitting a green light. In addition, the list of exempt crossings is modified to include tracks that are abandoned or marked with an out-of-service sign, and tracks that are used exclusively for a streetcar or for industrial switching purposes.

The State Patrol is given authority to identify, by rule, crossings where stopping is not required. The Superintendent of Public Instruction is given authority to identify, by rule, circumstances under which stopping is not required for drivers of school buses or private carriers carrying children or other passengers.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: June 10, 2010

SSB 6214
C 211 L 10

Restructuring three growth management hearings boards into one board.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Haugen, Morton, Swecker, Shin, McCaslin, Ranker, Rockefeller, Fairley, Pridemore, Kline, Parlette, Jacobsen, Schoesler, Sheldon, McDermott and Fraser; by request of Growth Management Hearings Board).

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing
House Committee on General Government Appropriations

Background: The Growth Management Hearings Boards (GMHBs) are charged with determining compliance with the Growth Management Act. There are three GMHBs for the three defined geographic areas of the state - Eastern Washington, Western Washington, and Central Puget Sound. Each GMHB is composed of three members who must reside within the territorial jurisdiction of the respective GMHB. One GMHB member on each board must be an attorney and one a former local elected official. No

more than two members of a GMHB may be affiliated with the same political party. Board members serve six-year terms.

In order to render a decision on a case, at least two members must agree. Final decisions of a GMHB may be appealed to a superior court. If all parties agree, a superior court may directly review a petition filed with a GMHB.

In response to the budget reductions enacted in the state's 2009 – 2011 operating budget, the GMHBs consolidated their administrative functions and closed their eastern and central Puget Sound regional offices in Yakima and Seattle. The office of the Western Washington Board in Olympia serves as the administrative office of all three GMHBs.

Summary: The three regional GMHBs are abolished and consolidated into a single Growth Management Hearing Board (GMHB). The consolidated board consists of seven members qualified by experience in the practical application of land use law or planning. The members must be appointed by the Governor to six-year terms from three specified regions in the state, with two members each from the Central Puget Sound area, Eastern Washington, and Western Washington. At least three members of the consolidated board, one from each region, must be admitted to practice law in the state. Additionally, at least three members of the consolidated GMHB, one from each region, must have been a county or city elected official. After the expiration of the terms of the GMHB members who serve prior to the consolidation, no more than four members of the consolidated GMHB may be members of the same major political party. No more than two members at the time of their appointment or during their term may reside in the same county.

The members of the three regional boards who serve prior to the consolidation will complete their staggered current terms, with the reduction from nine members to seven occurring through attrition, voluntary resignation, or retirement.

Petitions for review that are filed with the consolidated board must be heard and decided by a regional three-member panel, with membership for the regional panels selected from among full membership of the consolidated GMHB. With some exceptions, a majority of the regional panel members selected to hear and decide a case must reside within the region in which the case arose. Additionally, except in cases of emergency, the presiding officer in each case must reside within the region in which the case arose.

The three regional panels are as follows:

- Central Puget Sound regional panel will decide matters pertaining to the cities and counties in King, Pierce, Snohomish, and Kitsap Counties;
- Eastern Washington regional panel will decide matters pertaining to the planning jurisdictions that are east of the crest of the Cascade Mountain Range; and
- Western Washington regional panel will decide matters pertaining to the cities and counties that are west of the crest of the Cascade Mountain Range that are not included within the Central Puget Sound region.

The consolidated GMHB must annually elect one of its members to be the administrative officer. The administrative officer is responsible for the administrative, budget, and personnel matters of the consolidated GMHB. The administrative officer is responsible for making member case assignments, subject to the consolidated GMHB's rules of procedure, for the purpose of achieving a fair and balanced workload among members.

The reports, files, records, and miscellaneous items of the three GMHBs must be delivered to the consolidated board. The consolidated GMHB office will remain in Olympia. Funds, credits, assets, and employees of the regional boards are transferred to the consolidated GMHB. Tangible property of the regional boards must be made available to the consolidated GMHB. Rules and pending business before the regional boards must be continued and acted upon by the consolidated GMHB. The transfer of powers, duties, functions, and personnel of the regional boards to the consolidated GMHB does not affect the validity of any act performed before July 1, 2010.

Votes on Final Passage:

Senate	47	0	
House	68	28	(House amended)
Senate	43	4	(Senate concurred)

Effective: July 1, 2010

SB 6218

C 115 L 10

Authorizing use of voter approved local excess tax levies to pay financing contracts under the local option capital asset lending program and clarifying which "other agencies" may participate in the program.

By Senators Fraser and Brandland; by request of State Treasurer.

Senate Committee on Ways & Means
House Committee on Capital Budget

Background: In 1989 the Legislature created a program to finance facilities and major equipment for state agencies. The program combines state agency borrowing into larger offerings of securities which reduces the cost of financing. In 1998 the Legislature expanded the program to allow local governments to use the program. Local government agencies can finance equipment or real estate needs through the State Treasurer's Office subject to existing debt limitations and financial considerations. When a local government receives voter approval to issue bonds payable from excess property tax levies, it is not eligible to use the financing program of the State Treasurer's Office.

Summary: Local governments are allowed to use the State Treasurer's Office pooled financing program for voter approved bonds payable from excess property tax levies.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: June 10, 2010

SB 6219
C 139 L 10

Funding sources for time certificate of deposit investments.

By Senator Berkey; by request of State Treasurer.

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

Background: The State Treasurer must limit the surplus funds deposited as demand deposits (noninterest earning) to an amount that allows for meeting necessary current operating expenses and that will not impair cash flow needs. Funds above that limitation, not deposited as demand deposits, must be available for use in a Time Certificate of Deposit investment program (TCD). This program allocates this surplus money, among all participating depositaries, according to a formula determined by the State Treasurer.

The formula for determining the amount of surplus funds available for the TCD program is based on 5 percent of a specific definition of state revenues, or half of the total surplus treasury investment availability, whichever is less. Once the formula is applied, the funds certified to be available must be deposited into qualified public depositaries under the TCD program.

Local governments and institutions of higher education may participate with the state in maximizing the opportunity for investment of surplus public funds consistent with the safety and protection of those funds. Local funds that are not immediately required to meet current demands may be deposited, at the local government's option, into a trust fund called the public funds investment account. It is also called the Local Government Investment Pool (LGIP). The State Treasurer's investment goal for the LGIP is to obtain a maximum yield consistent with a defined fiduciary standard.

There is no explicit statutory authority for the State Treasurer to invest funds from the LGIP into the TCD program.

Summary: The State Treasurer has discretion as to whether he or she deposits all the funds certified to be available for the TCD program into the TCD program.

As part of the funds certified to be available for the TCD program, the State Treasurer is authorized to deposit LGIP funds into the TCD program.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: June 10, 2010

SB 6220
C 18 L 10 E 1

Concerning determination of the terms and conditions of bonds, notes, and other evidences of indebtedness of the state of Washington.

By Senators Fraser and Brandland; by request of State Finance Committee.

Senate Committee on Ways & Means
House Committee on Capital Budget

Background: The State Finance Committee (Committee) was created in 1921 and is composed of the Governor, Lieutenant Governor, and is chaired by the State Treasurer (Treasurer). Within constitutional and statutory limitations, the Committee authorizes the issuance and establishes the terms, conditions, and manner of the sale of all bonds, notes, and other debt for the state to finance capital projects in the state's capital and transportation budgets.

Summary: The Committee must meet at lease twice a year. The Committee may delegate to the Treasurer the authority to determine dates of issuance, interest rates, price, maturities, redemption rights, and covenants. The Committee may not delegate its authority to set the maximum bond issuance. The Committee may publish its annual report of debt management activities electronically on the Treasurer's website if the Committee determines that public access to these materials is not substantially diminished.

Votes on Final Passage:

Senate	44	0

First Special Session

Senate	41	0
House	67	23

Effective: July 13, 2010

2ESB 6221
C 10 L 10 E 1

Concerning clarification and expansion of eligibility to use the state's local government investment pool.

By Senator Fairley; by request of State Treasurer.

Senate Committee on Ways & Means
House Committee on State Government & Tribal Affairs

Background: By state law, the State Treasurer is responsible for the management and investment of surplus cash in the state treasury and in nontreasury accounts in the custody of the State Treasurer.

Other public funds not under this management authority include monies held by local governments and state agency accounts outside of the state treasury.

In 1986 the Legislature created the Local Government Investment Pool to maximize the prudent investment of local government funds by authorizing political subdivisions of the state to place their surplus under the management of the State Treasurer, who was authorized to aggregate the funds for investment purposes.

Subsequently, the state's institutions of higher education were authorized to participate in the Local Government Investment Pool.

The State Treasurer, with the approval of the State Finance Committee, is authorized to issue financing contracts, on behalf of various public entities, for the acquisition of real and personal property. These financing contracts, also known as certificates of participation, may be issued on behalf of state agencies, state institutions of higher education, agricultural commodity commissions, local governments and political subdivisions, and other public entities.

Summary: The list of public entities authorized to participate in the Local Government Investment Pool is expanded to include federally recognized tribes, state agencies, and any entity issuing a financing contract approved by the State Finance Committee.

Votes on Final Passage:

Senate	48	0	
House	65	31	(House amended)

First Special Session

Senate	42	1	
House	60	33	(House amended)
House	62	35	(House reconsidered)

Effective: July 13, 2010

SB 6227
C 16 L 10

Concerning the practice of opticianry.

By Senators Becker, Marr, Parlette and Keiser.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Dispensing opticians prepare and dispense lenses and eyeglasses based on written prescriptions from physicians or optometrists. Opticians are permitted to have no more than two apprentices in training under their direct supervision. Supervising opticians are responsible for the acts of the apprentices they oversee. In order to obtain a license in Washington, optician applicants must pass an exam, pay a fee, be 18 years of age, have a high school degree, be of good moral character, and either have had at least three years of apprenticeship training or have completed opticianry coursework in an approved college or university. Dispensing opticians who have been engaged in practice outside of Washington for five years may also be examined. If they hold a credential in another state, they may be credentialed to practice without examination if the Secretary of the Department of Health determines that the other state's credentialing standards are substantially equivalent to Washington's state standards.

Summary: Opticianry students in an approved college or university opticianry course are permitted to practice under the supervision of a licensed dispensing optician, optometrist or ophthalmologist, as long as the students are clearly identified as students.

Votes on Final Passage:

Senate	45	0
House	96	0

Effective: June 10, 2010

SB 6229
C 17 L 10

Extending to 2015 the assessment levied under RCW 15.36.551 to support the dairy inspection program.

By Senators Schoesler and Ranker; by request of Department of Agriculture.

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

Background: To ship fluid milk and milk products across state lines, Washington Department of Agriculture administers a milk inspection program in accordance with standards established by the National Conference of Interstate Milk Shipments (NCIMS). A milk assessment fee is assessed to support the dairy inspection program, and to maintain compliance with the provisions of the NCIMS and the Grade "A" Pasteurized Milk Ordinance.

The current authority to collect the milk assessment expires on June 30, 2010.

Summary: The current authority to assess milk processed in the state is extended until June 30, 2015. The current maximum assessment level of fifty-four one-hundredths of one cent per hundred weight is retained.

The funds will continue to be deposited in the dairy inspection account within the agricultural local fund. The funds will continue to be used only to provide inspection services to the dairy industry.

Votes on Final Passage:

Senate	47	1
House	96	0

Effective: June 10, 2010

SSB 6239
C 8 L 10

Making technical corrections to gender-based terms.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles, Gordon and Fraser; by request of Statute Law Committee).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on State Government & Tribal Affairs

Background: Since 1983 state law requires 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. ESB 5063 also 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 gender-neutral by June 30, 2015. The first such bill was passed by the Legislature during the 2009 Legislative Session.

Summary: Gender-specific terms and references are made gender-neutral in several titles of the RCW. Titles relating to criminal procedure, probate and trust, district and juvenile courts, aeronautics, agriculture, state government, motor vehicles, public highways and transportation, insurance, labor, unemployment compensation, industrial insurance, fire protection districts, port districts, public utility districts, boundaries and plats, and landlord and tenant are included and are made gender-neutral throughout.

Votes on Final Passage:

Senate	46	0
House	85	10

Effective: June 10, 2010
July 1, 2010 (Section 9077)

ESSB 6241
C 7 L 10

Creating community facilities districts.

By Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Kilmer and Delvin).

Senate Committee on Economic Development, Trade & Innovation
House Committee on Community & Economic Development & Trade

Background: Local governmental functions are generally performed by counties, cities, and towns. However, there are a number of smaller governmental entities known as special purpose districts, authorized by Article VII, Section 9 of the State Constitution. Special purpose districts may provide a wide range of highly specialized functions and services not ordinarily provided by the larger units of local government. The creation, authority, duties, and dissolution of special purpose districts are controlled by statutory procedures. The governing authority of a special purpose district consists of the commission, council, or other body which directs the affairs of a special purpose district.

Most special purpose districts perform a single function, although some serve a broader range of purposes. Special purpose districts include water-sewer districts, fire protection districts, port districts, public utility districts, county park and recreation service areas, flood control zone districts, diking districts, drainage improvement districts, and solid waste collection districts.

Most functions of special purpose districts are paid for with assessments or fees raised within the district. Benefit charges may also be imposed by a special purpose district and are imposed upon a property owner based upon the measurable benefits to be received. Benefit charges are not based on the value of real property, but are linked to other factors such as insurance savings, water sources or the distance from fire service facilities.

Summary: Community Facilities Districts (CFD) are designed to provide financing for community facilities and local, subregional, and regional infrastructure. A CFD is created by a petition approved by a county, city, or town in which the district is located. The petition must:

- describe the boundaries;
- be executed by 100 percent of all landowners, with the landowners having requested that their property be subject to assessments;
- explain the object and plan of the district and the specific facilities to be financed;
- be accompanied by an obligation to pay the costs of formation; and
- include a list of potential members of the board of supervisors.

The county, city, or town in which the CFD is located must hold a public hearing on the petition and must act on the petition within 30 days of the hearing.

A CFD is independently governed by a board of supervisors (Board). The legislative authority or authorities of the CFD is required to approve appointments to the Board. Appointees are to come from property owners in the CFD and members of the legislative authority or authorities within the boundaries of CFD, but qualified professionals may also be appointed to the Board to serve in lieu of members of legislative authorities.

A CFD may acquire, purchase, hold, lease, finance, and sell real and personal property, either inside or outside the boundaries of the district. Additionally, a CFD may enter into contracts, levy assessments, and issue revenue and assessment bonds. A CFD may finance the cost of the purchase, lease, construction, improvement, or rehabilitation of any facility with an estimated life of five years or longer. A CFD may finance:

- planning and design work;
- sewage systems;
- drainage and flood control systems;
- water systems;
- highways, roads, streets, and parking facilities;
- areas for pedestrian, equestrian, or bicycle use for travel;
- pedestrian malls, parks, recreational facilities, and open-space facilities;
- landscaping;
- public buildings, public safety facilities, and community facilities;
- natural gas transmission and distribution facilities;
- lighting systems;
- traffic control systems and devices;
- railway, tramway, and bus systems or other means of mass transportation facilities;
- library, education, or cultural facilities; and
- other facilities of a similar nature.

Special assessments may be imposed by the CFD on privately owned real property within the district to finance the facilities and improvements provided by the CFD.

Votes on Final Passage:

Senate	43	2
House	75	22

Effective: June 10, 2010

SB 6243

C 205 L 10

Eliminating provisions for filings at locations other than the public disclosure commission.

By Senators Fairley, Oemig, Swecker and McDermott; by request of Public Disclosure Commission.

Senate Committee on Government Operations & Elections

House Committee on State Government & Tribal Affairs

Background: Initiative 276, passed by voters in 1972, established disclosure of campaign finances, lobbyist activities, financial affairs of elective officers and candidates, and access to public records. That initiative also created the Public Disclosure Commission (PDC), a five member, bi-partisan citizen commission to enforce the provisions of the campaign finance disclosure law.

Among the statutory duties of the PDC are to: compile and maintain a current list of all filed reports; investigate whether properly completed statements and reports have been filed within the times required; and investigate and report apparent violations of campaign finance law to the appropriate authorities.

The law requires that political subcommittees file a statement of organization with both the PDC and the county auditor of the county in which the political committee's treasurer lives. This statement must be completed within two weeks of the committee's organization or within two weeks after the date when it first expects to receive contributions or make expenditures. The information required includes the names and addresses of the committee, any affiliated committees, its officers or responsible leaders, and its treasurer and depository. The statement of organization must also include information regarding the candidate the committee is supporting or opposing, or the ballot proposition the committee is supporting or opposing. A candidate, within two weeks after becoming a candidate, must also designate and file with the PDC and the county auditor the names and addresses of the campaign treasurer and depository.

Once the statement of organization is filed with the PDC and the county auditor, a committee must report all contributions received and expenditures made at the following times:

- on the 10th day of each month, provided that total contributions or expenditures exceed $200 since the last report;
- on the 21st day and the 7th day immediately preceding the date of the election; and
- on the 10th day of the first month after the election.

A continuing political committee is required to report to the PDC and the county auditor (of the county in which the committee maintains its office or headquarters, or the county in which the committee treasurer resides) on the 10th day of every month detailing contributions and expenditures. If the continuing political committee files electronically with the PDC, then it need not report to the county auditor.

An independent expenditure is any expenditure that is made in support of, or in opposition to, any candidate or ballot proposition and is not otherwise required to report to the PDC and the county auditor. Persons making independent expenditures must file an initial report to the PDC and the county auditor within five days of making an independent expenditure of at least $100. In addition, further reports are required to be filed with the PDC and the county auditor at the following times:

- on the 21st day and the 7th day preceding the date on which the election is held;
- on the 10th day of the first month after the election; and
- on the 10th day of each month in which no other reports are required to be filed and the person has

made an independent expenditure since the last previous report was filed.

A person or entity making an independent expenditure by mailing 1,000 or more identical (or nearly identical) cumulative pieces of political advertising in a single calendar year must file a statement with the county auditor within two working days after the mailing date. The statement must disclose the number of pieces in the mailing and include an example of the mailed political advertising. The county auditor receiving the filing must be the county of residence for mailings the candidate supported or opposed by the campaign expenditure. For mailings made in support of, or in opposition to, a ballot proposition, the statement must be filed with the county auditor of the county of residence for the person making the expenditure.

Summary: The requirement that candidates and political committees file campaign-related reports and statements with their local county auditor in addition to the PDC is eliminated.

Votes on Final Passage:

Senate	47	0	
House	95	1	(House amended)
House	93	0	(House receded)

Effective: June 10, 2010

SSB 6248
C 140 L 10

Concerning the use of bisphenol A.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Fairley, Rockefeller, Kohl-Welles, Kline and Ranker).

Senate Committee on Health & Long-Term Care
House Committee on Environmental Health
House Committee on General Government Appropriations

Background: Bisphenol A (BPA) is a chemical that is used to harden plastic. It is found in a wide variety of products, including baby bottles, reusable water bottles, tableware, and storage containers. It is used in the thin coating on the interior of food and beverage cans to prevent corrosion and food contamination from the metals.

Potential health effects from exposure to BPA are reproductive effects and developmental effects, particularly in newborns and infants. The U.S. Food and Drug Administration (FDA) is continuing its review of current research on potential low dose effects of BPA. Some manufacturers have discontinued the use of BPA in food and beverage products used by young children.

Summary: Beginning July 1, 2011, plastic containers made with BPA and designed to hold food or beverages primarily for children under three years old may not be manufactured, sold, or distributed in Washington State.

Metal cans with interior coatings containing BPA are exempt.

Sports bottles made with BPA are banned beginning July 1, 2012. Sports bottle is defined as a resealable, reusable container, 64 ounces or less in size, that is designed or intended primarily to be filled with a liquid or beverage for consumption from the container, and is sold or distributed at retail without containing the beverage.

Manufacturers of these products must notify sellers of these restrictions and must recall products that have already been distributed and reimburse retailers or others purchasers for these recalled products.

Manufacturers, retailers, or distributors who knowingly distribute products containing BPA in violation of these provisions are subject to a civil penalty of $5,000 for each violation that is a first offense. Repeat violators are subject to fines not exceeding $10,000 for each repeat offense.

The Department of Ecology may adopt rules to implement this chapter.

Votes on Final Passage:

Senate	36	9	
House	96	1	(House amended)
Senate	38	9	(Senate concurred)

Effective: June 10, 2010

SSB 6251
C 18 L 10

Concerning nonresident surplus line brokers and insurance producers.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senator Benton; by request of Insurance Commissioner).

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

Background: A surplus line insurer is an insurance company that does not have a certificate of authority issued by the Insurance Commissioner to transact business in the state and may only operate under certain rules, specified by statute. The insurance offered by a surplus line broker must be of a type that is not available from authorized insurers, and the broker who sells this insurance must be licensed as a surplus line broker.

Applicants for licensure as resident and nonresident surplus line brokers and as resident and nonresident insurance producers must submit fingerprints as evidence of identity. However, the commissioner must waive both the license application requirements and fingerprinting requirements for nonresident insurance producers when the nonresident applicant has a valid license in another state, if the other state has application requirements of the same basis and also requires fingerprinting. The commissioner

must also waive fingerprinting on the same basis for surplus line brokers.

Some of the same provisions applying both to resident and nonresident surplus line brokers are the expiration of the license if it is not timely renewed; the length of time for which the license is valid; and the request and fee for renewal of the license. These provisions for nonresident surplus line brokers are referenced to the statute applying to resident surplus line brokers. The statute referenced references a third statute for the fee for renewal.

The nonresident surplus line broker must appoint the commissioner for service of legal process. Details of the accomplishment and processing of legal process are specified.

The nonresident producer and title insurance agent must appoint the commissioner as attorney to receive service of legal process. But for stylistic differences, both (1) the nonresident producer and title agent, and (2) the nonresident surplus line broker have the same details of the accomplishment and processing of legal process.

Licensed insurance producers have bonding requirements.

Summary: The licensing requirements for resident surplus line brokers are clarified to be specifically for resident surplus line brokers. The employer of any resident surplus line broker is broadened to include business entities other than firms or corporations.

The requirements for licensure of nonresident surplus line brokers do not include fingerprinting or bonding. Rather than referencing the requirements for the expiration of the license if it is not timely renewed and the length of time for which the license is valid, those provisions from the resident surplus line broker provisions are copied into the same nonresident provisions. The reference to the resident surplus line broker provisions for the fee for renewal is retained.

By virtue of applying for and receiving a license as a nonresident surplus line broker, the broker is deemed to have appointed the commissioner as the broker's agent for service of process. Any successors in interest to the surplus line broker are also bound by this appointment. The details of service of legal process are deleted with reference instead made to a general provision for service of process.

A general provision for accomplishment and processing of legal process is created. But for stylistic differences, it is the same as the requirements for (1) the nonresident producer and (2) the nonresident surplus line broker, except that no return receipt is required if the service is forwarded by mail; forwarding by electronic means is allowed.

Reciprocity provisions for applicants for nonresident insurance producer licenses are clarified.

The title insurance business must designate an individual officer to be responsible for the business's compliance with the insurance code.

Votes on Final Passage:

Senate	46	0
House	96	0

Effective: July 26, 2010

ESB 6261

C 135 L 10

Addressing utility services collections against residential rental property.

By Senators Marr, Schoesler, Berkey, Zarelli and Hobbs.

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Local Government & Housing

Background: When a local municipality provides its own utility services and the property owner requests to be notified of a tenant's delinquency, then the local municipality is to notify the tenant and owner of a tenant's delinquency at the same time.

A municipality has authority to place a lien on the property when a utility account is four months past due. However, if the owner provides the proper notice and is not notified of a tenant's delinquency, then the local municipality does not have the authority to place a lien on the property for the tenant's delinquent and unpaid charges.

The owner of a property or the owner of a delinquent mortgage on the property may provide written notice to the utility to cut off such services provided the request includes payment of any delinquent and unpaid charges. If the utility continues to provide services despite this request and payment, the municipality may not place a lien for future unpaid charges, and the owner or the holder of the delinquent mortgage on the property is not liable for these charges.

Summary: Delinquent Utility Charges for Rental Properties. Municipal electric light and power utilities may only collect delinquent charges from owners of a rental property for up to four months of charges, provided that the owner has satisfied requirements to request notification of a tenant's delinquent utility charges. After August 1, 2010, if a municipality fails to notify an owner of rental property of a tenant's delinquent charges, the municipality has no lien on the rental property and is prohibited from collecting delinquent charges for electric light or power services from the owner, provided the owner of the rental property has provided a proper request to the municipality to receive such notification.

If a utility account is in a tenant's name, upon termination of a rental agreement and vacation of the premise, the property owner of the rental property or the owner's designee must notify the municipality. The notification must be submitted in writing within 14 days of the termination of the rental agreement and vacation of the premise. If the owner fails to comply with this requirement, and if the

municipality has complied with its notification requirements, the municipal utility is no longer limited to collecting delinquent charges for only four months.

A municipality must make a reasonable effort to provide written notice of pending disconnection of electric power and light or water service to the service address at least seven calendar days prior to disconnection if: (1) an occupied multiple residential rental unit receives service through a single account; (2) the billing address of the utility account is not the same as the service address of the rental property; or (3) the municipality has been notified that a tenant resides at the service address.

With certain exceptions, if requested, a city or town must provide electric power and light or water services to an affected tenant on the same terms and conditions as other utility customers, without requiring that the tenant pay delinquent amounts for services billed directly to the property owner or previous tenant. In these cases, the tenant may deduct from the rent due all reasonable charges paid by the tenant to the city or town for such services, and a landlord may not take reprisals or retaliatory action against a tenant who deducts from their rent payments for these purposes. A municipality retains the right to collect any delinquent amounts due for services previously provided from the property owner, previous tenant, or both.

Utility Liens. A provision is removed that disallowed a municipality's lien against a property for further delinquent utility charges after the property owner provides a written request to the municipal utility to have services cut off and includes payment of any delinquent charges.

Votes on Final Passage:

Senate	45	2	
House	98	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 10, 2010

E2SSB 6267

PARTIAL VETO

C 285 L 10

Regarding water right processing improvements.

By Senate Committee on Ways & Means (originally sponsored by Senators Rockefeller and Honeyford; by request of Department of Ecology).

Senate Committee on Environment, Water & Energy
Senate Committee on Ways & Means
House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
House Committee on Ways & Means

Background: In 2000 the Legislature authorized the departments of Ecology (Ecology), Natural Resources, Health, and Fish and Wildlife, and local air pollution control authorities to use voluntary cost-reimbursement agreements for complex projects, meaning those that require an environmental impact statement. The agreements are intended to help assure that complex projects are handled appropriately, without diverting resources away from smaller projects.

An applicant for a water right pending before the Ecology may enter into a cost-reimbursement agreement to expedite review of their water right application. The applicant must agree to pay for, or as part of a cooperative effort agree to pay for, the cost of hiring a private consultant to evaluate their water right application plus any senior applications from the same water source.

The consultant conducts a site investigation, performs the environmental and hydrogeologic analyses, identifies whether the water is available or would impair other water users, prepares a report with his or her findings and a recommendation whether to approve or deny the application. Ecology renders a final decision.

An applicant may appeal a decision if he or she disagrees with Ecology's decision. In such cases, the applicant is responsible for paying for the legal costs of his or her own appeal. If a third party appeals a decision, the applicant may be responsible for reimbursing the state for the cost of defending the decision before the Pollution Control Hearings Board (PCHB). Ecology may negotiate further reimbursement if the decision is appealed beyond the PCHB.

Summary: Cost Reimbursement. The requirement that an applicant pay for the costs of all other applications from the same water sources does not apply if the application is for a change, transfer, or amendment of a water right that would not diminish the water available to earlier pending applicants from the same water source. Ecology may use the work of a prequalified consultant done prior to the initiation of the cost-reimbursement process. Ecology may recover its costs associated with cost-reimbursement. In pursuing a cost-reimbursement project, Ecology must determine the source of water, including the boundaries of the area that will be affected by the project. Additionally, Ecology must determine if any other water right permit applications are pending from the same source. A water source may include surface water, groundwater, or surface and groundwater together if Ecology believes they are hydraulically connected. Ecology must consider technical information from the applicant in making its determinations.

Upon the request of an applicant seeking cost-reimbursement processing, Ecology may elect to initiate a coordinated cost-reimbursement process. If Ecology initiates a coordinated cost-reimbursement project, it must notify in writing all persons who have pending applications for a new appropriation or withdrawal of water from that particular source. The notice must be made by way of mail. The notification must inform those applicants that a coordinated cost-reimbursement process is being initiated and offer the opportunity to voluntarily participate in

funding a cost-reimbursement contractor to investigate and make recommendations to Ecology regarding the disposition of the applications. The notice must also provide the estimated cost for having an application processed using a cost-reimbursement contractor. The notice must provide at least 60 days for the applicants to respond in writing as to their interest in participating in the coordinated cost-reimbursement processing of their applications. The applicant must pay for the initial phase of cost-reimbursement. The cost for each applicant must be based on the proportionate quantity of water requested by the applicant, but may be adjusted if it appears that the application will require a disproportionately greater amount of time and effort to process due to its complexity.

Ecology must competitively select contractors who are qualified by training and experience to investigate and make recommendations on the disposition of water rights applications. The applicant may select the consultant from Ecology's list or may be assigned a consultant by Ecology. The applicant may also use its own consultant at the discretion of Ecology. The contractor list must be renewed at least every six years, although Ecology may add qualified cost-reimbursement contractors to the list at any time. When assigned an application or set of applications to investigate, the contractor must document his or her findings and recommended disposition in the form of written draft reports of examination.

Within two weeks of Ecology receiving the draft reports of examination, an applicant may provide comments to Ecology on the contents of the report. Ecology may modify the reports of examination submitted by the contractor. Only Ecology may approve or deny an application processed under cost-reimbursement. Ecology's decision on a permit application is final unless it is appealed to the PCHB. Each individual applicant is responsible for his or her own appeal costs that may result from a water right decision made by Ecology. In the event that an applicant's water right approval is appealed by a third party, the applicant for the water right in question must reimburse Ecology for the cost of defending the decision before the PCHB unless otherwise agreed to by the applicant and Ecology. If an applicant appeals either an approval or denial by Ecology, the applicant is responsible for his or her own appeal costs.

If an applicant elects not to participate in a cost-reimbursement process, the application remains on file with Ecology, retains its priority date, and may be processed in the future under regular processing, expedited processing, or through cost-reimbursement.

Expedited Processing. Ecology may expedite processing of applications within the same surface water or groundwater source on its own volition when there is interest from a sufficient number of applicants or upon receipt of written requests from at least 10 percent of the applicants within a water source. If those conditions are met and Ecology determines it is in the public interest to expedite applications in a water source, Ecology must notify everyone with a pending application that expedited processing is being initiated, and provide the criteria under which the applications are examined and determined; the estimated cost; an estimate of how long the expedited process takes; and allow at least 60 days for applicants to respond to Ecology. Additionally, Ecology must post notice on its website.

Ecology must determine the full costs to process applications on an expedited basis and recover those costs from applicants who elect to participate through expedited processing fees. Ecology must calculate the estimated cost to the applicant based primarily on the quantity of water requested by the applicant and may adjust the fee if it appears that the application requires more time due to its complexity. Any application fees that were paid by the applicant must be credited against the applicant's expedited processing fee. Ecology must collect the expedited processing fee prior to the expedited processing of an application. The expedited processing fees must be deposited into the water rights processing account.

If an applicant elects not to participate in expedited processing, the application remains on file with Ecology, retains its priority date, and may be processed in the future under regular processing, expedited processing, or through cost-reimbursement. Such an application may not be processed through expedited processing within 12 months after the previous expedited processing has been completed unless the applicant pays the full proportionate share that would otherwise have been paid for expedited processing. Any proceeds collected from an applicant may be used to reimburse the other applicants who participated in the previous expedited processing.

Certified Water Right Examiners. Ecology must establish and maintain a list of certified water right examiners. Certified water right examiners are eligible to perform final proof examinations of permitted water uses leading to the issuance of a water right certificate. An individual must be registered in Washington as a professional engineer, professional land surveyor, or registered hydrogeologist or demonstrate at least five years of applicable experience or be a conservancy board member in order to be eligible to become a certified water right examiner.

Additionally, qualified individuals must also pass a written examination and demonstrate knowledge and competency regarding Washington water law; measurement of water through open channels and enclosed pipes; water use and water level reporting; estimation of capacity of reservoirs and ponds; irrigation crop water requirements; aerial photo interpretation; location of land and water infrastructure through maps and global positioning; proper construction and sealing of well bores; and other topics related to the preparation and certification of water rights in Washington.

Each certified water right examiner must complete eight hours annually of qualifying continuing education in

the water resources field and be bonded for at least $50,000. Ecology must establish and collect fees for the examination, certification, and renewal of certification of water right examiners. Additionally, Ecology may adopt rules concerning water right examiners.

In order to receive a final water right certificate, the permit holder must hire a certified water right examiner to perform a final examination of the project to verify its completion and to determine and document for the permit holder and Ecology: (1) the amount of water that has been appropriated for beneficial use; (2) the location of diversion or withdrawal and conveyance facilities; and (3) the actual place of use. Ecology may also conduct a final proof of examination. Ecology must make its final decision within 60 days of the date of receipt of the proof examination from the certified water right examiner, unless otherwise requested by the applicant. Ecology may request corrections to a draft final proof of examination received from the certified water right examiner.

Notification to Affected Tribal Governments. Ecology must provide electronic notice and opportunity for comment to affected federally recognized tribal governments concurrently when providing notice to applicants under cost-reimbursement, coordinated cost-reimbursement, or expedited processing of applications.

Votes on Final Passage:

Senate	46	2	
House	51	47	(House amended)
			(Senate refused to concur)
House	96	1	(House receded/amended)
Senate	46	2	(Senate concurred)

Effective: June 10, 2010

Partial Veto Summary: The Governor vetoed the sections that defined the original location of a well associated with a water right claim as the area located within a one-quarter mile radius of the current well or wells. Additionally, the Governor vetoed the effective date and expiration sections pertaining to defining the original location of a well.

VETO MESSAGE ON E2SSB 6267

April 1, 2010

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 9, 10, 14 and 15, Engrossed Second Substitute Senate Bill 6267 entitled:

"AN ACT Relating to water right processing improvements."

This bill provides applicants and the Department of Ecology with tools that can be used, when appropriate, to expedite the processing of water right applications.

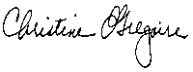
Sections 9 and 10 define the original location of a well associated with a water right claim as the area located within a one-quarter mile radius of the current well or wells. The original location of a well is used to determine when a replacement well requires a formal change to the water right.

The specific definitions in Sections 9 and 10 would reduce the Department of Ecology's flexibility and impair its current discretion to decide when a replacement well warrants formal review and approval. Such flexibility and discretion is needed when the impacts of a replacement well will depend on the circumstances. Sections 14 and 15 provide expiration and effective dates for Sections 9 and 10, respectively.

For these reasons, I have vetoed Sections 9, 10, 14 and 15 of Engrossed Second Substitute Senate Bill 6267.

With the exception of Sections 9, 10, 14 and 15, Engrossed Second Substitute Senate Bill 6267 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6271

C 19 L 10

Concerning annexations by cities and code cities located within the boundaries of a regional transit authority.

By Senate Committee on Transportation (originally sponsored by Senators Murray and Haugen).

Senate Committee on Transportation
House Committee on Local Government & Housing

Background: A Regional Transit Authority (RTA) may be established in two or more contiguous counties each having a population of 400,000 persons or more. A RTA must be established for the purpose of operating a high capacity transportation system. Sound Transit, which operates in Snohomish, King, and Pierce Counties, is the only RTA.

Areas adjacent to a RTA that would benefit from the RTAs services may be annexed to the RTA through a three-step process. First, the governing body of the RTA must adopt a resolution proposing annexation. Second, the annexation must be approved by the governing body of any city proposed to be annexed or by the county legislative authority if the area proposed to be annexed is unincorporated. Third, voters residing in the area proposed to be annexed must approve a ballot proposition authorizing the annexation and the imposition of taxes already imposed by the RTA.

Several cities on the east side of Lake Washington in King County have portions of the city inside and outside of the RTA. Pierce County and Snohomish County each have one city that is partly outside of the RTA. Legal obligations, including taxing obligations, are different for residents and businesses depending on whether they are located inside or outside of the RTA.

Currently, if a city or part of a city is within a RTA's boundaries, and the city annexes an area, the annexed area is not automatically included in the RTA.

Summary: When an area outside of RTA boundaries is annexed to a city or a code city located within the boundaries of a RTA, the annexed area is simultaneously included within the boundaries of the RTA. From the effective

date of the annexation, the annexed area is subject to the taxes, liabilities, and obligations imposed by the RTA within the city. The city or code city must notify the RTA of the annexation.

This act will apply only to annexations that occur after the law takes effect.

Votes on Final Passage:

Senate	45	0
House	57	37

Effective: June 10, 2010

SSB 6273
C 44 L 10

Regarding insurance coverage of the sales tax for prescribed durable medical equipment and mobility enhancing equipment.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Swecker, Fairley, Keiser, Hatfield, Pflug, Stevens, Shin and McCaslin).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Prescribed durable medical equipment includes a variety of devices, such as blood glucose monitors, canes, home oxygen equipment, hospital beds, walkers, and wheelchairs. Medical insurance often includes coverage for these types of prescribed devices, and a common benefit design may cover 80 percent of the cost of the device, with the remaining 20 percent to be paid by the patient. Some insurance carriers include the cost of the state sales tax with their plan payment to the vendor, but many others do not. The additional charge then falls on the patient or on the vendor providing the device. Some devices are quite expensive and the patient charge for their portion of the payment plus an additional charge for sales tax on the total item price can be prohibitive. For example a specialized power wheelchair for a complex patient can be $30,000, which could result in thousands of dollars in out-of-pocket charges for the patient.

Summary: Medical insurance plans issued on or after January 1, 2011, that include coverage for prescribed durable medical equipment and mobility enhancing equipment, must include the sales tax or use tax calculation in their plan payment. The payment must reflect the negotiated provider agreement for the prescribed equipment, and separately identify the sales tax or use tax if the provider submitting a claim or invoice indicates the geographically adjusted sales tax. The tax calculation must be consistent with the sales tax requirements established in RCW 82.08 and the use tax requirements in RCW 82.12.

The definitions for durable medical equipment and mobility enhancing equipment are consistent with the definitions provided in RCW 82.08 and 82.12. Durable medical equipment includes equipment that can withstand repeated use, is primarily and customarily used to serve a medical purpose, generally is not useful to a person in the absence of illness or injury, and is not worn in or on the body. Mobility enhancing equipment includes equipment that is primarily and customarily used to provide or increase the ability to move from one place to another and is appropriate for use in a home or a motor vehicle, is not generally used by persons with normal mobility, and does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

Votes on Final Passage:

Senate	48	0
House	68	26

Effective: June 10, 2010

SB 6275
C 45 L 10

Regarding harbor lines.

By Senator Jacobsen.

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Agriculture & Natural Resources

Background: The Washington Constitution requires the Legislature to appoint a commission to establish harbor lines for the navigable waters in front of incorporated cities. The Legislature has directed the Board of Natural Resources to serve as the Harbor Line Commission.

A harbor area is the area between the outer and inner harbor line. A harbor area may exist in front of and up to one mile beyond any incorporated city limit. A harbor area is reserved for landings, wharves, and other conveniences of navigation and commerce.

The Harbor Line Commission may initially locate and establish harbor lines and determine harbor areas pursuant to the state Constitution. However, the Harbor Line Commission may only change, relocate, or reestablish the harbor lines for harbor areas as authorized by the Legislature. According to the Department of Natural Resources, there are 28 harbor areas currently established in the state. The Legislature has granted the Harbor Line Commission express authority to amend the harbor lines for all harbor areas except Marysville, Steilacoom, and a portion of Lake Washington.

Summary: The Harbor Line Commission may change, relocate, or reestablish a harbor line in any harbor area.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 10, 2010

SB 6279
C 62 L 10

Clarifying regional transit authority facilities as essential public facilities.

By Senators Kline, Murray and Haugen.

Senate Committee on Transportation
House Committee on Local Government & Housing

Background: Under current law, the comprehensive plans of local governments planning under the Growth Management Act (GMA) must include a process for identifying and siting essential public facilities. Essential public facilities are defined as facilities that are typically difficult to site, such as airports, education facilities, highways of statewide significance, correctional facilities, and solid waste facilities.

Local governments planning under the GMA may not preclude the siting of essential public facilities.

Summary: Regional transit authority facilities are specifically identified as essential public facilities.

Votes on Final Passage:

Senate	47	0
House	63	35

Effective: June 10, 2010

SSB 6280
C 286 L 10

Concerning East Asian medicine practitioners.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Murray, Shin, Kohl-Welles, Marr, Jacobsen and Kline).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Acupuncture is defined under current state law as "a health care service based on an Oriental system of medical theory utilizing Oriental diagnosis and treatment to promote health and treat organic or functional disorders by treating specific acupuncture points or meridians." The practice of acupuncture and acupuncturists has been regulated in Washington State since 1985. The Secretary of the Department of Health (DOH) is currently responsible for regulating the practice of acupuncture including applications for licensure, examinations, training requirements, and discipline under the Uniform Disciplinary Act. The Secretary can appoint members of the profession to serve on an ad hoc advisory committee to assist the Secretary in regulating the acupuncture profession.

A sunrise review of the acupuncturist scope of practice was conducted by the DOH, with findings contained in a report published in December 2009. The review noted that the scope of practice for acupuncturists has not changed in 24 years. The review recommends that those who practice acupuncture also be permitted to: include the use of lancets, give dietary advice, use breathing, relaxation and exercise techniques, QI Gong, health education, Asian massage, Tui Na, hot and cold therapies, and the use of herbs, vitamins, minerals, and dietary and nutritional supplements. The DOH specifically denied the request that acupuncture practitioners be permitted to conduct in-office testing and took no position on the proposal to change the title of the profession.

Summary: The state's professional designation of acupuncturist is changed to East Asian medicine practitioner. Those who are currently licensed as an acupuncturist are to be granted the title of East Asian Medicine Practitioner upon license renewal. The practice of acupuncture is changed to East Asian medicine. In addition to the techniques and methods used by practitioners under the current law, East Asian Medicine Practitioners can use lancets, give dietary advice, use breathing, relaxation and exercise techniques, QI Gong, health education, East Asian massage, Tui Na, hot and cold therapies, and make use of herbs, vitamins, minerals, and dietary and nutritional supplements.

It is clarified that individuals may provide the following techniques and services without being licensed as an East Asian Medicine Practitioner: dietary advice and health education, breathing, relaxation, and East Asian exercise techniques, Qi Gong, East Asian massage, Tui Na, and superficial heat and cold therapies.

East Asian Medicine Practitioners are allowed to continue to treat a patient who has refused a consultation with a primary health care provider if the patient signs a waiver which includes: an explanation of the practitioners's scope of practice, and a statement that the services that an East Asian Medicine Practitioner is authorized to provide will not resolve the patient's underlying potentially serious disorder.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
			(Senate refused to concur)
House	97	0	(House receded/amended)
Senate	46	1	(Senate concurred)

Effective: June 10, 2010
July 1, 2010 (Section 17)
August 1, 2010 (Section 18)

ESSB 6286
C 46 L 10

Concerning the liability and powers of cities, diking districts, and flood control zone districts.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, Haugen, Tom, Keiser, Kauffman and McDermott).

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

Background: Flood control zone districts are quasi-municipal corporations created for the limited purpose of undertaking, operating, and maintaining flood control or storm water control projects. Flood control zone districts are created by the legislative body of a county or by petition of at least 25 percent of the electors within a proposed zone and are an independent taxing authority and a taxing district. Generally, the legislative body of a county serves as the district's supervisors and the county engineer as the administrator. Flood control zone districts with more than 2,000 residents are authorized to elect supervisors. There are currently at least nine flood control zone districts in Washington.

Diking districts are taxing districts and oversight bodies which create, maintain, and manage specific areas that include significant drainage or dike infrastructures. Among other things, a diking district has the authority to straighten, widen, and deepen waterways considered a flood threat. Diking districts may construct dikes, drains, ditches, and other infrastructure to reduce flood risk.

Under current law, counties are immune from liability for any noncontractual acts or omissions relating to the improvement, protection, regulation, and control for flood prevention and navigation purposes of any river or its tributaries.

Covered volunteer emergency workers are volunteers who are registered with a local emergency management organization or Washington State Military Department and are granted immunity from liability for their work during an emergency.

Summary: Flood control zone districts, diking districts, and cities are provided immunity from liability for any noncontractual acts or omissions relating to the improvement, protection, regulation, and control for flood prevention and navigation purposes of any river or its tributaries.

A flood control zone district may use covered volunteer emergency workers during an emergency.

A flood control zone district may provide grant funds to political subdivisions of the state that are located within the boundaries of the zone, so long as the use of the funds are within the flood control zone district's authorized purposes.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 10, 2010

ESB 6287
C 63 L 10

Concerning annexation of a city, partial city, or town to a fire protection district.

By Senators Fraser and Fairley.

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing

Background: A fire protection district (district) is created to provide fire prevention, fire suppression, and emergency medical services within a district's boundaries. A district is governed by a board of commissioners consisting of either three or five members. The district finances their activities and facilities by imposing regular property taxes, excess voter-approved property tax levies, and benefit charges. Generally, a district serves residents outside of cities or towns, except when cities and towns have been annexed into a district or when the district continues to provide service to a newly incorporated area.

A city or town adjacent to a district may be annexed to such a district provided the population of the city or town does not exceed 100,000. Such annexation is initiated through the adoption of an ordinance by the legislative authority of the city, or town approving annexation into the district, and stating a finding that the public interest is served by such annexation. The annexation must then be authorized through the concurrence of the district's board of fire commissioners. Following such approval of the annexation, notification must be sent to the governing body of the county or counties in which both the district and city or town are located. The pertinent county legislative authorities must then call a special election in the city or town to be annexed, as well as the district, so as to allow the voters in each jurisdiction to determine the annexation issue. The annexation is complete if a majority of voters in each jurisdiction vote in favor of annexation.

A city or town located in two counties that have at least 80 percent of the population residing in one county may annex to a fire protection district if, at the time of the initiation of annexation, the proposed area lies adjacent to a fire protection district and the population of the proposed area is greater than 5,000 but less than 10,000. The governing bodies of the city and the district, as well as the qualified voters within the boundaries of the fire protection district, must approve of the annexation prior to its existence.

In accordance with specified limitations, both the district and the city are authorized to levy taxes related to district fire protection services.

Summary: All property located within the boundaries of a city, partial, or town annexing into a fire protection district which is subject to an excess levy by the city or town for the repayment of debt incurred for fire protection related capital improvements that incurred prior to the annexation is exempt from voter-approved property taxes levied by the annexing fire protection district for the repayment of indebtedness issued prior to the effective date of the annexation.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: March 15, 2010

SB 6288

C 47 L 10

Authorizing counties, cities, and towns to request background checks for certain license applicants and licensees.

By Senators Pridemore, Fairley, Kohl-Welles and Kline.

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing

Background: Local governments in Washington are authorized by statute to issue licenses and certificates for specified professions or occupations that are not otherwise issued by the state. Examples of such occupations include drivers of taxicabs or other for-hire vehicles and dealers of secondhand goods.

The Washington State Patrol Identification and Criminal History Section (WASIS) is the statewide repository for fingerprint-based Criminal History Record Information (CHRI). The Washington State Patrol (WSP) is authorized to disseminate conviction data within the WASIS database to local governments without restriction. The WASIS database is limited to CHRI for crimes committed in Washington.

The Federal Bureau of Investigation (FBI) is the national repository for fingerprint-based CHRI. Pursuant to federal law, the FBI may only conduct national criminal record background investigations at the request of state and local government officials for licensing and employment purposes when language authorizing national criminal background investigations is expressly stated in state statute. Current state law authorizes certain state agencies to request national criminal background investigations from the FBI.

There is no expressed statutory authorization for local governments to request national criminal background investigations.

Summary: Local governments may, by ordinance, require a state and federal background investigation of license applicants or licensees in occupations for which the local government has licensing authority.

State background investigations must be processed through the WASIS, as provided for in statute, and may also include a fingerprint-based national background check through the FBI. The WSP must be the sole source for receipt of fingerprint submissions, as well as responses to the submissions, from the FBI. The WSP is also responsible for disseminating the results of the national background investigations to the requesting local government.

The local government requesting the background investigation is responsible for transmitting the appropriate fees for a state and national criminal history check to the WSP, unless alternately arranged.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: June 10, 2010

SSB 6293

C 255 L 10

Changing provisions relating to rendering criminal assistance in the first degree.

By Senate Committee on Judiciary (originally sponsored by Senators Brandland and Carrell).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness
House Committee on General Government Appropriations

Background: A person commits the offense of rendering criminal assistance in the first degree when that person provides criminal assistance to a person who has committed or is being sought for murder in the first degree, any Class A felony, or an equivalent juvenile offense. The criminal assistance must be done with intent to prevent or delay the apprehension or prosecution of a person who that person knows has committed, or is being sought for the commission of a crime or juvenile offense. Rendering criminal assistance in the first degree is a Class C felony and it is ranked at seriousness level V.

The term criminal assistance is defined as doing any of the following acts, directed at a person who the provider of the assistance knows has committed or is being sought for commission of a crime or juvenile offense: (1) harboring or concealing such a person; (2) warning the person of impending discovery or apprehension; (3) providing money, transportation, disguise, or other means of avoiding discovery or apprehension; (4) preventing or obstructing, by use of force, deception, or threat, anyone from performing an act that might aid in discovery or apprehension; (5)

concealing or destroying physical evidence that might aid in the apprehension; or (6) providing a weapon to the person.

If the criminal assistance is established by a preponderance of the evidence to have been provided by a relative and it does not fall into the behaviors described above in (4), (5), or (6) then it is a gross misdemeanor. A relative is defined as a person who is related as husband or wife, brother or sister, parent or grandparent, child or grandchild, step-child or step-parent to the person to whom the criminal assistance is rendered.

Summary: A person is guilty of rendering criminal assistance in the first degree, a Class B felony, if he or she renders criminal assistance to a person who has committed or is being sought for murder in the first degree or any Class A felony or equivalent juvenile offense. If it is established by a preponderance of evidence that the person rendering the criminal assistance is a relative under the age of 18 years, the offense is a gross misdemeanor.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
			(Senate refused to concur)
House	93	0	(House receded/amended)
Senate	42	0	(Senate concurred)

Effective: June 10, 2010

SB 6297
C 65 L 10

Regarding certification of speech-language pathology assistants.

By Senator Franklin.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The Legislature passed ESSB 5601 during the 2009 session. This bill established the requirement that only certified speech-language pathology assistants (SLPAs) can use this designation. Minimum qualification include an associate degree or a bachelor degree or certificate of proficiency from a SLPA program approved by the Board of Hearing and Speech (BHS). As an alternative, within one year of this act's effective date, requirements for certification may be met by submitting a competency checklist to BHS and by being employed under the supervision of a speech language pathologist for a minimum of 600 hours within the last three years.

The Secretary of the Department of Health has authority to discipline SLPAs. An SLPA may only perform tasks delegated by a speech language pathologist and must follow the individualized education program and treatment plan.

Summary: The Board of Hearing and Speech is given authority to establish standards for certification and discipline of SLPAs.

Applicants for certification as a SLPA can meet the requirements for certification if, within one year of July 1, 2010, the SLPA submits a competency checklist to the Board of Hearing and Speech, and is employed under the supervision of a speech-language pathologist for at least 600 hours within the last three years in compliance with board rules.

Votes on Final Passage:

Senate	44	0
House	96	0

Effective: June 10, 2010
July 1, 2010 (Section 2)
August 1, 2010 (Section 3)

SSB 6298
C 36 L 10

Authorizing limited deposits of public funds with credit unions.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Berkey, Rockefeller and Kline).

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

Background: Credit unions are nonprofit corporations that promote thrift among their members and create a source of credit for their members at fair and reasonable rates of interest. Seven or more natural persons who reside in Washington may apply to the Director of the Department of Financial Institutions for permission to organize as a credit union. Upon the Director's endorsement that the proposed articles of incorporation and bylaws are consistent with legal requirements and the Directors's determination that the proposed credit union is feasible, the formation of the credit union may proceed. One of the requirements of the bylaws is a statement of the credit union's field of membership.

A credit union's field of membership is the limitation of membership to those having a common bond of occupation or association, or to groups within a well-defined neighborhood, community or rural district.

The powers of a credit union are specified in statute. These powers include receiving deposits, making loans, and paying dividends and interest, among others.

National Credit Union Share Insurance Fund insures deposits in credit unions up to $250,000 through December 31, 2013.

Public funds are those monies belonging to or held for the state, its political subdivisions, municipal

corporations, agencies, courts, boards, commissions, or committees, and includes monies held in trust.

Summary: Credit unions are public depositaries for the only purpose of receiving public deposits that may total no more than the lesser of the federal deposit insurance or $100,000. The maximum amount of deposit applies to all funds attributable to any one depositor of public funds in any one credit union. Credit unions are subject to the same reporting requirements as are public depositaries.

Votes on Final Passage:

Senate	38	9
House	76	20

Effective: July 1, 2011

SSB 6299

C 66 L 10

Regarding animal inspections.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Schoesler, Hatfield and Shin).

Senate Committee on Agriculture & Rural Economic Development

House Committee on Agriculture & Natural Resources

Background: The Washington State Department of Agriculture (WSDA) Animal Health Program is charged with protecting animals and the public from communicable animal diseases. Program officials monitor movement of animals across state lines, set requirements for reporting and controlling diseases, and conduct testing and investigations.

It is generally illegal to bring an animal into Washington without an official certificate of veterinary inspection (CVI) verifying that the animal meets Washington health requirements. Persons importing livestock destined for slaughter within three days after entry are exempt from this requirement.

WSDA may enter animal premises at reasonable times to conduct tests, examinations, or inspections for animal diseases when there is reasonable cause to investigate disease. Interference is illegal. If it is denied access, or an animal owner fails to comply with an agency order, WSDA may apply to a court for a warrant authorizing access.

Cattle must be inspected when ownership is transferred. WSDA officials perform inspections when livestock are consigned to public livestock markets for sale. For private transactions involving fewer than 25 head of cattle, buyers and sellers may jointly complete a self-inspection certificate. The self-inspection process does not involve WSDA inspectors, and information regarding specific transactions is not recorded by the agency.

Livestock brands may be inspected to verify ownership. WSDA issues official brand inspection documents.

Summary: To retain an exemption from a CVI requirement, persons importing livestock into Washington for slaughter must deliver the livestock within 12 hours after entry to (1) an approved, inspected feed lot for slaughter; (2) a federally inspected slaughter plant; or (3) a licensed public livestock market for sale and subsequent delivery within 12 hours to (a) an approved, inspected feed lot for slaughter; or (b) a federally inspected slaughter plant. WSDA may exempt livestock from this requirement by rule.

WSDA may monitor livestock entering Washington. Persons importing, transporting, receiving, feeding, or housing imported livestock must comply with WSDA requirements and make livestock and related records available for WSDA inspection. The agency may charge a time and mileage fee for inspecting livestock and related records during an investigation. Fees must be deposited into the agricultural local fund and used to carry out animal health functions. WSDA may adopt and enforce implementing rules.

WSDA investigative authority is clarified and modified. The agency may enter property at any reasonable time to investigate whether livestock have been imported in violation of requirements and to conduct tests, examinations, and inspections, take samples, and examine and copy records. Interference is unlawful.

Self-inspection certificates completed after the effective date of the act are no longer satisfactory proof of ownership for cattle. Self-inspection certificates completed before the effective date of the act may continue to be accepted as proof of ownership of cattle, if WSDA determines that the self-inspection certificate, together with other available documentation, sufficiently establishes ownership.

WSDA may adopt rules governing issuance of replacement copies of brand inspection documents and charge a fee of $25 for copies, which may be increased by rule.

Votes on Final Passage:

Senate	45	3
House	96	0

Effective: June 10, 2010

ESSB 6306

C 67 L 10

Regulating crop adjusters.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senator Schoesler; by request of Insurance Commissioner).

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Financial Institutions & Insurance

Background: Crop insurance is a type of insurance that is designed to protect farmers from losses due to a variety of possible perils, or from a loss of revenue due to low yields, declines in the prices of agricultural commodities, or both. Different types of policies are offered for a wide variety of crops through the Federal Crop Insurance Corporation, a government-owned corporation managed by the Risk Management Agency (RMA) of the United States Department of Agriculture. Separately from the RMA, and not subsidized by the federal government, private insurers can offer, usually, single peril crop insurance and crop revenue insurance.

The RMA has indicated that it will preempt state authority to oversee the licensing of crop adjusters on July 1, 2011, unless the state has recognized crop insurance as a special line of business and the majority of the material in the education and testing of a crop adjuster is related to crop-related issues and procedures. A number of states, including this state, were recognized as possible candidates for preemption.

An adjuster is a person who, for compensation, investigates or reports claims arising under insurance contracts. An adjuster must be licensed or otherwise authorized under the insurance code. An adjuster may work solely for either the insurer (an independent adjuster) or the insured (a public adjuster). Each category requires a separate license. A license requires a prelicensing test that is specific to adjusters. There is also a requirement of experience or special education or training that can be met if the adjuster works as a trainee for a specified amount of time.

The amounts of fees charged by the commissioner for application, examination, and licensing of adjusters are referenced to a single section that contains only the fees for the various regulatory activities of the commission. There is no fee listed in the general fee section for the licensing application for either independent adjusters or public adjusters.

Summary: Licensing application fees of $50 each are established for independent adjusters and public adjusters, respectively.

Licensing application fees and licensing renewal fees of $50 each are established for crop adjusters.

The licensing of crop adjusters is separate from that of other adjusters. The requirements for licensure are specific to the business of crop adjustment. Employees of companies that are federally certified crop adjusters are exempt.

The separate and specific regulatory requirements include the following:

1. The terms crop adjuster and crop insurance are defined and include revenue insurance.
2. Crop adjusters must be separately licensed.
3. An in-state applicant for a resident crop adjuster's license, who has a current crop adjuster's license from another state is not required to take a pre-licensing educational course or an examination.
4. If the prelicensing education and examination of their home state are substantially similar to those of this state, those applying for a nonresident crop adjuster license are exempt from the examination requirement.
5. The commissioner has authority to establish by rule the prelicensing, written examination, renewal, and continuing education requirements for crop adjusters.
6. Insurance producers may not act as crop adjusters unless they are licensed as crop adjusters.
7. A nonresident crop adjuster, who is licensed in another state or by the RMA, is not required to be licensed in this state to adjust a single loss or to adjust losses arising out of a common catastrophe.

Votes on Final Passage:

Senate	47	2
House	96	0

Effective: June 27, 2011

SB 6308

C 218 L 10

Controlling computer access by residents of the special commitment center.

By Senators Carrell, King, Marr, Stevens, Becker and Roach.

Senate Committee on Human Services & Corrections
House Committee on Public Safety & Emergency Preparedness

Background: Persons who are found to be sexually violent predators are committed to the custody of the Department of Social and Health Services (DSHS) for control, care, and individualized treatment. Most sexually violent predators are currently housed at the Special Commitment Center (SCC) on McNeil Island.

DSHS has imposed a variety of restrictions on residents of the SCC with respect to computer usage. For example, the residents may only purchase one type of computer, which has been approved by DSHS. The computer is not capable of reading thumbnail drives and is only capable of reading (not writing) compact discs. The computer does not have wireless Internet access or a modem, which means that the residents are not capable of accessing the Internet while in the SCC.

In April 2007, a resident of the SCC was found to be in possession of contraband pornography in violation of SCC rules and the resident's sex offender treatment plan.

Summary: A resident of the SCC is prohibited from accessing or possessing a personal computer if the resident's treatment plan states that access to a computer is harmful to bringing about a positive response to a phase or course

of treatment. A person who is prohibited from accessing or possessing a personal computer is permitted to access a limited functioning device only capable of word processing and limited data storage.

Votes on Final Passage:

Senate	47	0	
House	97	1	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2010

SSB 6329
C 141 L 10

Creating a beer and wine tasting endorsement to the grocery store liquor license.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles, King, Franklin, Hewitt, Keiser, Kline and Delvin).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: A person seeking to sell liquor in Washington must obtain the appropriate retail license from the Washington State Liquor Control Board (LCB). One such retail license is the grocery store license, which allows the licensee to sell beer and wine for off-premise consumption. The annual fee for the grocery store license is $150. In 2008 the Legislature directed the LCB to establish a year-long pilot program to allow beer and wine tasting in grocery stores. Participating stores were limited to 12 tastings during the pilot program and were subject to size, service area, and advertising restrictions.

The pilot program ended September 30, 2009, and the LCB issued a report on the pilot program in December 2009.

Summary: A grocery store licensed to sell beer and/or wine may obtain an endorsement to offer beer and wine tasting. A store seeking to obtain the endorsement must meet the following criteria:

- At least half of the gross sales of the store must be from retail sales of grocery products for off-premise consumption, or the store must be a membership organization.
- The store must be at least 9,000 square feet.
- The store cannot have more than one public safety violation within the past two years.

The LCB may issue endorsements to stores smaller than 9,000 square feet if the store meets operational requirements and the LCB finds there are no stores in the community that meet the minimum size requirements.

The licensee must be able to observe and control individuals in the tasting service area, make food available for participants, limit sample size to 2 ounces, and provide no more than 4 ounces per customer per visit. Store employees serving beer and/or wine at tasting events must hold an alcohol servers permit, and sampling costs must be borne by the store. Stores may advertise tasting events within the store, on a store website, in newsletters and flyers, and via regular mail and email to customers who have requested notice of events.

A tasting endorsement may be suspended and not reissued for up to two years if the store is found to have committed a public safety violation in conjunction with tasting activities. A monetary penalty may be assessed by the LCB in lieu of suspension. The LCB may revoke endorsements granted to licensees in alcohol impact areas if the tasting activities are having an adverse effect on chronic public inebriation.

The fee for the endorsement is $200 per year. The fee can be increased up to 10 percent annually by the board to defray the cost of administration and enforcement of the endorsement.

Votes on Final Passage:

Senate	29	17
House	77	21

Effective: June 10, 2010

SB 6330
C 48 L 10

Permitting the placement of human trafficking informational posters in rest areas.

By Senators Kohl-Welles, Delvin, Haugen, Swecker, Kline, Fraser, Shin, Fairley and Roach.

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Transportation

Background: The Department of Transportation (Department) may provide information of special interest to the traveling public in information centers at safety rest areas. Maps, informational directories, and advertising pamphlets may be made available at safety rest areas to provide information to the public of places of interest within the state and of other subjects the Department deems desirable.

Summary: The Department may work with human trafficking victim advocates in developing informational posters for placement in rest areas. The Department may adopt policies on the placement of these posters and the posters may be in a variety of languages. The toll-free telephone numbers for the National Human Trafficking Resource Center and the Washington State Office of Crime Victims Advocacy must be included on the posters.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: June 10, 2010

SSB 6332
C 142 L 10

Concerning human trafficking.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles, Haugen, Delvin, Kline, Fraser, Stevens, Shin, Fairley and Roach).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: International labor recruitment agencies and domestic employers of foreign workers must provide a disclosure statement to foreign workers, not including those holding an H-1B visa, who have been referred to or hired by a Washington employer. The disclosure statement must: state that the worker may be considered an employee under the laws of the state of Washington; state that the worker may be subject to both state and federal laws governing overtime and work hours; include an itemized listing of any deductions the employer intends to make from the worker's pay for food and housing, including an itemized listing of the international labor recruitment agency's fees; state that the worker has the right to control his or her travel and labor documents, subject to federal law; and include a list of services or a hotline the worker may contact.

Federal law requires the United States Secretary of State to develop an informational pamphlet on the legal rights and resources available to nonimmigrant visa holders in certain employment and education-based visa categories. The pamphlet must include information on: the legal rights of nonimmigrant visa holders, including labor and employment law; the illegality of slavery and trafficking in persons; the right to report abuse without retaliation; and the right of the nonimmigrant visa holder not to relinquish possession of his or her passport. Visa applicants are required to read and understand the pamphlet before being issued a visa.

Summary: A foreign worker is defined as a person who is not a citizen of the United States, who comes to Washington State based on an offer of employment, and who holds a nonimmigrant visa for temporary visitors. The exception for H-1B visa holders is removed. International labor recruitment agencies and domestic employers of foreign workers are not required to provide the disclosure statement if the foreign worker has been provided the federal informational pamphlet. A worker is presumed to have been provided the pamphlet if the federal law requiring the pamphlet is in effect and the worker holds an A-3, G-5, NATO-7, H, J, or B-1 personal or domestic servant visa.

An international labor recruitment agency or domestic employer that fails to provide the disclosure statement to any foreign worker is liable to that foreign worker in a civil action. The court must award a prevailing foreign worker an amount between $200 and $500, or actual damages, whichever is greater. The court may also award other equitable relief. A prevailing foreign worker must be awarded court costs and attorneys' fees.

The Department of Labor and Industries (L&I) must integrate information on assisting victims on human trafficking in posters and brochures, as deemed appropriate by L&I. The toll-free telephone number of the National Human Trafficking Resource Center and the Washington State Office of Crime Victims Advocacy must be included on the posters and brochures.

Votes on Final Passage:

Senate	44	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2010

SSB 6337
C 116 L 10

Concerning inmate savings accounts.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Regala, Carrell, Hargrove and Brandland).

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

Background: When an inmate receives funds while incarcerated, with limited exception, those funds are subject to a 10 percent deduction to be placed in the inmate's personal inmate savings account. Funds in the account, together with any accrued interest, are only available to the inmate:

1. at the time of the inmate's release from confinement;
2. prior to the inmate's release from confinement in order to secure approved housing; or
3. when the Secretary of the Department of Corrections (DOC) determines that an emergency exists for the inmate.

Except for at the time of release when the inmate is entitled to all the funds in his or her account, the Secretary must determine the amount of funds to be made available to the inmate.

Summary: During incarceration, funds in a personal inmate savings account may be made available to an inmate to pay for accredited postsecondary educational expenses. Prior to release, inmate savings funds may be used for department approved reentry activities that promote

successful community reintegration. The Secretary must establish guidelines for the release of funds from an account giving consideration to the inmate's need for resources at the time of his or her release from confinement.

Obsolete language requiring DOC to expand correctional industries and report by stated deadlines is removed.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: July 1, 2010

SSB 6339

C 225 L 10

Concerning a sales and use tax exemption for wax and ceramic materials used to create molds for ferrous and nonferrous investment castings.

By Senate Committee on Ways & Means (originally sponsored by Senators Hobbs and Pridemore).

Senate Committee on Ways & Means

Background: Retail sales 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 and digital products and some services. A retail sale is a sale to the final consumer or end-user of the property, product, or service and the tax is imposed on the consumer.

Tangible personal property which becomes an ingredient or component of another article for sale may be purchased for resale and sales tax does not apply. However, items of tangible personal property that are consumed during the manufacturing process, and do not become an ingredient or component of another article, are subject to the retail sales tax.

Summary: A sales tax exemption is provided for wax and ceramic materials used to make molds for creating ferrous and nonferrous investment castings used in industrial applications. The exemption also applies to labor or services used to create wax patterns and ceramic shells for ferrous and nonferrous investment castings.

The exemption expires June 30, 2015.

Votes on Final Passage:

Senate	44	3
House	97	0

Effective: July 1, 2010

SSB 6340

C 143 L 10

Changing the membership of the Washington state forensic investigations council.

By Senate Committee on Judiciary (originally sponsored by Senators Regala and Kline).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: The Washington State Forensics Investigations Council was established in 1983 and expanded from nine to 12 members in 1995. The council oversees the Bureau of Forensic Laboratory Services and is responsible for the oversight of any state forensic pathology programs. The composition of the council is drawn from nominations submitted to the Governor by organizations representing the professions required for appointment to the council.

Currently, a coroner and a medical examiner are appointed from nominations made by the Washington Association of County Officials; two members of a county legislative authority from nominations made by the Washington State Association of Counties; two members of a city legislative authority drawn from nominations made by the Association of Washington Cities; a county prosecutor who serves as ex officio county coroner and a county prosecutor from nominations made by the Washington Association of Prosecuting Attorneys; a county sheriff position and a chief of police from nominees of the Washington Association of Sheriffs and Police Chiefs; and a private pathologist nominated by the Washington Association of Pathologists.

Summary: The Washington State Forensics Investigations Council is expanded to 13 members. The additional member includes one attorney whose practice of law includes significant experience representing clients charged with criminal offenses. The Washington Association of Criminal Defense Lawyers and the Washington Defender Association must jointly submit two nominees for this position, one of whom must actively manage or have significant experience in managing a public or private criminal defense agency or association, and the other must have experience in cases involving DNA or other forensic evidence.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate	46	1	(Senate concurred)

Effective: June 10, 2010

SSB 6341
C 68 L 10

Transferring food assistance programs to the department of agriculture.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Hatfield, Haugen, Schoesler, Prentice, Shin and Fairley).

Senate Committee on Agriculture & Rural Economic Development
House Committee on General Government Appropriations

Background: In 1986 the Emergency Food Assistance Program (EFAP) that provides support to food banks was instituted in the Department of Commerce (Commerce). A tribal voucher program was added in 1991. The program utilizes 28 contractors who serve 340 food banks and distribution centers, and 32 tribes provide vouchers or food bank services. Currently, the program received an appropriation of $10 million in state funds for the current biennium.

The Department of General Administration (GA) has administered federal food programs provided from the United States Department of Agriculture (USDA). This program started as the butter and cheese program in 1981, and was originally referred to as the Temporary Emergency Food Assistance Program. The program has changed over the years and is now known as The Emergency Food Assistance Program (TEFAP). This federal program has a requirement for state matching funds. This program serves 420 food providers including food banks, shelters, and meal providers. In 2009 TEFAP provided 14.6 million pounds of USDA provided food.

Additionally, GA administers a second federal program, the Commodity Supplemental Food Program (CSFP). Washington State was approved for CSFP in 2001.

Summary: EFAP in Commerce is transferred to the Washington State Department of Agriculture (WSDA). Additionally, TEFAP and CSFP in GA are transferred to the WSDA.

The director of the WSDA is authorized to exercise powers and duties prescribed by law with respect to the administration of food assistance programs that are assigned to the department. Additionally, WSDA is authorized to adopt rules and to enter into contracts and agreements necessary to implement the programs. Statutory authority for Commerce to coordinate and provide food assistance to distribution centers and needy individuals is deleted.

The transfers include records, appropriations, employees, rules, and existing contracts, and obligations.

Votes on Final Passage:

Senate	48	0	
House	98	0	

Effective: July 1, 2010

SSB 6342
C 75 L 10

Concerning the Washington soldiers' home.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Swecker, Hobbs, Franklin, Carrell, McDermott, Pridemore, Marr, Shin and Fairley; by request of Department of Veterans Affairs).

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: The Washington Soldier's Home (WSH), located in the city of Orting, was dedicated by the Legislature in May 1891, to provide eligible military veterans necessary personal and nursing care, shelter, and related services. The WSH campus comprises 188 acres of property and houses 38 buildings, including the Garfield Barracks. The Garfield Barracks, built in 1917, is the oldest building on campus and has not been used since 1980.

The Washington State Department of Veteran Affairs (WSDVA) has administrative authority over WSH.

Summary: WSDVA is authorized to work with public or private entities on projects that utilize the property and facilities of WSH. Such projects include, but are not limited to, renovation and long-term lease of the Garfield Barracks building on campus. Long-term leases are subject to state agency real estate regulations under RCW 43.82.010 with the exception that the lease of WSH property may run for up to 75 years.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010

SSB 6343
FULL VETO
As Passed Legislature

Establishing the Washington food policy forum.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Jacobsen, Kohl-Welles, Swecker, Haugen, Hatfield and Keiser).

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

Background: Food policy councils (FPCs) have been formed in different regions of the United States. Some are formed by cities, counties, and states and some by nongovernmental organizations. Generally, these councils are comprised from various stakeholders of a local food system. Typically, councils are sanctioned through governmental action such as a Governor's Executive Order, state

law, or local ordinance. Some FPCs have formed through grassroots efforts and operate without an official convening document. FPCs often involve innovative collaborations between citizen groups and government officials to give voice to concerns and interests in a range of topics including: food production, nutrition, obesity, hunger, and other food system related issues.

Summary: The Washington Food Policy Forum is established to develop recommendations to advance the following food system goals:

1. increase production, sales, and consumption of Washington-grown foods;
2. develop and promote programs that bring healthy Washington grown foods to its residents, including increased state purchasing of local food products for school, adult care programs, and other state funded food programs;
3. review and develop programs that support proper nutrition and avoid burdens of obesity and chronic diet-related diseases;
4. protect the land and water resources needed for sustained food production;
5. examine ways to encourage retention of an adequate number of farmers, education needs for an adequate agricultural workforce and provide for continued economic viability of local food production, processing, and distribution; and
6. reduce food insecurity and hunger in the state and ensure the benefits of a healthy food system is shared with families at all income levels, particularly vulnerable children, the elderly, the disabled, and communities of color.

The forum has seven agency, two university, and 16 interest group representatives. The state agency and university representatives invited to participate include:

1. the director of the Department of Agriculture;
2. the secretary of the Department of Health;
3. the Superintendent of Public Instruction;
4. the director of the Department of Commerce;
5. the secretary of the Department of Social and Health Services;
6. the dean of the College of Agricultural, Human, and Natural Resource Sciences at Washington State University;
7. the director of the Department of Ecology;
8. the Office of Farmland Preservation; and
9. a representative from the University of Washington who has expertise in food systems or nutrition appointed by its president.

The following public members must be appointed by the director of the Department of Agriculture:

1. five farmer representatives;
2. a food distribution, processing, and marketing representative;
3. a representative of direct-to-consumer marketing;
4. a representative of community-based efforts to address nutrition and public health;
5. a representative who represents nongovernmental statewide anti-hunger efforts;
6. a representative of food banks;
7. a representative of a nongovernmental statewide organization with interest in protection of the state's land, air, and water;
8. a person representing retail grocers;
9. a representative from a labor union that represents workers in the food industry;
10. a representative from the international trade sector with expertise in the trade of food products;
11. a representative of the restaurant sector; and
12. a representative from the commercial fishing sector.

The chair of the forum will be elected by the members. At the first meeting the forum must elect a chair, identify funding sources, and begin to develop a work plan.

No state agency or state university may be compelled to incur expenses in connection with the operation of the forum. Appointed public members of the forum must serve without compensation from state funds. Members of the forum may receive reimbursement from the forum for travel expenses if funds for forum operations are available as determined by the director of the Office of Financial Management.

The forum must report its initial findings and recommendations by December 1 of the year following the date of the second meeting of the forum and annually after that. The reports are to be submitted to the Governor, the Chief Clerk of the House of Representatives, and the Secretary of the Senate.

The forum expires on July 1, 2015.

Votes on Final Passage:

Senate	45	3	
House	72	26	(House amended)
Senate	43	3	(Senate concurred)

VETO MESSAGE ON SSB 6343

April 2, 2010

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill 6343 entitled:

"AN ACT Relating to the establishment of the Washington food policy forum."

Improved coordination of efforts relating to our state food policy is needed. However, this bill identifies goals that overlap with existing state agency activities. This redundancy will lead to spending time and financial resources on issues already addressed by existing agency programs. In addition, this bill establishes a forum consisting of 25 representatives and charges the forum with

addressing a broad range of food system goals over the next five years. Experience teaches that the large size of the forum combined with a broad range of issues diminishes the prospects for success.

While I have vetoed this bill, I am committed to a more focused examination of state food policy, food-related programs, and food-related issues. I intend to issue an executive order directing the Departments of Health, Agriculture, and Social and Health Services, along with a request to the Conservation Commission and the Office of Superintendent of Public Instruction, to work collaboratively with other agencies and non-governmental organizations, to:

a. Pursue federal and other grant source funds to identify gaps and opportunities to address food security, nutrition, and health of Washington citizens;

b. Explore ways to promote nutrition, especially for those who are most in need;

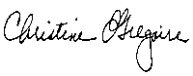
c. Help educate the public and policy makers on the status of hunger in Washington State, and the role they play in addressing issues of food security, nutrition and health; and

d. Collaborate and coordinate with private, public and governmental organizations to support realistic solutions to improving food security, nutrition and health for all Washingtonians; and,

e. Help educate the public and policy makers on the importance of farmland preservation and the importance of promoting Washington-grown products to farmers' markets, food banks, and institutions.

For these reasons I have vetoed Substitute Senate Bill 6343 in its entirety.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6344

C 206 L 10

Concerning campaign contribution limits.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Fairley, Prentice, Hargrove, Kauffman, Marr and McDermott).

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: In 1992 the Legislature passed the Fair Campaign Practices Act in response to the passage of Initiative 134. Initiative 134 imposed campaign contribution limits on elections for statewide and legislative office, further regulated independent expenditures, restricted the use of public funds for political purposes, and required public officials to report gifts received in excess of $50. The stated purposes of the initiative were to: (1) give individuals and interest groups equal opportunities to influence elective and governmental processes; (2) reduce the influence of large organizational contributors; and (3) restore public trust in governmental institutions and the electoral process. In 2006 contribution limits were expanded to include elections for certain county and special purpose district offices and for judicial offices.

Contributions from an individual, a union or business, or a political action committee may not in the aggregate exceed $800 per election to a candidate for state legislative office or county office, and may not in the aggregate exceed $1,600 per election to a candidate for a public office in a special purpose district or a state office other than a state legislative office.

Limits also apply to political parties. State party central committees, minor party committees, and legislative caucus committees may contribute an aggregate of up to 80 cents per registered voter in the candidate's jurisdiction for an election cycle. County central committees and legislative district committees may contribute an aggregate of up to 40 cents per registered voter in the candidate's district. Contributions received from county central committees and legislative district committees combined may not exceed an amount more than 40 cents times the number of registered voters in the jurisdiction from which the candidate is elected.

These dollar amounts are adjusted for inflation by the Public Disclosure Commission (PDC) every even-numbered calendar year.

Summary: The list of public offices requiring campaign contribution limits is expanded to include all charter county, noncharter county, city council, and mayoral offices. Contributions from an individual, a union, or business may not in the aggregate exceed $800 per election to a candidate for such offices. Political party contributions are limited to 80 cents per registered voter in the candidate's jurisdiction for an election cycle. The PDC adjusts these limits for inflation every even-numbered calendar year.

Local districts with contribution limits currently established for city council or mayoral campaigns may continue to apply such standards so long as the contribution limits do not exceed the limits set by the PDC.

Votes on Final Passage:

Senate	39	9	
House	90	6	(House amended)
Senate	35	11	(Senate concurred)

Effective: June 10, 2010

SSB 6345

C 223 L 10

Addressing the use of wireless communications devices while driving.

By Senate Committee on Transportation (originally sponsored by Senators Eide, Regala, Delvin, Haugen, Kohl-Welles, Rockefeller, Keiser, Fairley, Kline, Tom and Fraser).

Senate Committee on Transportation
House Committee on Transportation

Background: Any person operating a moving motor vehicle while holding a cell phone or other wireless

communication device to their ear is guilty of a traffic infraction, unless the person is:

- operating an authorized emergency vehicle, or a tow truck responding to a disabled vehicle;
- using a hands-free device including a speaker phone, a headset, or an earpiece;
- reporting illegal activity, summonsing medical or emergency help, or using the device to prevent injury to a person or property; or
- using a hearing aid.

This does not apply to amateur radio operators who hold a valid amateur radio license issued by the Federal Communications Commission.

Any person using a cell phone or other wireless communication device to read, manually write, or send a text message is guilty of a traffic infraction, unless the person is:

- operating an authorized emergency vehicle;
- reporting illegal activity, summonsing medical or emergency help, or using the device to prevent injury to a person or property; or
- relaying information between a transit or for-hire operator and that operator's dispatch, in which the device is permanently affixed to the vehicle.

A violation has an associated infraction of $124. The infraction does not become part of the driver's record and is not available to insurance companies or employers.

A violation of the laws relating to the use of a cell phone or other wireless communication device while operating a moving motor vehicle may only be enforced as a secondary action when the driver has been detained for violating state motor vehicle laws or equivalent local ordinance.

Summary: The holder of an instruction permit or an intermediate license may not use a cell phone or other wireless communication device while driving a motor vehicle. An exception is made if the wireless communication device is being used to report illegal activity, summon medical or other emergency help, or to prevent injury to a person or property.

For all drivers, a violation of the laws relating to the use of a cell phone or other wireless communication device while operating a moving motor vehicle may be enforced as a primary action.

Votes on Final Passage:

Senate	33	15	
House	86	12	(House amended)
House	60	37	(House receded)

Effective: June 10, 2010

SSB 6346

C 144 L 10

Expanding the use of certain electric vehicles.

By Senate Committee on Transportation (originally sponsored by Senators Ranker, Haugen, Regala, Rockefeller, Pridemore, Marr, King, Fraser, Swecker, Kilmer, Shin, Tom, Kohl-Welles and Kline).

Senate Committee on Transportation
House Committee on Transportation

Background: Under Washington law, it is a traffic infraction for any person to drive or move a motor vehicle on any public road if the motor vehicle does not meet safety and equipment standards specified by statute or agency rule.

Two types of vehicles, neighborhood electric vehicles (NEVs) and medium-speed electric vehicles (MEVs), may be operated, within certain conditions, on public roads even though these vehicles do not meet the safety and equipment standards required of higher speed vehicles. However, these vehicles must meet federal safety and equipment standards for low-speed vehicles. Equipment requirements for low-speed vehicles include headlights and taillights, a windshield, mirrors, turn signals, and seatbelts. Under federal rule, a low-speed vehicle is defined as having a speed attainable of more than 20 miles per hour (mph) but not more than 25 mph.

Under Washington law, NEVs are defined as having a speed attainable of more than 20 mph but not more than 25 mph, and MEVs are defined as having a speed attainable of more than 30 mph but not more than 35 mph.

Under Washington law, both NEVs and MEVs may be driven on city streets and county roads that are not state routes if the road has a speed limit of 35 mph or less. Both vehicle types must have a vehicle license, and operators must have a driver's license and liability insurance.

Local jurisdictions may prohibit NEVs on roads with a speed limit over 25 mph, and local jurisdictions may prohibit MEVs on roads with a speed limit over 35 mph.

Summary: In counties consisting of islands whose only connection to the mainland are ferry routes, a person may operate an NEV and MEV on city streets and county roads that are not state routes if the road has a speed limit of 45 mph or less. Currently, the increased speed limit in this provision will apply to only San Juan County.

The Department of Licensing is required to track all Washington-registered NEVs and MEVs in a separate registration category. In addition, accidents that involve NEVs or MEVs must be tracked separately.

Washington's definition of MEV is changed to bring its minimum speed attainable down from more than 30 mph to more than 25 mph. The definition change eliminates a gap between the definitions of NEVs and MEVs.

Votes on Final Passage:

Senate	47	0

House 92 5 (House amended)
Senate 46 0 (Senate concurred)
Effective: June 10, 2010

SSB 6349
PARTIAL VETO
C 160 L 10

Establishing a farm internship program.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Ranker, Holmquist, Haugen, Hobbs, Becker, Shin and Roach).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor
House Committee on Health & Human Services Appropriations

Background: Generally, an individual who acts directly or indirectly in the interest of a for-profit business is considered an employee of that business, and a business that permits an individual to work is considered an employer, subjecting both the employee and employer to a number of state employment laws, including the Minimum Wage Act, the Industrial Insurance Act, the Employment Security Act, and the Industrial Welfare Act. Many of the different employment acts contain exemptions for specific groups of employees and employers. Referring to an individual as an intern or volunteer, or allowing an individual to provide services without compensation, does not exempt the employer or the employee from provisions of the respective acts.

Minimum Wage Act (MWA). The MWA establishes a minimum wage which must be paid to all employees in the state. Under the MWA, an employee is any individual employed by an employer except those specifically excluded in statute. Consequently, any individual who is engaged or permitted to work by an employer is entitled to the state minimum wage. A number of individuals are exempt from the MWA, including certain agricultural employees and volunteers for educational, charitable, religious, governmental, and nonprofit organizations.

Industrial Insurance Act. Industrial insurance provides medical and time loss benefits to workers injured in the course of their employment. Industrial insurance coverage is mandatory, and employers that maintain coverage generally cannot be sued for damages when an employee suffers a work-related injury. All employers (except for self-insured employers) must purchase industrial insurance through the Department of Labor and Industries (L&I), and the workers compensation system is funded by premiums collected from employers and employees. Premiums are calculated based on the industry risk classification and the employer's experience rating. Exemptions to mandatory coverage are specified in statute.

Employment Security Act. Under the Employment Security Act, qualified individuals who have lost their job through no fault of their own, or for good cause, can collect unemployment insurance benefits. Benefits are funded by contributions collected from all employers in the state. Exemptions to unemployment insurance coverage are specified in statute, and include an exemption for agricultural labor performed by students.

Industrial Welfare Act (IWA). The IWA regulates hours and conditions of labor and other wage issues not specifically covered by the MWA. The IWA applies to all employers and employees in the state unless specifically exempt. Agricultural workers exempt from unemployment insurance are also exempt from the IWA.

Summary: Farm Internships. L&I must establish a farm internship pilot project for San Juan and Skagit counties and report back to the Legislature by December 31, 2011. Pursuant to the pilot project, small farms can employ up to three farm interns per year under special certificates. A farm intern is an individual who provides services to a small farm under a written agreement and primarily as a means of learning about farming practices and farm enterprises. Farms seeking to employ interns must submit an application to L&I that sets forth specific information including a description of the work to be performed, any wages to be paid, and a description of the farm internship program.

A farm internship program is an educational program that provides a curriculum of learning modules and supervised participation in farm work activities designed to teach interns about farming practices and enterprises and is based on the bona fide curriculum of an educational or vocational institution. Farms eligible to offer farm internship programs must meet specified eligibility criteria.

Prior to the start of any farm internship program, the farm and the intern must execute a written agreement that describes the program offered by the farm; explicitly states that the intern is not entitled to minimum wages; describes the expectations and obligations of the intern and the farm; and describes any wages, room and board, stipends, and other remuneration that will be provided to the intern. A copy of this written agreement must be submitted to L&I prior to the start of any intern program. The farm must also submit a statement that the farm understands the requirements of the IWA, that the farm must pay workers' compensation as applicable, and that noncompliance may result in revocation of the special certificate.

Upon receipt of an application, L&I must review the application within 15 days and issue a certificate if it determines the farm is an eligible farm without any serious violations of the MWA or Industrial Insurance Act, that the internship program is reasonably designed to provide the intern with vocational knowledge and skills about farming practices, that the issuance of a certificate will not create unfair competitive labor cost advantages nor have the effect of impairing or depressing wage or working standards

established for experienced farm workers, and that a farm intern will not displace an experienced farm worker. A farm may appeal the denial of a certificate.

Farm intern certificates must specify the name of the farm, the nature of the program, the authorized wage rate and the period of time during which the rate may be paid, the authorized number of interns, and any room and board and other remuneration provided to the intern.

Minimum Wage Act. A farm intern providing his or her services under a farm internship program is not considered an employee under the MWA. A farm intern can be paid at subminimum wages only during the effective period of a certificate issued by L&I.

Industrial Insurance. L&I must provide a special risk class or classes for farm interns by rule. Requirements for obtaining a special risk class must be included in the rule.

Unemployment Compensation. Agricultural labor provided by a farm intern under an internship program is not considered employment for unemployment insurance purposes. For farm interns, agricultural labor includes direct local sales of any agricultural or horticultural commodity after its delivery to a terminal market for distribution or consumption.

Votes on Final Passage:

Senate	46	0	
House	95	2	(House amended)
House	96	2	(House reconsidered)
Senate	44	0	(Senate concurred)

Effective: June 10, 2010

Partial Veto Summary: The Governor vetoed the requirement that any funds provided for the program be appropriated from the state General Fund.

VETO MESSAGE ON SSB 6349

March 22, 2010

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 6349 entitled:

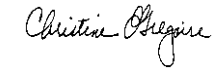
"AN ACT Relating to a farm internship program."

This bill provides a structure for agricultural education with oversight from the Department of Labor and Industries. Section 5 provides that appropriations made for purposes of this act must be from the state general fund. The Legislature can determine through the appropriation process how to fund this program, and does not require a separate statutory provision to determine how to fund the program. This bill creates the program in the Department of Labor and Industries and therefore appropriations made for purposes of this act should be from the departments funds dedicated to that purpose.

For this reason I have vetoed Section 5 of Substitute Senate Bill 6349.

With the exception of Section 5, Substitute Senate Bill 6349 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6350

C 145 L 10

Concerning marine waters management that includes marine spatial planning.

By Senate Committee on Natural Resources, Ocean & Recreation (originally sponsored by Senators Ranker, Hargrove, Jacobsen, Rockefeller, Swecker, Marr, Fraser, Murray and Kline).

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Agriculture & Natural Resources
House Committee on Ways & Means

Background: Marine-related Authorities and Jurisdictions. Washington State has many statutory schemes related to marine issues, including the Shoreline Management Act, the Aquatic Lands Act, the Fish and Wildlife Code, and the Ocean Resource Management Act. Additionally, along with federal, tribal, and local governments, many state agencies have responsibilities and authorities relating to marine waters, including the Department of Ecology, Puget Sound Partnership, Department of Natural Resources, Department of Fish and Wildlife, and Department of Commerce.

Coastal Zone Management Act. The Coastal Zone Management Program (CZMP) is a federal program administered by the National Oceanic and Atmospheric Administration (NOAA), which encourages and assists states to develop and implement CZMPs. States prepare CZMPs that describe their coastal resources and how they are managed. In general, federal or federally permitted activities that affect any land use, water use, or natural resource of a state's coastal zone must comply with the enforceable policies contained in the CZMP.

Marine Spatial Planning. A 2009 document from NOAA describes marine spatial planning as a process through which compatible human uses are objectively and transparently allocated to appropriate ocean areas to sustain critical ecological, economic, and cultural services for future generations. Often, according to NOAA, the purpose is to reduce impacts in ecologically sensitive areas or to minimize disputes among incompatible activities sharing marine locations.

Summary: Marine Interagency Team. The Governor's Office must chair an interagency team (team) composed of Natural Resources cabinet agencies with jurisdiction over marine issues, including the independent agencies. The

team must invite participation from a federal agency with lead responsibility for marine spatial planning.

Assessment and Recommendations. By December 15, 2010, the team must produce an assessment containing:

- specified analysis of existing planning efforts, including a summary of the goals and objectives of relevant planning efforts; and
- recommendations on a framework for integrating marine spatial planning into management planning efforts, including the Puget Sound, Columbia River estuary, and outer coast.

Review and Coordination of Planning. Subject to funding, all state agencies with marine waters planning and management responsibilities may include marine spatial data and planning elements in existing plans and ongoing planning. The Department of Ecology must work with specified entities to compile marine spatial planning information and incorporate it into ongoing plans. The Puget Sound Partnership must integrate marine spatial information and planning provisions into its Action Agenda.

Marine Management Planning. Subject to funding, the team must coordinate development of a comprehensive marine management plan for the state's marine waters, to include marine spatial planning. The team may develop the plan in geographic segments, and may incorporate elements from an existing plan. Elements of the plan include:

- an ecosystem assessment that analyzes the health and status of marine waters;
- a series of maps providing information on the marine ecosystem, human uses of marine waters, and areas with high potential for renewable energy production and low potential for conflicts with existing uses and sensitive environments;
- recommendations to the federal government for use priorities and limitations within the Exclusive Economic Zone;
- at the discretion of the Director of Fish and Wildlife, a fisheries management element: any provision outside of the fisheries management element that impacts fishing must minimize such impacts, according substantial weight to recommendations from the Director of Fish and Wildlife; and
- a strategy for plan implementation using existing state and local authorities.

In developing the plan, the team must seek input from throughout the state, specifically from marine resources committees, tribes, and communities adjacent to marine waters.

The team has two years to complete the plan once it initiates the planning process. Upon completion, the Director of the Department of Ecology must submit the plan to the federal government for review, approval, and inclusion in the state's CZMP.

Implementation. Following adoption of the marine management plan, each state agency and local government must make decisions in a manner that ensures conformance with applicable provisions of the plan to the greatest extent possible. The Department of Ecology must lead a process that periodically reviews state and local plans for consistency with the marine management plan.

State Position on Energy Projects. In consultation with specified agencies, the Department of Commerce must adopt guidance to all state agencies establishing procedures for the coordination of the state's position on the siting and operation of renewable energy facilities in marine waters. This directive is subject to funding, and must be completed within one year after funds are secured.

Existing Uses and Authorities. The act expressly provides that it does not create authority to affect any project, use, or activity existing prior to completion of the marine management plan. Additionally, the act does not supersede current state agency or local authority.

Plan Funding. Nonstate funding is a prerequisite for certain state agency actions, including development of the marine management plan. An appropriated account is created to hold grants, gifts, appropriations, and other funds provided for marine spatial planning. The account retains its interest earnings.

Terms are defined. A findings and intent section is included.

Votes on Final Passage:

Senate	44	2	
House	64	34	(House amended)
House	63	30	(House receded)

Effective: June 10, 2010

SSB 6355

C 245 L 10

Expanding the higher education system upon proven demand.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Becker, Rockefeller and Shin).

Senate Committee on Higher Education & Workforce Development

House Committee on Higher Education

Background: The 2008 Strategic Master Plan for Higher Education identifies Washington's need for a higher education system capable of delivering many more degrees, especially at the baccalaureate and graduate levels. In 2009 the Legislature, faced with inconsistent information and demands regarding how to best expand the higher education system, directed the Higher Education

Coordinating Board (HECB) to conduct a system design planning project with the object of defining how the current higher education delivery system could be shaped and expanded to best meet the needs of Washington citizens and businesses for high quality and accessible post-secondary education.

The HECB published the results of the system design planning project in December 2009. The System Design Plan's recommendations include: (1) making strategic use of existing capacity at the branch campuses, centers, and comprehensive institutions to broaden the geographic availability of baccalaureate education; (2) when new capacity is proposed, employing and expanding on demand philosophy, building it only when demand is clearly present; and (3) establishing a new Fund for Innovation, which would foster innovation and improvement statewide by providing support for strategies and programs with significant potential to help achieve Master Plan goals.

In 2005 the Legislature authorized four applied baccalaureate degree pilot programs at community and technical colleges. In 2008 the Legislature expanded the pilot project to include three additional colleges to develop and offer programs of study leading to an applied baccalaureate degree.

The Washington fund for innovation and quality in higher education program is administered by the HECB and State Board for Community and Technical Colleges (SBCTC) to award incentive grants to public institutions of higher education or consortia of institutions to encourage cooperative programs designed to address specific system problems.

Summary: Proposed changes in the missions of institutions of higher education may be identified by the HECB, any public institution or by a state or local government. A mission change is defined as a change that allows an institution of higher education to offer a new level of degree not currently authorized in statute. Major expansion means expansion of the system that requires significant new capital investment and would result in a mission change. Mission changes and major expansions are subject to approval by the HECB. Gaining HECB approval is a two-step process. First, a needs assessment process is conducted to analyze the need for the proposed change. If the need is established, the HECB proceeds to examine the viability of the proposed mission change or major expansion. The HECB's recommendations to proceed with the proposed change, proceed with modifications, or not proceed are presented to the Legislature and the Governor.

The applied baccalaureate degree is no longer a pilot project. The limitation on the number of applied baccalaureate degree programs is eliminated. Community and technical colleges may apply to SBCTC to develop and offer applied baccalaureate degree programs after approval by SBCTC and the HECB.

The HECB is identified as the lead entity for the innovation and quality in higher education programs and makes awards in collaboration with SBCTC and other local and regional entities. Grants may be awarded to state public or private nonprofit institutions of higher education and consortia of institutions. The two-year time limitation of incentive grants is eliminated. Washington Fund for Innovation and Quality grants may be used for development of educational technology and accelerated academic programs.

The HECB is required to rank major capital projects at four-year institutions in a single list by priority order. The University of Washington is authorized to use alternative contracting methods for highly specialized medical spaces. The HECB is required to consider the strategic and operational use of technology as part of the needs assessment process.

Votes on Final Passage:

Senate	47	0	
House	96	0	(House amended)
			(Senate refused to concur)
House	97	0	(House receded/amended)
Senate	44	0	(Senate concurred)

Effective: June 10, 2010

SSB 6356
C 117 L 10

Limiting access to law enforcement and emergency equipment and vehicles.

By Senate Committee on Transportation (originally sponsored by Senators Kilmer, Swecker, Rockefeller and Kastama).

Senate Committee on Transportation
House Committee on Transportation

Background: Public agencies are prohibited from selling or giving emergency vehicle equipment to someone that is not allowed to use that equipment on public streets.

Summary: Prior to selling or giving an emergency vehicle to a non-law enforcement or emergency agency including private ambulance businesses, the public agency must remove the emergency lighting, radios, and any other emergency equipment from the vehicle that was not originally installed by the manufacturer. The equipment may be retained or transferred to another public law enforcement or emergency agency or it must be destroyed. The agency must also remove all decals, state and local designated law enforcement colors, and stripes that were not installed by the manufacturer. The sale or donation to a broker specializing in the resale of emergency vehicles or a charitable organization for use by a public law enforcement or emergency agency is allowed with the emergency equipment intact. If the broker or charitable organization sells or donates the emergency vehicle to a person or entity that is not a public law enforcement or emergency agency, or

private ambulance business, the broker or charitable organization must remove the equipment and designations.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2010

SSB 6357
C 71 L 10

Requiring policies for academic recognition of certain formal and informal learning experiences.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Becker, Shin, Rockefeller, McAuliffe and Roach).

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education
House Committee on Education Appropriations

Background: The State Board for Community and Technical Colleges (College Board) sets policy direction for the community and technical college system. Among its specific responsibilities, the College Board must: (1) ensure that each college district offers thoroughly comprehensive educational, training, and service programs to meet the needs of both communities and students; (2) provide or coordinate related and supplemental instruction for apprentices; and (3) allow for the growth, improvement, flexibility, and modification of the community colleges and their education, training, and service programs as future needs occur.

Many students enroll at Washington institutions of higher education after first gaining significant life experiences and training in alternative learning settings. The 2008 Strategic Master Plan for Higher Education in Washington specifically identifies working adults and non-traditional students as demographic groups whose engagement in higher education opportunities should be encouraged.

Summary: The College Board, in consultation with the Higher Education Coordinating Board, the Council of Presidents, the Workforce Training and Education Coordinating Board, representatives from Washington institutions of higher education, representatives from two- and four-year faculty, representatives from private career schools, and representatives from business and labor must develop policies for awarding academic credit for learning from work and military experience, military and law enforcement training, career college training, internships and externships, and apprenticeships. The policies must address issues regarding verification, accreditation, transfer of academic credit, licensing and professional recognition, and financial aid.

Policies developed by the College Board, along with recommendations, are submitted to the appropriate committees of the Legislature by December 31, 2010.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: June 10, 2010

ESSB 6359
C 246 L 10

Promoting efficiencies including institutional coordination and partnerships in the community and technical college system.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Becker, Shin and Tom).

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education
House Committee on Education Appropriations

Background: Washington's Community and Technical College Act of 1991 provides for a state system of community and technical colleges. Each college district is required to offer thoroughly comprehensive educational, training, and service programs to meet the needs of both the communities and students served by combining, with equal emphasis, high standards of excellence in academic transfer courses; realistic and practical courses in occupational education, both graded and ungraded; community services of an educational, cultural and recreational nature; and adult education. There are currently 34 community and technical colleges in 30 community college districts.

The State Board for Community and Technical Colleges (SBCTC) sets policy direction for the community and technical college system in collaboration with colleges and other system partners. It advocates for and allocates state resources to the colleges. The SBCTC is required to provide general supervision and control over the state system of community and technical colleges. Among its specific responsibilities the SBCTC must: (1) prepare a single system operating budget request and capital budget request for consideration by the Legislature; (2) disburse capital and operating funds appropriated by the Legislature to the college districts; (3) administer criteria for establishment of new colleges and for the modification of district boundary lines; (4) establish minimum standards for the operation of community and technical colleges with respect to personnel qualifications, budgeting, accounting, auditing, curriculum content, degree requirements, admission policies, and the eligibility of courses for state support; and (5) prepare a comprehensive

master plan for community and technical college education.

Summary: College districts must coordinate their educational, training, and service programs with other colleges within a regional area. Basic skills, occupational, and technical training can take place in all community and technical colleges. The SBCTC has the responsibility and duty to ensure coordination between college districts. Community and technical colleges must avoid unnecessary duplication in student services and administrative functions. The SBCTC and individual college governing boards, involving faculty and staff union representatives, must identify potential administrative efficiencies, complementary administrative functions, and complementary academic programs in colleges within a regional area and must identify, develop, and adopt plans for the implementation of any changes to ensure that they meet specified criteria. Colleges are also to consider greater flexibility for students to transfer credits and obtain degrees and certificates from other colleges within the region. Cost savings are retained by the college districts to enhance student access and success. A preliminary progress report must be submitted to the appropriate legislative committees and to the Governor by December 2010. A final report is due by December 2011.

The College Board, in consultation with boards of trustees at the colleges, establishes criteria and procedures for consolidating district structures to form multiple campus districts. In the event that educational programs are identified for consolidation, the SBCTC is required to convene faculty and staff to help in developing consolidation plans that would impact their programs and collective bargaining agreements. Primary consideration is given to how proposed changes would affect student access; full-time faculty recruitment, development, and retention; academic programs; and the expected financial efficiencies. By December 2012, the College Board must evaluate any proposed district consolidations or boundary changes.

Votes on Final Passage:

Senate	47	1	
House	96	2	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2010

SSB 6361

C 266 L 10

Exempting a person's identifying information from public disclosure when submitted in the course of using the sex offender notification and registration program for the purpose of receiving notification regarding registered sex offenders.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Brandland, Hargrove, Carrell, Roach and Marr).

Senate Committee on Human Services & Corrections
House Committee on State Government & Tribal Affairs

Background: The Washington Association of Sheriffs and Police Chiefs (WASPC) operates an electronic statewide unified sex offender notification and registration program (SONAR) which contains a database of all registered sex offenders in the state of Washington. As required by law, WASPC creates and maintains a public website which posts all level II and level III sex offenders. WASPC may also disclose information about offenders classified as a level I upon the request of any victim or witness to the offense or any community member who lives near the offender.

The SONAR system allows a person to register to receive an email alert whenever an offender registers within 1 mile of the person's address. To register, the person must submit his or her name, address, and email address.

Summary: Information about a person who registers to receive email alerts from the SONAR system, including the person's name, address, and email address, is exempt from public disclosure.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: June 10, 2010

SSB 6363

C 242 L 10

Concerning the enforcement of certain school or playground crosswalk violations.

By Senate Committee on Transportation (originally sponsored by Senators Marr, King, Haugen, Brandland, Kauffman, Delvin, Eide, Shin and McAuliffe).

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

Background: Local jurisdictions may create school or playground speed zones that have a speed limit of 20 mph. The speed zones must be on a road bordering a marked school or playground, and the zone may extend 300 feet from the border of the school or playground property.

It is unlawful to exceed 20 mph when passing a crosswalk that is properly marked with school or playground speed limit signs. The speed zone at such a crosswalk extends 300 feet in either direction of the crosswalk.

A person who commits a speed infraction in a school or playground speed zone receives twice the scheduled penalty for the infraction, and the penalty cannot be waived, reduced, or suspended.

Fifty percent of the money collected from speeding infractions in school and playground speed zones is deposited into the School Zone Safety Account. Money in the account can be used only by the Washington Traffic Safety

Commission for projects to improve school zone safety, student transportation safety, and student safety in bus loading and unloading areas.

Summary: A vehicle driver who commits an infraction by failing to stop for a pedestrian or bicyclist within a crosswalk that is marked with school or playground speed zone signs receives twice the scheduled penalty for the infraction. In addition, a vehicle driver in a school or playground speed zone receives twice the scheduled penalty if the driver commits an infraction by failing to exercise due care to avoid colliding with a pedestrian or failing to yield the right of way to a pedestrian or bicyclist on the sidewalk. The penalties for these infractions may not be waived, reduced, or suspended. Fifty percent of the money collected from the infractions is deposited into the School Zone Safety Account.

School districts may erect signs informing motorists of the monetary penalties assessed for the school and playground speed zone infractions related to pedestrians and bicyclists.

Crossing guards who observe pedestrian or bicycle-related violations may prepare a written report to law enforcement. Crossing guards must be age 18 or older to prepare the written report. The report must include information about the violation and information to allow law enforcement to identify the violator. If the report is delivered to law enforcement, it must be delivered within 72 hours after the violation occurred. If a law enforcement officer is able to identify the driver and has reasonable cause to believe the infraction occurred, the officer may issue an infraction.

Votes on Final Passage:

Senate	46	0
House	98	0

Effective: July 1, 2010

SB 6365
C 76 L 10

Exempting the motor vehicles of certain residents who are members of the armed services from the provisions of chapter 70.120A RCW.

By Senators Swecker and Roach.

Senate Committee on Environment, Water & Energy
House Committee on Ecology & Parks

Background: In 2005 the Legislature adopted the California motor vehicle emission standards. Beginning with the 2009 model, new vehicles (cars, light duty trucks, and passenger vehicles) must meet these emission standards to be registered, leased, rented, licensed, or sold for use in Washington. A new vehicle must meet these standards unless it is consistent with the emission standards adopted by the Department of Ecology or has 7,500 miles or more. A person who purchases a vehicle out-of-state that does not meet the emission standards will not be able to register, license, rent, or sell it for use in Washington.

Summary: The provisions of the motor vehicle emission standards do not apply to the use of a motor vehicle that is obtained and used by a resident of Washington while serving as a member of the armed services in another state.

Votes on Final Passage:

Senate	46	0
House	96	0

Effective: June 10, 2010

SSB 6367
C 69 L 10

Allowing agencies to direct requesters to their web site for public records.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Hatfield, Regala, Fairley, Fraser, Kohl-Welles and Roach).

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: The Public Records Act (PRA) requires that all state and local government agencies make all public records available for public inspection and copying unless they 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.

The PRA requires agencies to respond to public records requests within five business days. The agency must either (1) provide the records, (2) provide a reasonable estimate of the time the agency will take to respond to this request, or (3) deny the request. Additional time may be required to respond to a request where the agency needs to notify third parties or agencies affected by the request or to determine whether any of the information requested is exempt and that a denial should be made as to all or part of the request.

For practical purposes, the law treats a failure to properly respond as denial. A denial of a public records request must be accompanied by a written statement of the specific reasons for denial. Any person who is denied the opportunity to inspect or copy a public record may file a motion to show cause in Superior Court why the agency has refused access to the record. The burden of proof rests with the agency to establish that the refusal is consistent with the statute that exempts or prohibits disclosure. Judicial review of the agency decision is de novo and the court may examine the record in camera.

Any person who prevails against an agency in any action in the courts seeking the right to inspect or copy any public record must be awarded all costs, including reasonable attorney fees. In addition, the court has the discretion

to award such person no less than $5 and no more than $100 for each day that person was denied the right to inspect or copy the public record. The court's discretion lies in the amount per day, but the court may not adjust the number of days for which the agency is fined.

Summary: In addition to providing a record in response to a public records request, the agency may provide an Internet address and link on the agency's website to the specific records requested.

If the requester informs the agency that he or she cannot access records through the Internet, the agency must provide hard copies or allow the requester to view copies on the agency computer.

Votes on Final Passage:

Senate	46	0
House	96	0

Effective: June 10, 2010

SSB 6371

C 73 L 10

Concerning money transmitters.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators McDermott and Berkey; by request of Department of Financial Institutions).

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Financial Institutions & Insurance

Background: The Department of Financial Institutions (DFI) regulates the money transmission and currency exchange businesses under the Uniform Money Services Act (Act). The Act was created in 2003 to protect consumers and to ensure that these businesses are not used for criminal purposes.

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 and delivery of the money can take place by any means, including wire, facsimile, or electronic transfer.

The issuer of stored value is the provider of goods or services. Stored value is the recognition of value or credit to the account of a person who may redeem that value or credit with the provider who issued the stored value.

Money transmitters are required to maintain a surety bond in an amount between $10,000 and $50,000 plus $10,000 per location not exceeding a total addition of $500,000. The director must require by rule that the money transmitter maintain net worth between $10,000 and $50,000. Money transmitters pay an annual license assessment as established by rule by the director.

The money transmitter must submit an annual report along with its annual assessment. This annual report includes a list of the licensee's permissible investments. Permissible investments must at all times have a market value not less than the aggregate of all the money transmitter's outstanding money transmission.

Permissible investments are defined. Receivables are allowed to be counted toward no more than 20 percent of the required amount of permissible investments.

Money transmitters are required to file specified reports with DFI and with federal agencies.

Every money transmitter must give the customer a receipt that clearly states the amount of money presented for transmission and the total of any fees charged.

An initial application fee, in an amount determined by the director, must accompany the application for an initial license. Thereafter, a licensee must pay an annual license assessment in an amount determined by the director and file its annual report. Fees that the director may set include the annual license assessment fee, a late fee, an hourly examination or investigation fee, the nonrefundable application fee, the pro-rated initial license fee, and a transaction fee.

Certain records must be maintained for at least five years. These include records such as bank statements, general monthly ledgers, names and addresses of the authorized delegates, and copies of all currency transaction reports and suspicious activity reports.

Summary: A distinction is made between open-loop and closed-loop stored value devices. The current definition of stored value is clarified to apply to the new term, closed-loop stored value devices. Open-loop stored value devices are defined as a different type of stored value. Open-loop means cards or other devices that are redeemable at a wide variety of merchants that are unaffiliated with the issuer, or at automated teller machines.

Closed-loop stored value devices issued by licensed check cashers and sellers are exempt from the Act. Both open- and closed-loop stored value devices are exempt from regulation under the money transmitters' law if the funds on the device, immediately upon sale or issuance of the device, are covered by federal deposit insurance.

Based on the standard of, 'necessary to facilitate commerce and protect consumers,' the director may waive the licensing provisions.

A money transmitter’s surety bond amount is based on the dollar volume of the previous year’s money transmission and on the dollar volume of the previous year's payment instruments. The minimum surety bond amount is unchanged at $10,000. The maximum surety bond is raised by $500,000 to $550,000 however, the reference to the $10,000 surety bond for each location up to a maximum of $500,000 is deleted.

The net worth requirement must be tangible net worth. The upper limit of what the director may require is raised from $50,000 to $3 million in tangible net worth.

The term annual assessment replaces the term annual license assessment. The amount of the annual assessment

is determined by the director and is based on the previous year's business volume. The minimum assessment must be $1,000 and the maximum may be up to $100,000.

Monthly reports about permissible investments are added to the records that must be maintained for at least five years.

The required federal filings must be made only with the applicable federal agency.

The minimum amount of permissible investments that licensees are required to maintain is based on the daily average of their monthly outstanding money transmission liability. Permissible investments may include receivables up to 30 percent of the required amount. It is clarified that restricted assets such as surety bonds pledged to other persons may not be counted toward the minimum required amount of permissible investments.

The director's authority to set the hourly examination fee is deleted.

The receipt given by the licensee to the customer must include the licensee's name, address, and phone number.

Votes on Final Passage:

Senate	42	5
House	96	0

Effective: June 10, 2010

SSB 6373

C 146 L 10

Directing the department of ecology to adopt rules requiring entities to report the emissions of greenhouse gases.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Ranker, Rockefeller, Swecker, Pridemore, Marr, Kline and Fraser; by request of Department of Ecology).

Senate Committee on Environment, Water & Energy
Senate Committee on Ways & Means
House Committee on Ecology & Parks
House Committee on General Government Appropriations

Background: In 2008 the Legislature passed E2SHB 2815, providing a framework for reducing greenhouse gas (GHG) emissions in the Washington economy. The legislation, in part, set forth requirements for the Department of Ecology (department) to adopt rules for reporting GHG emissions. In addition, the department is required to amend its GHG reporting rules when necessary to be consistent with federal rules to avoid duplicative reporting.

The department must adopt GHG reporting rules for owners or operators of a fleet of on-road motor vehicles that emit at 2500 metric tons or more per year of GHG emissions, or a source or combination of sources that emit 10,000 metric tons or more per year of direct GHG emissions. A source is defined as any building, structure, facility, or installation that emits any air contaminant or mobile source used for transportation or cargo.

Annual GHG emissions reporting is required beginning in 2010 for 2009 emissions. However, the department may phase in reporting requirements until the reporting threshold is met, which must be by January 1, 2012. In order to comply with federal reporting requirements, the department has discretion to amend the rules to include persons emitting less than the required annual GHG emission reporting levels. The department may also include GHG emissions that result from upstream and downstream sources. For interstate and international commercial aircraft, rail, truck, or marine vessels, the reporting requirement may be deferred until there is a federal reporting requirement or a generally accepted reporting protocol for determining interstate emissions.

In September 2009 the U.S. Environmental Protection Agency (EPA) adopted its Final Mandatory Greenhouse Gases Reporting Rule. The rule became effective January 1, 2010. Annual reporting begins March 2011 for emissions data collected in 2010. Fuel suppliers and facilities that emit 25,000 metric tons of GHG emissions per year must submit annual reports to the EPA. A facility is the physical property, plant building, structure, source, or stationary equipment located on a single piece or contiguous property. Mobile source emissions will be accounted for through reporting by suppliers of petroleum products and coal-based liquid fuel. Facilities with vehicle fleets are not required to report their emissions.

The EPA rule does not preempt or replace state reporting programs. EPA recognizes that its rule is much narrower and more targeted than many state programs and it also recognizes and supports states with their different programs that may be more advanced and have different policy objectives than the federal rules.

Summary: The department must modify its greenhouse gas emission reporting rules to require a person to report GHG emissions from a single facility, source, or fossil fuels sold in Washington by a single supplier when the emissions are 10,000 metric tons or more per year. Beginning in 2011, a person who is required to report GHG emissions to EPA must concurrently submit the reported data to the department. The department and local air authorities are prohibited from prescribing penalties until six months after the reporting rules are finalized in 2010.

The department must review and update the state GHG reporting rule whenever the EPA adopts final amendments to its GHG reporting rule to ensure consistency with federal reporting requirements.

Persons who are required to file periodic tax reports of motor vehicle fuel sales, special fuel sales, and distributors of aircraft fuel must report to the department the annual GHG emissions associated with the complete combustion or oxidation of liquid motor vehicle fuel, special fuel, or aircraft fuel that is sold in Washington. Aircraft fuel purchased in state may not be considered equivalent to

aircraft fuel combusted in state. The department may not require additional information to calculate GHG emissions than the periodic tax report information provided to the Department of Licensing (DOL). The department rules may allow this information to be aggregated for reporting purposes. The department and DOL must enter into an interagency agreement to share reported information and protect proprietary information. Any proprietary information exempt from disclosure when reported to the DOL remains exempt from disclosure when shared with the department.

The department may include by rule other gas or gases only when the gas has been designated as a GHG by Congress or the EPA. The department: (1) must notify the Legislature prior to adding gases to the definition of GHG; (2) must make decisions to amend the rule prior to December 1, and; (3) is prohibited from making the effective date of the rule before the end of the following regular legislative session.

The definition of a person includes: (1) an owner or operator, as those terms are defined by the EPA in its GHG reporting rule; (2) a motor vehicle fuel supplier or a motor vehicle fuel importer; (3) a special fuel supplier or a special fuel importer; and (4) a distributor of aircraft fuel.

The department may exempt from state reporting requirements a person required to report to the EPA and who emits less than 10,000 metric tons of GHG annually. The department must establish a methodology for persons to voluntarily report their GHGs.

The GHG reporting rules no longer require: reporting of indirect emissions; or reporting GHG emissions by an owner or operator of a fleet of on-road motor vehicle fleets that emit at least 2,500 metric tons of GHG annually. Obsolete definitions are removed.

Votes on Final Passage:

Senate	45	1	
House	79	19	(House amended)
Senate	41	4	(Senate concurred)

Effective: June 10, 2010

SB 6379

C 161 L 10

Streamlining and making technical corrections to vehicle and vessel registration and title provisions.

By Senators Swecker, Hatfield, Marr, Haugen, Berkey, Ranker, Sheldon and Kauffman.

Senate Committee on Transportation
House Committee on Transportation

Background: Current vehicle and vessel title and registration statutes are codified in various chapters of law and are often difficult to find and understand. Additionally, corresponding vehicle tax and fee statutes, including revenue distribution statutes, are also challenging for the reader to follow. As such, the 2007-2009 biennial transportation budget directed the Department of Licensing (DOL) to submit to the Legislature draft legislation that streamlines title and registration statutes to specifically address apparent conflicts, fee distribution, and other relevant issues that are revenue neutral and which do not change legislative policy.

The bill draft was submitted by DOL in 2009 and was subsequently reviewed by combined staffs of the Senate and House Transportation Committees.

Summary: Numerous vehicle and vessel title and registration statutes, including applicable tax and fee statutes, are streamlined and reorganized, and written in plain language so as to assist the reader. The act is revenue and policy neutral, with two exceptions: (1) the permit to licensed wreckers for junk vehicles was repealed because the permit has never existed; and (2) the Cooper Jones emblem was repealed because the emblems are no longer provided, due to the recent enactment of the Share the Road special license plate promoting bicycle safety and awareness.

Votes on Final Passage:

Senate	46	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 1, 2011
June 30, 2012 (Section 1020)

ESSB 6381

PARTIAL VETO
C 247 L 10

Making 2009-11 supplemental transportation appropriations.

By Senate Committee on Transportation (originally sponsored by Senators Haugen and Marr; by request of Governor Gregoire).

Senate 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: The 2009-11 biennial appropriations for various transportation agencies and programs are modified.

Votes on Final Passage:

Senate	41	3	
House	78	19	(House amended)
Senate	37	11	(Senate concurred)

Effective: March 30, 2010

Partial Veto Summary: The Governor vetoed nine sections or parts of sections (appropriation items) in the 2010

supplemental transportation appropriations act. In addition to removing certain directive language, the net effect of the nine vetoes is to increase state appropriations originally provided in the bill by $3,159,000.

VETO MESSAGE ON ESSB 6381

March 30, 2010

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 215(3); 215(5); 221(13); 303(43); 304(15); 401, page 89, lines 18-20, 23-25, and 26-27; and 602 of Engrossed Substitute Senate Bill 6381 entitled:

"AN ACT Relating to transportation funding and appropriations."

Section 215(3), page 31, Department of Transportation

This proviso ties the appropriation contained within this subsection to either the Joint Legislative Audit and Review Committee (JLARC) or the Joint Transportation Committee (JTC) conducting an analysis identified in Sections 108(4) and 204 of this bill. This action effectively delegates appropriation authority to either the JLARC or the JTC. I believe that this delegation of authority will be remedied in the operating budget. For this reason, I have vetoed Section 215(3).

Section 215(5), page 32, Department of Transportation

This proviso requires the Department of Transportation to finalize all pending equal value exchange activities for the construction or improvement of facilities. Thereafter, the Department may not pursue any other equal value exchanges except to replace the Mount Baker headquarters office. Equal value exchanges are important tools that the Department uses to fund high priority facility projects. For this reason, I have vetoed Section 215(5).

Section 221(13), page 47, Department of Transportation

This proviso requires the Department of Transportation to implement a pilot program for the remainder of the 2009-11 Biennium to expand the use of high occupancy vehicle lanes, transit-only lanes, and certain park and ride facilities to private transportation providers. The proviso requires transit agencies and other local jurisdictions to have a process to receive applications for the reasonable use of these facilities. If a private transportation provider demonstrates that the transit agency or local jurisdiction failed to consider an application in good faith, the Department may not award any grant funding.

This proviso conflicts with federal regulations due to its broad allowance of the private use of public facilities. The Federal Transit Authority (FTA) requires specific authorization before allowing private transportation uses in federally funded public facilities. In addition, the issuance of grants to local jurisdictions for vanpools, special needs transportation, and other facilities to improve regional mobility should not be based upon the outcome of negotiations between local jurisdictions and private transportation providers.

For these reasons, I have vetoed Section 221(13).

Section 303(43), page 66, Department of Transportation
Section 304(15), page 72, Department of Transportation

These provisos require that redistributed federal funds received by the Department of Transportation first be applied to offset planned expenditures of state funds, and second to offset planned expenditures of federal funds, on projects identified in the project list in the 2010 supplemental budget. If these options are not feasible, the Department must consult with the Joint Transportation Committee (JTC) prior to obligating redistributed federal funds. If such consultation is not feasible and Washington does not act quickly, we may lose the opportunity to receive redistributed federal funds. However, because input from the Legislature is important, I am directing the Department to consult with JTC members.

For this reason, I have vetoed Section 303(43) and Section 304(15).

Section 401, page 89, lines 18-20, 23-25, and 26-27, State Treasurer

This section provides for bond sale discounts and debt to be paid by the motor vehicle account and transportation fund revenue. Technical modeling problems resulted in some erroneous amounts. For this reason, I have vetoed lines 18-20, 23-25, and 26-27 of Section 401.

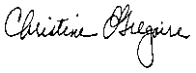
Section 602, page 96, Department of Transportation

This proviso requires that redistributed federal funds received by the Department of Transportation first be applied to offset planned expenditures of state funds, and second to offset planned expenditures of federal funds, on projects identified in the project list in the 2010 supplemental budget. If these options are not feasible, the Department must consult with the Joint Transportation Committee (JTC) prior to obligating redistributed federal funds. For the same reason that I vetoed Section 303(43) and Section 304(15) above, I have vetoed Section 602.

For these reasons, I have vetoed Sections 215(3); 215(5); 221(13); 303(43); 304(15); 401, page 89, lines 18-20, 23-25, and 26-27; and 602 of Engrossed Substitute Senate Bill 6381.

With the exception of Sections 215(3); 215(5); 221(13); 303(43); 304(15); 401, page 89, lines 18-20, 23-25, and 26-27; and 602, Engrossed Substitute Senate Bill 6381 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6382

C 1 L 10

Reducing the cost of state government operations by restricting compensation.

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice and Tom; by request of Governor Gregoire).

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The programs and functions of state government are administered by numerous state agencies and institutions, the costs of which are appropriated by the Legislature. These costs include expenditures for salaries, wages, equipment, personal services contracts, and state employee travel and training.

Generally, state employment positions are either exempt, general service, or Washington Management Service (WMS). General service employees are eligible to collectively bargain if they so elect. In higher education, employee positions typically are either exempt or general services; some categories of exempt employees as well as general service employees may collectively bargain if they so elect. For example, higher education faculty and graduate students are exempt employees but may collectively bargain. For employees who collectively bargain, salary and wage increases are determined as provided in the existing contract.

The 2009 Legislature established a 12-month prohibition on salary and wage increases for exempt and WMS

employees in Chapter 5, Laws of 2009 (ESSB 5460). The ban on salary increases will expire on February 18, 2010.

Summary: The prohibition on salary and wage increases for exempt and WMS employees of state agencies and institutions of higher education who are not covered by collective bargaining agreements is extended through June 30, 2011. An employer may grant a salary increase to a position for which it has demonstrated difficulty retaining qualified personnel, provided that the increase can be paid within existing resources and without adversely impacting the delivery of client services. An institution of higher education may also grant a salary increase for employees taking on additional academic duties during the summer quarter. Any agency giving a salary increase for an exempt or WMS position must submit a report to the fiscal committees of the Legislature by July 31, 2011, describing the increases given and the reasons for the increases. The prohibition on salary increases is expanded to include awards of cash or cash equivalents given in recognition for performance or longevity.

Votes on Final Passage:

Senate	29	14	
House	94	3	(House amended)
Senate	33	15	(Senate concurred)

Effective: February 15, 2010

ESSB 6392

PARTIAL VETO

C 248 L 10

Clarifying the use of revenue generated from tolling the state route number 520 corridor.

By Senate Committee on Transportation (originally sponsored by Senators Tom, Swecker, Oemig, Holmquist, Jacobsen, Haugen and Marr).

Senate Committee on Transportation
House Committee on Transportation

Background: During the 2009 Legislative Session, ESHB 2211 was enacted, authorizing the initial imposition of tolls on the state route (SR) 520 corridor (defined as between interstate 5 and SR 202), to be charged only for travel on the floating bridge portion of the corridor. The bill also limited the use of toll backed bond proceeds to the construction of the replacement floating bridge and necessary landings.

Summary: Bond proceeds, backed by revenue generated from tolls on the SR 520 corridor, may be used for any project within the SR 520 bridge replacement and high occupancy vehicle (HOV) program, including projects beyond just the replacement floating bridge. However, $200 million in bond proceeds must be used only to fund the west side of the corridor program, and may be used for effective connections for high occupancy vehicles and transit for SR 520.

The corridor program must include the following elements, consistent with the: (1) legislatively identified total project cost of $4.65B; (2) legislative intent to keep cost savings within the corridor; and (3) opening of the bridge to vehicular traffic in 2014:

- a minimum carpool occupancy of 3+ persons on the SR 520 HOV lanes;
- HOV lane performance standards;
- a work group to study alternative transit connections to the university link light rail line;
- a work group to make recommendations regarding options for planning and financing high capacity transit through the corridor;
- a mitigation plan for the Washington Park Arboretum;
- a work group to make recommendations regarding design refinements to Washington State Department of Transportation's preferred alternative; and
- an account into which civil penalties for failing to pay tolls on the corridor are deposited, to be used for any project within the corridor, including mitigation.

Votes on Final Passage:

Senate	44	3	
House	78	19	(House amended)
Senate	37	10	(Senate concurred)

Effective: June 10, 2010

Partial Veto Summary: The Governor vetoed the intent section and the section requiring the SR 520 bridge to be no more than 20 feet above the water.

VETO MESSAGE ON ESSB 6392

March 30, 2010

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 1 and 3, Engrossed Substitute Senate Bill 6392 entitled:

"AN ACT Relating to the use of revenue generated from tolling the state route number 520 corridor."

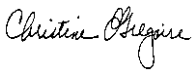
Section 1 outlines legislative intent for the bill. I believe the legislation itself states clearly that improvements throughout the SR 520 corridor need to move forward, with the proper input from appropriate parties. However, Section 1 is vague and susceptible to conflicting interpretations, which I believe could hinder our ability to make progress on a project that is important to public safety and economic vitality.

Section 3 requires that the SR 520 bridge be no higher than 20 feet. I recognize it is important to local communities that the bridge have as low a profile as possible. Decisions regarding the dimensions of a transportation facility must also be based on engineering standards, safety considerations, permitting requirements, and state and federal law. Section 3 potentially prevents the Department of Transportation from complying with Coast Guard requirements and eliminates any possibility of adjusting the size of the facility based upon design or permitting needs. As a result, I am vetoing this section and directing the Department to continue to work with neighborhoods and local governments to refine the preferred alternative design.

For these reasons, I have vetoed Sections 1 and 3 of Engrossed Substitute Senate Bill 6392.

With the exception of Sections 1 and 3, Engrossed Substitute Senate Bill 6392 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6395
C 118 L 10

Addressing lawsuits aimed at chilling the valid exercise of the constitutional rights of speech and petition.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, Kauffman and Kohl-Welles).

Senate Committee on Judiciary
House Committee on Judiciary

Background: Strategic lawsuits against public participation, or SLAPPs, are initiated to intimidate or retaliate against people who speak out about a matter of public concern. Typically, a person who institutes a SLAPP suit claims damages for defamation or interference with a business relationship resulting from a communication made by a person or group to the government or a self-regulatory organization that has been delegated authority by the government. A 2003 Gonzaga law review article describes most SLAPPs as occurring in the commercial context with the lawsuits being filed against people or groups alleging environmental or consumer protection violations.

In 1989 the Legislature addressed the use of SLAPPs by creating immunity from civil liability for people who in good faith communicate a complaint or information to an agency of the federal, state, or local government or to a self-regulatory organization that has been delegated authority by a government agency. In 2002 the anti-SLAPP statutes were amended to remove the requirement that the communication be in good faith and to allow statutory damages of $10,000 to a person who prevails against a lawsuit based on a communication to a government agency or organization. The 2002 legislation also included a policy statement recognizing the constitutional threat of SLAPP litigation.

Summary: The Legislature asserts that it is in the public interest for citizens to participate in matters of public concern and provide information to public entities and other citizens on public issues that affect them without fear of reprisal through abuse of the judicial process. The Legislature affirms its concern regarding lawsuits brought primarily to chill freedom of speech and petition, also known as strategic lawsuits against public participation.

An action involving public participation and petition is defined as including any oral or written statement submitted in connection with an issue under consideration by a legislative, executive, judicial, or other proceeding authorized by law. It also includes any oral or written statement that is reasonably likely to encourage or enlist public participation in the consideration or review of an issue in a legislative, executive, judicial, or other proceeding authorized by law. Any oral or written statement submitted in a public forum in connection with an issue of public concern is also an action involving public participation and petition. Any other lawful conduct in furtherance of the exercise of the constitutional right of free speech in connection with an issue of public concern is also considered to be an act involving public participation and petition.

A procedure is created for the speedy resolution of strategic lawsuits against public participation. The court is directed to hold a hearing with all due speed on any motion to deny a claim based on an action involving public participation and petition and to render its decision no later than seven days after the hearing is held. A person who is successful in pursuing a motion to deny a claim based on an action involving public participation and petition is awarded costs of litigation, reasonable attorneys' fees, and $10,000. The court may award additional relief such as sanctions upon the moving party and its attorneys if it determines they are necessary to deter repetition of the conduct. If the court finds the motion to deny a claim is frivolous or is intended to cause unnecessary delay, it will award costs of litigation, reasonable attorneys' fees, and an amount of $10,000.

The general purpose of the law to protect participants in public controversies from an abusive use of the courts is to be applied and construed liberally.

Votes on Final Passage:

Senate	46	0
House	96	0

Effective: June 10, 2010

SSB 6398
C 119 L 10

Adding the definition of threat to malicious harassment provisions.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, McDermott, Keiser, Hobbs, Murray, Jacobsen, Kohl-Welles and Gordon).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: The definition of threat to do bodily injury in the Criminal Code means to communicate, directly or indirectly, the intent to cause bodily injury in the future to the person threatened or to any other person. On November 24, 2008, the Court of Appeals decided, in an unpublished opinion, that there was insufficient evidence to support a crime of malicious harassment because the

threat to cause bodily injury was immediate instead of a threat to do harm in the future. The court based its decision on the fact that the statutory definition of "threat" does not include immediate threats to cause bodily harm.

Summary: A definition of threat which includes both immediate and future bodily harm is added to the malicious harassment statute and removed from the general definition section of the criminal code. The definition of threat, in the malicious harassment statute, is expanded to include immediate and future threats to property.

Votes on Final Passage:

Senate	46	0
House	96	0

Effective: June 10, 2010

SB 6401

C 163 L 10

Concerning an alternative process for selecting an electrical contractor or a mechanical contractor, or both, for general contractor/construction manager projects.

By Senator Brandland.

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs
House Committee on Capital Budget

Background: Public works projects include construction, building, renovation, remodeling, alteration, repair, or improvement of real property. Most public works projects are completed using the design-bid-build procedure in which the construction contract is awarded to the lowest responsive bidder. Alternative methods for contracting in which the project is awarded based on factors other than cost may also be used by those public entities who have had projects approved by the Capital Projects Advisory Review Board (CPARB).

Design build is an alternative contracting method that melds design and construction activities into a single contract. The public agency contracts with a single firm to both design and construct the facility based on the needs indentified by the agency. Selection of the firm is based on a weighted scoring of factors, including firm's qualifications and experience, project proposals, and bid prices.

The General Contractor/Construction Manager (GC/CM) is another alternative contracting method that utilizes the services of a project management firm which bears significant responsibility and risk in the contracting process. As with design-bid-build, under GC/CM the agency contracts with an architectural and engineering firm to design a facility. The agency 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 is complete, the GC/CM firm subcontracts with construction firms to construct that phase.

Once the most qualified finalists are identified, final proposals are submitted, including sealed bids for the percent fee on the estimated maximum allowable construction cost and the fixed amount for the general conditions work. The public agency must select the firm submitting the highest scored final proposal using evaluation factors and the relative weight of those factors published in the solicitation of proposals.

GC/CM subcontract work and equipment and material purchases are competitively bid with public bid openings and are awarded to the responsible bidder submitting the lowest responsive bid. The criteria used by the GC/CM and public body to evaluate bidder responsibility must be included in the bid packages.

Summary: An alternative process for selecting subcontractors for GC/CM projects is established. The process may only be used for the selection of a mechanical subcontractor, an electrical subcontractor, or both, and when the anticipated value of the subcontract will exceed $3 million.

To use the process, the public agency and the GC/CM must determine that using the process is in the best interest of the public. A hearing must be conducted for the purpose of receiving comments and the hearing notice must be published in a legal newspaper at least 14 calendar days before the hearing. Notice of the public solicitation of proposals must be provided to the Office of Minority and Women's Business Enterprises. A public solicitation of subcontractor proposals must include a complete description of the project, including problematic, performance, and technical requirements and specifications; the reasons for using the alternative selection process; a description of the minimum qualifications of the firm; a description of the evaluation process; the form of the contract, including any preconstruction services; the estimated maximum allowable subcontract cost; and bid instructions for finalists.

Evaluation factors include, but are not limited to:

- the ability of the firm's professional personnel;
- the firm's past performance on similar projects;
- the firm's ability to meet time and budget requirements;
- the scope of self-performed work and the firm's ability to perform that work;
- the firm's proximity to the project location;
- the firm's capacity to successfully complete the project;
- the firm's approach to executing the project;
- the firm's approach to safety on the project;
- the firm's safety history;
- if selected as a finalist, the firm's fee and cost proposal; and
- the firms plan for outreach to minority and women-owned businesses.

A committee is formed to evaluate the proposals and must include at least one representative from the public body. Final proposals will be requested from the most qualified firms. The firm submitting the highest scored final proposal must be selected. If the GC/CM is unable to negotiate a satisfactory maximum allowable subcontract cost with the selected firm that is deemed to be fair, reasonable, and within available funds, negotiations with that firm must be formally terminated and negotiations will begin with the next highest scored firm.

The GC/CM may contract with the selected firm to provide services during the design phase of a project. The maximum allowable subcontract cost must be used to establish a total subcontract cost for purposes of a performance and payment bond, and must be negotiated when the construction documents and specifications are at least 90 percent complete.

If the work of the mechanical or electrical contractor is completed for less than the maximum allowable subcontract cost, any savings not negotiated as part of an incentive clause becomes part of the risk contingency included in the GC/CM's maximum allowable construction cost. If the work is completed for more than the maximum allowable subcontract cost, the additional cost is the responsibility of the subcontractor. An independent audit must be conducted upon completion of the contract to confirm the proper accrual of costs as outlined in the contract.

A mechanical or electrical contract selected using this procedure may perform work with its own forces. If the firm elects to contract out some of its work, it must select a subcontractor using the low bid procedures.

Votes on Final Passage:

Senate	48	0	
House	98	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010

ESSB 6403

PARTIAL VETO

C 243 L 10

Regarding accountability and support for vulnerable students and dropouts.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Kauffman, McAuliffe, Hargrove, Hobbs, Regala, Oemig, McDermott and Shin; by request of Superintendent of Public Instruction).

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

Background: In 2007 the Legislature directed the Office of Superintendent of Public Instruction (OSPI) to create the Building Bridges grant program to begin the phase-in of a statewide comprehensive dropout prevention, intervention, and retrieval system. Building Bridges, the state-level work group (work group) was directed to assist and enhance the work of the grantees.

The Quality Education Council (QEC) was created in 2009 to recommend and inform the ongoing legislative implementation of a program of basic education and necessary financing. The QEC is composed of eight legislative members, and one representative each from the Office of the Governor, OSPI, the State Board of Education (SBE), the Professional Educator Standards Board, and the Department of Early Learning (DEL).

Summary: In order to significantly improve statewide high school graduation rates, the Legislature intends to facilitate the development of a collaborative infrastructure at the local, regional, and state level between systems that serve vulnerable youth.

Several new terms are defined in statute, including a K-12 dropout prevention, intervention, and reengagement system which means a system that provides the following functions: engaging in school improvement planning, specifically improving graduation rates; providing prevention activities; identifying vulnerable students based on a dropout early warning and intervention data system; coordinating a school/family/community partnership; and providing group and individual interventions, one-on-one adult relationships, retrieval or reentry activities, and alternative educational programming.

By September 15, 2010, OSPI, in collaboration with the work group, must develop and report recommendations to the QEC and the Legislature for the development of a comprehensive K-12 dropout reduction initiative. The initiative is designed to integrate multiple tiers of dropout prevention, intervention and technical assistance and to support a K-12 dropout prevention, intervention, and reengagement system.

The work group must include representatives appointed by OSPI, the Workforce Training and Education Coordinating Board (Workforce Board), DEL, the Employment Security Department, the State Board for Community and Technical Colleges, the Department of Health, the Community Mobilization Office, and specified divisions of the Department of Social and Health Services. The work group should also include representatives from other agencies and organizations, including representatives from the Achievement Gap Oversight and Accountability Committee and the Office of the Education Ombudsman. State agencies in the work group must work together to support school/family/community partnerships engaged in: building K-12 dropout prevention, intervention, and reengagement systems by coordinating program eligibility and funding; developing protocols and templates for sharing records and data; and providing joint professional development.

The work group must report to the QEC on an annual basis. By September 15, 2010, the work group must report on the following recommendations: state goals and annual

targets for the percentage of students graduating from high school and youth who have dropped out who should be re-engaged; funding for career guidance and dropout prevention and intervention systems; and a plan to expand the current school improvement planning program to include state-funded technical assistance for districts that need to significantly improve high school graduation rates.

By December 1, 2010, the work group must make recommendations to the Legislature and the Governor about the infrastructure for coordinating services for vulnerable youth. These recommendations must address: adopting an official conceptual framework for all entities that can support coordinated planning and evaluation; creating a performance-based management system; developing a regional and county multi-partner youth consortia; developing specific integrated school-based services; launching a statewide media campaign; and developing a statewide database of available services for vulnerable youth.

The Washington State Institute for Public Policy must annually calculate savings resulting from changes in the extended graduation rates from the prior school year. The SPI must include the estimate in its annual dropout and graduation report beginning in 2010.

Votes on Final Passage:

Senate	44	0	
House	96	1	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 10, 2010

Partial Veto Summary: The Governor vetoed the intent section.

VETO MESSAGE ON ESSB 6403

March 29, 2010

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 1, Engrossed Substitute Senate Bill 6403 entitled:

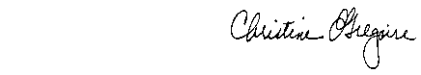
"AN ACT Relating to accountability and support for vulnerable students and dropouts, including prevention, intervention, and reengagement."

Section 1 is an intent section including legislative findings and goals regarding the development of a dropout prevention program to serve vulnerable youth. The intent section could be read to conflict with the substantive description of the type of program to be developed as stated in Section 3. A veto of the intent section eliminates this potential conflict.

For this reason, I have vetoed Section 1 of Engrossed Substitute Senate Bill 6403.

With the exception of Section 1, Engrossed Substitute Senate Bill 6403 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

E2SSB 6409
PARTIAL VETO
C 27 L 10 E 1

Creating the Washington opportunity pathways account.

By Senate Committee on Ways & Means (originally sponsored by Senators Kastama, Rockefeller, Shin and Kohl-Welles).

Senate Committee on Higher Education & Workforce Development
Senate Committee on Ways & Means
House Committee on Ways & Means

Background: Legislation creating Washington's lottery was approved during a 1982 special session of the Legislature called to deal with a projected budget deficit. The bill required that the state General Fund receive the state's share of the revenue. In 2000 Washington voters approved I-728 (the K-12 2000 Student Achievement Act), which redirected lottery revenue contributions from the state General Fund to education funds beginning July 1, 2001. On April 3, 2002, Governor Gary Locke signed legislation which allowed Washington's lottery to join the multi-state lottery Mega Millions effective June 2002.

Profit from all lottery games must benefit education up to the level of $102 million annually. Once the $102 million contribution level for education has been reached, any additional net revenues from Mega Millions benefit the General Fund while other lottery games continue to benefit education. From July 1, 2004, to July 1, 2009, all lottery net revenues allocated for education were sent to the education construction fund to help build, renovate, and remodel schools throughout the state.

In 2009 the Legislature redirected lottery dollars for education as well as economic development contributions to the state General Fund to support a range of state programs, including education. On July 1, 2009, lottery funds were redirected from the education construction fund to the General Fund for the 2009-11 biennium. Also in 2009 the Legislature approved the sale of the multi-state game Powerball. While the education construction fund has been lottery's largest beneficiary, the lottery has been directed by the Legislature to make contributions to stadium funding and problem gambling prevention and treatment.

Summary: The Washington Opportunity Pathways Account is created. Beginning in state fiscal year 2011, all net revenues from in-state lottery games that are not otherwise dedicated to debt service on the Safeco Stadium and Qwest Field and Exhibition Center are dedicated to the new account. All net income from the multi-state lottery games, other than those dedicated to the Problem Gambling Account, are deposited into the Washington Opportunity Pathways Account rather than into the General Fund.

The Washington Opportunity Pathways Account is subject to appropriation by the Legislature, and may only

be used for the following programs: recruitment of entrepreneurial researchers, innovation partnership zones, and research teams; the early childhood education and assistance program (ECEAP); the State Need Grant; the State Work Study program; College Bound Scholarships; Washington Promise Scholarships; Washington Scholars; the Washington Award for Vocational Excellence (WAVE); the Passport to College Promise; the Educational Opportunity Grant; and GET Ready for Math & Science Scholarships.

Each year beginning in fiscal year 2011, $102 million is transferred from the state General Fund to the Education Construction Account.

The Lottery Commission is to report to the legislative committees on commerce, economic development, and higher education on marketing strategies and revenue projections for the re-branded lottery by September 1 and by December 1, 2010. The implementation of new marketing strategies may begin prior to the required report to the Legislature.

Votes on Final Passage:

Senate	35	13
First Special Session		
Senate	32	10
House	55	42

Effective: July 13, 2010

Partial Veto Summary: The Joint Legislative Audit and Review Committee study of the marketing and vendor expenditures and incentive payment programs of the Lottery Commission by November 1, 2010, was removed.

VETO MESSAGE ON E2SSB 6409

April 23, 2010

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 7, Engrossed Second Substitute Senate Bill 6409 entitled:

"AN ACT Relating to creating the Washington opportunity pathways account."

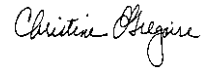
This bill creates the Washington Opportunity Pathways Account and directs that beginning in Fiscal Year 2011 net revenues from in-state lottery games that are not otherwise dedicated will be placed in this new account.

Section 7 of this bill requires costly consultation and studies of areas of lottery operations that already receive significant oversight. The section directs the Joint Legislative Audit and Review Committee (JLARC) to study the marketing and vendor expenditures and incentive payment programs of the Commission by November 1, 2010. The estimated costs of the studies are not funded in the budget. In addition, the Executive Committee of JLARC has requested this section be vetoed and that the study take place next biennium. I agree with the need for the study and request the committee to include it in their future planning.

For these reasons I have vetoed Section 7 of Engrossed Second Substitute Senate Bill 6409.

With the exception of Section 7 of Engrossed Second Substitute Senate Bill 6409 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6414

C 267 L 10

Improving the administration and efficiency of sex and kidnapping offender registration.

By Senate Committee on Human Services & Corrections (originally sponsored by Senator Regala).

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

Background: In 2008 the Legislature created the Sex Offender Policy Board (Board) to promote a coordinated and integrated response to sex offender management. One of the first tasks assigned to the Board, through 2SHB 2714 (2008), was to review Washington's sex offender registration and notification laws. The Board submitted a report to the Legislature in November 2009, which contained several consensus recommendations including:

- standardize all registration requirement deadlines within the registration statute to three business days with few exceptions;
- change the statute so that a juvenile sex offender's first failure to register offense will not bar them from petitioning for relief from registration;
- establish a statutory list of criteria that is illustrative to the judge of considerations that may be important in determining whether an adult offender should be relieved from registration;
- adopt a tiered approach to the class of felony for a failure to register as a sex offender – class C for the first two convictions and class B for the third and subsequent convictions;
- reduce community custody for the first failure to register for a sex offense conviction to 12 months; second and subsequent convictions would continue to require 36 months of supervision; and
- repeal the 90-day registration requirement for level II and III adult sex offenders and support codification of law enforcement's address verification program.

Washington's registration law requires a sex or kidnapping offender to keep the county sheriff informed of his or her residence and any school the offender plans to attend or is attending. The statute sets out the timeframes for the offender to provide this notice. In many cases, the timeframes are not consistent. For example, an offender

must notify the sheriff: at the time of release from custody; within 72 hours of changing his or her residence address in the same county; within ten days of moving to a new county; and within 48 hours of ceasing to have a fixed residence.

A person who has a duty to register for a sex offense committed when the person was a juvenile may petition the court to be relieved of that duty:

- if the petitioner was 15 years or older at the time of the offense, the petitioner must show by clear and convincing evidence that continued registration will not meet the purposes of the statute; or
- if the petitioner was under the age of 15 at the time of the offense, the petitioner must show by a preponderance of the evidence that the juvenile has not committed a new sex or kidnapping offense in the 24 months following adjudication and continued registration will not meet the purposes of the statute.

The failure to register is considered a sex offense and will preclude the petitioner from being relieved of the duty to register.

Adult offenders convicted of class B or class C sex offenses may be relieved of the duty to register after ten years for a class C offense or 15 years for a class B offense. In order for the court to relieve a person from registration, the petitioner must not commit any new offense in the stated time period and show by clear and convincing evidence that future registration will not meet the purposes of the statute.

For both adult and juvenile offenders, a failure to register is a class C felony if the underlying sex offense was a felony, carrying a maximum sentence of 60 months. A person may not be sentenced to confinement time and community custody in excess of the statutory maximum. When an offender has been convicted of a failure to register several times or has a significant criminal history, the statutory range for a failure to register is 43 to 57 months and carries a mandatory term of community custody of 36 months. If the offender were sentenced to 57 months confinement, an offender could only be sentenced to a three-month term of community custody. For this reason, the Legislature passed 2SHB 2714 in 2008 changing an adult failure to register to a class B felony (statutory maximum of 120 months). This law takes effect after the 2010 Legislative Session unless otherwise amended by the Legislature.

Summary: Business day and disqualifying offense are defined. An offender may not be relieved from registration if that offender has committed a disqualifying offense within the applicable time period. The timeframes for a sex or kidnapping offender to report to the county sheriff are changed to three business days with the exception of a few isolated circumstances. A person who is moving in-state must provide notice by certified mail or in person with the county sheriff.

An offender who is required to register in his or her state of conviction must register in Washington unless the person has specifically been relieved of registration by the state of conviction. A person's duty to register for an out-of-state offense continues indefinitely, but the person may petition after 15 years in the community with no disqualifying offense.

Separate sections address the duration of registration, relief from registration and relief from registration for offenses committed as a juvenile. When the person's duty to register ends by operation of law, the person may request the county sheriff to review his or her records. If the sheriff finds that the person has been in the community the requisite period of time with no disqualifying offense, the sheriff will request that the Washington State Patrol (WSP) remove the person from the sex or kidnapping offender registry. Law enforcement and the WSP are immune from liability for the removal or failure to remove a person from the registry.

When determining whether to relieve an adult or juvenile from registration, a list of criteria is provided as guidance for the court to consider, including the nature of the offense, any subsequent criminal history, the offender's stability in the community, and any other factors the court considers relevant.

A person who is required to register for an offense committed when the person was a juvenile may be relieved of registration if the person has not committed a new sex or kidnapping offense since adjudication. The person will not be prevented from being relieved of registration if the person was convicted of only one failure to register. However, the person may not have been adjudicated or convicted of a failure to register in the 24 months prior to filing.

A juvenile or adult conviction for failure to register carries a maximum 12-month sentence of community custody for the first conviction and 36 months for the second and subsequent convictions. The Department of Corrections is directed to apply these changes retroactively to offenders currently incarcerated or on community custody. The first two adult convictions for failure to register are designated as class C felonies. An adult offender's third conviction for failure to register is designated as a class B felony.

A table of the impacts of the various convictions for a failure to register is below. The changes made by this act are noted with a *.

FAILURE TO REGISTER (FTR)

	Gross Misdemeanor	1st Felony Conviction	2nd Felony Conviction	3rd+ Conviction
Class of offense	If underlying offense not felony, always gross misdemeanor	Class C felony	Class C felony	*Class B felony*
Sex offense?	No	*No*	Yes	Yes
Supervision	Court ordered probation	*1 year community custody*	3 years community custody	3 years community custody
Time for relief - adult offense	Resets adult expiration clock (10 years)	Resets adult expiration clock (10 yr - class C / 15 yr class B)	Resets clock and carries own 10-yr req. to register	Resets clock and carries own 10-yr req. to register
Time for relief - juv. offense	*Must wait 2 years from FTR to petition*	*Must wait 2 years from FTR to petition*	Resets clock (2 yr) and carries own 10-yr req. to register	Resets clock (2 yr) and carries own 10-yr req. to register

Votes on Final Passage:

Senate	46	0
House	96	0

Effective: June 10, 2010

SB 6418

C 136 L 10

Regarding cities and towns annexed to fire protection districts.

By Senators Marr and Brown.

Senate Committee on Government Operations & Elections

House Committee on Local Government & Housing

Background: A fire protection district (district) is created to provide fire prevention, fire suppression, and emergency medical services within a district's boundaries. A district is governed by a board of commissioners consisting of either three or five members. The district finances their activities and facilities by imposing regular property taxes, excess voter-approved property tax levies, and benefit charges. Generally, a district serves residents outside of cities or towns, except when cities and towns have been annexed into a district or when the district continues to provide service to a newly incorporated area.

A city or town adjacent to a district may be annexed into such a district provided the population of the city or town does not exceed 100,000. Such annexation is initiated through the adoption of an ordinance by the legislative authority of the city, or town approving annexation into the district, and stating a finding that the public interest is served by such annexation. The annexation must then be authorized through the concurrence of the district's board of fire commissioners. Following such approval of the annexation, notification must be sent to the governing body of the county or counties in which both the district and city or town are located. The pertinent county legislative authorities must then call a special election in the city or town to be annexed, as well as the district, so as to allow the voters in each jurisdiction to determine the annexation issue. The annexation is complete if a majority of voters in each jurisdiction vote in favor of annexation.

Summary: The requirement that fire protection districts be authorized in areas outside of cities and town, except where the cities and towns have been annexed into a fire protection district or where the district is continuing service, is removed. A city or town adjacent to a district may be annexed into such a district provided the population of the city or town does not exceed 300,000.

Votes on Final Passage:

Senate	49	0
House	93	5

Effective: June 10, 2010

ESSB 6444

PARTIAL VETO

C 37 L 10 E 1

Making 2010 supplemental operating appropriations.

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice and Tom; by request of Governor Gregoire).

Senate Committee on Ways & Means

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. In even-numbered years, a supplemental budget is adopted, making various modifications to agency appropriations. State operating expenses are paid from the state General Fund and from various dedicated funds and accounts.

Summary: The 2009-11 biennial appropriations for the various agencies and programs of the state are modified.

Votes on Final Passage:

Senate	25	19	
House	55	43	(House amended)
First Special Session			
Senate	25	19	
House	54	43	(House amended)
Senate	25	21	(Senate concurred)

Effective: May 4, 2010

Partial Veto Summary: The Governor vetoed approximately 60 sections of the operating budget bill. The state General Fund impact of the vetoes reduces GF-S reserves by approximately $27 million, reducing the total expected GF-S reserves to $452 million instead of the $480 million assumed in the budget that passed the Legislature.

VETO MESSAGE ON ESSB 6444

May 4, 2010

The Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 109; 117, page 17, lines 10-11; 127(27); 127(28); 127(31); 127(36); 127(38); 127(39); 129, page 35, lines 19-20; 129(3); 129(6); 131(2); 201(7); 204(3)(f); 205(1)(m); 205(1)(n); 205(1)(o); 205(1)(p); 205(1)(r); 205(1)(s); 206(20); 206(21); 207(2); 207(11); 209(14); 209(35); 209(38); 209(39); 209(40); 209(41); 209(42); 209(47); 212(6); 212(7); 214(7); 214(8); 221(21); 221(28); 223(2)(h); 303(3); 303(4); 304 (4); 306(2); 308(15); 501(1)(b); 501(1)(f)(iv); 604(7); 605(5); 708; 717; 803, page 281, line 38, and page 282, lines 1-11; 803, page 283, lines 20-22; 803, page 283, lines 23-27; 803, page 285, lines 28-31; 902; 908; 920; 926; 937; and 939, Engrossed Substitute Senate Bill 6444 entitled:

"AN ACT Relating to fiscal matters."

I am vetoing the following appropriation items because of concerns with policy or technical issues relating to the legislative provisions:

Section 109, page 10, Supreme Court, Change to Fiscal Year 2011 General Fund-State Appropriation

The reduced appropriation to the Supreme Court in this section will impede the Court's capacity to hear cases in a timely manner. The Court will work with the Legislature to implement budget reductions in the 2011 Supplemental Budget; therefore, I have vetoed Section 109.

Section 117, page 17, lines 10-11, Lieutenant Governor, Reduction to Private/Local Appropriation

The $2,000 reduction in the existing private/local fund appropriation would require the agency to turn away grant funds from a local school district. For this reason, I have vetoed Section 117, lines 10-11.

Section 127(27), page 30, Department of Commerce, Microenterprise Development Organizations

This proviso prohibits the Department of Commerce from reducing the funding for microenterprise development organizations by more than ten percent this biennium. This restriction limits the agency's ability to manage necessary budget reductions. For this reason, I have vetoed Section 127(27).

Section 127(28), pages 30-31, Department of Commerce, Workgroup to Study Gaps in State Commercialization Programs

This proviso requires the Department of Commerce to convene a work group to study the gaps and overlaps in programs that commercialize research and technology initiatives. This group must prepare a report to the Legislature no later than December 1, 2010, that identifies any gaps and overlaps, evaluates strategies to reduce administrative expenses, and recommends changes that would amplify and accelerate innovation-driver job creation in the state. No funding was provided for the review and study. For this reason, I have vetoed Section 127(28). However, I am directing the Department of Commerce to conduct as much of a review as is possible within its existing resources because I believe the information required by the proviso will be useful.

Section 127(31), pages 31-32, Department of Commerce, Separate Budget Request for the Economic Development Commission

This proviso requires the Economic Development Commission, currently funded through the Department of Commerce, to develop a separate budget request and work plan. It also creates an account for the receipt of gifts, donations, sponsorships, or contributions from which only the Commission or its designee may authorize expenditures. Because the Economic Development Commission is part of the Department of Commerce, its budget and work plan is and should remain part of the Department's budget requests. In addition, it is inappropriate to establish an account in an appropriations bill. For these reasons, I have vetoed Section 127(31).

Section 127(36), page 34, Department of Commerce, New Account for Washington Technology Center

This proviso creates the Investing in Innovation Account to be used only by the Washington Technology Center in carrying out the Investing in Innovation Grants Program and other innovation and commercialization activities. Since the Center is a non-profit organization, not a public agency, it cannot administer a state account. In addition, it is inappropriate to establish an account in an appropriations bill. For these reasons, I have vetoed Section 127(36).

Section 127(38), page 34, Department of Commerce, Washington State Quality Award Training for Small Manufacturers and Other Businesses

This subsection provides $50,000 in General Fund-State funding for Washington State Quality Award Council training for small manufacturers and other businesses/organizations engaged in continuous quality improvement, performance measurement, strategic planning, and other approaches that enhance productivity. The state's current and projected fiscal environment necessitates spending on only the most essential state programs and activities, and spending $50,000 on this activity will provide minimal benefit to Washington's small businesses. For this reason, I have vetoed Section 127(38).

Section 127(39), page 34, Department of Commerce, Appropriation to Manufacturing Innovation and Modernization Account

This subsection provides $50,000 in General Fund-State funding for deposit into the Manufacturing Innovation and Modernization Account, which provides vouchers to small manufacturers to purchase consulting services from a qualified manufacturing extension partner affiliate. To date, no small manufacturers have taken advantage of this program, and approximately $150,000 remains in the account. Given the state's current and projected fiscal environment and the lack of demand for these services, an additional deposit of funds into this account does not seem warranted. For this reason, I have vetoed Section 127(39).

Section 129, page 35, lines 19-20, Office of Financial Management, Change to Fiscal Year 2011 General Fund-State Appropriation

The reduction to the Fiscal Year 2011 appropriation is vetoed in order to retain sufficient funds to conduct two critical budget-related studies: an independent assessment of placements in residential habilitation centers in Section 129(6) and an analysis and strategic business plan for the Consolidated State Data Center and Office in Section 129(7). Insufficient funds were provided to prepare a valuable study, and no new funds were provided for the Data Center study. The agency will still implement all administrative reductions assumed in the budget as passed, and the additional spending authority will be used to accomplish the new work assigned to the agency. For these reasons, I have vetoed Section 129, lines 19-20.

Section 129(3), pages 36-37, Office of Financial Management, Washington State Quality Award Training

This subsection provides $25,000 in General Fund-State

funding for the Office of Financial Management to contract with the Washington State Quality Award Program to provide training for state managers and employees. The state's current and projected fiscal environment necessitates spending on only the most essential requirements. For this reason, I have vetoed Section 129(3).

Section 129(6), page 38, Office of Financial Management

The $200,000 appropriation for this study is divided between two fiscal years so the Office of Financial Management will not be able to use half of the money, making it impossible to satisfactorily complete the review as envisioned. Therefore, I am vetoing section 129(6). In order to assess the status of people who currently live in residential habilitation centers, I am directing the Department of Social and Health Services to conduct assessments in a similar manner as is done for people in community residential programs. The assessments shall include interviews with all residential habilitation center residents or guardians of residents to determine the optimum setting for these individuals and shall include the option and choice to remain in a residential habilitation center. The Office of Financial Management shall contract with an independent consultant to review the assessments and determine whether there are funded options available in the community for residential habilitation center residents who indicate an interest in moving to a community placement and whether appropriate services and resources in the community exist or can be developed to provide adequate care for people with developmental disabilities. The consultant shall provide a report to me and the Legislature by December 1, 2010. For these reasons, I have vetoed Section 129(6).

Section 131(2), page 40, Department of Personnel, Employee Satisfaction Synopsis and Workforce Management Assessment

This proviso requires the Department of Personnel to provide a synopsis of survey data regarding state employee satisfaction and an assessment of career and executive work force management concerns. There is a technical problem with an incorrect reference to Section 119(4) instead of Section 123(4). For this reason, I am vetoing Section 131(2), but directing the Department to comply with the intent of the proviso to the degree possible within existing resources.

Section 201(7), pages 58-59, Department of Social and Health Services, Audit and Oversight Improvement

This proviso requires multiple changes to the Department's audit and oversight programs. This requirement would create a significant administrative burden, and no funding was provided for this purpose. For this reason, I have vetoed Section 201(7).

Section 204(3)(f), pages 81-82, Department of Social and Health Services, Report on Mental Health Services for Children

The Department of Social and Health Services is directed to provide a report on improving services for children who are at greatest risk of requiring long-term inpatient and residential care due to the severity of their emotional impairments. The proviso requires the Family Policy Council to prepare an inventory of current publicly funded efforts in Washington to identify children at risk of emotional impairments and to provide intervention before a mental disorder manifests itself. In light of national health care reform and the state's efforts to reorganize in response, requiring that a report be prepared by October 1, 2010, will not give the Department sufficient time to respond to health care reform, formulate a redesigned plan to address children's mental health, and work with the federal government. As the Department is currently involved in litigation regarding children's mental health, and because I believe that all aspects of the public children's mental health system need to be evaluated in light of national health care reform and because a deadline of October 1 does not provide sufficient time to respond, I have vetoed Section 204(3)(f).

Section 205(1)(m), page 88, Department of Social and Health Services, County Employment Funding

This proviso prohibits the Department of Social and Health Services from reducing expenditures for contracts with counties for employment assistance for people with developmental disabilities. This restriction limits the Department's ability to manage necessary budget reductions. Therefore, I have vetoed Section 205(1)(m).

Section 205(1)(n), page 88, Department of Social and Health Services Developmental Disabilities Program, Agency Provider Savings and Hourly Rates

The Department of Social and Health Services is directed to report on the fiscal impact of Chapter 571, Laws of 2009 (Substitute House Bill 2361) and the relative hourly costs of agency providers and individual providers. However, no funding is provided for this purpose. Therefore, I have vetoed Section 205(1)(n).

Section 205(1)(o), pages 88-89, Department of Social and Health Services Developmental Disabilities Program, Workgroup on Administrative Burdens for the Homecare Industry

The Department of Social and Health Services is directed to convene a new work group to address administrative burdens on the homecare industry and to report on its findings. However, no funding is provided. Therefore, I have vetoed Section 205(1)(o).

Section 205(1)(p), page 89, Department of Social and Health Services, Report on Placements for Residential Clients

This proviso requires a quarterly report on all placements for residential clients in the community protection and expanded community programs in the Division of Developmental Disabilities. Because of the cost involved, I have vetoed Section 205(1)(p) and am directing the Department of Social and Health Services to continue providing the quarterly reports, which cover only new residential clients added to the programs in the current biennium.

Section 205(1)(r), page 89, Department of Social and Health Services, Self-Advocate Support

This proviso directs the Department of Social and Health Services to spend an additional $100,000 to provide instruction in self-advocacy to families of individuals with developmental disabilities. In these difficult economic times, it is not prudent to expand services. For this reason, I have vetoed Section 205(1)(r).

Section 205(1)(s), pages 89-90, Department of Social and Health Services, Community Support

The Department of Social and Health Services is directed to spend an additional $100,000 for parent-to-parent networks and community support groups for people with developmental disabilities. In a time when we are reducing other valuable core services of state government, we cannot afford to expand these services. For this reason, I have vetoed Section 205(1)(s).

Section 206(20), page 97, Department of Social and Health Services Aging and Adult Services Program, Agency Provider Savings and Hourly Rates

The Department of Social and Health Services is directed to report on the fiscal impact of Chapter 571, Laws of 2009 (Substitute House Bill 2361) and the relative hourly costs of agency providers and individual providers. However, no funding is provided. Therefore, I have vetoed Section 206(20).

Section 206(21), pages 97-98, Department of Social and Health Services Aging and Adult Services Program, Workgroup on Administrative Burdens for the Homecare Industry

The Department of Social and Health Services is directed to convene a new work group to address administrative burdens for the homecare industry and to report on its findings. However, no funding is provided. Therefore, I have vetoed Section 206(21).

Section 207(2), pages 101-102, Department of Social and Health Services, Subcabinet Report on WorkFirst

This proviso directs the WorkFirst Subcabinet and Department of Social and Health Services to report on services provided and accessed by both general population clients and limited English proficiency clients. No funding is provided for this report. Therefore, I have vetoed

Section 207(2).

Section 207(11), page 106, Department of Social and Health Services, Limited English Proficiency Services

This proviso reinstates a portion of the reduction taken in the 2009-11 enacted budget for limited English proficiency services. Given the budget context, it is not appropriate to restore this reduction. Therefore, I have vetoed Section 207(11).

Section 209(14), page 112-113, Department of Social and Health Services, Disability Lifeline Report on Transition from Fee-for-Service to Managed Care

This revised proviso requires the Department of Social and

Health Services to report to the Legislature by November 1, 2010, on the impact of moving Lifeline medical clients from fee-for-service to managed care, and expands the outcomes to be included in the evaluation currently required. Since there is a lengthy lag period between when services are received by a client and when they are paid for by the state, there will not be sufficient data to report. For this reason, I have vetoed Section 209(14).

Section 209(35), page 117, Department of Social and Health Services, Medication Therapy Management

This proviso requires the Department of Social and Health Services to enter into a contract for medication therapy management services only if the contractor guarantees the program will generate savings. While there may be merit in this concept, no additional administrative resources were provided for implementation. For this reason, I have vetoed Section 209(35).

Section 209(38), page 117, Department of Social and Health Services, Lowest Cost Prescription Drug Option

This proviso requires the Department of Social and Health Services to purchase a brand-name drug if the drug, after rebates and discounts, is the lowest-cost drug option. The Department has made good progress in reducing the growth in drug costs for state-purchased health care. This has been done through establishing a preferred drug list and emphasizing generic substitutes when appropriate. The Department will continue to purchase the lowest-cost drugs possible. However, there are challenges with implementing this requirement as written. In addition, no funding has been provided for this report. For these reasons, I have vetoed Section 209(38).

Section 209(39), page 117, Department of Social and Health Services, Report on New Prescription Drug Benchmark

The Department of Social and Health Services is required to report to the Legislature concerning the establishment of a new benchmark for prescription drugs to replace the Average Wholesale Price. No funding has been provided for this report. For this reason, I have vetoed Section 209(39).

Section 209(40), page 117, Department of Social and Health Services, School-based Medicaid Services

The proviso declares that sufficient funding is provided in the Appropriations Act to fund medical services provided to Medicaid clients in a school setting. This proviso restricts the agency's ability to limit services in this area should the budget situation demand it. For this reason, I have vetoed Section 209(40).

Section 209(41), page 118, Department of Social and Health Services, Pursuing and Reporting Drug Pricing Opportunities

The Department of Social and Health Services is required to report on the opportunities available to the state through the federal 340B drug pricing program. This program provides certain federally supported program discounts on prescription drugs used for outpatient services. No funding was provided for this report. For this reason, I have vetoed Section 209(41).

Section 209(42), page 118, Department of Social and Health Services, Transition Plan to Move Fee-for-Service to Managed Care

The Department of Social and Health Services is required to develop a transition plan for the state's aged, blind, and disabled clients to move from a fee-for-service medical delivery system to a managed care delivery system. Since no funding was provided for this transition plan, I have vetoed Section 209(42). However, I am directing the Secretary of the Department of Social and Health Services and Administrator of the Health Care Authority to continue to assess the feasibility and cost effectiveness of moving from fee-for-service to managed care plans.

Section 209(47), pages 118-119, Department of Social and Health Services, Establishing Rates to Apple Health Managed Care

This proviso establishes the method by which premiums for the Apple Health Program will be established for rates set after July 1, 2010. As we move to implement national health care reform, it will be imperative that we retain as much flexibility as possible to control the cost of purchasing health care. As written, the proviso limits the Department of Social and Health Service's ability to adjust premiums to reflect the actual cost of providing health care within individual plans. For this reason, I have vetoed Section 209(47).

Section 212(6), page 121, Department of Social and Health Services, Governor's Juvenile Justice Advisory Committee

This proviso limits any budget cuts to the Governor's Juvenile Justice Advisory Committee. In this budget environment, state government should not be restricted from any possible avenues to reduce spending. Therefore, I have vetoed Section 212(6).

Section 212(7), pages 121-122, Department of Social and Health Services, Autism Health Coverage Study

The Department of Social and Health Services is directed to report, in collaboration with the Health Care Authority, on the fiscal impact of state-purchased health care to cover autism spectrum disorder diagnosis and treatment for individuals younger than 21 years. This is not the time to engage in new studies to assess the expansion of state-paid services, no matter how worthy. Therefore, I have vetoed Section 212(7).

Section 214(7), pages 124-125, Health Care Authority, Continuum of Care Pilot Project

This proviso directs the Health Care Authority to establish two pilot projects for low-income adults who are waiting for health care coverage from the Basic Health Plan. We are in the earliest stages of implementing national health care reform. At the same time, we struggle to maintain the state safety net in very difficult budget times. I need the Health Care Authority to focus on these two tasks. For this reason, I have vetoed Section 214(7).

Section 214(8), page 125, Health Care Authority, Nonsubsidized Basic Health Plan

The proviso directs the Health Care Authority, should it offer Basic Health Plan coverage to non-subsidized clients, to provide information concerning other health care coverage options. This requirement creates an unfunded administrative burden. It also duplicates the provision of such information currently available from the Office of the Insurance Commissioner. For this reason, I have vetoed Section 214(8).

Section 221(21), page 140, Department of Health, Funding for Nursing Commission Programs Related to Discipline, Impaired Practitioners and Expedited Credentials

This proviso, in combination with Section 926, reduces the library access surcharge applied to certification fees for nursing professionals. The surcharge, which all health professions pay, is used to provide access to health care literature through the University of Washington. This critical resource allows providers the opportunity to learn of best practices used in their professions and furthers the ongoing education of all health care professionals. While I support the purposes for which this funding would have been diverted, this funding source should continue to be dedicated to advancing the use of evidence-based health care practices in Washington. For this reason, I have vetoed Section 221(21).

Section 221(28), page 141, Department of Health, Tobacco Cessation Program Reductions

This proviso requires ten percent of every tobacco cessation program contract be directed for addressing minority populations. This proviso is unnecessary because the Tobacco Cessation Program in the aggregate spends eighteen percent of its resources to serve these target populations. Therefore, I have vetoed Section 221(28).

Section 223(2)(h), pages 144-145, Department of Corrections, Report on Earned Release Date

This proviso directs the Department of Corrections to submit a report by June 1, 2010, addressing issues related to the release of offenders on the earned release date. This task cannot be completed in the short timeframe specified in the proviso. Therefore, I have vetoed Section 223(2)(h) and am directing the Department to submit its report to the Office of Financial Management and legislative fiscal committees by August 1, 2010. The Department will use this report to identify strategies to reduce the recent increase in the number of offenders held beyond their earned release dates, while maintaining public safety as a priority.

Section 303(3), pages 160-161, State Parks and Recreation Commission, Park Closure Language

Current budget language is revised to eliminate the provision

that state parks may be closed if donation revenue is insufficient for ongoing operations. While this change does not appear to create an absolute prohibition on the closure of state parks, the revised language may create that impression. This would severely limit the agency's ability to manage state parks in the event that revenues drop below appropriated levels. For this reason, I have vetoed Section 303(3).

Section 303(4), page 161, State Parks and Recreation Commission, Restriction on Closure of Tolmie State Park

This proviso prohibits the State Parks and Recreation Commission from closing Tolmie State Park. I have encouraged the Commission to continue pursuing the transfer of certain state parks in the event that revenues decrease to manage the statewide parks system within budget. The Commission needs to retain this flexibility. For these reasons, I have vetoed Section 303(4).

Section 304(4), page 162, Recreation and Conservation Funding Board, Extension of the Biodiversity Council

This proviso extends the Biodiversity Council for one year, through the end of Fiscal Year 2011. While I strongly support the work of the Biodiversity Council, I am asking the Natural Resources Cabinet to absorb the Council's oversight role. As we undergo the process of natural resources reform, the Natural Resources Cabinet will assume many leadership roles previously performed by other entities. For these reasons, I have vetoed Section 304(4).

Section 306(2), page 163, State Conservation Commission, Infrastructure Improvements Related to Wildlife Habitat

This proviso dedicates $38,000 of the General Fund-State for improving infrastructure on state-owned lands in Kittitas County. While habitat improvements are an important step in managing the balance between wildlife conservation and grazing rights, funding for this endeavor can be pursued via other means, including State Conservation Commission grants, local conservation district funding, and private sources. The state's current and projected fiscal environment necessitates spending on essential services and programs. For these reasons, I have vetoed Section 306(2).

Section 308(15), page 173, Department of Natural Resources, Excluding Shellfish Growers from the Department's Aquatic Habitat Conservation Plan

This proviso requires the Department of Natural Resources to exclude shellfish growers from its aquatic Habitat Conservation Plan if those growers have been issued a federal nationwide or individual permit. The Department and the shellfish industry have signed a Memorandum of Understanding which requires the Department and shellfish growers to finalize an agreement on shellfish aquaculture activities before the aquatic Habitat Conservation Plan is finalized. Because this is a collaborative effort, it would be inappropriate for the proviso to place restrictions on the unfinished product. For this reason, I have vetoed Section 308(15).

Section 501(1)(b), pages 182-183, Office of the Superintendent of Public Instruction, School District Reorganization Commission

This proviso creates a statewide commission on school district reorganization. I want school districts to focus their maximum attention on the immediate priorities of improving student learning and successfully implementing the next phase of education reforms. The charge to the Commission created in this proviso is very broad, and funding provided to the Office of the Superintendent of Public Instruction is insufficient to achieve the mandates of the proviso. For these reasons, I have vetoed Section 501(1)(b). The Joint Legislative Audit and Review Committee is conducting a study of the relationship between the cost of school districts and their enrollment size. Upon completion of its report, I encourage the Legislature and the Office of the Superintendent to explore opportunities for a focused review of school district organization.

Section 501(1)(f)(iv), page 185, Office of the Superintendent of Public Instruction, Exempting the Professional Educator Standards Board from Expenditure Restrictions

This section exempts the Professional Educator Standards Board from the restrictions on travel allowances and meeting costs that apply to other boards and commissions under Chapter 7, Laws of 2010, First Extraordinary Session (Engrossed Second Substitute House Bill 2617). This law allows agencies to seek exceptions to the travel and meeting restrictions for critically necessary work. To maintain consistency in the application of these restrictions among state boards and commissions, I have vetoed Section 501(1)(f)(iv).

Section 604(7), pages 243-244, University of Washington, Telecommunications Report

This subsection provides $183,000 to the Technology Law and Public Policy Center at the University of Washington School of Law to prepare a report analyzing trends in the telecommunications industry and pathways for telecommunications reform. This work overlaps with the functions of the state Utilities and Transportation Commission. This expenditure does not meet the highest priorities of state government at this time. Therefore I have vetoed Section 604(7).

Section 605(5), page 246, Washington State University, Business and Entrepreneurial Development Program Plan

This subsection provides $100,000 to the Small Business Development Center at Washington State University to develop a state plan for coordination of small business and entrepreneurial development programs. Expenditure of funds on this effort does not meet the highest priorities of state government at this time. Therefore I have vetoed Section 605(5).

Section 708, pages 270-271, Washington Management Service and Exempt Management Services Reductions

This section ties to Section 2 of Engrossed Senate Bill 6503, which I have vetoed. The budget proviso assumes additiona1 compensation reductions of $10 million in General Fund-State funding from Washington Management Service and exempt managers, who comprise less than five percent of state employees. This cut would require that specified staff take nearly two weeks of temporary layoff time beyond the ten days included in ESB 6503. This inequity is likely to create problems in recruiting and retaining qualified and experienced workers, as well as be disruptive to normal state operations. Managers will be subject to temporary layoffs in the same proportion as all affected state employees. For these reasons, I have vetoed Section 708.

Section 717, pages 276-278, Agency Reallocation and Realignment of Washington Commission

Section 717 creates the Agency Reallocation and Realignment of Washington Commission. Its responsibilities would include examining current state operations and organization, and making proposals to reduce expenditures and to eliminate duplication and overlapping services. The sum of $250,000 in General Fund-State dollars is provided for this purpose. While I strongly support these goals, there are programs that address the same concerns, most notably the Joint Legislative Audit and Review Committee, the Office of the State Auditor's performance audit program, the Governor's Government Management, Accountability, and Performance program, and the Office of Financial Management's Priorities of Government budget development process. I hope to have further discussions with legislative leadership to identify ways to address these issues within existing structures and resources. For these reasons, I have vetoed Section 717.

Section 803, page 281, line 38, and page 282, lines 1-11, Transfers from the Tobacco Settlement Account to the General Fund and the Life Sciences Discovery Fund

This transfer decreases funding for critical life sciences research by $16.2 million, representing a 76 percent biennial reduction when coupled with the $26 million reduction to the fund in the enacted 2009-11 biennial budget. In order to implement this level of reduction, the Life Sciences Discovery Authority would have to discontinue any future state grants for critical life sciences research. Funding at the current level is vital to accomplishing the state's Life Sciences Research and Development goal of tripling the state's life sciences research base and creating more than 20,000 new jobs. For this reason, I have vetoed Section 803, page 281, line 38, and page 282, lines 1 through 11.

Section 803, page 283, lines 20-22, Transfer from the Budget Stabilization Account to the General Fund

The transfers required by this budget appropriation were

intended to take place if the Budget Stabilization Account transfers in House Bill 3197 did not occur. Since that measure passed and has been signed into law, the transfer is void. For this reason, I have vetoed Section 803, page 283, lines 20-22.

Section 803, page 283, lines 23-27, Transfer from the Liquor Revolving Account to the General Fund

This transfer is associated with a provision in Section 939 that allows restaurants and bars an exemption from paying a price increase on spirits. Since I have vetoed Section 939, I am also vetoing Section 803, page 283, lines 23-27.

Section 803, page 285, lines 28-31, Transfer from the Insurance Regulatory Account to the General Fund

This appropriation implements the transfer of $10 million from the Insurance Commissioner's Regulatory Account to the General Fund-State authorized in Section 937. This transfer would place the Insurance Commissioner's Regulatory Account into a cash deficit position beginning in Fiscal Year 2011. For this reason, I have vetoed Section 803, page 285, lines 28-31.

Section 902, pages 289-290, Agency Staffing Report

The agency staffing report required by Section 902 adds another layer of complexity to the data already required to be reported through allotment and accounting systems. The addition of monthly job class information adds immensely to agency workloads with seemingly minimal benefit. I am directing the Office of Financial Management to work with legislative fiscal staff to identify alternative reporting formats that can be useful without creating an unacceptable workload burden. For these reasons, I have vetoed Section 902.

Section 908, page 294, Electronic Renewal Notices

This proviso mandates that every state agency make all of its renewals electronic by July 1, 2012. While I support the customer convenience and potential cost savings from doing business by electronic means, we must first assess the question of whether agencies have the staffing and fiscal resources to accomplish this task. I will encourage all agencies to pursue electronic renewal options within their current budgets and to identify obstacles for possible consideration in the new biennial budget. For these reasons, I have vetoed Section 908.

Section 920, pages 301-302, Washington State Quality Awards

Section 920 accelerates the date by which agencies must apply to the Washington State Quality Awards program. It also limits that requirement for agencies that have more than 300 full-time equivalent employees. A great deal of time and effort is required for a well-executed Washington State Quality Award application. The new date of June 30, 2010, is too short a timeframe, especially for large agencies that may have to submit multiple applications. For these reasons, I am vetoing Section 920, pages 301-302.

Section 926, pages 306-307, Use of Surcharge for Nursing Professional Credentials

Because I have vetoed the program enhancement (Section 221(21)) supported by this funding, I am also vetoing Section 926, which authorizes the specific use of a portion of the existing surcharge on credential fees.

Section 937, pages 318-320, Authority for Transfer from the Insurance Regulatory Account to the General Fund

Section 937 amends RCW 48.02.190 and Section 1, Chapter 161, Laws of 2009, defining eligible uses of funds in the Insurance Commissioner's Regulatory Account, by permitting a current biennium transfer of excess fund balance to the General Fund-State. Since I have vetoed the transfer in Section 803, I am also vetoing the authorization in Section 937.

Section 939, pages 323-324, Exemption for Restaurants and Bars from Temporary Mark-up on Spirits

Section 939 exempts restaurants and bars from paying any price increase made by the Washington State Liquor Control Board during the 2009-11 Biennium if that increase relates to General Fund-State transfers or additional liquor profit distributions. Exempting restaurants and bars would reduce budgeted revenue assumptions by $11 million. Of this amount, $5.5 million directly affects the General Fund-State and its programs. The remaining shortfall could necessitate an increase in the price consumers pay at liquor stores. Restaurant and bars already receive discounts in price and tax exemptions, and it is inappropriate to provide additional discounts at the expense of state programs. For this reason, I have vetoed Section 939.

For these reasons, I have vetoed Sections 109; 117, page 17, lines 10-11; 127(27); 127(28); 127(31); 127(36); 127(38); 127(39); 129, page 35, lines 19-20; 129(3); 129(6); 131(2); 201(7); 204(3)(f); 205(1)(m); 205(1)(n); 205(1)(o); 205(1)(p); 205(1)(r); 205(1)(s); 206(20); 206(21); 207(2); 207(11); 209(14); 209(35); 209(38); 209(39); 209(40); 209(41); 209(42); 209(47); 212(6); 212(7); 214(7); 214(8); 221(21); 221(28); 223(2)(h); 303(3); 303(4); 304 (4); 306(2); 308(15); 501(1)(b); 501(1)(f)(iv); 604(7); 605(5); 708; 717; 803, page 281, line 38, and page 282, lines 1-11; 803, page 283, lines 20-22; 803, page 283, lines 23-27; 803, page 285, lines 28-31; 902; 908; 920; 926; 937; and 939 of Engrossed Substitute Senate Bill 6444.

With the exception of Sections 109; 117, page 17, lines 10-11; 127(27); 127(28); 127(31); 127(36); 127(38); 127(39); 129, page 35, lines 19-20; 129(3); 129(6); 131(2); 201(7); 204(3)(f); 205(1)(m); 205(1)(n); 205(1)(o); 205(1)(p); 205(1)(r); 205(1)(s); 206(20); 206(21); 207(2); 207(11); 209(14); 209(35); 209(38); 209(39); 209(40); 209(41); 209(42); 209(47); 212(6); 212(7); 214(7); 214(8); 221(21); 221(28); 223(2)(h); 303(3); 303(4); 304 (4); 306(2); 308(15); 501(1)(b); 501(1)(f)(iv); 604(7); 605(5); 708; 717; 803, page 281, line 38, and page 282, lines 1-11; 803, page 283, lines 20-22; 803, page 283, lines 23-27; 803, page 285, lines 28-31; 902; 908; 920; 926; 937; and 939, Engrossed Substitute Senate Bill 6444 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SB 6450

C 49 L 10

Requiring the department of licensing to establish continuing education requirements for court reporters.

By Senators Eide, Kauffman and Shin.

Senate Committee on Judiciary
House Committee on Judiciary

Background: Court reporters must be certified by the Department of Licensing (DOL). DOL has the authority to determine the requirements necessary to achieve certification. Certifications are subject to renewal. The criteria for renewal are established by DOL.

Summary: Continuing education is required for court reporters to renew their certifications. DOL establishes the content of these requirements.

Votes on Final Passage:

Senate	42	4
House	96	0

Effective: June 10, 2010

SB 6453
C 50 L 10

Addressing shared leave for members of the law enforcement officers' and firefighters' retirement system, plan 2.

By Senators Hobbs, Delvin, Shin and Roach; by request of LEOFF Plan 2 Retirement Board.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Law Enforcement Officers and Fire Fighters' Retirement System (LEOFF) provides retirement benefits to full-time general authority law enforcement officers and firefighters throughout Washington. All employees first employed in LEOFF-eligible positions since 1977 have been enrolled in LEOFF Plan 2, which allows for an unreduced retirement allowance at age 53. The LEOFF Plan 2 permits early retirement beginning at age 50 for members with 20 years of service with a 3 percent-per-year reduction of their retirement allowance.

Most members of LEOFF Plan 2 work for local government employers such as police departments, sheriff's offices, fire departments, or fire districts. A small number of LEOFF Plan 2 members work for state agencies such as higher education institutions with full-time fire departments, or as enforcement officers with the Department of Fish and Wildlife. Of the approximately 16,600 active members of LEOFF Plan 2, about 15,900 work for counties, cities, ports, or fire districts.

Like other Plans 2 and 3 of the Washington State retirement systems, lump sum payments of deferred annual leave, sick leave, or vacation leave cannot be included in pension calculations in LEOFF Plan 2. However, salary received through the regular use of accrued leave is includible in pension calculations such as calculating final average salary.

Many public employers have shared leave programs that permit employees to donate leave to other employees that have exhausted their annual and sick leave balances under specific circumstances, for example due to a prolonged or chronic illness. For purposes of calculating Washington State pension benefits, shared leave received by a local government employee from another employee is not generally considered compensation earnable by the Department of Retirement Systems, therefore the leave cannot be used for service credit or for computing final average salary (FAS).

Summary: Employer-authorized shared leave received by a LEOFF Plan 2 member from a non-state employer must receive the same treatment in respect to service credit and FAS that the member would normally receive if using accrued annual leave or sick leave. This applies to directly and indirectly transferred leave, such as through a shared leave pool, and includes leave transferred prior to the effective date of the act providing that retirement contributions were made on the shared leave.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: June 10, 2010

SSB 6459
C 148 L 10

Concerning the inspection of rental properties.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Hobbs, Berkey, Marr and Schoesler).

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Judiciary

Background: The Residential Landlord-Tenant Act (RLTA) establishes the rights and duties of landlords and tenants.

Remedies for Defective Conditions. If a rental unit has a defective condition, the tenant is to notify the landlord in writing and the RLTA provides a timeline as to how long a landlord has to respond to a tenant's complaint. For example:

1. a landlord has 24 hours to respond to issues involving hot or cold water, heat, electricity, or issues considered imminently hazardous to life;
2. a landlord has 72 hours to respond to issues involving the refrigerator, range or oven, or major plumbing fixture; and
3. not more than ten days to respond to all other issues.

If the landlord fails to remedy the condition, the tenant has a choice of remedies as provided for under the RLTA, including terminating the tenancy.

Tenant Complained Based System. Under the RLTA, a tenant may request that the local government inspect the unit for defective conditions. However, the tenant must first notify the landlord of the problems and if the landlord fails to remedy the condition, then the tenant may request that the local government inspect the unit for that specific condition. The local government is to inspect the unit to verify whether the condition exists and if it endangers the tenant's health or safety. The landlord may not prohibit entry for the inspection or retaliate against the tenant for filing such a complaint.

Search Warrant Authority. Under the RLTA, upon a showing of probable cause that a criminal fire code violation exists in the dwelling unit, a court of competent jurisdiction must issue a search warrant to the fire official. The RLTA does not provide for administrative search warrant authority and local governments may only be granted such authority by statute.

City of Pasco. State law does not prohibit jurisdictions from adopting local mandatory rental housing inspection programs. To date, the City of Pasco is the only

city to have adopted a local mandatory rental housing inspection program. This program requires landlords to hire inspectors to do building code inspections in order to receive a business license. The enacting ordinance was challenged in court and upheld by the State Supreme Court. Since the landlord, not the city, chooses who can inspect the unit and when the inspection can be done, it was determined that the program does not violate state or federal constitutional protections from unreasonable searches or invasions of privacy.

Summary: Certificate of Inspection. Local municipalities may require landlords to provide a certificate of inspection as a business license condition. A local municipality does not need to have a business license or registration program in order to require landlords to provide a certificate of inspection. A certificate of inspection is defined. A local municipality may only require a certificate of inspection on a rental property once every three years. When certain conditions are met, rental properties may be exempt from inspection requirements.

Generally, multi-unit rental properties are inspected by a sampling based on the number of units, or the property owner may elect to have all of the units inspected. If a rental property is asked to provide a certificate of inspection for a sample of units and a selected unit fails an initial inspection, the local municipality may require all of the units to provide a certificate of inspection. A local municipality may also require all of the units to provide a certificate of inspection if a rental property has had conditions that endanger or impair the health or safety of a tenant reported since the last required inspection.

Appeals. If a rental property owner does not agree with the findings of an inspection performed by a local municipality, the local municipality is required to offer an appeals process.

Notice to Tenants. A landlord must provide written notice of his or her intent to enter an individual unit for the purposes of providing a local municipality with a certificate of inspection. The notice must indicate: (1) the date and approximate time of the inspection; (2) the company or person performing the inspection; and (3) that the tenant has the right to see the inspector's identification before the inspector enters the individual unit. Upon request, a copy of the notice must be provided to the inspector on the day of inspection.

Penalties. A penalty for noncompliance may be assessed by the local municipality. Any person who knowingly submits or assists in the submission of a falsified certificate of inspection, or knowingly submits falsified information upon which a certificate of inspection is issued, is guilty of a gross misdemeanor and must be punished by a fine of not more than $5,000.

Search Warrant Authority. A search warrant may be issued by a judge for the purpose of allowing a code enforcement official to inspect any specified dwelling unit and premises to determine the presence of an unsafe building condition or a violation of any building regulation, statute, or ordinance. The search warrant may only be issued if sufficient evidence has been set forth by affidavit or declaration establishing probable cause for the inspection. Provisions are created to address the information that must be contained in the warrant and when an inspection to a warrant may be conducted.

Any person who willfully refuses to permit inspection, obstructs inspection, or aids in the obstruction of property authorized by the warrant is subject to remedial and punitive sanctions for contempt of court and may be subject to a civil penalty imposed by local ordinance.

Other. After the effective date of this act, a local municipality may not enact an ordinance requiring a certificate of inspection unless it complies with the requirements for inspection created by the act.

Votes on Final Passage:

Senate	41	7	
House	96	0	(House amended)
Senate	38	8	(Senate concurred)

Effective: June 10, 2010

SB 6467
C 51 L 10

Authorizing honorary degrees for students who were ordered into internment camps.

By Senators Shin, Kastama, Delvin, Hobbs, Berkey, Rockefeller, Marr, Franklin, Kohl-Welles, Roach and Kline.

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education

Background: United States Executive Order 9066 was a United States Presidential executive order signed and issued during World War II by U.S. President Franklin Roosevelt on February 19, 1942, ordering Japanese Americans to internment camps. The order authorized the Secretary of War and United States Armed Forces commanders to declare areas of the United States as military areas "from which any or all persons may be excluded," although it did not name any nationality or ethnic group. It was eventually applied to one-third of the land area of the U.S. (mostly in the West) and was used against those with "Foreign Enemy Ancestry" — Japanese, Italians, and Germans.

Approximately 120,000 ethnic Japanese people were held in internment camps for the duration of the war. Eleven thousand people of German ancestry were also interned, as were 3,000 people of Italian ancestry, along with some Jewish refugees. Some of the internees of European descent were interned only briefly, and others were held for several years beyond the end of the war.

Summary: Honorary degrees may be conferred, by the University of Washington, Washington State University, Central Washington University, Western Washington University, Eastern Washington University, or community and technical colleges in existence in 1942, upon persons who were students at those institutions in 1942, but did not graduate because they were ordered into an internment camp. An honorary degree may also be requested by relatives for deceased qualified persons.

Votes on Final Passage:

Senate	43	0
House	96	0

Effective: June 10, 2010

ESSB 6468

C 287 L 10

Coordinating the weatherization and structural rehabilitation of residential structures.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Kauffman, Rockefeller, Pridemore, Berkey and Kline).

Senate Committee on Environment, Water & Energy
House Committee on Local Government & Housing
House Committee on Capital Budget

Background: The Energy Matchmakers Program began in 1987 and was funded with federal court ordered settlements from oil overcharges that occurred during the 1980's. Since 1991 after the oil overcharge funds were depleted, the Legislature has provided, through capital funds, at least $8 million per biennia to the Department of Commerce (department) for the Energy Matchmakers Program. The program provides matching funds on a dollar for dollar basis to local energy conservation programs to weatherize homes of low-income persons. The matching funds are usually provided by public and private utilities, rental property owners, and local governments. Since 1988 the Energy Matchmakers program has weatherized over 61,000 homes.

During the 2009 Legislative Session, the Legislature required the Energy Matchmakers Program to allocate funding for weatherization projects that: identify and correct health and safety problems for residents of low-income households; create family-wage jobs leading to careers in construction or the energy efficiency sectors; and leverage environmentally friendly sustainable technologies practices and designs. In addition, the funds are to be used for the preservation of homes occupied by low-income households and to support and advance sustainable technologies. Priority must be given to weatherization of homes occupied by low-income households with incomes at or below 125 percent of the federally established poverty level.

Summary: The Low-Income Weatherization Assistance Account is revised to the Low-Income Weatherization and Structural Rehabilitation Assistance Account. The department must prioritize weatherization and structural rehabilitation projects to facilitate the allocation of funding from federal energy efficiency programs such as the Weatherization Assistance Program, Energy Efficiency and Conservation Block Grant Program, residential energy efficiency aspects of the State Energy Program, and the retrofit ramp-up program.

The department must prioritize allocation of funds from the Low-Income Weatherization and Structural Rehabilitation Assistance Account to projects that maximize energy efficiency and extend the usable life of a home through rehabilitation and repair activities and by installing energy efficiency measures, so that federal funding can be distributed expeditiously.

Service providers, not programs, that receive funding must report to the department at least quarterly or consistent with federal reporting timeframes, project costs, the number of homes repaired, rehabilitated, and weatherized.

Technical changes were made including deleting definitions that did not apply to the Energy Matchmaker program.

Votes on Final Passage:

Senate	47	0	
House	64	33	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010

SSB 6470

C 288 L 10

Addressing the burdens of proof required in dependency matters affecting Indian children.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Kauffman, Hargrove, Prentice, Gordon, Regala, Keiser, McAuliffe, Stevens and Kline).

Senate Committee on Human Services & Corrections
House Committee on Judiciary

Background: The federal Indian Child Welfare Act (ICWA), passed in 1978, applies to custody proceedings in state court involving Indian children. As applied in dependency proceedings, it requires courts and the Department of Social and Health Services to follow additional or different procedures when working with Indian children. For example, before a court can order a child placed in foster care, it must first find, by clear and convincing evidence, including testimony from qualified expert witnesses, that the continued custody of the child by the parent or Indian custodian is likely to result in serious emotional or physical damage to the child. Likewise, before a court can order the termination of parental rights in a case involving an

Indian child, the court must find that termination is supported by evidence beyond a reasonable doubt, including testimony of qualified expert witnesses, that the continued custody of the child by the parent or Indian custodian is likely to result in serious emotional or physical damage to the child.

Summary: The ICWA language regarding the burden of proof requirements for placing an Indian child in foster care (clear and convincing evidence) or terminating parental rights to that child (beyond a reasonable doubt) are stated specifically in the dependency statute.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010

ESSB 6476

PARTIAL VETO

C 289 L 10

Revising provisions relating to sex crimes involving minors.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Stevens, Hargrove, Fraser, Swecker, Delvin, Brandland, Holmquist, Becker, Parlette, Carrell, Hewitt, Schoesler, King, Roach and Kohl-Welles).

Senate Committee on Human Services & Corrections
House Committee on Public Safety & Emergency Preparedness
House Committee on Human Services
House Committee on Ways & Means

Background: The crime of sexual abuse of a minor is a class C felony. The crime of promoting commercial sexual abuse of a minor is a class B felony. Persons convicted of sexual abuse of a minor or who receive a deferred sentence or deferred prosecution or who have entered into a statutory or non-statutory diversion agreement must be assessed a $550 fee.

Upon an arrest for a suspected violation of patronizing a prostitute, promoting prostitution in the 1st degree, promoting prostitution in the 2nd degree, promoting travel for prostitution, commercial sexual abuse of a minor, promoting commercial sexual abuse of a minor, or promoting travel for commercial sexual abuse of a minor the arresting office may impound the person's vehicle if the vehicle was used in the commission of the crime; if the person arrested is the owner of the vehicle or the vehicle is a rental car; and the person arrested had been previously convicted for one of the above offenses or the offense occurred in an area designated by local government. The owner must pay a fine of $500 to the impounding agency, among other fees, to redeem his or her vehicle.

When a prosecutor receives a complaint that a juvenile has committed a crime, and there is sufficient evidence that the juvenile did commit the offense, the prosecutor may either file an information in juvenile court or divert the case depending on the type and level of crime alleged to have been committed. A juvenile alleged to have committed prostitution or prostitution loitering may be diverted if the county in which the offense occurred has a program that provides safe and stable housing, comprehensive on-site case management, integrated mental health and chemical dependency services, education and employment training, and referrals to specialized services.

A child in need of services (CHINS) is a juvenile who: (1) is beyond the control of his or her parents; (2) has been reported to the police as absent without consent for at least 24 hours on two or more occasions and (a) has exhibited a serious substance abuse problem, or (b) has exhibited behaviors that create a serious risk of harm to the health, safety, or welfare of the child or any other person; or (3) is in need of necessary services or services designed to maintain or reunify the family. When a juvenile meets the CHINS definition, a CHINS petition can be filed with the court seeking services and assistance from the Department of Social and Health Services (DSHS).

Crime victims are not entitled to crime victim compensation benefits when the injury for which benefits are sought was (1) the result of consent, provocation or incitement by the victim, unless the injury resulting from a criminal act caused the victim's death; (2) sustained while the crime victim was engaged in the attempt to commit or in the commission of a felony; or (3) sustained while the victim was confined in a jail or correctional facility operated by DSHS.

Summary: If a juvenile is alleged to have committed the offense of prostitution or prostitution loitering and this is the juvenile's first offense, the prosecutor must divert the case. For subsequent allegations that the same minor has committed the above offenses, the prosecutor may either file an information in juvenile court or divert the case depending on the type of crime alleged and the level of the crime.

Starting July 1, 2011, if a juvenile is a sexually exploited child, a petition may be filed alleging that the juvenile is a child in need of supervision. A sexually exploited child is defined as any person under the age of 18 who is a victim of the crime of commercial sexual abuse of a minor, and promoting sexual abuse of a minor, or promoting travel for commercial sexual abuse of a minor. Within available funding, when a sexually exploited child is referred to DSHS, DSHS must connect the child with services and treatment for sexually abused youth.

A juvenile charged with prostitution who is also the victim in a commercial sexual abuse of a minor, promoting sexual abuse of a minor, or promoting travel for commercial sexual abuse of a minor charge is nevertheless considered a victim of a criminal act for purposes of qualifying

to receive benefits from the Crime Victim's Compensation fund.

The Criminal Justice Training Commission in consultation with the Washington Association of Sheriffs and Police Chiefs must develop a model policy on law enforcement officer implementation of the procedures in dealing with sexually exploited children. The policy must be included in the basic training curriculum by January 1, 2011.

Designated receipts from the fines levied on those convicted of commercial sexual abuse of a minor, promoting sexual abuse of a minor, and promoting travel for commercial sexual abuse of a minor that are deposited into the Prostitution Prevention and Intervention Account must be spent as follows: half for secure and semi-secure crisis residence centers to provide for staff trained to work with sexually exploited children and half for funding the grant program to enhance prostitution and intervention services.

It is not a defense to the crime of commercial sexual abuse of a minor that the defendant did not know the age of the victim.

The expiration date of the county pilot program which provides wraparound services for juveniles diverted for prostitution-related offenses is repealed.

The Prostitution Prevention and Intervention Account funds are to be used in the following order:

- programs that provide 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 pursuant to RCW 13.40.213;
- funding for services provided to sexually exploited children as defined in RCW 13.32A.030 in secure and semi-secure crisis residential centers with access to staff trained to meet their specific needs;
- funding for services specified in RCW 74.14B.060 and 74.14B.070 for sexually exploited children; and
- funding the grant program to enhance prostitution prevention and intervention services under RCW 43.63A.720.

Upon a person's arrest for a suspected violation of commercial sexual abuse of a minor, promoting commercial sexual abuse of a minor, or promoting travel for commercial sexual abuse of a minor, the arresting officer must impound the suspect's vehicle if the vehicle was used in the commission of the crime and the suspect is the owner of the vehicle or the vehicle is a rental car. The suspect must pay a fine of $2,500 to redeem the impounded vehicle.

Commercial sex abuse of a minor is changed from a class C to a class B felony. Promoting commercial sexual abuse of a minor is changed from a class B to a class A felony.

A person convicted of commercial sexual abuse of a minor, promoting commercial sexual abuse of a minor, promoting travel for commercial sexual abuse of a minor, or who has been given a deferred prosecution or entered into a statutory or non-statutory diversion agreement for the aforementioned offences must be assessed a fee of $5,000.

Votes on Final Passage:

Senate	45	0	
House	98	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010
July 1, 2011 (Section 1)

Partial Veto Summary: The requirement that DSHS report to the Legislature regarding training for Children's Administration and crisis residential center staff to effectively assist sexually abused youth is vetoed.

VETO MESSAGE ON ESSB 6476

April 1, 2010

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 4 Engrossed Substitute Senate Bill 6476 entitled:

"AN ACT Relating to sex crimes involving minors."

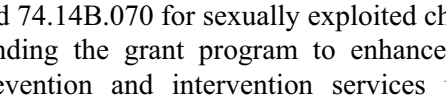
Section 4 requires the Department of Social and Health Services to provide a report to the relevant policy and fiscal committees of the Legislature by November 1, 2010, regarding the training needed to allow staff of the Children's Administration and crisis residential centers to work effectively with sexually exploited youth. The report must identify the evidence-based training programs to be used and the cost of such training. This section would be codified in chapter 13.32A RCW.

The Department will make the information available. A statutorily required report is unnecessary.

For these reasons, I have vetoed sections Section 4 of Engrossed Substitute Senate Bill 6476.

With the exception of Section 4, Engrossed Substitute Senate Bill 6476 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SB 6481
C 219 L 10

Clarifying which local governments have jurisdiction over conversion-related forest practices.

By Senators Morton, Schoesler, Holmquist, Hewitt, King, Delvin and Swecker.

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Agriculture & Natural Resources

Background: The requirement to provide notice or submit an application prior to conducting forest practices

varies depending on the specific type of activity to be conducted. Forest practices are divided into Classes I through IV, based on a particular activity's potential impact on public resources.

Class IV forest practices generally consist of activities where conversion to non-forestry use is at issue or that have the potential for substantial impact on the environment. This includes harvesting within an urban growth area. Class IV forest practices must be preapproved by either the Department of Natural Resources or an authorized local government.

Counties planning under the Growth Management Act (GMA), and the cities within those counties, must adopt regulations governing certain forest practices if more than 25 conversion-related Class IV forest practices were filed between January 1, 2003, and December 31, 2005.

Counties planning under the GMA, and the cities within those counties, may choose to adopt regulations governing certain forest practices if 25 or fewer conversion-related Class IV forest practices were filed between January 1, 2003, and December 31, 2005.

Counties not planning under the GMA, and the cities within them, have the discretionary authority to adopt regulations and assume jurisdiction over Class IV forest practices.

Summary: Those counties planning under the GMA who are required to adopt forest practice regulations are narrowed to counties with a population of 100,000 or more and the cities within those counties.

Votes on Final Passage:

Senate	46	0	
House	93	1	(House amended)
Senate	43	0	(Senate concurred)

Effective: June 10, 2010

SSB 6485

C 290 L 10

Modifying craft distillery provisions.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Marr, King, Kohl-Welles, Hewitt, Hatfield, Delvin, Hobbs and Rockefeller).

Senate Committee on Labor, Commerce & Consumer Protection
House 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 20,000 gallons of spirits with at least half of the raw materials used in the production grown in Washington. Craft distilleries can only sell spirits of their own production to on-premise customers, the LCB, and out-of-state entities. Craft distilleries are not authorized to sell spirits directly to in-state retailers, distributors, or manufacturers.

A grower's license is a type of manufacturer's license that allows the licensee to sell wine that is made from his or her own grapes or other agricultural product. Under a grower's license, the owner of the agricultural product contracts for the manufacturing of wine from the grower's own product, which the grower can then sell in bulk to licensed wineries or distilleries, or export out-of-state.

Under state law, an industry member cannot advance, and a retailer cannot receive, money or moneys' worth. The provision of personal services, including pouring and dispensing of liquor by manufacturers, generally falls within the moneys' worth prohibition. A number of exemptions to the moneys' worth prohibition have been granted, including a provision allowing breweries and wineries to pour and dispense beer or wine for special occasion licensees at tasting exhibitions or judging events, and a provision allowing wineries to perform personal services for retailers.

Summary: The amount of spirits a craft distillery can distill is increased from 20,000 to 60,000 gallons.

Craft distilleries may contract distilled spirits for, and sell contract distilled spirits to, holders of distillery or manufacturers licenses, or for export.

The holder of a grower's license may contract for the manufacturing of spirits from the grower's own agricultural products and sell the spirits in bulk to a licensed winery, distillery, or export them out-of-state.

Domestic distillers, or their accredited representatives, may pour or dispense spirits for a special occasion licensee.

Votes on Final Passage:

Senate	43	3	
House	97	1	(House amended)
House	96	2	(House reconsidered)
Senate	43	3	(Senate concurred)

Effective: June 10, 2010

SB 6487

C 121 L 10

Repealing the expiration of the fair payment for chiropractic services requirement.

By Senators Franklin, Pridemore, Keiser, Carrell, Pflug, Schoesler, Delvin and Kline.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness
House Committee on Ways & Means

Background: Legislation passed in 2008 requires health insurance carriers to pay chiropractors the same as other providers for the same physical medicine and rehabilitation code or evaluation and management code. The 2008

legislation included an evaluation of the impact on the utilization and cost of health care services for the impacted codes to be completed by January 2012, and an expiration date of June 30, 2013. The evaluation of the payment change was vetoed by the Governor.

Summary: The June 2013 expiration date is repealed, and insurance carriers will continue to pay chiropractors the same as other providers for the same codes.

Votes on Final Passage:

Senate	48	0
House	97	1

Effective: June 10, 2010

ESSB 6499

C 249 L 10

Concerning the administration, collection, use, and enforcement of tolls.

By Senate Committee on Transportation (originally sponsored by Senators Murray and Haugen; by request of Department of Transportation).

Senate Committee on Transportation
House Committee on Transportation

Background: The Department of Transportation (DOT) currently operates one toll bridge, the Tacoma Narrows Bridge, and has authority to toll the State Route (SR) 520 bridge, which is anticipated to begin tolling in 2011. Tolls are paid electronically by customers with a pre-paid account and a transponder in their vehicle, or manually at a toll booth with cash or credit.

Under current law, failure to pay a toll is a traffic infraction with a penalty of $40 that goes to the local jurisdiction's court, plus a penalty amount of three times the cash toll that goes to the account of the facility on which the violation occurred. A hold on a person's vehicle registration may occur if the traffic infraction penalty is not paid.

The Toll Collection Account allows for the deposit of customer pre-paid account funds prior to transactions occurring on a specific facility. Funds are then moved to the appropriate facility once a toll charge has been incurred.

Summary: Tolls may be paid after using a toll facility via a photo toll that identifies a vehicle by its license plate. Photo tolls may be paid using a customer account, or in response to a toll bill. Tolls may also be paid using existing methods.

Failure to pay a toll detected through a photo toll system is a civil penalty to be issued by DOT with a fine of $40, plus the original toll amount and associated fees. Photo toll customers have 80 days from the time they use the toll facility to pay the toll before the toll charge becomes a civil penalty. DOT must develop an administrative adjudication process to review appeals of civil penalties. A hold on a person's vehicle registration may occur if the civil penalty is not paid.

DOT must conduct outreach and education on tolling at least six months prior to commencing all-electronic tolling, and ongoing quarterly reports on civil penalty data. Beginning on July 1, 2011, penalties deposited into the Tacoma Narrows Bridge Account must first be used to repay any loans from the Motor Vehicle Account. Penalties resulting from non-payment of a toll on the SR 520 corridor are deposited into the SR 520 Civil Penalties Account if ESSB 6392 is enacted by June 30, 2010.

The Toll Collection Account uses are expanded to allow for operations that benefit multiple toll facilities to be cleared through this account. At least monthly, operating activities and interest earnings must be distributed to the appropriate toll facility, using an equitable distribution methodology determined by DOT in consultation with the Office of Financial Management.

Votes on Final Passage:

Senate	45	1
House	55	42

Effective: June 10, 2010

ESSB 6503

PARTIAL VETO

C 32 L 10 E 1

Closing state agencies on specified dates.

By Senate Committee on Ways & Means (originally sponsored by Senator Prentice).

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: State offices must be open at least forty-hours per week, with an exception for weeks containing one or more of the ten legal holidays designated in statute.

Summary: State agencies are directed to achieve a reduction in employee compensation costs through mandatory and voluntary furloughs, leave without pay, reduced work hours, voluntary retirements and separations, layoffs, and other methods. The amount of the savings will be specified in the omnibus appropriations act. Agencies that fail to submit an approved compensation reduction plan will be subject to ten specified agency closure dates beginning in July 2010. The cost reduction plans submitted by institutions of higher education may provide for reductions to operations, as well as compensation. Agencies are encouraged to preserve family wage jobs.

Exceptions to the agency expenditure reductions include state corrections and social service institutions, child protective services, law enforcement, military operations, state hospitals, emergency management, state parks, highways, and ferries, the Department of Revenue, Insurance Commissioner, Attorney General, higher education classroom instruction and student employees, state liquor

stores, state lottery, unemployment insurance and reemployment services, workers compensation and workplace safety programs, agricultural commodity commissions and food inspections, employees necessary to protect state assets and public safety, and state legislative agencies, the Office of Financial Management, the Governor, and Lieutenant Governor during legislative sessions.

State agency closures will result in the temporary layoff (furlough) and reduction of compensation of affected state employees. These temporary layoffs and reduction in compensation do not affect employee seniority, vacation and sick leave accrual, or retirement benefits.

Agencies that do not adopt an approved compensation reduction plan will be subject to ten closure dates specified in the act.

Employees earning less than $30,000 per year are allowed to use annual leave or shared leave in lieu of temporary layoffs during agency closures.

Votes on Final Passage:

Senate	27	17	
First Special Session			
Senate	30	11	
House	50	38	(House amended)
Senate	26	14	(Senate concurred)

Effective: April 27, 2010

Partial Veto Summary: The Governor vetoed the section requiring at least $10 million in compensation savings from management positions exempt from civil service.

VETO MESSAGE ON ESSB 6503

April 27, 2010

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 2, Engrossed Substitute Senate Bill 6503 entitled:

"AN ACT Relating to the operations of state agencies."

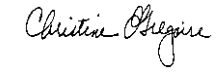
This bill directs state agencies to achieve reductions in employee compensation costs. Section 2 of this bill would require additional compensation reductions of $10 million General Fund State from Washington Management Service and exempt managers, who comprise less than five percent of state employees. A cut of this size, over such a small base, is too large to be practical. For example, it would take nearly two weeks of temporary layoff -- over and above the ten days of layoff due to agency closures included in this bill -- to reach this level of compensation reduction.

Managers will be subject to the temporary layoffs in proportion to all staff. Imposing this added reduction would interfere with recruiting and retaining qualified and experienced workers. It would likely cause salary inversion, making it particularly hard to promote senior state employees with technical skills into management jobs.

For these reasons I have vetoed Section 2 of Engrossed Substitute Senate Bill 6503.

With the exception of Section 2 of Engrossed Substitute Senate Bill 6503 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

E2SSB 6504

C 122 L 10

Modifying provisions of the crime victims' compensation program.

By Senate Committee on Ways & Means (originally sponsored by Senator Hargrove; by request of Department of Labor & Industries).

Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means
House Committee on Public Safety & Emergency Preparedness
House Committee on Ways & Means

Background: The Department of Labor and Industries (L&I) administers a Crime Victims' Compensation Program (Program) which provides compensation for certain victims of crime or survivors of victims of crime, funded by a combination of state appropriations and federal grants. Compensation is not available to a victim unless the victim applies for compensation within two years after the date of the criminal act, and reports the criminal act to the police or sheriff within one year of its occurrence.

In case of the death of the victim, the Program provides burial expenses and a monthly income to the surviving spouse for life or until remarriage, based on a percentage of the victim's monthly income, provided that the income does not exceed 120 percent of the average monthly wage in the state. Total compensation can reach a cap of $190,000 per victim, including up to $150,000 in medical benefits and $40,000 for time loss, disability, and pension. The surviving spouse of a victim who was not employed at the time of death receives burial expenses and a lump sum payment of $7,500 to be divided with any surviving children. In the event of permanent disability, the victim receives a compensation amount based on the nature of the injury, plus an amount based on a percentage of the victim's wages up to 120 percent of the average monthly wage, or if not gainfully employed a percentage of the average monthly wage, during the period of disability. The benefits a victim may receive for a permanent partial disability are limited to $30,000. Time loss benefits are available for victims who either were employed at the time of the criminal act or were employed for any three consecutive months of the 12 months preceding the criminal act.

L&I is required to operate the Program within the appropriations and the conditions and limitations on the appropriations provided for this program. L&I reports that it

will have exhausted its current appropriation for the Program as of April 2010.

Summary: Total claim payments for a single claim under the Program are limited to $50,000. Benefits paid for burial expenses must not exceed $5,750 and may only be paid if an application is filed within one year of the time at which the death is recognized as a homicide or the remains are recovered and released for burial. The lump sum payment available to a surviving spouse or child when a homicide victim was not gainfully employed at the time of the criminal act is eliminated.

The benefits of any victim who becomes permanently and totally disabled as a result of a criminal act must be calculated as a percentage of the average monthly wage in the state. Total compensation available in a case of permanent partial disability is limited to $22,000.

Compensation is disallowed for a victim who has been convicted of a felony during the five years preceding the criminal act, if the felony is a violent crime or crime against persons as those terms are defined in chapter 9.94A RCW, unless the person had completely satisfied all legal financial obligations prior to the criminal act. Time loss compensation is disallowed for any person who was not gainfully employed at the time of the criminal act.

A new non-appropriated account is created in the custody of the state treasury entitled the Crime Victims' Compensation Account. The account is dedicated to the Program. A portion of monies deposited into inmate accounts and the proceeds from certain criminal profiteering recovery actions are deposited into this account.

Every month, L&I must post the total amount of funding available for the Program, the total amount of funds disbursed, and the total of overhead and administrative costs on its public website starting July 1, 2010.

All provisions which reduce benefits under the Program expire on July 1, 2015.

Votes on Final Passage:

Senate	31	15	
House	95	3	(House amended)
			(Senate refused to concur)
House	97	0	(House receded/amended)
Senate	46	0	(Senate concurred)

Effective: April 1, 2010 (Sections 1 and 2)
June 10, 2010

SSB 6510
C 77 L 10

Extending state route number 166.

By Senate Committee on Transportation (originally sponsored by Senators Kilmer and Sheldon).

Senate Committee on Transportation
House Committee on Transportation

Background: Legislation passed in 2009 transferred the responsibility for reviewing route jurisdiction transfers from the Transportation Improvement Board to the Washington State Transportation Commission (Commission). Recommendations for transfers must be approved by the Legislature and can be generated directly through legislation, rather than by recommendation from the Commission. Criteria for making additions and deletions to the highway system are listed in statute and include consideration of the connections a route provides and the populations it serves.

State Route (SR) 166 is currently established as running from SR 16 northeasterly to the eastern city limits of Port Orchard.

Summary: SR 166 is extended to run from SR 16 to the eastern Port Orchard city limits as they exist on the effective date of this act.

Votes on Final Passage:

Senate	48	0
House	93	5

Effective: June 10, 2010

SSB 6520
C 203 L 10

Extending time to complete recommendations under RCW 36.70A.5601 conducted by the William D. Ruckelshaus Center.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Hatfield, Parlette, Hobbs, Ranker, Pridemore and Shin).

Senate Committee on Agriculture & Rural Economic Development
House Committee on Local Government & Housing
House Committee on Education Appropriations

Background: In 2007 the Legislature placed a moratorium on the ability of cities and counties to amend or adopt critical area ordinances affecting agricultural lands. The moratorium was set to continue through July 1, 2010.

During this moratorium, The William D. Ruckelshaus Center was assigned to conduct a two-phase work plan. The first phase was to conduct fact finding. The second phase was to facilitate discussions between stakeholders to identify policy and financial options or opportunities to address the issues and desired outcomes identified by the stakeholders during the first phase.

The Ruckelshaus Center was instructed to work to achieve agreement among participating stakeholders that could be proposed during the 2010 Legislative Session. Once the moratorium expires, counties and cities were to review, and if necessary, revise critical area ordinances as they specifically apply to agricultural activities by December 1, 2011. The final report of the findings and legislative

recommendations to the Governor and to the Legislature was scheduled for September 1, 2009.

Progress reports have been provided periodically to a number of legislative committees.

Summary: The moratorium is extended one year to July 1, 2011. The Ruckelshaus Center is to work to achieve agreement among participating stakeholders that can be proposed during the 2011 Legislative Session. The deadline by which counties and cities are to review, and if necessary, revise critical area ordinances as they specifically apply to agricultural activities is extended one year to December 1, 2012. The deadline for submission of the final report is extended one year to September 1, 2010.

Votes on Final Passage:

Senate	45	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010

ESSB 6522

C 220 L 10

Establishing the accountable care organization pilot projects.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Pflug, Keiser, Swecker, Murray, Honeyford, Kline, Hewitt and Shin).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations

Background: In recent years, health care innovations like medical home projects have sought to provide comprehensive, coordinated patient care using integrated services, health information technology, prevention, and specific ways to track patient health outcomes. Other innovations focus on paying providers based on how treatment is rendered instead of the number of patient visits. Such innovations include so-called bundled payments, where physician and hospital payments are lumped together. Rather than paying for a particular procedure, doctors and hospitals are paid for all services to a patient in an episode of care for a particular condition. Depending on how the project is structured, an episode could be defined in several ways; a period of hospitalization, hospital care plus a period of post acute care, a stretch of care for a chronic condition, or even all inpatient or out patient care.

The Accountable Care Organization (ACO) model establishes a spending benchmark for health care providers in an organization based on an expected level of spending. An ACO offers provider organizations, such as a medical home or a primary care practice, the opportunity to share savings from payers when savings are achieved through such practices as care coordination, wellness services, chronic care management, effective referral patterns, and other approaches that achieve quality outcomes at lower expense. The concept attempts to shift the emphasis from volume and intensity of services to incentives for efficiency and quality.

Currently Washington State health agencies lead two medical home pilot projects with 33 participating primary care practitioners.

Summary: The Health Care Authority must appoint a lead organization by January 1, 2011, to support at least two accountable care organization pilot projects which will be implemented no later than January 1, 2012. The lead organization will contract with a reputable research organization with expertise in ACOs and payment systems. The designated lead organization will provide support for these pilots without using state funding; however, they may seek federal funds and solicit grants, donations, and other sources of funding. ACOs in these pilots are health care providers and systems that are accountable for improving quality and slowing spending. ACOs must use spending benchmarks and report health outcomes.

The lead organization must coordinate with medical home projects established in statute and report to the Legislature by January 1, 2013, on the progress of the ACOs with recommendations for expansion. The current public-private partnership of the Washington State Department of Health and the Washington Academy of Family Physicians is authorized to participate in the accountable care organization pilot projects.

Votes on Final Passage:

Senate	48	0
House	86	11

Effective: June 10, 2010

SSB 6524

C 72 L 10

Addressing unemployment insurance penalties and contribution rates for employers who are not "qualified employers."

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators King, Kohl-Welles, Kastama, Holmquist, Keiser, Honeyford, Regala, Franklin, McDermott, Hewitt and Kline; by request of Employment Security Department).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: An employer's unemployment insurance (UI) tax is determined by the combined rate assigned to the employer based on layoff experience, social costs, and a solvency surcharge, if any. An employer is assigned to one of 40 rate classes based on the employer's layoff experience. Employers in rate class 40 pay the highest rate of

5.4 percent. Employers who fail to pay contributions when due and who do not have an approved agency deferred payment contract are assigned a delinquent tax rate which is two-tenths higher than rate class 40 (5.6 percent).

If an employer with an approved agency deferred payment contract fails to pay one of the deferred payments or fails to submit any succeeding tax report and payment in a timely fashion, the employer's tax rate reverts to the rate in class 40 plus two-tenths of 1 percent.

Summary: Starting in 2011, the delinquent tax rate for employers without an approved agency deferred payment contract will be 1 percent higher than the rate would have been had the employer not been delinquent. If the employer is delinquent for a second or more consecutive year, the rate must be 2 percent higher than it would have been had the employer not been delinquent.

If the delinquent employer enters an approved agency-deferred payment contract within 30 days of the date the Employment Security Department (ESD) sent its first tax rate notice, one-half of 1 percent must be deducted from the delinquent tax rate.

Starting January 1, 2011, an employer that knowingly fails to register with ESD and obtain an employment security account number is subject to a quarterly penalty of $1,000 or two times the taxes due, whichever is greater. The penalty will not apply if the employer can prove that it had good cause to believe it was not required to register with ESD.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 10, 2010
January 1, 2011 (Section 2)

ESSB 6538

C 292 L 10

Defining small groups for insurance purposes.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser and Pflug).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Small groups are defined for insurance purposes as two to 50 employees. Licensed insurance products that are available to small groups are subject to a number of laws, including minimum benefit requirements, and rating and pooling requirements. In 2004 a number of changes were made to the small group insurance statutes, including changing the small group size from one to 50 employees. The self-employed and sole proprietor's with coverage in the small group market prior to June 10, 2004, were grandfathered into the small group. Policies are guaranteed issue, which means they are available to every person in the small group without any health screening. Individuals purchasing health insurance through the individual market are required to complete a health screening exam, unless they are transitioning from other qualified coverage.

Federal health reform bills passed by the House and Senate include proposals to create insurance exchanges for individuals and small groups to purchase insurance. The Senate bill includes individual and small group exchanges by 2014 and would initially permit states the option to either define small employers eligible to obtain exchange coverage as those with 100 or fewer employees, or as those with 50 or fewer employees. The House bill includes one exchange for individuals and small groups by 2013 and would initially permit employers with up to 25 employees to be exchange eligible.

Summary: Effective January 1, 2011, the definition of small employer or small group for insurance purposes is changed to a group that has between one and 50 employees. Provisions grandfathering the sole proprietors or self-employed that had small coverage prior to June 2004 are removed. Self-employed and sole proprietors must show they have been employed by the same small employer for at least 12 months prior to application for small group coverage, and verify that they derived at least 75 percent of their income from a trade or business and filed the appropriate Internal Revenue Service (IRS) form 1040 for the previous taxable year, except a self-employed person or sole proprietor in an agricultural trade or business must have derived at least 51 percent of income from the business and filed the appropriate IRS form for the previous taxable year.

The change in the small group size is effective 180 days after the Office of Insurance Commissioner certifies that Congress has passed, and the President has signed, federal legislation that provides guaranteed issue for individuals. If such legislation is not signed by the President by December 31, 2010, the change for the group size is null and void.

The small group census date is established in statute to allow insurance carriers to determine the census makeup of the small group and quote a firm premium. The small group applying for health benefits from a contractor other than its current contractor will have a census date that reflects the date the final group composition is received. Small groups renewing health benefits with the current contractor will have a census date 90 days prior to the effective date of the renewal.

Votes on Final Passage:

Senate	45	2	
House	58	36	(House amended)
			(Senate refused to concur)
House	61	36	(House receded/amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010
Contingent (Sections 1 and 2)

SB 6540
C 101 L 10

Transferring the combined fund drive from the department of personnel to the secretary of state.

By Senators Fairley, Swecker, King, Parlette, Fraser, Pridemore, Shin and Roach; by request of Secretary of State and Department of Personnel.

Senate Committee on Government Operations & Elections
House Committee on General Government Appropriations

Background: The Combined Fund Drive (CFD) began in 1984 and is Washington State's workplace giving program for current and retired public employees. The program allows employees to make donations via check or payroll deduction to their favorite charities. The CFD is currently located under the Department of Personnel.

Summary: The CFD is transferred from the Department of Personnel to the Office of the Secretary of State.

The Washington State CFD account is transferred from the Department of Personnel to the Office of the Secretary of State.

All powers, duties, and functions related to the CFD are transferred from the Department of Personnel to the Office of the Secretary of State.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: June 10, 2010

SB 6543
C 78 L 10

Modifying the powers of the Washington tree fruit research commission.

By Senators Hatfield, Schoesler and Shin.

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

Background: The Washington Tree Fruit Research Commission (WTFRC) provides funds to Washington State University (WSU) to develop new varieties of apples and cherries. WTFRC has negotiated an agreement with WSU that allows WTFRC to have right of first refusal on intellectual property (IP) that is developed with WTFRC investments in WSU programs.

To utilize this agreement, the WTFRC is seeking legislation to establish a self-supporting 501(c)(3) foundation to communicate the results of trials on new varieties to Washington growers, and to protect the IP of WSU programs. This foundation is anticipated to be an independent entity with its own board of directors.

Summary: The WTFRC is authorized to:

- establish a foundation using commission funds for the purposes of this chapter;
- enter into contracts or interagency agreements with public or private entities to carry out the purposes of this chapter (personal service contracts must comply with chapter 39.29 RCW);
- acquire or own intellectual property rights, licenses, patents and collect royalties resulting from commission-funded research;
- engage in appropriate fund-raising activities for supporting activities of the commission for authorized purposes; and
- accept and expend or retain any gift, bequest, contribution, or grant from private persons or public agencies to carry out the purposes of this chapter.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 10, 2010

SSB 6544
C 79 L 10

Extending the time limitations for approval of plats.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Berkey, Marr, Hobbs, Kilmer and Tom).

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Local Government & Housing

Background: Land may be divided into smaller pieces, assuming the smaller pieces, or lots, comply with local zoning and other land use and development laws. The owner wishing to make this division into smaller lots must first apply for approval of his or her plan to the local government having jurisdiction over the land.

This is called filing of the preliminary plat. This begins an administrative process that moves toward approval by involving the public and any agencies that have jurisdiction over the land and the land's proposed use. The legislative authority of the city, town, or county having jurisdiction is the entity that approves the preliminary plat, upon the advice of the administrative proceedings and planning commission, among others.

For applications to form five or more lots, the date that the preliminary plat is approved begins a five-year time-period during which the laws applicable to approval of the preliminary plat are the laws that apply to final approval of the plat.

If the legislative authority finds that the subdivision conforms to all terms of the approval of the preliminary plat, and satisfies all laws in effect at the time of the

approval of the preliminary plat, then the legislative authority must inscribe and execute its written approval on the face of the plat. Any lots in the final plat filed for record are valid land uses even if land use law changed during, and up to, the five-year approval process. From the date of final approval of the plat of the subdivision, the subdivision is governed by the terms of approval of the final plat for five more years.

Summary: The five-year time periods during which the laws applicable to the subdivision remain fixed, are changed to seven-year time periods.

The act expires on December 31, 2014.

Votes on Final Passage:

Senate	44	0
House	96	0

Effective: June 10, 2010

SB 6546
C 80 L 10

Allowing the state director of fire protection to refuse membership in the public employees' retirement system.

By Senator Pridemore.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Law Enforcement Officers and Fire Fighters' Retirement System (LEOFF) provides retirement benefits to full-time general authority law enforcement officers and firefighters throughout Washington. All employees first employed in LEOFF-eligible positions since 1977 have been enrolled in LEOFF Plan 2, which allows for an unreduced retirement allowance at age 53. LEOFF Plan 2 permits early retirement beginning at age 50 for members with 20 years of service with a 3 percent per year reduction of their retirement allowance.

All employees first employed in the Public Employees Retirement System (PERS)-eligible positions since 1977 have been enrolled in PERS Plan 2/3, which allows for an unreduced retirement allowance at age 65. PERS 1, in contrast, permits members to retire at any age after 30 years of service, at age 55 with 25 years of service, and at age 60 with five years of service.

If a member of one state retirement system leaves eligible employment and goes to work in a position that is eligible for membership in another of the state retirement systems, that member will become a dual member. Dual members can earn a retirement allowance in each system, with each benefit subject to the regulations of its system. Under the portability benefits provided under state law, a dual member may combine years of service from both plans to determine retirement eligibility and may use the highest average final compensation earned under either system to calculate retirement allowances under both systems. If a dual member is eligible to retire under one system but not the other, the member may retire; however, the benefit paid from the plan under which the member would not ordinarily be able to retire is subject to full actuarial reduction.

The position of State Director of Fire Protection within the Washington State Patrol is eligible for membership in PERS.

Summary: If a LEOFF 2 member leaves LEOFF-eligible employment to serve as the State Director of Fire Protection, then that member may elect to continue membership in LEOFF 2 only, rather than becoming a dual member of LEOFF 2 and PERS 2/3.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: March 17, 2010

SSB 6548
C 258 L 10

Suspending the parole or probation of an offender who is charged with a new felony offense in certain conditions.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Carrell, Stevens, Kauffman and Roach).

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

Background: The Interstate Compact for Adult Offender Supervision is an agreement entered into between the states permitting supervision of offenders across state lines. Each state is bound by the terms of the compact, which requires a state to supervise an offender if the offender meets certain criteria. The state receiving the offender for supervision must supervise the individual consistent with the supervision of other similar offenders sentenced in the receiving state.

Many offenders received by Washington for supervision are on a parole or probation system. Washington does not have the jurisdiction to revoke an offender's parole or probation if warranted. Applying Washington's unique sentencing laws to an offender on parole or probation can be confusing.

Prior to 1984 Washington had a parole system. There are still offenders in Washington who are on parole or who are in prison and may be released and placed on parole at some point in the future. The parole board (now designated as the Indeterminate Sentence Review Board-ISRB) may take a variety of actions when an offender violates the terms of his or her parole, including suspension of the person's parole pending the disposition of new criminal charges.

Summary: The Department of Corrections (DOC) may supervise an offender on supervision under the Interstate Compact who is on parole or probation consistent with the

supervision of other offenders in Washington who are on parole. Specifically, if an offender is charged with a new felony offense, under the ISRB or DOC's sanction authority, the offender's parole or probation may be suspended pending disposition of the criminal charges.

DOC is required to identify the states from which it receives the highest number of offenders for supervision, determine the feasibility and cost of establishing memoranda of understanding with those states, and report back to the Legislature by December 1, 2010. Washington representatives, at the next meeting of the Interstate Commission, must seek a resolution regarding: any inequitable distribution of costs, benefits, and obligations; the scope of the mandatory acceptance policy; and the authority of the receiving state to determine when it can no longer supervise an offender. DOC must examine the feasibility and cost of withdrawal from the Interstate Compact and report back to the Legislature by December 1, 2010.

Votes on Final Passage:

Senate	47	0	
House	94	0	(House amended)
			(Senate refused to concur)
House	97	0	(House receded/amended)
Senate	48	0	(Senate concurred)

Effective: June 1, 2010 (Sections 3 and 4)
June 10, 2010

SB 6555
C 81 L 10

Removing state route number 908 from the state highway system.

By Senators Tom and Haugen; by request of Wa. St. Transportation Commission.

Senate Committee on Transportation
House Committee on Transportation

Background: The Washington State Transportation Commission (Commission) is responsible for reviewing requests from local jurisdictions and the Department of Transportation (DOT) to transfer state highways into the local road system, or to transfer local roads into the state highway system. The Commission is then required to forward these recommendations to the Legislature for formal transfer through legislation. The criteria for evaluating jurisdictional road transfers are laid out in RCW 47.17.001.

Legislation passed in 2009 transferred the responsibility for reviewing route jurisdictional transfers from the Transportation Improvement Board to the Commission.

A portion of State Route (SR) 908 was transferred to the City of Kirkland in 1992. The remaining portion of SR 908 runs from Interstate 405 in Kirkland to SR 202 in Redmond.

Summary: SR 908 is removed from the state highway system.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: June 10, 2010

SSB 6556
C 70 L 10

Changing the fees for certain types of agricultural burning.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Hatfield and Schoesler).

Senate Committee on Agriculture & Rural Economic Development
House Committee on General Government Appropriations

Background: The maximum permit fee for agricultural field burning is set at $2.50 per acre. This statutory cap was established in 1991. The fee is established by rule adopted by the Department of Ecology (DOE) at the level determined by the agricultural burning practices and research task force.

The revenue from burning permit fees is deposited in the air pollution control account, except for that portion necessary to cover the local cost of administering the permit. The remainder of the money is used to fund the smoke management program which prevents burning during adverse meteorological conditions and to fund research into alternatives for field burning.

Currently, the fee is $2.25 and is used as follows: $1.25 is retained by delegated permitting entities; 50 cents goes toward the smoke management program; and, 50 cents goes toward research.

After fees are established by rule, any increase is limited to annual inflation adjustments as determined by the state office of the Economic and Revenue Forecast Council.

Burning of orchard pruning is exempt but burning of piles of orchard trees is not exempt from the permit process.

Summary: The current statutory maximum permit fee for agricultural field burning of $2.50 per acre is increased to $3.75 per acre. Authority to charge a permit fee for pile burning is provided and is not to exceed $1 per ton. Fees continue to be set by rule adopted by the DOE at the level determined by the agricultural burning practices and research task force.

Votes on Final Passage:

Senate	43	5
House	94	2

Effective: June 10, 2010

SSB 6557
C 147 L 10

Limiting the use of certain substances in brake friction material.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Ranker, Swecker, Rockefeller, Brandland, Brown, Kohl-Welles, Shin, Fraser and Kline; by request of Department of Ecology and Puget Sound Partnership).

Senate Committee on Environment, Water & Energy
Senate Committee on Ways & Means
House Committee on Environmental Health
House Committee on General Government Appropriations

Background: Motor vehicle brakes contain brake pads (pads) designed to retard or stop movement of a motor vehicle through friction against a rotor. Brake pads may contain copper and other metals. Operation of brakes generates dust containing these substances. Brake pad dust has been identified as a significant source of copper in the environment. High copper levels are toxic to aquatic life, including salmon.

Summary: In-state sale of brake pads containing copper and other substances is banned on a phased basis. Bans apply to sale by manufacturers, wholesalers, retailers, and distributors of pads and motor vehicles (vehicles).

Bans. Beginning in 2014, sale of pads containing more than trace amounts of asbestos, cadmium, chromium, lead, and mercury is banned. Pads manufactured prior to 2015 are exempt to permit clearing of inventory until 2025. Pads manufactured as part of an original equipment service (OES) contract for vehicles manufactured prior to 2015 are also exempt.

Beginning in 2021, sale of pads containing more than 5 percent copper is banned. Pads manufactured prior to 2021 are exempt to permit clearing of inventory until 2031. Pads manufactured as part of an OES contract for vehicles manufactured prior to 2021 are also exempt.

Beginning eight years after a Department of Ecology (Ecology) decision, sale of pads containing more than 0.5 percent copper is banned. (See Requiring Low Copper Pads, below.)

Additional Exemptions. Pads used in several vehicles are exempt from bans, including:

- vehicles not subject to vehicle licensing requirements, such as off-road vehicles;
- motorcycles;
- vehicles with brakes emitting no debris or fluid under normal circumstances;
- military combat vehicles;
- race cars, dual-sport vehicles, or track day vehicles; and
- vehicles over 30 years old.

Pads used in parking brakes are also exempt.

Vehicle or pad manufacturers may apply to Ecology for exemptions for pads used in specific vehicle models or model classes based on special needs or characteristics. Manufacturers must demonstrate that compliance with restrictions is not feasible, compromises safety standards, or causes significant hardship.

Certification. By December 1, 2012, Ecology must develop pad certification criteria. By 2015 pad manufacturers must mark proof of certification on pads and packaging. Pads manufactured or packaged prior to 2015 are exempt from the marking requirement. Beginning in 2021, manufacturers of new vehicles offered for sale in Washington must ensure that vehicles are equipped with certified pads.

Requiring Low-Copper Pads. By December 1, 2015, Ecology must determine whether pads containing no more than 0.5 percent copper and meeting other requirements (low-copper pads) may be available. If it finds that low-copper pads may be available, Ecology must convene a Brake Friction Material Advisory Committee (Committee) to assess availability of low-copper pads. The Committee will include representatives of Ecology, the Washington State Patrol, pad manufacturers, vehicle manufacturers, the National Highway Traffic Safety Administration, and a nongovernmental organization concerned with the environment.

If, after considering the Committee's recommendations, Ecology finds that low-copper pads are available, it must publish the finding in the Washington State Register (WSR) and report to the Legislature. Beginning eight years after WSR publication, sale of pads containing more than 0.5 percent copper is banned.

However, if Ecology finds that low-copper pads are not available, it must periodically evaluate the finding and may again conduct the preceding assessment process.

Violations. Ecology will enforce requirements, and may impose civil penalties for violations. Prior to imposing a penalty, Ecology must issue a warning letter and offer assistance to achieve compliance. Pad manufacturers that knowingly violate requirements must recall pads and reimburse purchasers' costs. Vehicle distributors or retailers selling used vehicles with noncompliant pads are not in violation unless they installed noncompliant pads and were aware that the pads were noncompliant. Vehicle manufacturers that violate requirements must notify registered owners of vehicles and replace noncompliant pads at no cost to owners.

Pad Monitoring. By 2013 and at least every three years thereafter, pad manufacturers must provide Ecology with data regarding pad contents. By July 1, 2013, Ecology must establish baseline levels for antimony, copper, nickel, and zinc in pads. If levels increase by over 50 percent of baseline levels, Ecology may recommend limits on antimony, nickel, and zinc in pads.

Ecology Rulemaking. Ecology must adopt rules regarding its publishing and legislative reporting duties when it requires use of low-copper pads. The agency may adopt other implementing rules.

Votes on Final Passage:

Senate	39	8	
House	86	12	(House amended)
Senate	40	6	(Senate concurred)

Effective: June 10, 2010

SSB 6558
C 82 L 10

Concerning petitions for administrative review of railroad crossing closures.

By Senate Committee on Transportation (originally sponsored by Senator Haugen).

Senate Committee on Transportation
House Committee on Transportation

Background: The Utilities and Transportation Commission (UTC) is responsible for approving the opening and closing of railroad crossings and changes to the configuration of railroad crossings. If a local jurisdiction would like to close, open, or alter a railroad crossing within its boundaries, it can file a petition with the UTC. Similarly, if a railroad company wishes to close, open, or alter the crossing between its railroad tracks and a highway, it must file a petition with the UTC. If the existing or proposed crossing is on a state road or highway, the petition may be filed by the Secretary of Transportation (Secretary) or the State Parks and Recreation Commission. The UTC must hold a hearing, unless a hearing is not required under statute, as part of an administrative proceeding to allow affected parties to be heard. At the conclusion of the hearing, the UTC may issue a final order on the petition.

The State Environmental Policy Act (SEPA) review is required for a broad range of actions at all levels of state and local government. Under SEPA, an environmental impact statement is required for any major action having a probable significant adverse environmental impact. The environmental impact statement is an analysis of the adverse environmental impacts. A lead agency is designated for most proposed actions. The lead agency is responsible for ensuring adequate environmental analysis is done and the SEPA procedural requirements are met.

Most railroad crossing closure actions require SEPA review, and the UTC considers the outcome of the review before issuing its final order. The lead SEPA agency is not always a party in closure actions.

Summary: The Secretary may file the petition for closure of a railroad crossing when the closure is adjacent to a Department of Transportation (DOT)-managed project that receives state funding and the closure is part of the project. If another entity files a petition for closure in such a case, the Secretary must intervene if the petition is contested. If DOT is not the lead SEPA agency, the lead SEPA agency must intervene if the closure is contested.

The Secretary must be given proper notice of a hearing on a petition for closure when the closure is adjacent to a DOT-managed project that receives state funding, and the closure is part of the project.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: June 10, 2010

E2SSB 6561
C 150 L 10

Restricting access to juvenile offender records.

By Senate Committee on Ways & Means (originally sponsored by Senators Hargrove, McCaslin, Regala and Stevens).

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

Background: A juvenile must make a motion to the court to have his or her juvenile record sealed. Courts do not have the authority to seal a record of an adjudication for any class A offense or a class B or C sex offense. The court does have discretion to order sealed the following records:

- class B offenses where the person has spent five consecutive years since the last date of release from confinement, full-time residential treatment, or entry of disposition in the community without being convicted of any offense or crime;
- class C offenses where the person has spent two consecutive years since the last date of release from confinement, full-time residential treatment, or entry of disposition in the community without being convicted of any offense or crime;
- gross misdemeanors and misdemeanors where the person has spent two consecutive years since the last date of release from confinement, full-time residential treatment, or entry of disposition in the community without being convicted of any offense or crime; and
- diversions where the person has spent two consecutive years in the community since the completion of the diversion agreement without being convicted of any offense or crime.

In addition, the court cannot order juvenile records sealed if there is: a proceeding pending against the moving party seeking his or her conviction for a juvenile or

criminal offense; a proceeding pending seeking the formation of a diversion agreement with that person; and full restitution has not been paid.

If the court grants the motion to seal, the order to seal covers the juvenile court file, the social file, and other records relating to the case as are named in the order. The order to seal means the proceedings in the case can be treated as though they never occurred and the subject of the records may reply accordingly to any inquiry about the events contained in the record.

Summary: The court has the authority to seal records for class A offenses if, since the last date of release from confinement, full time residential treatment or entry of disposition, the person has spent five consecutive years in the community without committing any offense or crime that subsequently results in an adjudication or conviction; is not party to a pending proceeding seeking his or her conviction for a juvenile or criminal offense; is not a party to a proceeding seeking the formation of a diversion agreement; has not been convicted of a sex offense; and has paid full restitution.

A person who has reached his or her 18th birthday must petition the court to have his or her records for class B, C, gross misdemeanor, misdemeanor, and diversions sealed. Before the court orders records sealed, the person must show that:

- he or she has resided in the community for two consecutive years since the date he or she was released from confinement, entry of disposition, or completion of a diversion agreement without being convicted of any crime or offense;
- no proceeding is pending against him or her seeking conviction for a juvenile or adult crime;
- no proceeding is pending against him or her for the formation of a diversion agreement; and
- full restitution has been paid.

The term adjudication as used in the juvenile section of the statute has the same meaning as conviction but only for purposes of sentencing under the Sentencing Reform Act.

Votes on Final Passage:

Senate	41	4	
House	59	38	(House amended)
Senate	31	14	(Senate concurred)

Effective: June 10, 2010

SSB 6572

PARTIAL VETO

C 9 L 10 E 1

Eliminating certain accounts.

By Senate Committee on Ways & Means (originally sponsored by Senator Tom; by request of Office of Financial Management).

Senate Committee on Ways & Means
House Committee on Ways & Means

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 a particular statutory purpose. 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, have been deemed by the Office of Financial Management to be inactive accounts.

Summary: The following inactive funds and accounts are abolished:

- City and County Advance Right-of-Way Revolving Account;
- Community and Technical College Fund for Innovation and Quality Account;
- Dairy Products Commission Facility Account;
- Data Processing Building Construction Account;
- Education Technology Account;
- Energy Efficiency Construction Account;
- Fruit Commission Facility Account;
- K-20 Technology Account;
- Morrill Account;
- Personal Health Services Account;
- Prescription Drug Purchasing Account;
- Special Purpose District Research Services Account;
- Two-Year Student Child Care in Higher Education Account;
- Warren G. Magnuson Institute Trust Account;
- Washington Fruit Express Account; and
- Washington Service Corps Scholarship Account.

Any residual balance remaining in these funds is transferred to the state General Fund. In addition, the remaining balance in the School Construction Revolving Fund, created in 1990 by an uncodified section of the state budget act, and the Employment and Training Act repealed in 1993, is also transferred to the state General Fund.

Votes on Final Passage:

Senate	48	0

First Special Session

Senate	41	0
House	92	0

Effective: July 1, 2010

Partial Veto Summary: The Governor vetoed a section that amended a reference to the Special Purpose District Research Services Account because the same section was amended in another bill enacted during the 2010

legislative session. This veto prevents a double amendment of that section.

VETO MESSAGE ON SSB 6572

March 29, 2010

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 2, Substitute Senate Bill 6572 entitled:

"AN ACT Relating to eliminating accounts."

This bill eliminates inactive state funds and accounts to simplify the state accounting process.

Section 2 which amends a reference to the special purpose district research services account is also amended in Engrossed Second Substitute House Bill 2658 eliminating the Municipal Research Council and transferring its duties to the Department of Commerce. A veto of Section 2 eliminates this conflicting double amendment.

For this reason, I have vetoed Section 2 of Substitute Senate Bill 6572.

With the exception of Section 2, Substitute Senate Bill 6572 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

2SSB 6575

FULL VETO

As Passed Legislature

Concerning the recommendations of the joint legislative task force on the underground economy.

By Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Keiser, Kline, Franklin and McDermott).

Senate Committee on Labor, Commerce & Consumer Protection
Senate Committee on Ways & Means
House Committee on Commerce & Labor
House Committee on Ways & Means

Background: In 2007 the Legislature established a Joint Legislative Task Force on the Underground Economy in the Construction Industry (Task Force). The Task Force met during the 2007 and 2008 interims and developed recommendations which were incorporated into legislation. In 2009 the Legislature expanded the scope of the Task Force beyond the construction industry. The Task Force made a number of recommendations based on its 2009 interim work.

The Contractor Registration Act (Act) requires general and specialty contractors to register with the Department of Labor and Industries (Department). Under the Act, a contractor who fails to register is subject to a fine of not less than $1,000 and not more than $5,000. The Director of the Department may reduce the fee to no less than $500 for a first offense if the contractor registers within 10 days of receiving a notice of infraction.

Contractor registration fees and penalties are deposited into the General Fund.

Summary: The penalty for a first offense of failure to register as a contractor is modified. To receive a reduced penalty, a contractor must register for and complete a contractor training class in addition to registering as a contractor. Once a contractor receives a notice of infraction, the contractor has ten days to register as a contractor and register for a class, and 120 days to complete the class. A contractor must also pay any class fees upon registration to receive the reduced penalty. The Department will conduct the classes or approve classes conducted by others. The Department may charge a fee that covers the cost of administering a class. In addition, the Department may adopt rules on the number of classes to be offered, the class locations, fees, and curriculum.

The contractor registration account is created. All money from contractor registrations, renewals, and civil penalties are to be deposited into the account.

A double amendment regarding retainage on public works contracts is corrected.

Votes on Final Passage:

Senate	34	13	
House	98	0	(House amended)
Senate	36	12	(Senate concurred)

VETO MESSAGE ON 2SSB 6575

April 1, 2010

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Second Substitute Senate Bill 6575 entitled:

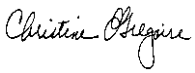
"AN ACT Relating to recommendations of the joint legislative task force on the underground economy."

Second Substitute Senate Bill 6575 is designed to limit the underground construction economy by requiring contractors who fail to register with the Department of Labor and Industries to enroll in a training class in addition to registering with the department. First-time offenders who do so would be eligible for reduced fines. Narrowing the underground economy is a laudable goal, and one that should be pursued with stronger legislation.

Despite its benefits, this bill has one significant negative outcome that cannot be ignored. By creating a dedicated account for revenues from contractor registrations, renewals course fees, and penalties, this bill would reduce net revenues to the state's general fund by more than $2 million annually beginning in Fiscal Year 2012. In these difficult economic times, that reduction would have negative impacts greater than the benefits this legislation would provide. I would welcome similar legislation without the creation of a dedicated account. In addition, I am directing the Departments of Revenue, Labor and Industries, and Employment Security to continue interagency coordination of efforts with stakeholders to identify and sanction unregistered contractors.

For these reasons I have vetoed Second Substitute Senate Bill 6575 in its entirety.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6577
C 74 L 10

Modifying the transportation system policy goals.

By Senate Committee on Transportation (originally sponsored by Senators Kastama, Berkey, Swecker, Haugen, Kilmer and Shin).

Senate Committee on Transportation
House Committee on Transportation

Background: Current law identifies five statewide transportation system policy goals for the planning, operation, performance of, and investment in, the state's transportation system. The policy goals are identified as follows:

- 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 State;
- 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.

Summary: A sixth statewide transportation system policy goal is added 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.

Votes on Final Passage:

Senate	43	0
House	98	0

Effective: June 10, 2010

2SSB 6578
C 162 L 10

Concerning the creation of optional multiagency permitting teams.

By Senate Committee on Ways & Means (originally sponsored by Senators Swecker, Jacobsen, Kastama, Pflug, Becker and Fraser).

Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Washington State Office of Regulatory Assistance (ORA) was created in the Office of Financial Management in 2003. ORA helps answer permitting questions, provides access to information about state regulations, and assists with coordinating between the layers of state, local, and federal permit review. The ORA provides a variety of services, including acting as the central point of contact and coordination, conducting project scoping, and assisting in conflict resolution. The ORA assists local jurisdictions with their local project review requirements. Project proponents may request designation as a fully-coordinated project. The ORA may enter into cost-reimbursement agreements with project proponents.

Summary: ORA is to develop an optional multiagency permitting team for coordinated permitting and integrated regulatory decision-making. The team is to start its work in the Puget Sound basin. With the exception of some initial costs, the expenses of the team are to be recovered through cost-reimbursement and cost-sharing. The Director of ORA is authorized to solicit funds to cover initial or non-recoverable costs. An account for solicited funds is created.

The team is to be staffed by personnel from the departments of Ecology, Fish and Wildlife, and Natural Resources, and managed through a team leader from ORA. The team leader is to:

- develop coordinated permitting and integrated decision-making services;
- develop funding agreements;
- conduct outreach and advertising;
- develop partnerships with organizations that can join the team on a project-by-project basis;
- implement dispute resolution protocols; and
- use virtual tools to support the work of the team.

The core services of the team are to include:

- a preapplication coordination service;
- permit advisory and coordination services;
- an integrated, unified decision-making service; and
- a mitigation coordination service.

The team is to target:

- environmental clean-up, restoration, and enhancement projects;

- large scale development projects;
- aquaculture and complex aquatic resources permit application projects; and
- energy, power generation, and utility projects.

Votes on Final Passage:

Senate	47	0
House	95	2

Effective: March 22, 2010

ESSB 6582
C 169 L 10

Concerning nursing assistant credentialing.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Roach, Zarelli, Prentice and Kilmer).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The Legislature currently recognizes the growing need for competent nursing assistants in health care facilities. The growth of the elderly population, and sicker patients in hospitals and nursing homes, combined with the high turnover of health care workers who can provide for basic needs of patients creates a challenge to meet staffing needs in health care facilities. The Legislature also recognizes that there should be a system which provides career mobility and advancement opportunities for nursing assistants. Such a system can provide for a stable workforce and be a resource for recruitment into the licensed nursing practice.

The Secretary of the Department of Health (secretary) issues certificates for nursing assistants. Applicants must complete an approved training program or alternate training approved by the Nursing Care Quality Assurance Commission (commission) which meets criteria approved by the commission. The secretary can permit training hours earned by long-term care workers to be applied toward certification. Applicants must also complete a competency evaluation and can be denied certification under the Uniform Disciplinary Act.

Summary: In addition to recognizing the value of career mobility and advancement for nursing assistants, the Legislature recognizes the value of certified home-care aides and medical assistants as a potential source of nursing assistants. Nursing assistant training programs should recognize the relevant training and experience obtained by these credentialed professionals.

The commission must adopt criteria to evaluate an applicant's alternative training to determine eligibility to take the competency evaluation for nursing assistant certification. The commission must adopt at least one option to allow a certified home-care aide or a certified medical assistant to take the exam if the applicant has 24 hours of training that the commission determines is equivalent to approved training on topics not addressed in the training required for home-care aide or medical assistant.

Rules must be developed by the commission by July 1, 2011, in consultation with the secretary, the Department of Social and Health Services, and representatives of consumers, employers, and workers.

Approved training programs and alternative training must comply with federal requirement under 42 U.S. C. Sec. 1395i-3(e). Clarification is provided to ensure compliance with federal requirements for hiring certified nursing assistants in nursing facilities. For those enrolled in an approved training program, such certification must be accomplished within four months of employment. For those completing an alternative training, such certification must be completed prior to employment.

The secretary is to report annually beginning December 1, 2012, to the Governor and the Legislature on progress made in achieving career advancement for certified home-care aides and medical assistants into nursing practice.

Votes on Final Passage:

Senate	46	0	
House	67	29	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2010

SSB 6584
C 293 L 10

Monitoring and reporting customer complaints and appeals to the state health care authority.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Fraser, Swecker, Keiser, Schoesler, Roach, McDermott and Shin).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The Office of the Insurance Commissioner (OIC) licenses and regulates insurance carriers offering products in Washington. Insurance laws govern these licensed carriers or health plans, but do not govern self-insured plans offered by employers, consistent with federal ERISA law. The state Health Care Authority (HCA) and Public Employees Benefits Board (PEBB) program contract with licensed health plans and self-insure. Special provisions have been provided that subject the state's self-insured plans to many of the insurance laws for licensed health plans.

All health plans offered to state employees and retirees through the PEBB program are required in current law to follow the insurance laws known as the Patient Bill of Rights. This includes such areas as privacy rights, requirements for carriers to disclose information, access to health services, utilization review, prohibition of the retrospective denial of coverage, a grievance process, and

independent review of disputes. Each health plan is required to establish and manage a grievance and appeals process. In addition, each health plan is required to track appeals and keep a log for three years that must be made available to the Insurance Commissioner, and each plan must identify and evaluate any trends in appeals.

Other licensed insurance providers are subject to the insurance fair conduct act which sets up standards for unfair competition, advertising, denial of claims, and access to the superior court for review of an unreasonable denial of claim to recover actual damages. This does not apply to licensed health plans.

Summary: Beginning in 2011, the HCA must capture customer service complaints and require each health plan that provides PEBB medical coverage to submit a summary of customer service complaints and appeals to the agency. The HCA must summarize the complaints and appeals processed in the preceding 12 months and report to the Legislature with an analysis of any trends by September 30 of each year.

Votes on Final Passage:

Senate	46	0
House	87	9

Effective: June 10, 2010

SSB 6590

C 294 L 10

Stating the policy that law enforcement personnel be truthful and honest in the conduct of official business.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, Delvin, Brandland and Hargrove).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: Kitsap County (County) terminated Kitsap County Sheriff Deputy Brian LaFrance for numerous acts of misconduct including being untruthful. The case went to arbitration and the arbitrator found that the County had failed to show the degree of discipline administered was reasonably related to the seriousness of the proven offenses. The arbitrator determined that Deputy LaFrance's mental disability was apparent from his behavior and that the County should have referred him for counseling and fitness for duty exams. The arbitrator denied Deputy LaFrance's request for back pay.

Both parties appealed the arbitrator's decision and the matter eventually was decided by the Washington State Supreme Court in the case of *Kitsap County Deputy Sheriff's Guild v. Kitsap County,* 167 Wn. 2d 428 (2009). The court found that an arbitration decision arising out of a collective bargaining agreement could be vacated if it violated explicit, well defined, and dominant public policy. The court reviewed Washington law and found that there was no explicit, well defined, and dominate public policy requiring termination of an officer found to have been untruthful.

Summary: A new public policy is created which states that all commissioned, appointed, and elected law enforcement personnel must comply with their oath of office and agency policies regarding the duty to be truthful and honest in the conduct of their official duties.

Votes on Final Passage:

Senate	46	0	
House	94	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 10, 2010

SSB 6591

C 85 L 10

Revising the procedure for complaints filed with the human rights commission.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, Berkey, Gordon, Keiser and Prentice).

Senate Committee on Judiciary
House Committee on Judiciary

Background: Under the Washington Law Against Discrimination (WLAD), it is an unfair practice to discriminate in real estate transactions based on race; creed; color; national origin; sex; honorably discharged veteran or military status; sexual orientation; families with children status; the presence of any sensory, mental, or physical disability; or the use of a trained guide dog or service animal by a person with a disability. A real estate transaction includes the sale, purchase, rental, or leasing of real property.

The Washington State Human Rights Commission (Commission) is responsible, in part, for administering and enforcing the WLAD. The Commission receives and investigates all complaints that allege unfair practices in violation of the WLAD. If the Commission finds that there is reasonable cause to believe that discrimination has occurred, it must first try to eliminate the unfair practice through conference and conciliation. If the parties do not reach an agreement, the Commission must refer the matter to an administrative law judge who may, after a hearing on the matter, issue an order providing relief to the complainant.

Summary: The initial review and investigation requirements of complaints alleging unfair practices in violation of the WLAD are changed. Upon receipt of a complaint, Commission staff must first review and evaluate the complaint. If the facts as stated in the complaint do not constitute an unfair practice under the WLAD, a finding of no reasonable cause may be made without further investigation. If the facts stated in the complaint could constitute

an unfair practice, then the Commission staff conducts a full investigation and ascertainment of the facts.

As part of the review and evaluation of the complaint, if the complainant has limitations related to language proficiency or a cognitive impairment, then the Commission staff are required to contact the complainant directly and make the appropriate inquiries regarding the facts of the complaint.

However, if the complaint alleges an unfair practice in a real estate transaction, then the Commission staff must conduct a full investigation and ascertainment of the facts.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 10, 2010

SB 6593

C 233 L 10

Transferring the administration of the infant and toddler early intervention program from the department of social and health services to the department of early learning.

By Senators Gordon, Kauffman, Prentice, Oemig, Tom, Kline and Parlette.

Senate Committee on Early Learning & K-12 Education
House Committee on Early Learning & Children's Services
House Committee on Ways & Means

Background: Part C of the federal Individuals with Disabilities Education Act (IDEA) authorizes grants to states to assist them in planning, developing, and implementing statewide systems of coordinated, comprehensive, multidisciplinary, interagency early intervention services for infants and toddlers and their families.

Currently in Washington State, the Department of Social and Health Services (DSHS) administers Part C's early intervention services under the Infant Toddler Early Intervention Program (ITEIP). Early intervention provides services for infants and toddlers, birth to age three, who have disabilities and/or developmental delays. Eligible infants and toddlers and their families are entitled to individualized, quality early intervention services.

Under Washington law, as of September 1, 2009, every school district is required to provide or contract for early intervention services to eligible children from birth to age three. Under Part C of the IDEA, when the child turns three, services end. However, states are required to ensure that toddlers receiving early intervention services have a smooth transition to preschool. IDEA, Part B, is available to all children with disabilities between the ages of three and 21.

Summary: The Department of Early Learning (DEL) is directed to serve as the state lead agency for Part C of IDEA.

ITEIP is renamed the Early Support for Infants and Toddlers Program. All powers, duties, and functions of DSHS pertaining to ITEIP are transferred to DEL. Additionally, any of the following pertaining to ITEIP are also transferred from DSHS to DEL:

- all reports, documents, surveys, books, records, files, papers, or written materials;
- all cabinets, furniture, office equipment, motor vehicles, and other tangible property;
- any funds, credits, or other assets; and
- any appropriations made to DSHS for ITEIP.

Whenever any question arises about the transfer of any property used for ITEIP, the Director of Financial Management must make a determination regarding the proper allocation.

All employees of DSHS working on ITEIP are transferred to DEL's jurisdiction. All classified employees at DSHS whose positions are within an existing bargaining unit must become part of the bargaining unit at DEL. All rules and pending business must continue to be acted upon and transferred to DEL. All existing contracts and obligations must remain in full force and be performed by DEL.

Votes on Final Passage:

Senate	44	1	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 1, 2010

ESSB 6604

C 244 L 10

Regarding student learning plans.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Hobbs, King, McAuliffe, Oemig, Tom, Brandland, Holmquist, McDermott and Kline).

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

Background: In 2004 the Legislature directed school districts to prepare student learning plans for each fifth grade and eighth through 12th grade student who fails to successfully complete the Washington Assessment for Student Learning in one or more of the content areas. A plan must include the steps the student needs to take to stay on track for graduation. The plan is shared with parents.

Summary: The requirement that school districts provide student learning plans for students in fifth grade, and ninth through 12th grade is repealed. Students who are in eighth grade and have not been successful on the state assessment or are not on track to graduate must still receive student learning plans.

Votes on Final Passage:

Senate	48	0

House	94	3	(House amended) (Senate refused to concur)
House	97	0	(House receded/amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2010

E2SSB 6609

C 164 L 10

Concerning infrastructure financing for local governments.

By Senate Committee on Ways & Means (originally sponsored by Senators Kastama, Delvin, Hobbs, Kilmer, Gordon, Kauffman and Shin).

Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means

Background: Tax increment financing is used to fund infrastructure projects. It is a method of redistributing increased tax revenues within a geographic area resulting from a public investment to pay for the bonds required to construct a project. During the past decade a number of tax increment financing programs have been created in the state: in 2001 the Legislature created the Community Revitalization Financing (CRF) program; in 2006 the Legislature created the Local Infrastructure Financing Tool (LIFT) program; and in 2009 the Legislature created the Local Revitalization Financing (LRF) program.

Under LRF, cities, counties, and port districts may create revitalization areas and may use certain tax revenues which increase within the area to finance local public improvements. Bonds may be issued to finance improvements and may be paid off using increased local sales/use tax revenues and property tax revenues generated from within the revitalization area; additional funds from other local public sources; and a state contribution. Funds from local public sources may pay for public improvement costs on a pay-as-you-go basis.

To use local revitalization financing, local governments must take several actions, including passing local ordinances, conducting public hearings, entering into a contract with a private developer, and applying to the Department of Revenue (department) for approval for the state contribution. The department is responsible for the administration of the program and must retain all applications that are not approved due to lack of available state contribution by order of the date received. If additional state contribution funding becomes available, sponsoring local governments will be able to withdraw or update the retained applications.

Local governments proposing a local revitalization area must provide notice to all taxing districts and local governments within the proposed area and hold public hearings. If taxing districts do not want to participate in the allocation of their property or certain local sales and use tax allocation revenues, they must take action through the adoption of an ordinance/resolution to opt out.

Six competitive projects and seven demonstration projects were begun in 2009. The maximum state contribution for the seven demonstration projects is $2.25 million per fiscal year and the maximum state contribution for all other revitalization areas is $2.5 million per fiscal year. The maximum state contribution per project is $500,000 per fiscal year. The state contribution awarded to a sponsoring local government is limited each year to the amount of local matching funds dedicated by the sponsoring local government in the preceding calendar year for revitalization financing. The state contribution must be used to pay for general obligation bonds issued to finance the public improvements in the revitalization area.

Sponsoring local governments that have been approved for a state contribution must provide annual accountability reports to the department. The department will report summary information to the public and the Legislature annually.

Summary: A definition of bonds is added and other definitions are changed to recognize interlocal agreements. Local ordinance requirements relating to notice and participating taxing districts are changed.

Interlocal agreements may allow a taxing district to contribute less than all of its regular property levies or participate by providing a specified amount for a specified time for local revitalization financing.

Revenue bonds may be issued if a special fund is created.

The state contribution limit for demonstration projects is increased to $4.2 million and demonstration projects are to be approved in 2010 for Richland, Lacey, Mill Creek, Puyallup, Renton, and New Castle. If a demonstration project does not meet statutory requirements, the associated dollars are not made available for other projects.

Annual reports from sponsoring local governments must include particular information about revenues from public sources for payment of bonds.

Jurisdictions with LIFT projects may receive a state contribution less than the project award until revenues reach the amount of the project award. The local sales and use tax may also be imposed before revenues reach the amount of the project award.

A LRF area may overlap with an existing CRF area with a brownfield clean-up site which meets certain requirements.

The resubmitted applications of the demonstration projects may not be approved unless an economic analysis has been performed by a qualified researcher at the University of Washington's Department of Economics. The researcher must confirm that there is an 85 percent probability the applications' assumptions, estimates of jobs created, and increased tax receipts will be realized by the project. Additionally, the researcher must determine that

net state tax revenue will increase, as a result of the project, by an amount that equals or exceeds the authorized award.

Votes on Final Passage:

Senate	47	0
House	96	1

Effective: June 10, 2010

ESB 6610

C 263 L 10

Improving procedures relating to the commitment of persons found not guilty by reason of insanity.

By Senators Hargrove and McAuliffe; by request of Governor Gregoire.

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

Background: A defendant is not guilty by reason of insanity (NGRI) if a judge or jury finds that at the time of the commission of the offense, as a result of a mental disease or defect, the mind of the defendant was affected to the extent that the defendant was unable to perceive the nature and quality of the act with which the defendant is charged, or the defendant was unable to tell right from wrong with respect to the particular act charged. A defendant who is found NGRI may be committed for treatment at one of Washington's two state hospitals if a judge or jury finds that the defendant presents a substantial danger to other persons or a substantial danger of committing criminal acts jeopardizing public safety or security. The term of commitment may not exceed the maximum sentence for the offense for which the defendant was acquitted by reason of insanity.

A defendant is not competent to stand trial when, as a result of a mental disease or defect, the defendant lacks the capacity to understand the nature of the proceedings against him or her or to assist in his or her own defense.

There are currently 186 persons found NGRI confined in the state hospitals: 117 at Western State Hospital, and 69 at Eastern State Hospital. Approximately 27 percent of these individuals were found NGRI for a homicide offense, 34 percent for a combination of offenses including some degree of assault, and the remainder for other offenses. According to the Division of Behavioral Health and Recovery (DBHR), an average of 20 new defendants are found NGRI each year. Data from DBHR indicates that an average of 16 to 24 persons found NGRI per year are granted a conditional release or final release from custody.

A person found NGRI may not be released from the state hospital before the expiration of the person's term of commitment without leave of the superior court in the county in which the person was committed. A person found NGRI may petition for conditional release or final release once every six months. The Department of Social and Health Services (DSHS) must submit this petition to the court with its recommendation concerning the release. The court must then determine whether the patient may be released conditionally without substantial danger to other persons, or substantial likelihood of committing criminal acts jeopardizing public safety or security. The court may only reject the recommendation of DSHS based on substantial evidence.

Summary: An independent public safety review panel is established to review DSHS's proposals for conditional release, furlough, temporary leaves, or movement around the grounds concerning persons found NGRI. The panel must consist of seven members appointed by the Governor, including a psychiatrist, a psychologist, a representative of the Department of Corrections (DOC), a prosecutor, a law enforcement representative, and a consumer and family advocate representative. The panel must complete an independent assessment and provide a written determination of the public safety risk presented by any conditional release recommended by DSHS, and may provide an alternative recommendation. The panel's recommendation must be submitted to the court with the DSHS assessment.

If DSHS determines that a person committed as NGRI presents an unreasonable safety risk which, based on behavior, clinical history, and facility security is not manageable in a state hospital setting, the secretary may arrange for the placement of the person in any facility operated by DSHS or the DOC, provided that appropriate mental health treatment targeted at mental health rehabilitation is provided to the person and the person is afforded all of his or her procedural rights. Such a person remains under the legal custody of DSHS. DSHS must review the placement of such a person at least once every three months and report to the Legislature once every six months. This provision expires on June 30, 2015.

Any change in the mental health of a person found NGRI who has been conditionally released which may cause the person to become a danger to public safety must be reported to the court. Periodic supervision reports regarding a person found NGRI on conditional release must include information about all arrests, new criminal charges filed, or changes in mental health status.

The court must schedule a revocation hearing for a person found NGRI on conditional release who has been returned to the hospital within 30 days.

For the purpose of a petition for final release from supervision related to a person found NGRI, a person affected by a mental disease or defect in a state of remission is considered to have a mental disease or defect requiring supervision when the disease may, with reasonable medical probability, occasionally become active and, when active, render the person a danger to others.

DSHS may submit a petition for the conditional release or final release of a person found NGRI to superior court when DSHS believes that conditional release or final release is appropriate and the person has not submitted his or her own petition for release. The Attorney General represents DSHS in this hearing.

The Washington State Institute for Public Policy must research validated assessment tools for use in assessing competency to stand trial and level of risk for persons found NGRI who may become eligible for conditional release.

Votes on Final Passage:

Senate	45	0	
House	97	0	(House amended)
			(Senate refused to concur)
House	92	5	(House receded/amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2010

SSB 6611

C 216 L 10

Extending the deadlines for the review and evaluation of comprehensive land use plan and development regulations for three years and addressing the timing for adopting certain subarea plans.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Pridemore, Swecker and Shin; by request of Washington State Department of Commerce and Department of Ecology).

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing
House Committee on Ways & Means

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, the GMA establishes numerous requirements for local governments obligated by mandate or choice to fully plan under the GMA and a reduced number of directives for all other counties and cities. Twenty-nine of Washington's 39 counties, and the cities within those counties, fully plan under the GMA.

Comprehensive plans and development regulations are subject to continuing review and evaluation by the adopting county or city. The review schedule is as follows:

- on or before December 1, 2004, and every seven years thereafter, for Clallam, Clark, Jefferson, King, Kitsap, Pierce, Snohomish, Thurston, and Whatcom counties and the cities within those counties;
- on or before December 1, 2005, and every seven years thereafter, for Cowlitz, Island, Lewis, Mason, San Juan, Skagit, and Skamania counties and the cities within those counties;
- on or before December 1, 2006, and every seven years thereafter, for Benton, Chelan, Douglas, Grant, Kittitas, Spokane, and Yakima counties and the cities within those counties; and
- on or before December 1, 2007, and every seven years thereafter, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities within those counties.

With limited exceptions, planning jurisdictions must review and, if needed, revise their comprehensive plan and development regulations according to this recurring seven-year statutory schedule. Exceptions include a three-year extension for qualifying counties with fewer than 50,000 residents, qualifying cities with fewer than 5,000 residents, and provisions for jurisdictions making substantial progress with certain regulatory requirements. Jurisdictions that do not fully plan under the GMA must, except as otherwise provided, meet review and revision requirements pertaining to critical areas and natural resource lands according to this same schedule.

With some exceptions, only jurisdictions that are in compliance with the review and revision requirements of the GMA according to the review schedule are eligible to receive financial assistance from the Public Works Assistance Account and the Water Quality Account.

Summary: Following the review of comprehensive plans and development regulations that were to be completed by jurisdictions between December 1, 2004, and December 1, 2007, counties and cities must review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of the GMA. The review deadlines are as follows:

- on or before December 1, 2014, and every seven years thereafter, for Clallam, Clark, Jefferson, King, Kitsap, Pierce, Snohomish, Thurston, and Whatcom counties and the cities within those counties;
- on or before December 1, 2015, and every seven years thereafter, for Cowlitz, Island, Lewis, Mason, San Juan, Skagit, and Skamania counties and the cities within those counties;
- on or before December 1, 2016, and every seven years thereafter, for Benton, Chelan, Douglas, Grant, Kittitas, Spokane, and Yakima counties and the cities within those counties; and
- on or before December 1, 2017, and every seven years thereafter, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens,

Wahkiakum, Walla Walla, and Whitman counties and the cities within those counties.

Qualifying counties with fewer than 50,000 residents, and qualifying cities with fewer than 5,000 residents that are obligated to comply with review and revision requirements under these deadlines, and every seven years thereafter, may comply with these deadlines at any time within three-years after the deadline.

Jurisdictions that comply with the review and revision deadlines, demonstrate substantial progress toward compliance with the schedules for development regulations that protect critical areas, or comply with three-year extension provisions, are eligible to receive financial assistance from the Public Works Assistance Account and the Water Quality Account.

Amendments to a comprehensive land use plan and development regulations may be considered more frequently than once a year for the development of an initial subarea plan for economic development located outside the of the 100-year floodplain in a county that has completed a state-funded pilot project that is based on watershed characterization and local habitat assessment.

Additionally, a comprehensive plan amendment for the initial adoption of a subarea plan may occur more frequently than annually if the subarea plan clarifies, supplements, or implements jurisdiction-wide comprehensive plan policies. These subarea plans may only be adopted if the cumulative impacts of the proposed plan are addressed by appropriate environmental review under the SEPA. A related requirement specifying that the initial adoption of a subarea plan may not modify the comprehensive plan policies and designations applicable to the subarea is deleted.

Votes on Final Passage:

Senate	47	0	
House	94	2	(House amended)
Senate	45	0	(Senate concurred)

Effective: June 10, 2010

SSB 6614

C 295 L 10

Clarifying the applicability of business and occupation tax to conservation programs with the Bonneville power administration.

By Senate Committee on Ways & Means (originally sponsored by Senators Pridemore, Zarelli, Morton, Delvin and Marr).

Senate Committee on Ways & Means

Background: The Bonneville Power Administration (BPA) operates two programs that allows utilities to receive credits on their monthly purchases of power from BPA. From 2001 through 2006, the Conservation and Renewable Discount Program funded local weatherization and conservation programs. That program was replaced by the Conservation Rate Credit.

To fund larger conservation projects, BPA used the Conservation Augmentation Program from 2001 through 2006. That program was replaced by the Conservation Acquisition Agreement program. These programs allowed utilities to request specific funding for a project that would reduce a customer's power consumption.

The Department of Revenue has concluded that the credits and payments received by utilities under the above programs are subject to the business and occupation tax.

Summary: Credits or funds provided by the BPA for the purposes of implementing energy conservation programs or demand-side management programs are exempt from the business and occupation tax.

The exemption from the business and occupation tax expires June 30, 2015.

Votes on Final Passage:

Senate	47	0
House	95	2

Effective: June 10, 2010

SB 6627

C 83 L 10

Authorizing Washington pharmacies to fill prescriptions written by advanced registered nurse practitioners in other states or in certain provinces of Canada.

By Senators Marr, Pflug, Keiser, Benton, Franklin, Fairley, Schoesler, Pridemore, Roach and Parlette.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Current law authorizes pharmacists to accept prescriptions from physicians, osteopaths, dentists, podiatrists, and veterinarians licensed in any state or province of Canada that shares a common border with Washington State. Prescriptions written by advanced registered nurse practitioners (ARNP) in these areas cannot be filled by pharmacists. This mostly impacts residents of Clark and Spokane counties who may cross into Oregon or Idaho to seek health care. When they return home and need prescriptions or refills from their own pharmacies, they are denied if the practitioner was an ARNP from another state or a province of Canada.

Summary: Pharmacists are authorized to accept prescriptions written by a licensed ARNP in any province of Canada or state of the United States that shares a common border with the state of Washington.

Votes on Final Passage:

Senate	46	0
House	96	0

Effective: June 10, 2010

SSB 6634
C 84 L 10

Establishing civil penalties for failure to comply with dairy nutrient management recordkeeping requirements.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Ranker, Hatfield, Morton, Haugen, Becker, Shin and Jacobsen).

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

Background: In 1998 when the Dairy Nutrient Management Act was enacted, the list of violations included:

1. discharges of pollutants to waters of the state;
2. failure to register the dairy operation;
3. lack of an approved dairy nutrient management plan by July 1, 2002; and
4. lack of certification that the plan was fully implemented by December 31, 2003.

Authority to impose fines is established for each of these violations. The failure to prepare or implement a plan was subject to $100 per month fine up to a combined total of $5,000. Discharge of pollutants is subject to a maximum fine of $10,000 per day. A civil penalty schedule serves as a guide to determine the amount of the fine when a discharge occurs.

In 2009 the Legislature enacted SSB 5677. The failure to keep necessary records to show applications within acceptable agronomic rates was made a violation of the Dairy Nutrient Management Act. The purpose of this requirement was to better assure ground waters are protected from the potential of being polluted by over-application of nutrients.

After the legislation was enacted, it was determined that if no actual discharge to waters of the state could be shown, that the civil penalty authority for discharges did not apply. Thus, there was no penalty for failure to keep the required nutrient application records.

In 1995 and 1996 legislation was enacted that addressed how fines should be handled for violations that were detected on technical assistance visits conducted by regulatory agencies. Additionally, this legislation, now contained in chapter 43.05 RCW, limited the ability of enumerated state agencies, including the Department of Agriculture (DOA), to impose civil penalties without first issuing a notice of correction if there was minor impact to the environment or damage to property.

Summary: DOA may impose a civil penalty on a dairy producer up to $5,000 for failure to comply with nutrient management record keeping requirements. The aggregate penalty is not to exceed $5,000 in a calendar year.

In determining the amount of the civil penalty, DOA is to take into consideration the following:

1. the gravity and magnitude of the violation;
2. whether the violation is repeated or is continuous;
3. whether the violation was an unavoidable accident, negligence, or intentional;
4. the violator's efforts to correct the violation; and
5. the immediacy and extent to which the violation threatens the public health or safety or harms the environment.

Authority is provided to DOA to establish by rule a graduated civil penalty schedule that includes the factors listed in this section.

Persons may appeal a civil penalty to the Pollution Control Hearings Board.

Votes on Final Passage:

Senate	43	4
House	86	10

Effective: June 10, 2010
June 30, 2019 (Section 3)

SSB 6639
C 224 L 10

Creating alternatives to total confinement for nonviolent offenders with minor children.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Brown, Stevens, Gordon and Shin; by request of Department of Corrections).

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

Background: Under certain circumstances, a court may waive imposition of an offender's sentence within the standard sentencing range and instead order an alternative sentence. Current law provides for a first time offender waiver, a drug offender sentencing alternative, and a special sex offender sentencing alternative.

An offender who is given a sentencing alternative will have a term of community custody under the supervision of the Department of Corrections (DOC). In the event the person violates the provisions of the sentencing alternative, the court may impose further conditions of community custody, impose sanctions, or order the offender to serve a term of confinement within the standard sentence range for the offense.

For offenders who have been sentenced to confinement time, the statute authorizes the final six months of the person's term of confinement to be served in partial confinement. Partial confinement includes work release, home detention, work crew, or a combination of work crew and home detention.

Summary: Sentencing Alternative. A parenting sentencing alternative is created. An offender is eligible for the alternative if:

- the high end of the standard sentence range for the current offense is greater than one year;
- the offender has no current or prior convictions for a sex offense or violent offense;
- the offender is not subject to a deportation detainer;
- the offender signs any release of information waivers required to allow information regarding current or prior child welfare cases to be shared with DOC and the court; and
- the offender has physical custody of his or her minor child or is a legal guardian of a child at the time of the offense.

The court may request DOC to complete a risk assessment report or a chemical dependency screening report prior to sentencing. DOC must contact the Department of Social and Health Services (DSHS) to determine if the agency has any open or prior cases of founded allegation of abuse or neglect involving the offender or if the agency is aware of any tribal child welfare case. If the offender has an open child prevention case or a prior founded allegation of abuse or neglect, DOC will request a report from DSHS to be provided to the court.

If the court determines the offender is eligible for the sentencing alternative and the sentencing alternative is appropriate, the court must waive imposition of the sentence within the standard sentence range and impose a sentence of 12 months of community custody.

DOC may impose conditions of community custody including parenting classes, chemical dependency treatment, and vocational training. DOC must provide the court with a quarterly report of the offender's progress and report to the court if the offender commits any violations of his or her sentence conditions. The court may bring the offender back into court at any time and may modify the conditions of community custody, impose sanctions, or order the offender to serve a term of total confinement within the standard sentence range.

Partial Confinement. If an offender was not sentenced to a parenting sentencing alternative, an offender may still be eligible for release to partial confinement in the parenting program. No more than the final 12 months of an offender's term of confinement may be served in home detention under the parenting program. The offender must generally meet the same criteria as required for the sentencing alternative, except that in lieu of physical or legal custody of the child, the offender must show (1) an ongoing and substantial relationship with his or her minor child that existed prior to the commission of the current offense; or (2) if the parent was the legal guardian of the child at the time of the offense, it is determined that such a placement would be in the best interests of the child.

DOC must inquire with DSHS as to any open child welfare case or prior substantiated referrals of child abuse or neglect involving the offender. DOC is not liable for the acts of an offender participating in the parenting program unless DOC or its employees acted with willful and wanton disregard.

All offenders placed in home detention as part of the parenting program must have an approved residence and living arrangement. The offender must be on electronic home monitoring and is required to participate in programming and treatment as required by the offender's community custody officer. A community custody officer must be assigned to monitor the offender. If the offender has an open child welfare case with DSHS, DOC will collaborate with the assigned social worker.

DOC may return any offender serving partial confinement in the parenting program to total confinement if the offender is not complying with the sentence requirements.

Technical Amendment. A technical amendment is made to clean up inconsistent amendments to the earned release provisions of the Sentencing Reform Act from last session by placing new language adopted in HB 1789 (2009 Session) into RCW 9.94A.729.

Votes on Final Passage:

Senate	46	2	
House	79	19	(House amended)
House	77	21	(House reconsidered)
Senate	45	1	(Senate concurred)

Effective: June 10, 2010

SSB 6647
C 170 L 10

Protecting jobs of members of the civil air patrol while acting in an emergency service operation.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Honeyford, Swecker and Morton).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: The Civil Air Patrol (CAP) serves as the civilian auxiliary of the United States Air Force. The CAP is a volunteer organization which has been chartered by the United States Congress with three missions: aerospace education; cadet programs; and emergency services, which includes search and rescue and disaster relief. The CAP has approximately 57,000 members and performs 90 percent of inland search and rescue missions.

Volunteer firefighters or reserve officers may not be discharged from employment or disciplined because of leave taken related to an emergency call or fire alarm. A volunteer firefighter or reserve officer who has been wrongfully discharged or disciplined may file a complaint with the Department of Labor and Industries (Department). If the Department determines that the employee has been wrongfully discharged or disciplined, the

employer must reinstate the employee or withdraw the disciplinary action.

Summary: CAP members may not be discharged from employment or disciplined because of leave taken related to an emergency service operation. A CAP member who believes that he or she has been wrongfully discharged or disciplined may bring an action alleging the violation with the Director of the Department. The complaint must be filed within 90 days of the violation, the Director must investigate the complaint, and send his or her determination within 90 days of receipt of the complaint. If it is determined that the CAP member has been wrongfully discharged or disciplined, the CAP member must be reinstated and any disciplinary action withdrawn.

An emergency service operation means the following operations of the CAP: search and rescue missions designated by the Air Force Rescue Coordination Center; disaster relief or humanitarian relief when requested by the Federal Emergency Management Agency; United States Air Force support designated by the First Air Force; and counterdrug missions.

Votes on Final Passage:

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

Effective: June 10, 2010

ESSB 6658

C 202 L 10

Modifying community solar project provisions for investment cost recovery incentives.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Rockefeller, Morton and Pridemore).

Senate Committee on Environment, Water & Energy
House Committee on Technology, Energy & Communications

Background: Cost-Recovery Incentive Program for Renewable Energy Systems. In 2005 the Legislature created a cost-recovery incentive program to promote renewable energy systems that produce electricity from solar, wind, or anaerobic digesters. An individual, business, or local government purchasing an eligible system can apply for an incentive payment from the electric utility serving the applicant. The incentive provides at least 15 cents for each kilowatt-hour (kWh) of energy produced, with extra incentives for solar generating systems that use components manufactured in Washington. Payments are capped at $2,000 annually per applicant.

A utility providing incentive payments is allowed a credit against its public utility tax for incentives paid, limited to $100,000 or 1 percent of the utility's taxable power sales, whichever is greater. Incentive payments to participants in a utility-owned community solar project may only account for up to 25 percent of the total allowable credit.

In 2009 the Legislature expanded the program to include, among other things, community solar projects, which are either: (1) a solar energy system owned by local individuals, households, or nonutility businesses that is placed on the property owned by their cooperating local governmental entity; or (2) a utility-owned solar energy system that is voluntarily funded by the utility's ratepayers where, in exchange for their financial support, the utility gives contributors a payment or credit on their utility bill for the value of the electricity produced by the project. Community solar projects are eligible for incentives of 30 cents for each kWh of energy produced. Each applicant in a community solar project is eligible for annual incentives up to $5,000 per year.

During the rulemaking to implement the new community solar provisions, the Department of Revenue concluded that community solar projects established by limited liability companies (LLCs) could not receive more than one incentive payment.

Summary: Capping the Eligibility of Community Solar Projects. Only community solar projects capable of generating up to 75 kilowatts (kW) of electricity may receive cost-recovery incentive payments.

Allowing LLCs, Cooperatives, and Mutual Corporations to Own Community Solar Projects. LLCs, mutual corporations, and cooperatives, which are not electric utilities may own community solar projects. Such projects are called company-owned projects. A company-owned community solar project must be installed on the property of a cooperating local governmental entity that is not an electric or natural gas utility.

Requiring Renewable Energy Cost-Recovery Systems to be Located in Washington. All renewable energy systems participating in the cost recovery incentive program must be located in Washington.

Requiring Owners of Community Solar Projects to Delegate One Owner as a Single Point of Contact. Owners of a community solar project that are not company-owned must appoint one owner as an administrator who is responsible for applying and receiving cost recovery incentive payments on behalf of the other owners. In the case of company-owned community solar projects, the company must apply for the incentive payments on behalf of each member of the company.

Allowing Participants in Company-Owned Community Solar Projects to Receive Incentive Payments. Each member of a company-owned community solar project is eligible for an incentive payment in proportion to each ownership share, up to $5,000 per year.

Requiring Owners of Community Solar Projects to Keep Records. Community solar project administrators and companies receiving incentive payments must keep and preserve, for a period of five years, suitable records as

may be necessary to determine the amount of incentive applied for and received.

Reducing the Public Utility Tax Credit for Incentive Payments. A utility providing cost-recovery incentive payments is allowed a credit against its public utility tax for incentives paid, limited to $100,000 or 0.5 percent of the utility's taxable power sales, whichever is greater.

Limiting Incentive Payments to Company-Owned Community Solar Projects. Incentive payments to participants in a company-owned community solar project may only account for up to 5 percent of the total allowable credit.

Requiring a Report from the Department of Revenue. By December 1, 2014, the Department of Revenue must measure and report various impacts of the cost-recovery program, including any change in number of solar energy manufacturing companies in the state. The report must be submitted to the appropriate committees of the Legislature.

Creating Hold-Harmless Provisions Protecting Utilities. The owners of community solar projects, which are not utility-owned, must hold harmless the utility and its employees for their good faith reliance on the information in a cost recovery application or certification. In addition, the utility and its employees are immune from civil liability for their good faith reliance on the information contained in such documents.

Votes on Final Passage:

Senate	48	0	
House	96	1	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 10, 2010

2SSB 6667
C 165 L 10

Concerning business assistance programs.

By Senate Committee on Ways & Means (originally sponsored by Senators Kauffman and Kastama).

Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means
House Committee on Community & Economic Development & Trade
House Committee on Ways & Means

Background: Washington has a number of programs that provide technical assistance to businesses. Every county in the state has an Associate Development Organization that receives funds through the Department of Commerce (department) to provide business assistance and support for regional economic research and regional planning efforts. The Washington Small Business Development Center (SBDC) provides assistance, training, and support services to small businesses and entrepreneurs at 24 locations. The Washington State Microenterprise Association is a non-profit organization that provides support to Microenterprise Development Organizations.

Summary: Subject to appropriation, the department and the SBDC are to jointly prepare an actionable plan for increased access to capital and technical assistance beginning with the 2011-13 biennium. They may consult with the Washington Microenterprise Association in developing the plan. The required elements of the plan are set out. The plan is to be presented by December 1, 2010, to the Governor and appropriate legislative committees.

Votes on Final Passage:

Senate	45	1	
House	61	36	(House amended)
Senate	44	4	(Senate concurred)

Effective: June 10, 2010

SSB 6673
C 256 L 10

Appointing a task force to study bail practices and procedures.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, McCaslin, Carrell, Kohl-Welles, Gordon, Regala, Roach, Hargrove and Tom).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: There has been discussion in Washington State that current bail practices, procedures, and pretrial release conditions can be improved. There are a variety of sources from which to obtain information and guidance regarding bail, including statute, case law, state and local court rules, and the Constitution.

Under Article I, Section 20 of the Washington State Constitution the right to bail is guaranteed for people charged with noncapital crimes. For capital offenses there is no right to bail. Pretrial release and bail are favored by courts in appropriate circumstances because the accused is presumed innocent and because the state is relieved of the burden of detention. The purpose of bail is to secure the accused's presence in court; bail is neither punishment nor a revenue collection vehicle. *See State v. Banuelos*, 91 Wn. App. 860, 863 (1998); *Landry v. Luscher*, 95 Wn. App. 779, 778 (1999); *United States v. Salerno*, 481 U.S. 739, 746-47 (1987) (overruled on other grounds). Courts have inherent power and the statutory authority to make rules regarding procedure and practice in the courtroom. Courts have ruled that setting bail and releasing individuals from custody is a traditional function of the courts. *State v. Blilie*, 939 P.2d 691, 693, 695 (1997); *Westerman*, 125 Wn.2d at 290-91. The courts have stated that bail schedules and other procedures related to the release of an

accused person are better left to the counties as long as they comport with constitutional due process.

General criminal court rules, which are promulgated by the Supreme Court, and local criminal court rules govern the release of an accused in superior court criminal proceedings. Wash. CrR 3.2, 3.2.1; 3.2. The criminal court rules provide a framework for judicial officers to follow in determining pretrial release and the conditions imposed. The Legislature enacted RCW 10.19.170 in 1996 that states, "Notwithstanding CrR 3.2, a court who releases a defendant arrested or charged with a violent offense as defined in RCW 9.94A.030 on the offender's personal recognizance or personal recognizance with conditions must state on the record why the court did not require the defendant to post bail."

The Sentencing Guidelines Commission, at the request of the Senate Judiciary Committee, conducted a bail practices survey of the 39 counties in Washington State. Thirty of the 39 counties responded. Of those 39 counties, 23 reported that they had a formal or informal bail schedule. Of those 23 counties, seven reported using a bail schedule for superior court felony cases.

Summary: A legislative work group on bail is established. The work group must review all aspects of bail and pretrial release. Non-legislative members must seek reimbursement through their respective agencies or organizations. The work group must report its findings and recommendations to the Washington State Supreme Court, the Governor, and appropriate committees of the Legislature by December 1, 2010. The expiration of the task force falls on December 31, 2010.

Votes on Final Passage:

Senate	47	0	
House	97	1	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010

SSB 6674
C 120 L 10

Regulating indemnification agreements involving motor carrier transportation contracts.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, McCaslin and Hargrove).

Senate Committee on Judiciary
House Committee on Judiciary

Background: Agreements or contracts relating to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, highway, road, railroad, excavation, or other structure, project, development, or improvement attached to real estate, including moving and demolition, that indemnify against liability for damages arising out of bodily injury to persons or damage to property that is: (1) caused by or resulting from the sole negligence of the indemnitee, the indemnitee's agents, or employees is void and unenforceable; or (2) caused by or resulting from concurrent negligence of (a) the indemnitee, or agent thereof, and (b) the indemnitor, or agent thereof, is valid and enforceable only to the extent of the indemnitor's negligence and only if it is specifically and expressly provided in the agreement. Furthermore, in scenario (b), the indemnitor may waive his or her immunity only if it is specifically and expressly provided in the agreement, and the waiver was mutually negotiated by the parties.

Summary: A motor carrier transportation contract that indemnifies against liability for damages arising out of bodily injury to persons or damage to property that is: (1) caused by or resulting from the sole negligence of the indemnitee, the indemnitee's agents, or employees is void and unenforceable; or (2) caused by or resulting from concurrent negligence of (a) the indemnitee, or agent thereof, and (b) the indemnitor, or agent thereof, is valid and enforceable only to the extent of the indemnitor's negligence and only if it is specifically and expressly provided in the agreement. Furthermore, in scenario (b), the indemnitor may waive his or her immunity only if it is specifically and expressly provided in the agreement, and the waiver was mutually negotiated by the parties.

Motor carrier transportation contract is defined as a contract, agreement, or understanding covering: (1) the transportation of property for compensation or hire by the motor carrier; (2) entrance on property by the motor carrier for loading, unloading, or transporting property for compensation or hire; or (3) a service incidental to an activity described in (1) or (2) of this paragraph including, but not limited to, storage of property, moving equipment or trailers, loading or unloading, or monitoring loading or unloading.

Intermodal shipping is exempt from the provisions of the act.

Votes on Final Passage:

Senate	46	0
House	96	0

Effective: June 10, 2010

2SSB 6675
C 13 L 10 E 1

Creating the Washington global health technologies and product development competitiveness program and allowing certain tax credits for program contributions.

By Senate Committee on Ways & Means (originally sponsored by Senators Murray, Pflug, Shin, Kastama, Kohl-Welles and Kilmer).

Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means

House Committee on Finance

Background: Washington's global health care sector is responsible for approximately 50,000 jobs and over $1.7 billion in salaries in the state. It also generates $4.1 billion in business activity. The Legislative Committee on Economic Development and International Relations conducted a hearing in 2009 on the economic impact of the sector. It was suggested at the hearing that there was tremendous growth potential for the sector and that incentives for the sector and for commercialization activities would help the sector expand and create jobs.

Summary: The Washington global health technologies and product development competitiveness program is created, to be administered by a nonprofit organization with a board of directors appointed by the Governor. The board is to contract with the Department of Commerce for management services. The board's duties include soliciting funds from businesses, foundations, and the federal government, and making grants for development of global health technologies and products.

Grant award recipients must conduct their research, development, and production activities within Washington, except for clinical trials that must be carried out in developing countries. The board may provide funding for recruitment and employment of global health researchers at state research institutions upon the recommendation of the state Economic Development Commission.

The Washington global health technologies and product development account (WGHTPD account) is created as a non-appropriated account in the custody of the State Treasurer. The WGHTPD account will be funded with federal and state monies and will be used to support the grants for global health commercialization efforts. For all other funds received, the board will administer a separate account which will be used to support the operations of the grants program.

Grantees must report prescribed information to the board, and the board must use that information to prepare an annual evaluative report to the Legislature and Governor beginning in 2012.

Votes on Final Passage:

Senate	46	1	
First Special Session			
Senate	43	1	
House	89	8	(House amended)
Senate	44	0	(Senate concurred)

Effective: July 13, 2010

2SSB 6679

C 166 L 10

Concerning the small business export finance assistance center.

By Senate Committee on Ways & Means (originally sponsored by Senators Kauffman, Kastama and Shin).

Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means
House Committee on Community & Economic Development & Trade
House Committee on General Government Appropriations

Background: The Small Business Export Finance Assistance Center was created by the Legislature in 1983 as a nonprofit corporation to provide financial and technical assistance to small and medium-sized businesses in exporting their goods and services. For businesses with annual sales of $200 million or less, the center may provide assistance in obtaining loans and guarantees of loans made by financial institutions, and provide export finance and risk mitigation counseling. The center may also provide assistance in obtaining export credit insurance and provide educational and informational resources.

In 2008 the center received one-year funding to provide outreach services to rural manufacturers in conjunction with Washington Manufacturing Services, now known as Washington Impact.

The Washington Economic Development Finance Authority (WEDFA) was created in 1989 to meet the capital needs of small and medium-sized businesses. WEDFA is authorized to provide for the funding of export transactions for small businesses in cooperation with the center.

Summary: The center is authorized to make loans or provide loan guarantees to finance exports or business growth to accommodate increased export sales. Such loans may only be made upon a financial institution's assurance that the financing would not otherwise be available. The center must develop a rural export outreach program in conjunction with Washington Impact and develop export loan or loan guarantee programs in conjunction with WEDFA.

Votes on Final Passage:

Senate	46	0	
House	97	1	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010

SSB 6688
C 207 L 10

Concerning filling vacancies in nonpartisan elective office.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Fairley and Shin).

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: Current law provides that if a partisan county office is vacated, the county legislative body must appoint a qualified person to serve until the successor is elected at the next general election. If the office is vacated after the general election in the year that the position appears on the ballot and before the start of the next term, the successor may take office immediately after the election results are certified.

A number of counties have recently reclassified certain countywide elective offices as nonpartisan. No mechanism presently exists, however, in the State Constitution, or in statutes to fill a vacancy that may occur in a nonpartisan office.

Summary: New requirements are established for filling a vacancy in a nonpartisan county board of commissioners elective office and nonpartisan county council elective office. A nonpartisan executive or nonpartisan chair of the board of commissioners for the county must nominate three candidates to fill a vacancy in a nonpartisan county elective office. The candidate appointed to fill such vacancy must be from the same legislative district, county, or county commissioner or council district as the county elective officer whose office was vacated. A majority of the county legislative authority members must agree upon the appointment of the candidate within 60 days from the date the vacancy occurred. If an agreement has not been reached within the 30-day limit, the Governor must appoint a candidate to fill the vacancy within 30 days, selecting from the provided list of nominees.

If a vacancy occurs in a nonpartisan county board of commissioner elective office or nonpartisan county council elective office after the general election, but before the new term begins, the successor's term will commence once the successor has statutorily qualified. The duration of office will be the term in which the successor was elected.

Votes on Final Passage:

Senate	37	12	
House	56	40	(House amended)
Senate	36	11	(Senate concurred)

Effective: June 10, 2010

SSB 6692
C 167 L 10

Allowing certain counties to participate and enter into ownership agreements for electric generating facilities powered by biomass.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Pridemore, Hargrove, Ranker and Haugen).

Senate Committee on Environment, Water & Energy
House Committee on Technology, Energy & Communications

Background: Biomass Energy Under Initiative 937. Approved by voters in 2006, the Energy Independence 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.

Under the Initiative, biomass energy is an eligible renewable resource if, among other things, it is based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include the following: (1) wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (2) black liquor byproduct from paper production; (3) wood from old growth forests; or (4) municipal solid waste.

County Authority to Construct Electricity Generating Facilities Using Biomass. In 2009 the Legislature authorized any county, with a PUD that generates, transmits, and distributes electricity for sale within the county, to construct and operate a facility to generate electricity from the following types of fuel: (1) biomass classified as a renewable resource under Initiative 937; (2) lignin in spent pulping liquors; or (3) liquors derived from algae and other sources. The county may regulate and control the electricity produced by the facility.

Agreements for the Joint Ownership of Renewable Energy Facilities. Cities, PUDs, and joint operating agencies may enter into agreements with a broad variety of governmental entities; private electric utilities; rural electric cooperatives; and generation and transmission cooperatives to plan, finance, acquire, construct, operate, and maintain electric generating plants powered by an eligible renewable resource under Initiative 937. The agreements must provide that participating public entities have ownership interests equal to the percentage of money or property they supplied for the undertaking, and that they own and control a like percentage of the electrical output.

Summary: Clarifying the Location of County-Owned and Operated Biomass Energy Facilities. A county is eligible to own one biomass facility if the county has a PUD that: (1) owns and operates a combined-cycle, natural gas turbine with a generating capacity of at least 240 MW; or (2) owns and operates a system for the generation, transmission, and distribution of electricity within the county.

A biomass energy facility constructed and operated by an eligible county must be located within that county.

Authorizing the Joint Ownership of County-Owned and Operated Biomass Energy Facilities. A county eligible to own and operate a biomass energy facility may enter into agreements with a broad variety of governmental entities; private electric utilities; rural electric cooperatives; and generation and transmission cooperatives to plan, finance, acquire, construct, operate, and maintain one biomass energy facility. The agreements must provide that participating public entities have ownership interests equal to the percentage of money or property they supplied for the undertaking, and that they own and control a like percentage of the electrical output.

Votes on Final Passage:

Senate	46	0	
House	95	1	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 10, 2010

E2SSB 6696

C 235 L 10

Regarding education reform.

By Senate Committee on Ways & Means (originally sponsored by Senators McAuliffe, King, Gordon, Oemig, Hobbs, Kauffman, McDermott, Roach, Berkey, Murray, Tom, Prentice, Haugen, Fairley, Kline, Rockefeller, Keiser, Marr, Ranker, Regala, Eide, Kilmer, Hargrove, Franklin, Shin and Kohl-Welles; by request of Governor Gregoire).

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

Background: Federal Funds. One component of the federal American Recovery and Reinvestment Act (ARRA) is the Race To The Top (RTTT) Fund, estimated to provide $4 billion for one-time, four-year competitive grants to encourage states to improve student outcomes by implementing strategies in four education reform areas and to reward states that have already made significant progress in these areas:

1. implementing high academic standards and rigorous assessments;
2. improving teacher effectiveness and achieving equity in teacher distribution;
3. improving collection and use of data; and
4. supporting struggling schools.

The federal guidance provided for the federal competitive RTTT grants provides that implementation of the four federally defined school intervention models (turnaround, restart, school closure, and transformation) can strengthen a RTTT application and facilitate the reforms required to be addressed by the RTTT grant. The Governor, Superintendent of Public Instruction (SPI), and Chair of the State Board of Education (SBE) are jointly working on a RTTT grant application and intend to submit the application by the June 1, 2010, deadline. The Governor has requested legislation to address some areas that will be included in the state's RTTT application.

Accountability. In 1993 the Legislature directed the Commission on Student Learning (CSL) to, among other things, adopt criteria to identify successful schools and districts, those in need of assistance, and those in need of state-level intervention. The CSL expired on June 30, 1999, without such a system being created. During the 1999 Legislative Session the Academic Achievement and Accountability Commission (A+ Commission) was created and given the same task. In 2001 the A+ Commission proposed an accountability system to the Legislature, including a voluntary focused assistance program. The legislation did not pass, but funds were, and continue to be, provided in the budget for a voluntary focused assistance and school improvement program. In 2005 the Legislature abolished the A+ Commission and charged the SBE with identifying successful schools and districts, those in need of assistance, and those in need of state-level intervention. In 2008 the SBE adopted an accountability framework that includes using an accountability index that uses multiple indicators to identify schools and districts for recognition, improvement, and additional state support. The 2009 Legislature directed the SBE to continue to refine the framework, including a system targeting schools and districts that have not demonstrated sufficient improvement through the voluntary system.

Public Employment Relations Commission (PERC). PERC offers mediation, fact-finding, and arbitration services; training in collective bargaining; processing of representation and unit clarification cases; and adjudication of unfair labor practice cases at no cost to the approximately 350,000 public employees in Washington who work for the state, cities, counties, ports, school districts, community colleges, universities, and public utilities and have collective bargaining rights under public sector collective bargaining statutes.

Evaluations. *Classroom Teachers, Principals, and Other Staff.* Current law requires each school district to have criteria and procedures to evaluate the district superintendent; principals; other administrators; and other certificated staff, including classroom teachers, but not classified staff. The criteria and procedures for evaluating classroom teachers must include minimum criteria established by the SPI in instructional skill; classroom management; professional preparation and scholarship; effort toward improvement when needed; handling of student discipline and attendance problems; interest in teaching pupils; and knowledge of subject matter. It is the responsibility of the principal to evaluate all certificated staff in the school. The number and duration of the observations for the purpose of evaluation are specified, and can include

a locally bargained short-form evaluation for employees who have received four years of satisfactory evaluations. The employee must receive a written copy of any evaluation results. Principal evaluation must be based on the job description and may address specified criteria.

Provisional Certificated Staff. Except for provisional employees, there must be probable cause and due process provided to an employee whose employment contract is not renewed. A provisional employee is subject to nonrenewal of an employment contract without a finding of probable cause. A provisional employee is a non-supervisory, certificated employee who is either (1) in the first two years of employment by a school district; or (2) in the first year of employment at a school district but has at least two years of employment by another Washington school district.

Assignment of Staff. Assignment of staff must be based on classroom and program needs determined by the school board.

Supplemental Contracts. The Legislature provides funding for teachers and other certificated staff salaries through the state salary allocation schedule, which uses education and years of experience to determine the salary levels. School districts have the authority to establish the actual salaries paid to staff, subject to local collective bargaining, and within limits set by the Legislature. School districts may exceed the limitations by using a locally funded supplemental contract for additional time, responsibilities, or incentives (TRI). TRI supplemental contracts must be for only one year, not cause the state to incur any present or future funding obligation, be covered by collective bargaining, and not be used to pay for basic education services.

Professional Educator Preparation. The Professional Educator Standards Board (PESB) is responsible for the policy and oversight of Washington's system of educator preparation and certification. There are currently two levels of teacher certification: (1) residency, which requires completion of an approved teacher preparation program at an institution of higher education or through an alternative route; and (2) professional, which requires successful completion of an approved professional certification program until September 1, 2011, successful submission of a ProTeach portfolio assessment to the PESB, or successful achievement of a certificate from the National Board for Professional Teaching Standards.

Preservice Assessment. Last session, the Legislature directed the PESB to develop by January 1, 2010, a proposal for a uniform classroom-based means of evaluating teacher effectiveness to be used during preservice. The assessment was to include multiple measures of classroom performance, artifacts, and student work. In April 2009 the PESB joined a multi-state consortium to pilot the Teacher Performance Assessment, a preservice assessment.

Alternative Routes for Certification. The Legislature has created four alternative routes to teacher certification. Since 2001, under the alternative routes, school districts have been able to partner with higher education teacher preparation programs to provide a shortened field-based teacher preparation program with a mentored internship. The educational program for each route varies based on the existing education level of the candidate. Originally, a partnership grant program and conditional scholarship were funded by the Legislature to support the alternative route program; however, the grant program is no longer funded. There are currently ten approved programs, all at private four-year institutions of higher education. In 2008-09, 125 candidates received a teaching certificate through one of the alternative route programs. In 2007 a program called Retooling to Teach Math and Science was created to offer conditional scholarships for currently employed teachers or unemployed elementary teachers to earn a math or science endorsement.

Student Teaching Centers. Legislation enacted in 1991 created networks of student teaching centers through the Educational Service Districts (ESDs) to coordinate student teaching placements in rural communities not served by higher education institutions. Funding for the centers was eliminated in the 2003-05 biennial budget.

Work Force Data. Since 2004, at the direction of the Legislature, the Higher Education Coordinating Board (HECB), the State Board for Community and Technical Colleges, and the Workforce Training and Education Coordinating Board have jointly reported, every two years, an assessment of the number and type of higher education and training credentials required to match employer demand for a skilled and educated work force.

Academic Standards. *Essential Academic Learning Requirements (EALRs).* The SPI has the responsibility to develop and revise the Essential Academic Learning Requirements (EALRs), which are the knowledge and skills that public school students need to know and be able to do. The EALRs in reading, writing, communications, and mathematics were initially adopted in 1995 and revised in 1997. The EALRs for science, social studies, the arts, and health and fitness were initially adopted in 1996 and also revised in 1997. The EALRs for mathematics and science were again revised in 2008. Under current law, if the SPI proposes any modification to the EALRs, then the SPI must, upon request, provide opportunities for the education committees of the Legislature to review the proposed modifications before the modifications are adopted.

Common Core Standards. In May 2009 Governor Gregoire and State Superintendent Dorn signed an agreement joining the governors and the chief state school officers from 48 states to develop a common core of state standards in English-language arts and mathematics for grades K-12. The draft standards were released on March 9, 2010. A validation committee will verify that states have accurately adopted the common core state standards. Once the English-language arts and mathematics standards are developed, there is a plan to develop a common

core of standards in science and potentially additional subject areas.

Parents and Community. Since 1994 each school must annually provide a school performance report to the parents of students in the school and the community served by the school. The report must include information on enrollment, student demographics, student performance, student attendance, graduation and dropout rates, expenditures, and the use and condition of school buildings. The SPI must post each school's report on the SPI website.

Summary: This act addresses school and school district accountability, educator preparation, teacher and principal evaluations, academic standards, and parent and community involvement in schools.

Accountability. In 2010 phase I of the accountability system is voluntary; will use federal funds to target the lowest 5 percent of persistently lowest achieving schools in the state eligible for federal Title I funds; and will use federal intervention models. A required action process will begin in 2011 for those eligible schools that did not volunteer and have not improved student achievement. Phase II will use state funds for a required action process in schools that are not Title I eligible and begin in 2013.

Beginning no later than December 1, 2010, the SPI must use criteria developed by the SPI that conforms with federal criteria to annually identify schools that are the persistently lowest achieving schools. If federal funds are available, beginning in January 2011, the SPI must annually recommend to the SBE the school districts that should be designated as a required action district. A required action district must have at least one identified persistently lowest achieving school, however, a district that voluntarily participated in 2010 cannot be designated for three years following the receipt of the federal grant. A timeline and process is provided for the SPI to provide written notice of the designation to the required action districts and for a district to request reconsideration of the designation. A designated district must notify all parents of students in the identified school of the designation and the required action process that will be followed.

The SPI must contract with an external review team, with expertise in school and district reform, to conduct an academic performance audit of the designated district and the identified school to identify potential reasons for the low performance. The audit must include specified areas of review. The audit findings must be made available to the district staff, community, and the SBE.

A plan must be developed by the school district with school employees, employee unions, parents, students, and community members to address the findings in the audit. The plan must contain specified components, including implementation of one of the four federal intervention models (although a district may not establish a charter school without express legislative authority). The SPI must provide assistance, if the district requests. The district must obtain comment on the proposed plan at a public hearing.

Any collective bargaining agreement with a designated required action district must be able to be changed, if necessary, to implement the required action plan. If the district and employee organizations are unable to agree on the change necessary then the parties must request that the PERC mediate in accordance with a specified timeline. If the mediation is unsuccessful then the executive director of the PERC must certify the disputed issues for a decision by the Superior Court. In accordance with a specified timeline and process, the court must enter an order selecting the required action plan proposal that best responds to the issues raised in the school district's academic performance audit and must allow implementation of one of the four federal intervention models. Each party must bear its own costs and attorney's fees.

Plans must be submitted to the Office of Superintendent of Public Instruction (OSPI) to determine consistency with federal guidelines and to the SBE for approval. If the SBE does not approve a plan, a district must either submit a new Plan or can request reconsideration from a Required Action Review Panel (Panel). The Panel is composed of five individuals appointed by the Speaker of the House, the President of the Senate, and the Governor, but is convened by the SPI only on an as-needed basis. Reconsideration is based on whether the SBE gave appropriate consideration to the unique circumstances of the district, as identified in the performance audit. The Panel can reaffirm the SBE's rejection of the Plan, recommend approval, or recommend changes to secure approval.

Once approved, a plan must be implemented the school year immediately following the district's designation as a required action district, unless federal funds are not available. If a school district has not submitted a final plan for approval or has not received SBE approval by the beginning of the school year in which the plan is to be implemented then the SBE may direct the SPI to redirect the district's federal Title I funds based on the academic performance audit findings.

The district must submit progress reports and the SPI must provide a report twice a year to the SBE on the progress made by all the required action districts. After three years, a school district may be released from required action if the district has made progress, as defined by the SPI, and no longer has a school within the district that is identified as persistently low achieving.

The SBE with the SPI must annually recognize schools for exemplary performance as measured on the SBE accountability index. The State Board of Education must have ongoing collaboration with the Achievement Gap Oversight and Accountability Committee regarding the measures used for and the recognition of schools that are closing the achievement gap.

Both the SPI and the SBE may adopt rules to implement the accountability provisions.

Joint Select Committee. A Joint Select Committee (Committee) is created no earlier than May 1, 2012, with eight legislative members to examine options and models for significant state action, particularly in the case of persistent lack of improvement by a required action district. The Committee must submit an interim report by September 1, 2012, and a final report with recommendations by September 1, 2013. The committee expires June 30, 2014.

Evaluations. Each school district must establish performance criteria and an evaluation process for all staff and establish a four-level rating system for evaluating classroom teachers and principals with revised evaluation criteria. Minimum criteria is specified. The new rating system must describe performance on a continuum that indicates the extent the criteria have been met or exceeded. When student growth data (showing a change in student achievement between two points in time) is available for principals and available and relevant to the teacher and subject matter it must be based on multiple measures if referenced in the evaluation.

Classroom Teachers. The revised evaluation criteria must include: centering instruction on high expectations for student achievement; demonstrating effective teaching practices; recognizing individual student learning needs, and developing strategies to address those needs; providing clear and intentional focus on subject matter content and curriculum; fostering and managing a safe, positive learning environment; using multiple student data elements to modify instruction and improve student learning; communicating and collaborating with parents and the school community; and exhibiting collaborative and collegial practices focused on improving instructional practice and student learning. The locally bargained short-form may also be used for certificated support staff or for teachers who have received one of the top two ratings for four years. The short-form evaluations must be specifically linked to one or more of the evaluation criteria.

Principals. The revised evaluation criteria must include: creating a school culture that promotes the ongoing improvement of learning and teaching for students and staff; demonstrable commitment to closing the achievement gap; providing for school safety; leading the development, implementation, and evaluation of a data-driven plan for increasing student achievement, including the use of multiple student data elements; assisting instructional staff with alignment of curriculum, instruction, and assessment with state and local district learning goals; monitoring, assisting, and evaluating effective instruction and assessment practices; managing both staff and fiscal resources to support student achievement and legal responsibilities; and partnering with the school community to promote student learning.

Pilot and Implementation. The SPI, with stakeholders and experts, must create models for implementing the revised evaluation system criteria, student growth measurement tools, professional development programs, and evaluator training. Beginning in the 2010-11 school year, SPI must select school districts that, among other things, have the agreement of the local associations representing teachers and principals to collaborate with the district, will pilot the new teacher and principal evaluation systems. If funds are provided for beginning teacher support programs, school districts participating in the phase-in of the new evaluation systems receive first priority for funds during the phase-in period. The school districts participating in the pilot must submit student data to OSPI. OSPI must analyze the extent student data is used in the evaluations. The new evaluation systems must be implemented in all school districts beginning in 2013-14.

Reporting. The SPI must provide reports on the status of the new evaluation implementation by July 1, 2011, and July 1, 2012. The 2011 report must include recommendations for whether a single statewide evaluation model should be adopted, whether modified versions should be subject to state approval, what the criteria would be for state approval, and challenges posed by requiring a state approval process.

Provisional Certificated Staff. Provisional status for certificated staff is extended from two years to three, although a district superintendent may remove an employee from provisions status if the employee received one of the top two evaluation ratings during the employee's second year of employment. Process providing the number and duration of the observations during the third year is specified.

Principals hired after the effective date of the act can be transferred to a subordinate position in the district even if they have more than three years of employment as a principal, based on the superintendent's determination that the results of the principal's performance evaluation provide a valid reason for the transfer. No probationary period is required, but support and an attempt at remediation, as defined by the superintendent, are required. A final decision by the board to transfer the principal cannot be appealed. These provisions apply only in school districts with more than 35,000 students.

Assignment of Staff. In addition to classroom and program needs, assignment of staff must be based on a plan to ensure that the policy supports the learning needs of all students and gives specific attention to high-need schools and classrooms.

Supplemental Contracts. TRI contracts are expanded to authorize the inclusion of innovative activities if focused on the achievement gaps, STEM, and arts education. School districts must report the innovative activities to OSPI and OSPI must provide to the Legislature a summary of the innovative activities in supplemental contracts.

Professional Educator Preparation. By September 1, 2010, the PESB must review and revise its educator preparation program approval standards and, beginning September 30, 2010, accept proposals for new programs that

could include community and technical colleges or non-higher education providers. All approved program providers must adhere to the same standards and comply with the same requirements.

Preservice Performance Assessment. Approved teacher preparation programs must administer the PESB's evidence-based assessment of teaching effectiveness to all preservice candidates beginning with the 2011-12 school year. The PESB must establish a date during the 2012-13 school year after which all candidates must successfully pass the assessment. The PESB is authorized to contract with a third-party to administer the assessment. Candidates who are charged a fee for the assessment by the contracted party will pay the contractor directly.

Alternative Routes to Certification. The PESB is directed to transition the alternative route certification program from a separate competitive partnership grant program to a preparation program model that can be expanded to additional approved providers. Various adjustments are made to the laws pertaining to these alternative route programs to reflect the shift in emphasis. All public institutions of higher education with residency certificate programs that are not already offering an alternative route program must submit a proposal to the PESB to offer one or more of the alternative route programs.

Student Teaching Centers. Laws establishing student teaching centers in the ESDs are repealed.

Educator Work Force Data. The ESDs must annually convene school districts and educator preparation programs in their region to review educator work force data, make projections of certificate needs, and identify how preparation program recruitment and enrollment plans reflect that need.

The work force assessment conducted by the HECB is expanded to include any area of regional or subject-matter shortage in teacher preparation. The HECB must also establish service regions for public institutions of higher education that offer preparation programs. If the HECB determines that access to a preparation program within a service region is inadequate, the responsible higher education institution must submit a plan to the HECB for meeting the need.

The Council of Presidents of the four-year public institutions of higher education must convene a working group to implement the plans developed in 2009 by the public colleges of education regarding increasing the number of mathematics and science teachers. A progress report to the Legislature is due by December 31, 2011.

Common Core Standards. The SPI is authorized to adopt a common set of standards based on those developed by a multi-state consortium on a provisional basis by August 2, 2010, but must not implement the standards until the legislative Education committees have an opportunity for review. By January 1, 2011, the SPI must submit a detailed comparison of the provisional standards and the state standards, as well as an estimated timeline and costs to implement the provisional standards.

Parents and Community. Beginning in 2010-11 each school must conduct outreach and seek feedback from a diverse range of parents and community members regarding their experience with the school. Schools must summarize the feedback and include it in the annual school performance report. The SPI must create a working group to develop model feedback tools and strategies that school districts are encouraged to adapt to the unique circumstances of their communities. School districts are encouraged to create spaces in school buildings, if space is available, to provide access to student and family services. The Center for the Improvement of Student Learning must determine measures that can be used to evaluate the level of parental involvement in a school to identify successful models and practices of parent involvement.

Votes on Final Passage:

Senate	41	5	
House	76	22	(House amended)
			(Senate refused to concur)
House	72	25	(House receded/amended)
Senate	46	1	(Senate concurred)

Effective: June 10, 2010

2SSB 6702

C 226 L 10

Providing education programs for juveniles in adult jails.

By Senate Committee on Ways & Means (originally sponsored by Senators Kline, McAuliffe, Gordon, McDermott, Fraser, Shin and Kohl-Welles; by request of Superintendent of Public Instruction).

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

Background: Under current law, provisions are made in statute for educational programs for juveniles confined in state adult prisons, state institutions for juvenile rehabilitation, and county juvenile detention facilities. No specific statutory provision is made for educational programs for juveniles confined in adult jails.

Summary: Educational programs are available for juveniles confined in adult jails. Each school district, within which there exists an adult jail, must provide a program of education for juveniles confined therein. Districts may contract with educational service districts, community and technical colleges, four-year institutions, or other qualified entities to provide all or part of these services. A contract must be negotiated for each school year, or for a longer period if agreed to, that defines the respective duties and authority of each party, as well as the manner in which disputes or grievances are resolved. A district or other

provider must: (1) employ, supervise, and control administrators, teachers, and other necessary personnel; (2) purchase, lease, rent, or provide textbooks, and other educational materials and supplies necessary for the program; (3) conduct programs for inmates under the age of 18 in accordance with program standards; (4) expend funds for the direct and indirect costs of maintaining and operating the program allocated for this exclusive purpose; and (5) provide educational services to juvenile inmates within five days of receiving notification from an adult jail that a juvenile has been incarcerated within the district's boundaries. The district or other provider must develop the curricula, instruction methods, and educational objectives of the program.

School districts that provide an education program may: (1) award appropriate diplomas or certificates; (2) allow students who are under the age of 18 when they commence the program, to continue in the program; and (3) spend only funds appropriated by the Legislature allocated for these programs. Excess tax levy proceeds may not be used to pay for costs incurred in this program.

To support the education program, the adult jail facility and each superintendent or chief administrator of an adult jail facility must: (1) provide access to existing instructional and exercise space that is safe and secure; (2) provide necessary equipment to conduct the education program; (3) maintain a clean and appropriate classroom environment that is consistent with security conditions; (4) provide appropriate supervision of juvenile inmates and education providers while engaged in educational related activities; (5) provide support services and facilities necessary to conduct the education program; (6) provide available medical and mental health records necessary for the educational needs of the juvenile inmate; and (7) notify the district within five school days that an eligible juvenile inmate has been incarcerated in the adult jail facility.

By September 30, 2010, each school district with an adult jail facility within its boundaries must submit an instructional service plan to the Office of the Superintendent of Public Instruction (OSPI).

OSPI must: (1) allocate money appropriated by the Legislature to administer and provide education programs in adult jail facilities; and (2) adopt rules that apply to school districts and educational providers that establish reporting, program compliance, audit, and other accountability requirements.

OSPI rules must not govern requirements regarding security within the jail facility nor the physical facility of the jail. Any excess costs to the jail facilities must be negotiated between OSPI and the jail facility. OSPI must collaborate with representatives of jail facilities in development of rules for implementation of the educational program.

Votes on Final Passage:

Senate	38	8	
House	72	26	(House amended)
Senate	35	12	(Senate concurred)

Effective: June 10, 2010

SSB 6706

C 14 L 10 E 1

Concerning the commercialization of research at state universities.

By Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Murray, Delvin, Kastama, Shin, Marr, Kilmer and Kohl-Welles).

Senate Committee on Economic Development, Trade & Innovation

House Committee on Community & Economic Development & Trade

Background: In 2009 the Legislature directed the Department of Commerce, in E2SSB 6015, to report on how the state can best encourage and support innovation and commercialization in the life sciences and information technology sectors. The department's report recommended, among other things, authorizing universities to create and manage a bridge funding program and provide other resources to support companies created around university-based research.

Summary: State universities are to commercialize research and strengthen university-industry relationships. The state universities are to perform one or more of the following:

- provide collaborative research and tech-transfer opportunities;
- make commercialization processes and resources accessible;
- pair researchers, entrepreneurs, and investors through workshops, events, and websites; and
- provide opportunities for training through direct involvement in research and industry interactions.

State universities are authorized to establish and administer bridge funding programs for start-up companies with federal and private funds.

Votes on Final Passage:

Senate	45	0	
First Special Session			
Senate	44	0	
House	90	2	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 13, 2010

SSB 6712
C 11 L 10 E 1

Extending expiring tax incentives for certain clean alternative fuel vehicles, producers of certain biofuels, and federal aviation regulation part 145 certificated repair stations.

By Senate Committee on Ways & Means (originally sponsored by Senators Hobbs, Shin and Kilmer; by request of Department of Revenue).

Senate Committee on Ways & Means
House Committee on Finance

Background: In 2003 the Legislature reduced the business and occupation (B&O) tax rate from 0.484 percent to 0.275 percent for firms that repair equipment used in interstate or foreign commerce. The exemption was limited to firms classified by the Federal Aviation Administration (FAA) as Federal Aviation Regulation (FAR) part 145 certified repair stations with airframe, instrument ratings, and limited ratings for nondestructive testing, radio, class three accessory, and specialized services. The lower rate was scheduled to end July 1, 2006.

In 2006 the reduced B&O tax rate for FAA certified repair stations was extended to July 1, 2011, and the tax rate was changed from 0.275 percent to 0.2904 percent. In 2008 the lower B&O rate was extended to all repair stations that engage in the repair of equipment used in interstate or foreign commerce.

New passenger cars, light duty trucks, and medium duty passenger vehicles exclusively powered by a clean alternative fuel are exempt from sales and use tax. Clean alternative fuel includes natural gas, propane, hydrogen, or electricity. The exemption expires January 1, 2011.

Buildings, machinery, equipment, and other personal property used primarily for a new or expanded manufacturing facility producing alcohol fuel, wood biomass fuel, biodiesel fuel, or biodiesel feedstock are eligible for a six-year property tax exemption or a six-year leasehold excise tax exemption. Applications must be submitted by December 31, 2009.

Summary: The expiration date for FAR part 145 certified repair stations is extended from July 1, 2011, to July 1, 2024.

The sales and use tax exemption for new passenger cars, light duty trucks, and medium duty passenger vehicles exclusively powered by a clean alternative fuel is extended from January 1, 2011, to July 1, 2015.

The application deadline for the six-year property tax and leasehold excise tax exemptions for new or expanded manufacturing facilities producing alternative fuels is extended from December 31, 2009, to December 31, 2015.

Votes on Final Passage:

Senate	48	0	
First Special Session			
Senate	41	0	
House	94	3	

Effective: July 13, 2010

ESSB 6724
C 168 L 10

Addressing the shared leave program.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Kilmer, Kauffman, Eide, Berkey, Murray, Shin and Keiser).

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs
House Committee on Ways & Means

Background: The Washington State Leave Sharing Program (Program) was enacted by the Legislature in 1989 for state employees. The Program permits state agency, school district, and educational service district employees to donate some of their annual sick leave to fellow employees that may lose their job or go on leave without pay due to certain specified conditions. These conditions include extraordinary illness, injury, or impairment that has caused an employee to exhaust the balance of their sick and annual leave. The illness or injury may be to an employee, a relative, or an employee's household member.

Current law provides that an employee may transfer leave with another employee of the same agency. Additionally, an employee may transfer leave with an employee of another agency if approved by the heads of both agencies. Employees of school districts or educational service districts, however, may only transfer leave between employees within the same employing district.

Summary: A state employee may receive up to 522 days of leave. An employer may grant leave above the 522 day cap in extraordinary circumstances if an employee suffers from severe illness, injury, impairment, or physical or mental conditions. Shared leave received under the uniformed service shared leave pool is not subject to these limitations. The director of personnel is authorized to adopt rules as necessary to implement such changes.

Current statutory provisions limiting leave sharing between employees of a school district or education service district are amended. Employees of a school district or educational service district are authorized to share leave with employees in another agency.

A technical correction is made amending the title.

Votes on Final Passage:

Senate	45	0	
House	98	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: March 23, 2010

ESSB 6726
PARTIAL VETO
C 296 L 10

Making the governor the public employer of language access providers.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Marr, Kohl-Welles, Ranker, Murray, McDermott, Keiser, Prentice, Kauffman, Kline, Kilmer, Fraser and Pridemore).

Senate Committee on Labor, Commerce & Consumer Protection
Senate Committee on Ways & Means
House Committee on Commerce & Labor
House Committee on Ways & Means

Background: Interpreter Services. Federal laws prohibit discrimination based on an individual's race, color, national origin, handicap, religion, or sex by any entity receiving federal financial assistance. Pursuant to these and other laws, the Department of Social and Health Services (DSHS) provides equal access to social service and medical programs for all persons, including persons who have Limited English Proficiency (LEP), are deaf, deaf-blind, or hard of hearing. State law also requires DSHS to ensure that bilingual services are provided to non-English speaking applicants for and recipients of public assistance. In community-service offices, depending on the circumstances, DSHS may be required to employ bilingual personnel or contract with interpreters, local agencies, or other community resources.

DSHS provides spoken-language interpreter services through contracts with brokers who schedule services and link interpreters with clients and service providers. Spoken language interpreters are certified by DSHS with the use of standardized tests. These tests measure language proficiency and interpreting skills and evaluate interpreters who provide oral-interpretation services to social-service programs and in medical settings.

Public Employee Collective Bargaining. Employees of cities, counties, and other political subdivisions of the state bargain their wages and working conditions under the Public Employees' Collective Bargaining Act (PECBA) administered by the Public Employment Relations Commission. Individual providers (home care workers), family child care providers, and adult family home providers also have collective bargaining rights under PECBA.

Under PECBA, the employer and exclusive bargaining representative have a mutual obligation to negotiate in good faith over specified mandatory subjects of bargaining, grievance procedures, and personnel matters, including wages, hours, and working conditions. For uniformed personnel, PECBA recognizes the public policy against strikes as a means of settling labor disputes. To resolve impasses over contract negotiations involving these uniformed personnel, PECBA requires binding arbitration if negotiations for a contract reach impasse and cannot be resolved through mediation.

Summary: Language access providers are defined as independent contractors who provide spoken language interpreter services for DSHS appointments or Medicaid enrollee appointments – whether paid by a broker, language access agency, or DSHS. Owners, managers, or employees of a broker or language access agency are not included in the definition of language access provider.

Language access providers are permitted to collectively bargain with the Governor over: (1) economic compensation, such as the manner and rate of payments; (2) professional development and training; (3) labor-management committees; and (4) grievance procedures. Language access providers are subject to mediation and binding interest arbitration if an impasse occurs in negotiations. The request for funds to implement the initial collective bargaining agreement may not be submitted to the Office of Financial Management before July 1, 2011. The Governor must submit a request to the Legislature for any funds or legislation necessary to implement the compensation and benefit provisions of a collective bargaining agreement covering language access providers. The Legislature must approve or reject the submission of the request for funds as a whole. If the Legislature rejects or fails to act on the submission, the collective bargaining agreement is reopened for the sole purpose of renegotiating the funds necessary to implement the agreement.

If the state does not make payments directly to language access providers, the state must require, through contracts with third parties, that dues be deducted from payments to language access providers. Records showing this deduction must be provided to the state.

Votes on Final Passage:

Senate	29	19	
House	58	40	(House amended)
Senate	29	19	(Senate concurred)

Effective: June 10, 2010

Partial Veto Summary: The Governor vetoed the provision that establishes a working group of language access services.

VETO MESSAGE ON ESSB 6726

April 1, 2010

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 1, Engrossed Substitute Senate Bill 6726 entitled:

"AN ACT Relating to making the governor the public employer of language access providers."

This bill provides for collective bargaining between the Governor and language access providers. Section 1 creates a new workgroup, directed by the Office of Financial Management, charged with developing a plan to improve the efficiency and effectiveness for interpreter service delivery for the Department of Social and Health Services. The Office of Financial Management is to report the findings of the workgroup to the Legislature no later than

September 30, 2010.

Collective bargaining for language access providers working with the Department of Social and Health Services does not require a legislatively mandated workgroup to make recommendations on improvements to the delivery of services. I am directing the Office of Financial Management and the Department of Social and Health Services to conduct an internal review resulting in recommendations to improve administrative efficiency and effectiveness of language access services and, as part of the review, to seek input from the appropriate stakeholders.

For these reasons, I have vetoed Section 1 of Engrossed Substitute Senate Bill 6726.

With the exception of Section 1, Engrossed Substitute Senate Bill 6726 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SSB 6727
C 33 L 10 E 1

Concerning health sciences and services authorities.

By Senate Committee on Ways & Means (originally sponsored by Senators Marr and Brown).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Community & Economic Development & Trade
House Committee on Finance

Background: In 2007 legislation was enacted that enabled a city, town, or county (local government) to establish by ordinance or resolution a Health Sciences and Services Authority (Authority) to promote bioscience-based economic development and advance new therapies and procedures to combat disease and promote public health.

An Authority has all the general powers necessary to carry out its purposes and duties such as make and execute agreements and contracts, establish special funds, hire staff, leverage the Authority's public funds with monies received from other public and private sources, hold funds received by the Authority in trust, and make grants to entities to promote bioscience-based economic development.

A local government that creates an Authority may incur general indebtedness, and issue general obligation bonds, to finance the grants and other programs and retire the indebtedness. The bonds issued by a local government do not constitute an obligation of Washington, either general or special.

The legislative authority of a local jurisdiction that has created an Authority may impose a sales and use tax credited against the state portion of the sales tax from the local jurisdiction. The rate of the tax must not exceed 0.020 percent. The authority to impose an additional sales and use tax expires January 1, 2023.

The authorizing statute allowed one Health Sciences and Services Authority to be created. There is one in Spokane County.

Summary: A Health Science and Services Authority is allowed to borrow money and incur indebtedness if the creating local government authorizes it through ordinance. Monies borrowed by an authority must be secured by funds derived from gifts or grants from any source. The authority must incur no expense or liability that is an obligation of the state or local government and must pay no expense from funds other than funds of the authority.

No more than 10 percent of the tax distribution an authority receives may be used for staff or for contracting with other individuals.

A Health Sciences and Services Authority may conduct an executive session to discuss the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information.

One more local jurisdiction in eastern Washington may create a health science and service authority. The additional authority may not receive funds from a credit against the state portion of the sales tax generated in the local jurisdiction.

Votes on Final Passage:

Senate	46	0	
First Special Session			
Senate	42	0	
House	71	23	(House amended)
Senate	43	1	(Senate concurred)

Effective: July 13, 2010

ESSB 6737
C 12 L 10 E 1

Providing an exemption from property tax for aircraft used to provide air ambulance services.

By Senate Committee on Ways & Means (originally sponsored by Senators Marr, Brown and McCaslin).

Senate Committee on Ways & Means
House Committee on Finance

Background: Under Washington law, aircraft are subject to either the property tax or the aircraft excise tax, depending on the type of aircraft.

General aviation aircraft (all aircraft except those owned by the government or by commercial airlines) must pay the aircraft excise tax, but are exempt from the personal property tax. This tax, an in-lieu of property tax, consists of an annual fee based on the type of aircraft:

- Single engine, fixed wing $ 50
- Small multi-engine, fixed wing $ 65

- Large multi-engine, fixed wing $ 80
- Turboprop multi-engine, fixed wing $100
- Turbojet multi-engine, fixed wing $125
- Helicopters $ 75
- Sailplanes, lighter-than-air, home-built $ 20

Aircraft that are exempt from the aircraft excise tax and operate in an airplane company, which transports people or property for compensation, are subject to personal property tax.

Summary: A property tax exemption and an aircraft excise tax exemption are provided for aircraft owned by a nonprofit exempt from federal income tax under 26 U.S.C Sec. 501(c)(3) that is exclusively used to provide emergency medical transportation services.

Votes on Final Passage:

Senate 45 1

First Special Session

Senate 41 1
House 88 4 (House amended)
Senate 43 1 (Senate concurred)

Effective: July 13, 2010

SB 6745
C 123 L 10

Concerning veterinary technician licenses.

By Senator Sheldon.

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

Background: Veterinary technicians are licensed by the Veterinary Board of Governors (Board) to administer health care to animals. A licensed veterinarian retains professional and personal responsibility when using any services of a veterinary technician.

The Board issues a veterinary technician license to an individual who passes an examination administered by the Board and completes one of the following:

- a Board approved post-high school education program, specializing in the care and treatment of animals; or
- five years of experience with a licensed veterinarian, as acceptable by the Board.

The Board identifies in rule the requirements for meeting the five years of experience.

Summary: The Board may approve the use of an examination that is not administered by the Board to fulfill the veterinary technician examination requirement. An individual must successfully complete the examination before that individual may receive a veterinary technician license.

Persons who seek to qualify for a license by meeting the five year experience requirement option need to have completed their five year experience by July 1, 2015. After that, all licensed veterinary technicians will be required to complete a post-high school education program and an examination which is approved by the Board.

Votes on Final Passage:

Senate 48 0
House 96 0

Effective: June 10, 2010
July 1, 2015 (Section 2)

SSB 6749
C 64 L 10

Concerning the transfer of commercial real estate.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Fraser and Honeyford).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: A seller of residential land must provide a buyer with a disclosure statement about the land unless the buyer waives the right to receive it. The disclosure requirement applies to sales of unimproved residential land and improved residential land.

The disclosure forms are specified in statute. The disclosure for unimproved residential land concerns title, water, sewer/septic systems, electrical/gas, flooding, soil stability, environmental, and homeowners' association/common interests.

The disclosure statement must be provided within five business days, or as otherwise agreed to, after mutual acceptance of a written purchase agreement between a buyer and a seller. Within three business days of receiving the disclosure statement, the buyer has the right to approve and accept the statement or rescind the agreement for purchase. If the seller fails to provide the statement, the buyer may rescind the transaction until the transfer has closed. If the disclosure statement is delivered late, the buyer's right to rescind expires three days after receipt of the statement.

Transfer to a buyer who expressly waives receipt of the disclosure statement is exempt. However, if the answer to any of the questions in the environmental section would be "yes", the buyer may not waive receipt of the environmental section of the seller disclosure statement.

Summary: A seller of commercial real estate must provide a buyer with a disclosure statement about the land unless the buyer waives the right to receive it. The disclosure for commercial real estate concerns title, water, sewer/onsite sewage, structure, systems and fixtures, and environmental.

The disclosure statement must be provided within five business days, or as otherwise agreed to, after mutual acceptance of a written purchase agreement between a buyer

and a seller. Within three business days of receiving the disclosure statement, the buyer has the right to approve and accept the statement or rescind the agreement for purchase. If the seller fails to provide the statement, the buyer may rescind the transaction until the transfer has closed. If the disclosure statement is delivered late, the buyer's right to rescind expires three days after receipt of the statement.

A seller of residential real property must make available to a buyer a statement that the property for sale may be located in close proximity to a farm and that the farm's operation involves customary practices that are protected under the Washington Right to Farm Act.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: June 10, 2010

SSB 6759

C 234 L 10

Regarding development of a plan for a voluntary program of early learning.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Kauffman, Oemig, Prentice and Kline).

Senate Committee on Early Learning & K-12 Education
Senate Committee on Ways & Means
House Committee on Early Learning & Children's Services
House Committee on Education Appropriations

Background: The Department of Early Learning (DEL) was established in 2006 as an executive branch agency. The primary duties of DEL are to implement early learning policy and to coordinate, consolidate, and integrate child care and early learning programs in order to administer programs and funds efficiently. In 2006 the Legislature created a nongovernmental private-public partnership to focus on supporting the government's investments in early learning. This partnership is known as Thrive by Five Washington. In 2007 the Legislature established the Early Learning Advisory Council (ELAC) to advise DEL on statewide early learning needs and to develop a statewide early learning plan.

Under article IX, section 1 of the Washington State Constitution, "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 from a regular and dependable source. Under current Washington law, each school district's kindergarten though twelfth-grade basic educational program must be accessible to all students who are five-years old and less than 21.

The Quality Education Council (QEC) was created in 2009 to recommend and inform the ongoing legislative implementation of a program of basic education and necessary financing. The QEC is composed of eight legislative members, and one representative each from the Office of the Governor, the Office of the Superintendent of Public Instruction (OSPI), the State Board of Education, the Professional Educator Standards Board, and DEL.

Summary: DEL, OSPI, and Thrive by Five's recommendations to the Governor and the QEC's recommendations to the Legislature suggested that a voluntary program of early learning should be included within the overall program of basic education. The Legislature intends to examine these recommendations through the development of a working group to identify and recommend a comprehensive plan.

A technical working group is created beginning April 1, 2010, to develop a comprehensive plan for a voluntary program of early learning. The working group is convened by OSPI and DEL, but must be monitored and overseen by the QEC. The working group has a progress report due to ELAC and the QEC July 1, 2011, and a final report and plan due November 1, 2011.

The plan must examine the opportunities and barriers of at least two options: a program of early learning under the program of basic education and a program of early learning as an entitlement, either statutorily or constitutionally protected. The working group must, at a minimum, include in the plan the following recommendations for each option:

- criteria for eligible children;
- program standards, including, but not limited to, direct services to be provided, number of hours per school year, teacher qualifications, and transportation requirements;
- performance measures;
- criteria for eligible providers, specifying whether or not they may be approved, certified, or licensed by DEL and public, private, nonsectarian, or sectarian organizations;
- governance responsibilities for OSPI and DEL;
- funding necessary to implement a voluntary program of early learning, including, but not limited to, early learning teachers, professional development, facilities, and technical assistance;
- a timeline for implementation; and
- Early Childhood Education and Assistance Program's role in the new program of early learning.

The working group must review early learning programs in Washington State and elsewhere. The membership includes representatives from DEL, OSPI, Thrive by Five, the Attorney General's Office, two members of ELAC, and other stakeholders appointed by ELAC.

ELAC must appoint two members, as well as stakeholders with expertise in early learning, to sit on the technical working group.

The QEC must submit a report to the Legislature by January 1, 2012, with recommendations for a comprehensive plan for a voluntary program of early learning. Before submitting the report, the QEC must seek input from ELAC.

Votes on Final Passage:

Senate	47	0	
House	69	29	(House amended)
			(Senate refused to concur)
House	81	16	(House receded/amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2010

ESB 6764

C 149 L 10

Regarding accrual of interest on judgments founded on tortious conduct.

By Senators Gordon, Pflug, Oemig, McCaslin, Kline and Hargrove.

Senate Committee on Judiciary
House Committee on Judiciary

Background: In all tort and nontort actions, interest must be allowed on all money due upon any judgment or order of any court from the date the judgment is entered by the trial court until full satisfaction. In Washington, judgments founded on the tortious conduct of individuals or other entities, whether acting in their personal or representative capacities, will bear interest from the date of entry of the judgment at two percentage points above the equivalent coupon issue yield of the average bill rate for 26 week treasury bills, as determined at the first bill market auction conducted during the calendar month immediately preceding the date of entry.

A public agency is defined in Washington statute as meaning (a) any state board, commission, committee, department, educational institution, or other state agency which is created by statute, other than courts and the legislature; (b) any county, city, school district, special purpose district, or other municipal corporation or political subdivision of the state of Washington; (c) any sub agency of a public agency which is created by statute, ordinance, or other legislative act, including but not limited to planning commissions, library or park boards, commissions, and agencies; or (d) any policy group whose membership includes representatives of publicly owned utilities.

Summary: Judgments arising from the tortious, or wrongful, conduct of a public agency bear interest from the date of entry of the judgment at 2 percentage points above the equivalent coupon issue yield of the average bill rate for 26 week treasury bills, as determined at the first bill market auction conducted during the calendar month immediately preceding the date of entry.

Judgments other than those founded on written contracts, judgments for unpaid child support that have accrued under a superior court order, and judgments founded on the tortious conduct of a public agency as defined in statute bear interest from the date of entry at 2 percentage points above the prime rate, as published by the Board of Governors of the Federal Reserve System on the first business day of the calendar month immediately preceding the date of entry. This act will apply to judgments entered on or after the effective date and judgments entered before the effective date that are still accruing interest.

Votes on Final Passage:

Senate	29	19	
House	60	37	(House amended)
Senate	39	8	(Senate concurred)

Effective: June 10, 2010

ESSB 6774

C 250 L 10

Concerning transportation benefit districts.

By Senate Committee on Transportation (originally sponsored by Senator Marr).

Senate Committee on Transportation
House Committee on Transportation

Background: A transportation benefit district (TBD) is a quasi-municipal corporation and independent taxing authority that may be established by a county or city for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district. Various revenue options are available to a TBD in order to finance the improvements, most of which are subject to voter approval.

A TBD is governed by the legislative authority of the jurisdiction proposing to create it, or by a governance structure prescribed in an interlocal agreement among multiple jurisdictions. If a TBD includes an area within more than one jurisdiction, the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions. Port districts and transit districts may participate in the establishment of a TBD but may not initiate TBD formation.

Summary: An alternative governance structure is provided for a TBD that includes an area within more than one jurisdiction. A multi-jurisdiction TBD may be governed by the governing body of the metropolitan planning organization (MPO) serving the district, but only if the TBD and MPO boundaries are identical.

Votes on Final Passage:

Senate	49	0	
House	55	43	(House amended)
House	72	25	(House receded)

Effective: June 10, 2010

ESSB 6789

C 1 L 10 E 1

Concerning sales and use tax exemptions for certain equipment and infrastructure contained in data centers.

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Zarelli, Murray, Hewitt, Holmquist and Parlette; by request of Department of Revenue).

Senate Committee on Ways & Means

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 and some services. The state tax rate is 6.5 percent. Local tax rates vary from 0.5 percent to 3.0 percent depending on the location.

Summary: A sales and use tax exemption is provided for eligible server equipment and power infrastructure for eligible computer data centers. The exemption expires on April 1, 2018.

In order to qualify a data center must:

- be located in a rural county;
- have at least 20,000 square feet dedicated to housing servers; and
- have commenced construction between April 1, 2010, and before July 1, 2011.

Commencement of construction means the date that a building permit is issued under the building code for construction of a computer data center. Construction of a data center includes the expansion, renovation, or other improvements made to existing facilities, including leased or rented space.

Eligible server equipment is the original server equipment installed in an eligible data center after April 1, 2010, and replacement server equipment which replaces servers originally exempt under this law and is installed prior to April 1, 2018.

Votes on Final Passage:

First Special Session

Senate	39	4
House	91	2

Effective: April 1, 2010

SB 6804

C 171 L 10

Allowing the department of social and health services to adopt rules establishing standards for the review and certification of treatment facilities under the problem and pathological gambling treatment program.

By Senator Kohl-Welles.

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Health Care & Wellness
House Committee on Human Services

Background: The Problem and Pathological Gambling Program (Program) was established in the Department of Social and Health Services (DSHS) and is administered by the Division of Behavioral Health and Recovery. The Program provides for the prevention and treatment of problem and pathological gambling, and the training of professionals in the identification and treatment of problem and pathological gambling. When the Program was established, DSHS was permitted to contract for any services provided under the program but was not provided with rulemaking authority.

The Department of Health currently recognizes the Registered Counselor designation for Chemical Dependency Practitioners (CDPs) as sufficient to allow them to treat problem gamblers. The majority of CDPs in Washington State hold the Registered Counselor designation. Beginning July 1, 2010, the Registered Counselor credential is abolished.

An agency affiliated counselor is a person who registers as a counselor, who is engaged in counseling, and is employed by a state agency to provide a specific counseling service or services.

Summary: DSHS is permitted to certify and contract with treatment facilities for services provided under the Program and to adopt rules establishing standards for the review and certification of treatment facilities under the Program.

Votes on Final Passage:

Senate	44	0	
House	97	0	(House amended)
House	95	2	(House receded)

Effective: June 10, 2010

SSB 6816

C 124 L 10

Concerning special permitting for certain farm implements.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senator Schoesler).

Senate Committee on Agriculture & Rural Economic Development
House Committee on Transportation

Background: It is unlawful for any vehicle or load to exceed a height of 14 feet above the ground's surface. There is an exception to this requirement for authorized emergency vehicles or repair equipment of a public utility engaged in a reasonably necessary operation.

To move self-propelled farm implements that exceed 16 feet in width but are less than 20 feet wide, a special permit is required. However, the 14-foot height limit applies to these implements. To obtain a special permit to move farm implements, the person must be a farmer, or be engaged in the business of selling, repairing, and/or maintaining farm implements.

Generally, the special permit to move farm implements is restricted to six counties or less. When transporting the farm implement, several safety precautions must be used including oversized load signs, adherence to published curfew or commuter hour restrictions, the use of red flags on implement's corners, the use of warning lights and slow moving vehicle emblems, and the use of escort vehicles. Farmers and farm implement dealers are exempt from escort vehicle operator certification requirements and the use of height measuring devices on escort vehicles.

Summary: The Department of Transportation (department) is directed to review administrative rules that contain the 14-foot height limitation for the agricultural implement special permit. In conducting the review, the department must invite representatives of farmers, farm equipment dealers, the State Patrol's Commercial Vehicle Enforcement Office, and other interested stakeholders to participate. The department is to consider specific areas of the state where there is a need for transporting farm implements over 14 feet in height, and the ability to provide an exception to that limit without causing damage to road overpasses or other overhead obstructions. The department is encouraged to conduct its review in a timely manner so that any rule changes can be implemented expeditiously. The department is to report to the legislative committees with jurisdiction over transportation and agricultural issues by December 1, 2010, the findings and conclusions of its review.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: June 10, 2010

SB 6826

PARTIAL VETO
C 221 L 10

Concerning fees and listings of licensing subagents.

By Senator Swecker.

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, subagents have a contract with a county auditor to perform vehicle licensing functions. Subagents collect a service fee of $10 for changes in a certificate of ownership, with or without registration renewal, or verifications of the records and preparation of an affidavit of lost title. Subagents charge a $4 service fee for renewing a vehicle registration, issuing a transit permit or other vehicle services.

Summary: The vehicle licensing subagent service fee for a certificate of ownership and other related services is increased from $10 to $12. The fee for renewing a registration or other services is increased from $4 to $5.

Votes on Final Passage:

Senate	39	3	
House	88	9	(House amended)
Senate	44	4	(Senate concurred)

Effective: June 10, 2010

Partial Veto Summary: The requirement that the Department of Licensing provide a rotating list of subagents on their website was vetoed.

VETO MESSAGE ON SB 6826

March 25, 2010

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 2 of Senate Bill 6826.

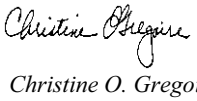
"AN ACT Relating to subagent service fees."

This bill authorizes a fee increase to help independent vehicle licensing subagents keep up with the cost of doing business and requires the Department of Licensing to implement a rotation of public and private vehicle service office listings on the Department's website. For some time now the Department has been working with the Washington Association of Vehicle Subagents to redesign the website listings, so that the lookup function will allow a person to enter his or her zip code and receive a listing of licensing offices in order of proximity to that zip code. The Department has indicated to the Association that they will have this change completed by December 31, 2010. This proximity website feature will better serve the needs of the public and the subagents. Section 2 would not allow implementation of the proximity website feature requested by the subagents and planned by the Department.

For this reason I have vetoed Section 2 of Senate Bill 6826.

With the exception of Section 2, Senate Bill 6826 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6831
C 11 L 10

Concerning estates and trusts.

By Senate Committee on Ways & Means (originally sponsored by Senator Parlette).

Senate Committee on Judiciary
Senate Committee on Ways & Means
House Committee on Judiciary
House Committee on Finance

Background: Many wills and trusts drafted to take advantage of federal tax exemptions for spouses and children use terms and formulas referring to things such as the applicable credit amount, unified credit, federal estate tax, and generation-skipping transfer tax. However, in 2010 there is no federal estate tax, and therefore many of the formulas used in drafting wills and trusts will not function to fund trust or estate plans as intended when the will or trust document was created.

Summary: A will or trust of a decedent who dies after December 31, 2009, but before January 1, 2011, will be deemed to refer to the federal estate and generation-skipping transfer tax laws as they applied with respect to estates of decedents dying on December 31, 2009, if the will or trust:

1. contains a formula referring to the unified credit, estate tax exemption, applicable exemption amount, applicable credit amount, applicable exclusion amount, generation-skipping transfer tax exemption, GST exemption, marital deduction, maximum marital deduction, or unlimited marital deduction;
2. measures a share of an estate or trust based on the amount that can pass free of federal estate taxes or the amount that can pass free of federal generation-skipping transfer taxes; or
3. is otherwise based on a similar provision of federal estate tax or generation-skipping transfer tax law.

The personal representative or any affected beneficiary under a will or trust may bring a proceeding under the trust and estate dispute resolution act to determine whether the decedent intended that the references referred to above be construed with respect to the federal law as it existed after December 31, 2009. Such a proceeding must be commenced within 12 months following the death of the testator or grantor, and not thereafter.

The provisions of the act are retroactive to December 31, 2009.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: March 10, 2010

SSB 6832
C 291 L 10

Concerning child welfare services.

By Senate Committee on Human Services & Corrections (originally sponsored by Senator Hargrove).

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services

Background: In 2009 the Legislature enacted 2SHB 2106, which, among other things, established the Child Welfare Transformation Design Committee (TDC) to select two demonstration sites and develop performance measures and criteria for contracting of child welfare services. The TDC includes representation from the following entities:

- the Office of the Governor;
- the Office of the Attorney General;
- the Children's Administration within the Department of Social and Health Services (DSHS) ;
- the Office of the Family and Children's Ombudsman;
- the Indian Policy Advisory Committee convened by DSHS;
- the Racial Disproportionality Advisory Committee convened by DSHS;
- the bargaining representative for the largest number of Children's Administration's employees;
- nationally recognized experts in performance-based contracting;
- private agencies providing child welfare services in Washington;
- parents with experience in the dependency process;
- Partners for Our Children (POC);
- superior court judges; and
- foster parents.

Since its initial meeting, the TDC has included a former foster youth in its deliberations. Because the representation of foster youth is not listed in statute, however, the foster youth representative has not had formal voting rights in the TDC's decision making. In its most recent and second quarterly report to the Legislative Children's Oversight Committee and the Governor, the TDC recommended the Legislature amend the statute to include a representative of foster youth on the TDC, and that the representative have full voting rights.

DSHS contracts with multiple private providers for the purchase of various child welfare services, including individual and group counseling or therapy; group care and behavioral health services; assessment and treatment for chemical dependence, domestic violence, or mental health needs; reunification services; and adoption services. These contracts are fee-for-service contracts with both nonprofit and for-profit entities. The 2SHB 2106 required DSHS to consolidate and convert existing contracts to

performance-based contracts by January 1, 2011. The TDC has recommended this date be extended to July 1, 2011, to allow sufficient time for DSHS and contracted providers to consolidate and convert contracts.

The date by which the demonstration sites be implemented is July 1, 2012. There was concern expressed by members of the TDC that the date be extended to allow for an orderly transition of existing cases from the DSHS to the supervising agencies.

One of the TDC's advisory committee recommended that in the demonstration sites, the supervising agencies work in the same geographic area as DSHS to allow for better comparison of outcomes.

Most child welfare case management services are currently provided by DSHS only. Federal law requires that states maintain care and placement authority of youth for whom child welfare funding is being received and spent. Implementation of the demonstration sites will require DSHS to contract with supervising agencies for case management services.

Summary: The date by which DSHS must convert all contracts for the purchase of child welfare services to performance-based contracts is extended from January 1, 2011, to July 1, 2011.

The membership of the TDC is expanded to include a representative of foster youth who will be selected by the co-chairs of the TDC. The representative may be a youth currently in foster care or a recent alumnus.

The date by which the demonstration sites are to be fully implemented is extended from June 30, 2012, to December 30, 2012.

DSHS may provide child welfare services in the same two demonstration sites as a supervising agency for the purpose of establishing a control or comparison group to compare the performance of both in achieving measurable outcomes.

The TDC is directed, when selecting the demonstration sites and developing the transition plan for the demonstration sites, to maintain the care and placement authority of DSHS at a level that does not jeopardize federal funding eligibility and that also provides flexibility and will maximize federal funding opportunities.

The primary preference for contracting of case management services, if the demo sites are continued after 2015, is with private nonprofit entities, Indian tribes, and state employees as long as all other elements of the bids are equal.

The authority of Indian tribes to provide their own child welfare programs is expressly recognized.

Votes on Final Passage:

Senate	46	0	
House	95	1	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2010

SB 6833

C 222 L 10

Addressing the management of funds and accounts by the state treasurer.

By Senator Tom; by request of State Treasurer.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The State Treasurer is statutorily charged with the cash management of public funds, which includes two categories of state funds and accounts: (1) funds and accounts located in the state treasury, which are subject to legislative appropriation under the state Constitution; and (2) funds and accounts that are statutorily placed in the custody of the State Treasurer, but not located in the state treasury, and are not typically subject to legislative appropriation. Funds within each of these two categories are comingled for investment and cash management purposes, but the two categories are not comingled. A third category of public funds are local accounts that are located in a state agency and are not required to be under the cash management authority of the State Treasurer.

The costs of the State Treasurer's office are appropriated by the Legislature from the State Treasurer's Service Fund. Revenue to the fund is derived from an allocation from the interest and other investment earnings of the funds. The allocation to the State Treasurer's Service Fund cannot exceed 1 percent of the average daily cash balance in the funds. Each fiscal year, the state omnibus appropriations act typically transfers the excess fund balance in the State Treasurer's Service Fund to the state General Fund.

Summary: Funds and accounts under the custody of the State Treasurer may be comingled for cash management purposes with funds and accounts held in the state treasury. An agency with a local account may place the account under the management authority of the State Treasurer, where it may be comingled with other funds for cash management purposes. The local account will be credited with its proportionate share of investment earnings. A state agency placing a local account with the State Treasurer can establish an allocation rate jointly with the State Treasurer that cannot be less than the actual costs incurred in managing the account.

The State Treasurer is directed to post a monthly financial report on the State Treasurer’s website, including a graph displaying month-end balances for the state General Fund, total funds in the treasury and the Treasurer's Trust Fund, and total funds managed by the State Treasurer.

Every two years, the State Treasurer must report to the Legislature and the Office of Financial Management (OFM) any funds or accounts the State Treasurer believes to be obsolete. By October 31, 2010, the State Treasurer, working with OFM must submit to the Legislature a review of all local accounts and recommend legislation, if

financially advantageous to the state, to place any of the accounts under the management of the State Treasurer.

Votes on Final Passage:

Senate	31	16	
House	55	42	(House amended)
Senate	31	17	(Senate concurred)

Effective: June 10, 2010

SSB 6846

C 19 L 10 E 1

Concerning enhanced 911 emergency communications services.

By Senate Committee on Ways & Means (originally sponsored by Senators Brandland, Regala and Fraser).

Senate Committee on Ways & Means

Background: Emergency 911 communications services allow callers to reach agencies that can dispatch an appropriate type of response. Enhanced 911 (E-911) is a type of service that allows the caller's phone number and location to be automatically displayed at the public safety answering point. In Washington 911 systems are primarily administered by counties and in some cases, cities.

E-911 services are funded by county and state excise taxes. All counties may impose an excise tax on each switched telephone access line. The maximum rate that a county may levy on a switched access line is 50 cents. Counties may also impose an excise tax of up to 50 cents per month on each radio (wireless) access line. In contrast to the counties, the state only levies a 20-cent tax on switched telephone access lines and radio access lines. State E-911 excise taxes fund a state E-911 coordinator and help counties to pay for the extra costs incurred in upgrading from a basic system to an E-911 system.

Summary: On January 1, 2011, counties may impose an E-911 excise tax for each switched access line, radio access line, and interconnected voice over internet protocol (VOIP) service line, in the amount not exceeding 70 cents per month.

On January 1, 2011, the state may impose an E-911 excise tax for each switched access line, radio access line, and interconnected VOIP service line, in the amount not exceeding 25 cents per month.

Counties imposing a county E-911 excise tax must provide an annual update to the E-911 coordinator detailing the proportion of their county E-911 excise tax that is being spent on:

- efforts to modernize their existing 911 system; and
- enhancing E-911 operational costs.

The E-911 coordinator must specify rules, with the assistance of the E-911 advisory committee, defining the purposes for which available state E-911 funding may be expended. In addition, the E-911 coordinator must provide an annual update to the E-911 advisory committee on basic and E-911 operating costs and on how much money each county has spent on efforts to modernize their existing 911 system.

The state and county E-911 excise tax must be paid by the subscriber to the local exchange company providing the switched access line, the radio communications service company providing the radio access line, or the provider of VOIP service line.

Counties imposing an E-911 excise tax must contract with the Department of Revenue for the administration and collection of the tax prior to the effective date of a resolution or ordinance imposing the tax. The department may deduct a percentage amount, as provided by contract, of no more than 2 percent of the E-911 excise taxes collected to cover administration and collection expenses incurred by the department. The remainder of the portion of the county E-911 excise tax must be remitted to the department and deposited into an account in the state treasury.

Votes on Final Passage:

First Special Session

Senate	29	12
House	56	34

Effective: October 1, 2010
January 1, 2011 (Sections 1-3, 5-7, 10-21, and 23)

SB 6855

C 281 L 10

Exempting community centers from property taxation and imposing leasehold excise taxes on such property.

By Senators McDermott and Kohl-Welles.

Senate Committee on Ways & Means
House Committee on Finance

Background: All real and personal property in Washington State is subject to property tax, unless a specific exemption is provided by law. The tax is based on the assessed value of the property. The constitution provides for an exemption on all governmental properties.

The leasehold excise tax is a tax in lieu of the property tax. It applies to interests in publicly owned real or personal property. This typically involves a private lease of public property often when buildings or other improvements have been added. The leasehold interest in the public land or publicly owned structures is subject to the leasehold tax, while the privately owned improvements are subject to the regular property tax. In most instances, the tax is measured by contract rent or the amount paid for use of the public property. The rate of the tax is 12.84 percent. Cities and counties may levy a local leasehold excise tax on leasehold interests in public property within their jurisdictions at a rate up to a maximum of 6 percent, thus reducing the state rate on such property to 6.84 percent.

The tax is collected by public entities that lease property to private lessees and is reported by the lessor to the department on a quarterly basis.

Summary: A property tax exemption is provided for certain community centers. The property tax exemption is in effect for 40 years from the time of acquisition.

The leasehold excise tax applies to the rental of property from a community center that is otherwise exempt from property taxation under this law.

Community centers effected by this legislation are those that include a building or buildings determined to be surplus to the needs of a school district and purchased by a nonprofit organization for the purpose of converting them into community facilities for the delivery of nonresidential coordinated services for community members. The community center may make space available to businesses, individuals, or other parties through the loan or rental of space in or on the property.

Votes on Final Passage:

Senate	39	7
House	83	14

Effective: June 10, 2010

ESB 6870

C 28 L 10 E 1

Containing costs for services to sexually violent predators.

By Senator Hargrove; by request of Department of Social and Health Services.

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

Background: Under the Community Protection Act of 1990, a sexually violent predator may be civilly committed upon the expiration of that person's criminal sentence. A sexually violent predator (SVP) is a person who has been convicted of or charged with a sexually violent offense and who suffers from a mental abnormality or personality disorder that makes the person likely to engage in predatory acts of sexual violence if not confined to a secure facility. Crimes that constitute a sexually violent offense are enumerated in the statute and may include a federal or out-of-state offense if the crime would be a sexually violent offense under the laws of this state. The term predatory is defined to mean acts directed towards strangers or individuals with whom a relationship has been established for the primary purpose of victimization.

When a prosecuting agency has filed a petition against a person alleging that the person is a SVP or when the person has previously been found to be a SVP and is subject to a hearing for conditional release, the person is entitled to be examined by qualified experts or professional persons. If the person is indigent, the court must assist the person in obtaining an expert or professional person to perform an examination.

Once a person is found to be a SVP, the person is entitled to periodic hearings to determine if the person continues to meet the definition of a SVP or if release to a less restrictive alternative is appropriate. A state-endorsed plan for a less restrictive alternative will be a graduated release plan that entails the SVP moving to a Secure Community Transition Facility (SCTF). A SCTF is a facility that provides greater freedom to the SVP and is designed to allow the SVP to gradually transition back to the community while continuing treatment.

A SCTF is required to meet the following minimum staffing requirements:

- for SCTFs opened prior to July 1, 2003, that have six or fewer residents, the facility must maintain one staff per three residents during normal waking hours and one staff per four residents during sleeping hours, but in no case less than two staff per housing unit; and
- for SCTFs opened after July 1, 2003, with six or fewer residents, the facility must maintain one staff per resident during normal waking hours and two staff per three residents during normal sleeping hours, but in no case less than two staff per housing unit.

If a SCTF has six or fewer residents, all staff must be classified as a Residential Rehabilitation Counselor II or have a classification that indicates an equivalent or higher level of skill, experience, and training. All staff must have training in sex offender issues, self-defense, and crisis de-escalation skills and must pass a background check.

Summary: Terminology regarding an examination is changed to an evaluation. If a person is indigent, the Department of Social and Health Services (DSHS) is responsible for the cost of one expert or professional person to conduct an evaluation on the person's behalf. An expert or professional person of the person's choice must be permitted to have reasonable access to the person for purposes of evaluation. The person is not precluded from paying for additional expert services at his or her own expense.

DSHS is responsible for the cost of one expert or professional person to conduct an evaluation on the prosecuting agency's behalf and must adopt rules to contain costs relating to reimbursement for evaluation services.

Votes on Final Passage:

Senate	37	9	
First Special Session			
Senate	34	8	
House	85	9	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 13, 2010

ESSB 6872

PARTIAL VETO

C 34 L 10 E 1

Concerning medicaid nursing facility payments.

By Senate Committee on Ways & Means (originally sponsored by Senator Keiser).

Senate Committee on Ways & Means

Background: Skilled nursing facilities (nursing homes) are licensed by the Department of Social and Health Services (DSHS) and provide 24-hour supervised nursing care, personal

care, therapy, nutrition management, organized activities, social services, laundry services, and room and board to three or more residents. Currently, there are over 200 licensed facilities throughout the state. Medicaid rates for nursing facilities (i.e., payments for providing care and services to eligible, low-income residents) are generally based on a facility's costs, its occupancy level, and the individual care needs of its residents.

The nursing home rate methodology, including formula variables, allowable costs, and accounting/auditing procedures, is specified in statute (RCW 74.46) and is based on calculations for seven different components: direct care, therapy care, support services, operations, variable return, property, and a financing allowance. The rate calculations for these seven components are based on actual facility cost reports and are updated either annually or biennially, depending on the specific component. Additional factors that enter into the rate calculations are resident days (the total of the days in residence for all eligible residents), certain median lids (a percent of the median costs for all facilities in a peer group), and geographical location.

Finally, RCW 74.46.421 imposes a rate ceiling, commonly referred to as the budget dial. The budget dial is a single daily rate amount calculated as the statewide weighted average maximum payment rate for a fiscal year. This amount is specified in the Appropriations Act and DSHS must manage all facility specific rates so the budget dial is not exceeded.

Payments to nursing facilities is one of the largest budget units within the Aging and Disability Services Program. The Fiscal Year 2010 nursing home payments are estimated to total about $476 million from all funds with approximately $179 million from general fund-state resources.

Summary: Several changes are made to the nursing facility rate statute, in which changes can be grouped into two major categories: (1) changes to shorten and update the statutory sections (RCW 74.46) that deal with calculating nursing home Medicaid rates; and (2) changes to the methodology used to calculate nursing facility rates.

Changes to shorten and update RCW 74.46. Specifically, the act would:

- Add one new section specifying 11 broad principles – all consistent with the existing payment system – to guide in the implementation of a payment methodology in rule. It also includes a separate grant of rule-making authority to DSHS.
- Amend various sections – including the sections dealing with rate setting, commonly referred to as Part E. The majority of the Part E sections are retained but amended to reflect subsequent legislative changes and to remove unnecessary material and references. References to the AIDS pilot nursing facility are left in place, retaining the present, unique status of Bailey-Boushay House in Seattle.
- Repeal 52 current sections.
- Leave in place the current budget dial.

Changes to nursing home rate methodology. The nursing facility rate methodology is modified as described below:

- The nursing home payment system administered through the Department of Social and Health Services Aging and Disability Services Administration (ADSA) is restored to seven rate components as it exists under current law.
- The variable return component will be funded at 30 percent of its level under current law and will be repealed on July 1, 2011.
- Minimum occupancy in the operations, property, and finance components will remain at 85 percent for essential community providers and at 90 percent for small nonessential community providers (defined as nonessential providers with 60 or fewer beds) and will be increased to 92 percent for large nonessential community providers (defined as nonessential providers with more than 60 beds).
- ADSA is required to establish a new pay-for-performance supplemental payment structure that provides payment add-ons for high performing facilities. To the extent that funds are appropriated for the purpose, the pay-for-performance structure will include a 1 percent reduction to facilities that have direct care staff turnover above 75 percent and a payment add-on to facilities that maintain direct care staff turnover below 75 percent.
- Facilities are no longer permitted to bank beds (temporarily reducing the number of patient beds for which they are licensed) which, under current statute, reduces the effects of minimum occupancy.
- The cycle for case mix adjustments is changed to every six months instead of every quarter.
- Rebasing is postponed for one year and the cycle for rebasing moves from every odd-year to every even-year.

- Median lids in Direct Care, Support Services, and Operations remain unchanged from current law.

Votes on Final Passage:

First Special Session

Senate	30	14
House	63	34

Effective: July 1, 2010
July 1, 2011 (Section 22)

Partial Veto Summary: The Governor vetoed Section 6 which adjusted the return on investment for all assets to 4.0 percent.

VETO MESSAGE ON ESSB 6872

May 4, 2010

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 6, Engrossed Substitute Senate Bill 6872 entitled:

"AN ACT Relating to medicaid nursing facility payments."

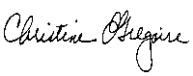
This bill makes several changes to the nursing facility rate statute.

Section 6 of this bill would reduce the financing allowance from 10 percent to 4 percent for assets purchased prior to May 17, 1999 and from 8.5 percent to 4 percent for assets purchased on or after May 17, 1999. These retroactive reductions in return on investments would apply to owners the state previously had urged to upgrade their facilities. Such changes could make additional needed investments unlikely.

For these reasons I have vetoed Section 6 of Engrossed Substitute Senate Bill 6872.

With the exception of Section 6, Engrossed Substitute Senate Bill 6872 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 6884
C 20 L 10 E 1

Concerning the practice of counseling.

By Senate Committee on Ways & Means (originally sponsored by Senators Hargrove and Shin).

Senate Committee on Ways & Means

Background: In 2008 legislation was enacted which required registered counselors to obtain another health profession credential by July 1, 2010, in order to continue to practice counseling. The new law created several new categories of credentialed counselors. One of the new categories of counselor is the agency affiliated counselor. Agency affiliated counselors are registered health professionals who engage in counseling and are employed by an agency. Agency means an agency or facility operated, licensed, or certified by the state of Washington. Applicants for registration as an agency-affiliated counselor must provide documentation of their employment with an agency or an offer of employment.

Certain counseling practices are exempt from this counseling credential requirement: other credentialed professions practicing within their scope of practice, attorneys admitted to practice in Washington, counseling employees of federal agencies, trainees or students under supervision, counselors under the auspices of a religious denomination, and peer counselors and those who train them.

It is unclear which one of the counseling categories, created in the law enacted in 2008, employees of the juvenile courts who counsel families and juveniles are required to be credentialed under. However, they are not specifically exempt from the requirements established in 18.19 RCW.

Summary: Juvenile probation officers and juvenile court employees who provide evidence based programs approved by the juvenile rehabilitation administration are defined as agency affiliated counselors. This means they must meet any requirements as set in rules developed by the Department of Health in collaboration with the county that employs them and the juvenile rehabilitation administration of the Department of Social and Health Services.

Votes on Final Passage:

First Special Session

Senate	40	0
House	82	8

Effective: April 13, 2010

SSB 6889
C 15 L 10 E 1

Concerning the governance and financing of the Washington state convention and trade center.

By Senate Committee on Ways & Means (originally sponsored by Senators McDermott, Kohl-Welles, Kline, Murray, Prentice, Keiser, McAuliffe, Kauffman and Hewitt).

Senate Committee on Ways & Means

Background: The Washington State Convention and Trade Center (Center) is a public nonprofit corporation created by the Legislature in 1982. The Center is governed by a nine-member board of directors appointed by the Governor. Initial construction of the Center facility was completed in 1988 and financed through state-issued general obligation bonds, which are projected to be retired by Fiscal Year 2020. Expansion of the Center, authorized by the Legislature in the 1995-97 biennium, was completed in Fiscal Year 2002 and financed through the use of Certificates of Participation, which are expected to be paid off by Fiscal Year 2029.

The Center receives revenue from three sources: operations of the convention and trade center; receipts from

the transient rental tax, also known as hotel/motel tax; and a credit against the state retail sales tax for hotel/motel stays.

The transient rental tax applies to hotels and motels with at least 60 rooms in King County; the rate is 7 percent in Seattle and 2.8 percent in King County, outside of Seattle. Proceeds are distributed to the Center Capital (85.7 percent) and Operations (14.3 percent) Accounts. The City of Seattle imposes a 2 percent tax (local convention center tax) to the same charges for accommodations as the hotel/motel tax. The 2 percent tax is credited against the state retail sales tax, so that it does not increase the cost of room rentals to customers. All of the revenues are deposited in the State Convention and Trade Center Account and are dedicated to costs of expanding the convention center. Thus, the effect of this tax is to shift funds from the state General Fund to the State Convention and Trade Center Account within the State Treasury.

Public facilities districts (PFD) are municipal corporations and independent taxing districts. A PFD may be created by resolution of the county legislative authority and their boundaries are coextensive with those of the county. PFDs are authorized to acquire, build, own, and operate sports facilities, entertainment facilities, or convention facilities or any combination of such facilities, and for districts formed after January 1, 2000, recreational facilities other than ski areas together with contiguous parking facilities.

Summary: An additional PFD in King County may be created for the purpose of acquiring and operating the convention and trade center transferred from the public nonprofit corporation that operates the Center.

The new PFD is governed by a nine-member board of directors. Three members are appointed by the Governor, three by King County, and three by the City of Seattle. At least one of the Governor's appointments and one of the county appointments must be a representative of the lodging industry. One of the city's appointments must be a representative of organized labor. The initial board of the PFD is made up of the nine-member board of the Center. The Governor must designate which of the initial board members must serve two-year terms and which must serve four-year terms. Four of the initial nine board members must serve two-year terms of office.

A PFD created for the purpose of acquiring and operating the Center may contract with the Seattle-King County Convention and Visitors' Bureau to market the convention center. King County may acquire property by condemnation for the purposes of the new PFD.

The Center will be transferred to the new PFD when provisions are made for all of the debt and certificate of participation obligations of the state on the convention center to be redeemed, prepaid, or defeased; for the balance in the State Convention and Trade Center Operations Account, the State Convention and Trade Center Account, and other accounts related to the convention center are transferred to the new PFD; for the imposition of lodging taxes by the new PFD; for transfer of the assets and liabilities of the public nonprofit corporation to the new PFD; for the execution of a settlement agreement of the court case related to the convention center funds; for payment of fees, costs, and expenses related to the transfer; and for payment of an amount to the state equal to the value of the 2 percent sales tax credit for Fiscal Year 2011.

The new PFD is authorized to impose lodging taxes on hotels, motels, and similar facilities with at least 60 units. The rate is 7 percent in Seattle and 2.8 percent in the rest of King County. In addition, the new PFD may impose a 2 percent lodging tax in Seattle that credits against the state sales tax rate.

Starting in the first full fiscal year after the Center is transferred to the new PFD, annual payments will be made to the state in an amount equal to the amount of the state tax credit plus an interest charge equal to the average annual return for the prior calendar year for Washington State Local Government Investment Pool. The 2 percent tax may be imposed only for paying the debt of the PFD and making the annual payment to the state. The 2 percent tax ends on the earlier of July 1, 2029, or the date the debt was issued to redeem, prepay, or defease the state's obligations related to the Center. If the new PFD is not able to make the annual payment due to insufficient tax revenue to pay debt, then any deficiency will be considered a loan from the state, and principal and interest must be paid on the loan. The interest on the loan must be equal to the 20 bond general obligation bond buyer index plus 1 percentage point. The length of the loan is not specified.

The new PFD is authorized to designate a qualified person other than the county treasurer to serve as its treasurer. This may include a fiscal agent, paying agent, or trustee for obligations issued or incurred by the district.

The securities of the new PFD are eligible investments for the state and other public entities.

The new PFD is eligible to participate in the State Treasurer's Local Option Capital Asset Lending program (local government pooled financing program).

Votes on Final Passage:

First Special Session

Senate	39	1	
House	91	6	(House amended)
Senate	39	2	(Senate concurred)

Effective: July 13, 2010

SJM 8025

Requesting that a retired space shuttle orbiter be transferred to Washington's museum of flight.

By Senators Prentice, Haugen, Fraser, Shin and Roach; by request of Governor Gregoire.

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Community & Economic Development & Trade

Background: The National Aeronautics and Space Administration (NASA) space shuttle orbiters are the first spacecraft capable of routinely launching into orbit like rockets and then returning to Earth as gliders. The orbiters are used for scientific research and space applications, such as deploying and repairing satellites. The first operational flight began in 1982. The Space Shuttle Program, part of the Space Transportation System, is scheduled to be retired from service in 2010 after 134 launches.

Typical space shuttle missions have crews of about seven astronauts, orbit at altitudes of around 150 to 250 miles, and stay in space for ten days to two weeks.

Six space shuttle orbiters have been built.

NASA's current plans call for the space shuttle to be retired from service in 2010. The shuttle Discovery has been promised to the Smithsonian Institutions's National Air and Space Museum, and the Atlantis and the Endeavour are planned to be sold to other education institutions or museums.

The Museum of Flight (Museum) is an independent, accredited, non-profit museum regarded as one of the largest air and space museums in the world, attracting more than 400,000 visitors annually. The Museum is located at Boeing Field. In addition to the Red Barn, Boeing's first manufacturing facility, the Museum's collection includes more than 150 historically significant air and spacecraft.

Summary: The Senate Joint Memorial requests that NASA transfer one of the remaining space shuttle orbiters, Atlantis or Endeavour, to the Museum of Flight in Seattle upon its retirement.

Votes on Final Passage:

Senate	46	0
House	96	2

SJM 8026

Requesting the Interstate Commission for Adult Offender Supervision immediately initiate its emergency rule-making process.

By Senators Regala, Hargrove, Brandland, Kohl-Welles, Stevens, Shin, Carrell, Hatfield, Jacobsen, Ranker, Oemig, Eide, Marr, McDermott, Haugen, Hobbs, Kilmer, Kline, Berkey, Kauffman, Prentice, Tom, Gordon, Fraser, McAuliffe, Franklin and Keiser.

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

Background: An interstate compact is an agreement between two or more states of the United States of America. The U.S. Constitution provides that "no state shall enter into an agreement or compact with another state" without the consent of Congress. Congress has enacted the Crime Control Act, 4 U.S.C. Section 112 (1965), which authorizes and encourages compacts for cooperative efforts and mutual assistance in the prevention of crime.

The Interstate Compact for the Supervision of Parolees and Probationers was originally drafted in 1937 and eventually adopted by all 50 states, including Washington. The compact has since been substantially redrafted into its current form, the Interstate Compact for Adult Offender Supervision. Washington adopted the new compact in 2005. By adopting the compact, the compact becomes the sole statutory authority for regulating the transfer of adult parole and probation supervision across state boundaries and has the force and effect of federal law. Any statute that is inconsistent with the compact is of no force and effect.

When a state approves the transfer of an offender, the receiving state must take the offender if the offender: (1) has a valid plan of supervision that he or she is in compliance with; (2) is a resident of the receiving state or has resident family in the receiving state who are willing to assist the offender; and (3) can obtain viable employment. The sending state must send the receiving state information sufficient for the receiving state to complete an investigation and ensure that the requirements for transfer are met.

Once the offender is transferred, the receiving state has an obligation to supervise the offender in the same manner as a similarly situated offender convicted in the receiving state.

A sending state may retake an offender at any time except when criminal charges are pending in the receiving state. If criminal charges are pending, the offender may not be retaken without the consent of the receiving state, and until the criminal charges are dismissed, the sentence has been satisfied, or the offender has been released to supervision. The sending state is required to retake an offender under two circumstances:

1. upon the request of the receiving state, when the offender is convicted of a new felony and has completed any term of incarceration for that offense; or
2. upon request of the receiving state and a showing that the offender has committed three or more significant violations arising from separate incidents that establish a pattern of non-compliance of the conditions of supervision.

All states participating in the Interstate Compact are represented in the Interstate Commission for Adult Offender Supervision (ICAOS) and have an equal vote in its governance. The Commission receives no federal funding and is financed through the payment of dues by each state. ICAOS conducts a two-year process for making updates to its rules. The next rule-making process is scheduled for 2011; however, ICAOS may adopt emergency rules in the interim.

Summary: The Legislature requests that ICAOS immediately initiate its emergency rule-making process to consider and adopt rule amendments that will:

- provide the receiving state with all information known to the sending state about the criminal history and behavior of an offender whose transfer is sought; and
- vest the receiving state with the authority to determine when the receiving state can no longer safely supervise an offender and the offender must be returned to the sending state.

In the alternative, the Legislature requests that these issues be addressed through federal legislation.

Votes on Final Passage:

Senate	47	0
House	96	0

SJR 8225

Resolving to define "interest" in the state Constitution.

By Senators Fraser, Brandland and Prentice; by request of State Treasurer.

Senate Committee on Ways & Means
House Committee on Capital Budget

Background: The state Constitution limits the state's general obligation debt. The State Treasurer must not issue bonds subject to the debt limit if the annual payment for principle and interest, along with such payments for existing debt-limit bonds, would exceed 9 percent of the average annual general revenue for the preceding three fiscal years.

The federal government subsidizes eligible state and local government borrowing by exempting the interest payments to bond holders from federal income tax. These are called tax-exempt bonds. To ease credit markets for state and local government, Congress enacted a new form of federal subsidy called Build America Bonds (BABs) as part of the American Recovery and Reinvestment Act of 2009. This subsidy is a direct payment to state and local governments equal to 35 percent of the interest payments on taxable bonds issued for projects that would be eligible for tax-exempt purposes. The 35 percent direct subsidy would result in a net interest rate that would equal the tax-exempt interest rate an investor would accept if that investor had a marginal tax rate of 35 percent. However, the pool of investors for taxable bonds is considerably larger than the pool of investors for tax-exempt bonds. The larger number of investors increases competition and results in a net interest rate for BABs that is 0.50 percent to 0.75 percent lower than the tax-exempt rate.

BABs provisions are scheduled to expire at the end of 2010. However, proposals to extend the program or make it permanent are under consideration by Congress.

The constitutional debt-limit definition of interest payments does not account for federal subsidies.

Summary: The definition of interest payments for calculating the state debt limit is changed to subtract direct federal subsidies.

Votes on Final Passage:

Senate	48	0

First Special Session

Senate	44	0
House	69	27

Effective: Contingent on voter approval.

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 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.

Session Summary: In 2010, the legislature added a new, alternative process for awarding contracts for the University of Washington. The process terminates on June 30, 2015, with sunset review due by December 2014. The legislation establishing the process is repealed on June 30, 2016.

Programs Added to Sunset Review

Alternative Process for Awarding Contracts for the University of Washington

SSB 6355; Sections 11 – 13 (C 245 L 10)

This Page Intentionally Left Blank

Section II: Budget Information

61st Washington State Legislature

This Page Intentionally Left Blank

2010 Supplemental Budget Overview
Operating, Transportation, and Capital Budgets

Washington State biennial budgets authorized by the Legislature in the 2010 session total $74.8 billion. The omnibus operating budget accounts for $60.6 billion. The transportation budget and the omnibus capital budget account for $8.7 billion and $5.6 billion, respectively.

Separate overviews are included for each of the budgets. The overview for the omnibus operating budget can be found on page 290, the overview for the transportation budget is on page 336, and the overview for the omnibus capital budget is on page 343.

2010 Supplemental Omnibus Budget Overview
Operating Only

In the 2009 legislative session, the Legislature and the Governor addressed a projected Near General Fund-State budget problem of approximately $9 billion over the three-year period between fiscal years 2009 and 2011. To solve this $9 billion budget problem, the 2009-11 enacted budget made program and compensation reductions totaling approximately $3.8 billion, used federal stimulus and capital budget resources, and utilized a variety of other funds to balance the operating budget.

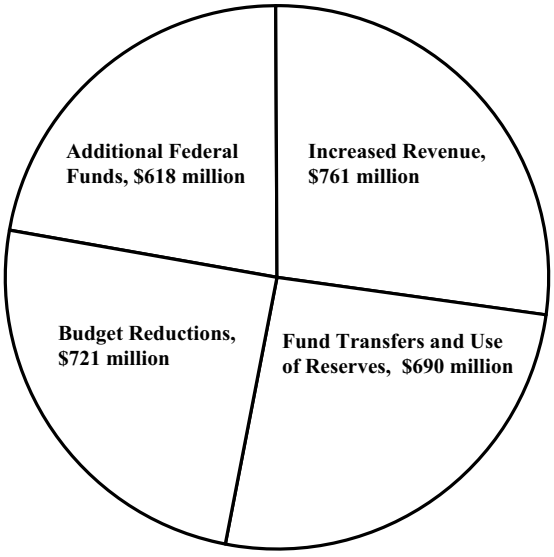
Since the spring of 2009, revenue performance worsened and, in subsequent forecasts, the Economic and Revenue Forecast Council lowered their General Fund-State revenue projections for the 2009-11 biennium by approximately $1.8 billion (including the impacts of revenue-related litigation). Caseload and other mandatory costs also increased by $660 million. Those increases were primarily in state funded health care programs, such as Medicaid, and in K-12 education. Finally, litigation impacts, the cost of policy initiatives proposed during the 2010 session, and other cost pressures, resulted in $369 million of additional costs.

Altogether, this represented an additional $2.8 billion shortfall compared to the budget enacted one year ago.

How the Legislature Addressed the $2.8 Billion Budget Problem

In Chapter 3, Laws of 2010 (ESHB 2921), Chapter 37, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6444), and other fiscal related legislation passed in the 2010 session, the Legislature dealt with this shortfall. As depicted below, the steps taken by the Legislature to address this $2.8 billion budget gap involved four main components.

The 2010 Supplemental Budget Solution
Near General Fund-State
Before Veto Actions
(Dollars in Millions)



Total Budget Solution = $2.8 Billion

The amounts depicted do not include the $102 million fund shift from the general fund or $113 million in expenditures shifted out of the general fund associated with the Opportunity Pathways Account pursuant to Chapter 27, Laws of 2010, 1st sp.s., Partial Veto (E2SSB 6409).

Budget Reductions – $721 million

In February of 2010, the Legislature enacted Chapter 3, Laws of 2010 (ESHB 2921), which reduced Near General Fund-State spending by approximately $45 million. That legislation also imposed restrictions on state agencies related to hiring, travel, personal services contracts, and equipment.

The subsequent 2010 supplemental operating budget made additional near general fund spending reductions of approximately $676 million. Reductions were made in virtually every area and agency of state government. Some of the major reductions included: (1) the elimination of the remaining $79 million in Initiative 728 per student allocations to school districts; (2) $73 million from reducing funding to institutions of higher education; (3) $67 million in savings from legislation imposing an additional assessment on hospitals and leveraging federal match; (4) $46 million from correctional facility capacity reductions (partially financed through a newly-created account); (5) $39 million reduction to all areas of state government based on legislation requiring temporary layoffs; (6) $30 million from reducing the grade 4 class size enhancement; (7) $30 million from information technology savings; (8) $28 million in reforming the Security Lifeline programs (formerly GA-U); and (9) $15 million in savings by eliminating the learning improvement day for teachers.

Additional Federal Funds – $618 Million

Under the current law provisions of the federal American Recovery and Reinvestment Act (ARRA), the enhancement to the Federal Medical Assistance Percentage (FMAP), which is the share of Medicaid costs that are paid by the federal government, is set to end in December 2010. The 2010 supplemental operating budget assumes that the ARRA provisions related to increased federal support will be extended by six months (from January 1, 2011, to June 30, 2011). The proposed six-month extension has been in various pieces of proposed federal legislation and is included in President Obama's pending budget request. If enacted by Congress, this extension would allow $480 million in federal funds to substitute for state support.

In February of 2010, the federal government announced it was revising an interpretation of how certain provisions of ARRA were being applied to selected Medicaid expenditures (the Medicare Part D Clawback). This allowed $87 million in federal funds to take the place of state support. The 2010 supplemental operating budget also directly offset $39 million in the Security Lifeline (formerly GA-U) and Basic Health programs based on receiving a waiver allowing a portion of those state costs to be supported with federal funds.

Including the budgeted increases in two other smaller sources of federal aid, the 2010 supplemental operating budget assumes that approximately $618 million in additional federal resources will help address the shortfall.

Fund Transfers & Use of Reserves – $690 Million

As it passed the Legislature, the 2010 supplemental operating budget made $461 million in additional transfers from various funds to increase near general fund resources. Some of the largest transfers included: $141 million from the Public Works Assistance Account; $101 million from the Education Savings Account; $21 million from the Job Development Account; $18 million from the Education Construction Account; $16 million from the Life Sciences Discovery Account; $16 million from the State and Local Toxics Control accounts; $15 million from the Performance Audits of Government Account; $15 million from the Public Service Revolving Account; $12 million from the State Treasurer's Service Account; $10 million from the Savings Incentive Account; and $10 million from the Insurance Commissioners Regulatory Account. The Governor vetoed the Life Sciences Discovery Account and the Insurance Commissioners Regulatory Account fund transfers. See section below.

The budget also transferred $25 million from two lottery related accounts to the Education Legacy Trust Account.

The 2010 supplemental operating budget transferred a total of $229 million from the Budget Stabilization Account (sometimes called the "Rainy Day Fund") to the state general fund. After these transfers, there will be no ending fund balance in the Rainy Day Fund.

Including the impact of vetoes, the projected Near General Fund-State ending balance for 2009-11 is $456 million – $33 million less than was assumed in the budget enacted a year earlier.

Increased Revenue – $761 Million

In the 2010 session, the Legislature took a multi-pronged approach to raising additional revenue. One component was narrowing tax preferences. Another aspect of the package is related to clarifying provisions related to "economic nexus," or the grounds for taxing out-of-state businesses with substantial activities in Washington. Finally, there are several tax rate increases, including: (1) the permanent removal of the sales tax exemption for candy; (2) the temporary removal of the sales tax exemption for bottled water; (3) a temporary increase for the tax on both carbonated beverages and beer; (4) a temporary 0.3 percent increase to the businesses and occupation tax on service businesses; and (5) increasing the tax on cigarettes and other tobacco products. Through these actions, the Legislature anticipates $774 million in additional revenue (in addition to $15 million from additional lottery revenues and $10 million from the Washington State Convention and Trade Center Account). This was partially offset by the passage of legislation that decreased revenues by approximately $3 million.

The combined effect was an estimated net increase of $761 million in near general fund revenues.

Governor's Operating Budget Vetoes

The Governor vetoed approximately 60 sections of the operating budget passed by the Legislature. The net effect of her vetoes reduced near general fund reserves by approximately $27 million. Operating budget vetoes include: (1) $16 million transfer from Life Sciences Discovery Account to the state general fund; (2) $10 million transfer from the Insurance Commissioners Regulatory Account to the state general fund; (3) $10 million in compensation savings targeted at Washington Management Service and exempt management positions; (4) provisions that would have exempted restaurants from the liquor markup imposed based on the original 2009-11 budget and related $5.5 million fund transfer from the state general fund; and (5) $2.6 million appropriated for a pilot program operating in two locations and targeted at low-income adults awaiting coverage from the Basic Health Plan.

2009-11 Estimated Revenues and Expenditures

Near General Fund

(Dollars in Millions)

RESOURCES	
Beginning Fund Balance	**310**
Revenue	
November Revenue Forecast	29,224
February Forecast Change	14
Transfer to Budget Stabilization Account	-252
Dot Foods, Inc. v. Department of Revenue	-154
Legislation Increasing Revenue	774
Legislation Decreasing Revenue	-13
Total Revenue	**29,593**
Other Resource Changes	
Transfer of Related Fund Balances	89
Enacted Fund Transfers & Other Adjustments	831
Original 2009-11 Budget - Use Budget Stabilization Account	45
2010 - Use Budget Stabilization Account	229
2010 Transfers to Near General Fund	461
2010 Transfers from Near General Fund	-108
Budget Driven Revenue	-1
Governor's Fund Transfer Vetoes	-21
Total Other Resource Changes	**1,527**
Total Revenues and Resources	**31,430**
EXPENDITURES	
Spending	
Enacted Budget	31,389
2010 Maintenance Level Changes	660
2010 ESHB 2921 - Early Action Savings	-45
2010 Net Policy Level Change	-1,039
2010 Governor's Vetoes	7
Total Spending	**30,971**
RESERVES	
Unrestricted Ending Fund Balance	459
Budget Stabilization Account Balance	0
Total Reserves	**459**

2010 Supplemental Washington State Omnibus Operating Budget
Cash Transfers to/from General Fund-State
(Dollars in Millions)

Fund Transfers to General Fund-State	Total
Public Works Assistance Account	141.2
Education Savings Account	100.8
Job Development Account	20.9
Education Construction Account	17.9
Performance Audits of Government Account	15.0
Public Service Revolving Account	15.0
Local Toxics Control Account	12.8
State Treasurer's Service Account	12.0
Savings Incentive Account	10.1
Washington State Convention & Trade Center Account	10.0
Washington Distinguished Professorship Trust Fund	6.0
Data Processing Revolving Account	5.8
Technology Pool Account	5.6
Future Teacher Conditional Scholarship Account	4.3
Institutional Welfare/Betterment Account	4.0
Financial Services Regulation Account	4.0
College Faculty Awards Trust Account	4.0
Aquatic Lands Enhancement Account	3.5
State Toxics Control Account	3.4
Waste Reduction, Recycling, and Litter Control Account	2.0
Washington Graduate Fellowship Trust Account	2.0
GET Ready for Math and Science Scholarship Account	1.8
Streamline Sales Tax Mitigation Account	1.6
Judicial Information Systems Account	1.5
Criminal Justice Access Fees from Transportation	1.3
Energy Freedom Account	1.1
Department of Retirement Systems Expense Account	1.0
Fair Account	1.1
Fingerprint Identification Account	0.8
Water Quality Capital Account Residual Balance	0.3
Life Sciences Discovery Account ($16.2 million transfer vetoed by the Governor)	0.0
Insurance Commissioner's Regulatory Account ($10 million transfer vetoed by the Governor)	0.0
Total	**410.6**
Budget Stabilization Account	**229.0**
Fund Transfers to Education Legacy Trust	
State Lottery Account	19.0
Shared Game Lottery Account	6.0
Total	**25.0**
Total Fund Transfers to Near General Fund-State (including vetoes)	**664.6**
Transfers from General Fund-State	
GF-S to School Construction Fund - Lottery (E2SSB 6409)	-102.0
GF-S to Liquor Revolving ($5.5 million transfer vetoed by Governor)	0.0
Total	**-102.0**

2009-11 Washington State Budget

Appropriations Contained Within Other Legislation

(Dollars in Thousands)

Bill Number and Subject	Session Law	Agency	GF-S	Total
2010 Legislative Session				
2SHB 2436 - Vehicle License Fraud	C 270 L 10	Department of Revenue		75
2SHB 2436 - Vehicle License Fraud	C 270 L 10	Washington State Patrol		250
Total				**325**
2009 Legislative Session				
SSB 6122 - Elections Division Costs	C 415 L 09 PV	Office of the Secretary of State	160	160

Revenues

The Legislature took a multi-pronged approach to raise additional revenue to support state programs and services, including the passage of Chapter 4, Laws of 2010 (ESSB 6130), which amended Initiative 960 lowering the vote requirement on tax increases from two-thirds to a majority. One component is narrowing several tax preferences and providing equitable tax treatment to ensure more fairness in Washington's tax system. Another aspect of the package is "economic nexus." Economic nexus establishes clear grounds for taxing out-of-state businesses with substantial activities in Washington. In addition, there are several tax increases, including the permanent removal of the sales tax exemption for candy, the imposition of a temporary sales tax on bottled water, a temporary increase for the tax on both carbonated beverages and beer, and a temporary 0.3 percent increase to the business and occupation tax on service businesses. In separate legislation, revenue is raised by increasing the tax on cigarettes and other tobacco products. Through these actions, the Legislature raised $772.7 million.

New Revenue
Dollars in Millions

Source	2009-11
Chapter 23, Laws of 2010 – 2ESSB 6143	
Dot Foods	155.0
Nexus	84.7
Sales Tax Applied to Candy and Gum with B&O Credit for Jobs	30.5
Tax Avoidance	8.5
Property Management B&O (nonprofit exemption)	6.9
Agrilink	4.1
Homestreet Fix	3.6
Corp Dir B&O	2.1
Bad Debt	1.7
Livestock Nutrients	1.3
PUD Clarification	1.2
Tax Debts Corp	1.1
Temporary	
Services B&O to 1.8 percent with hospitals exempted and small business credit doubled (credit permanent)	241.9
Beer Tax increase of 50 cents per gallon, microbreweries exempt – 28 cents increase/six pack	62.6
Pop Tax increase exempting bottlers under $10 million in sales – 2 cents per 12 oz bottle	33.5
Sales Tax applied to bottled water (exemption for prescription water and unavailable potable water)	32.6
Other	
Cigarettes/Other Tobacco Products (Chapter 22, Laws of 2010, 1st sp.s. – ESHB 2493)	101.4
Total	772.7

2010 Revenue Legislation

General Fund-State

(Dollars in Thousands)

Bill Number	Subject	2009-11
2ESSB 6143	Taxes	671,300
ESHB 2493	Taxation of Cigarettes and Tobacco Products	101,400
2SHB 2436	Vehicle License Fraud	681
ESSB 6444	Omnibus Budget - Child Care Licensing	550
SSB 6846	Enhanced 911 Services	200
ESHB 3014	Rural County Investment Projects	-7,800
SB 6504	Crime Victims' Compensation Program	-2,700
SHB 2620	Tax Treatment of Digital Goods	-1,000
2SHB 2551	Washington Vaccine Association	-700
SB 6206	Tax Incentive Accountability	-300
SSB 6614	Bonneville Power Administration	-300
SSB 6339	Wax and Ceramic Materials	-200
SSB 6712	Extending Expiring Tax Incentives	-200
E2SHB 1597	Tax Programs Administration	0
SHB 2402	Farmers Market/Property Tax	0
SHB 2525	Public Facilities Districts	0
EHB 2672	Aluminum Smelters/Tax Relief	0
SHB 2758	Wholesale Sales/Excise Tax	0
SHB 2990	Water-Sewer Districts	0
SHB 3066	Tax Reporting Surveys	0
ESHB 3179	Local Excise Tax Provisions	0
ESSB 6130	Initiative Measure No. 960	0
E2SSB 6609	Local Government Infrastructure	0
SSB 6727	Health Sciences and Services	0
ESSB 6737	Air Ambulance Tax Exemption	0
ESSB 6789	Equipment in Data Centers	0
SSB 6831	Estates and Trusts	0
SB 6855	Community Center Taxation	0
	Total General Fund-State Revenue Impact	**760,931**

Revenue Legislation

The legislation listed below is a summary of bills passed during the 2010 session that affect state revenues or state or local government tax statutes but may not cover all revenue-related bills.

Preserving Funding for Public Schools, Colleges, and Universities, and Other Public Safety, Security and Health Services – $667.7 Million General Fund-State Increase
Chapter 23, Laws of 2010, 1st sp.s. (2ESSB 6143), increases revenue by narrowing tax preferences, establishing economic nexus standards, and imposing new taxes. See the "New Revenue" chart for further detail on the various measures contained in the bill.

Taxation of Cigarettes and Other Tobacco Products – $101.4 Million General Fund-State Increase
Chapter 22, Laws of 2010, 1st sp.s. (ESHB 2493), increases taxes on cigarettes by $1 per pack. Also, it increases taxes on tobacco products, with some exceptions, from 75 percent to 95 percent of the taxable sales price. The tobacco products tax rate on moist snuff is to be based on a single unit package. The tax rate is the greater of 95 percent of the taxable sales price or 83.5 percent of the per pack tax on cigarettes ($2.526 per unit). For units larger than 1.2 ounces, the tax rate is increased proportionally based on the package size. The tobacco products tax rate on large cigars is 95 percent of the taxable sales price but not to exceed 65 cents per cigar.

Changing the Beneficiary of the State Lottery to Higher Education – $15 Million General Fund-State Increase
Chapter 27, Laws of 2010, 1st sp.s., Partial Veto (E2SSB 6409), creates the Washington Opportunity Pathways Account and deposits into the account all net revenues from lottery games that are not otherwise dedicated. In general, the Washington Opportunity Pathways Account funds higher education programs, such as the state need grant, state work study programs, scholarships, and early learning. Based on market research by the Lottery Commission, revenue is estimated to increase because of additional ticket sales.

Modifying the Governance and Financing of the Washington State Convention and Trade Center – $10 Million General Fund-State Increase
Chapter 15, Laws of 2010, 1st sp.s. (SSB 6889), authorizes the creation of an additional public facilities district (PFD) to acquire, own, and operate the Washington State Convention and Trade Center (Center). The Center will be transferred to the new PFD when provision has been made for all outstanding debt of the Center to be redeemed, prepaid, or defeased, transfer of the Center accounts, settlement of a lawsuit related to the transfer of convention center funds, and the payment to the state the amount equal to that received from the credit against the state sales tax, approximately $10 million.

Vehicle License Fraud – $0.7 Million General Fund-State Increase
Chapter 270, Laws of 2010 (2SHB 2436), increases the fines for failure to register a vehicle in this state and for fraudulently registering a vehicle in another state to avoid taxes. Fines for such offenses are to be deposited in the Vehicle License Fraud Account.

Child Care Licensing – $0.6 Million General Fund-State Increase
Pursuant to Chapter 37, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6444), the Department of Early Learning is authorized to increase child care center licensure fees for child care centers for the costs to the Department for licensing activities. The fee increase is anticipated to raise $550,000 in fiscal year 2011.

Enhanced Emergency 911 (E-911) – $0.2 Million General Fund-State Increase
Chapter 19, Laws of 2010, 1st sp.s. (SSB 6846), increases the maximum rates of the E-911 tax on telephone lines for the state and counties by 5 cents and 20 cents, respectively. The bill also requires Department of Revenue (DOR) to collect the tax for the counties and allows DOR to retain an administrative fee of up to 2 percent of the collections.

Rural County Investment Projects – $7.8 Million General Fund-State Decrease
Chapter 16, Laws of 2010, 1st sp.s. (ESHB 3014), extends the rural county sales and use tax deferral program from July 1, 2010 to July 1, 2020. Two types of areas qualify for the program: (1) counties with an unemployment rate that is at least 20 percent above the state average for three years and; (2) community empowerment zones (CEZ). The definition of "manufacturing" is clarified retroactively to include computer programming and other related services, but the service or activity must produce a new, different, or useful substance or article of tangible personal property for sale.

Creating the Crime Victims' Compensation Account – $2.7 Million General Fund-State Decrease
Chapter 122, Laws of 2010 (E2SSB 6504), establishes a new dedicated account for a portion of monies deposited into inmate accounts and the proceeds from certain criminal profiteering recovery actions for the crime victims compensation program. The revenue was previously deposited into the general fund.

Clarifying the Tax Treatment of Digital Goods – $1 Million General Fund – State Decrease
Chapter 111, Laws of 2010 (SHB 2620), clarifies ambiguities and corrects unintended consequences related to the passage of Chapter 535, Laws of 2009 (ESHB 2075), which related to the taxation of digital goods and products.

Establishing the Washington Vaccine Association – $0.7 Million General Fund-State Decrease
Chapter 174, Laws of 2010 (2SHB 2551), creates the Washington Vaccine Association, a non-profit corporation, to facilitate the purchase of vaccines for privately insured children and to assess insurance carriers' plans for the cost of the vaccines. Additionally, the bill provides a business and occupation tax exemption for the assessments of the created non-profit corporation.

Extension of Filing Deadline for Tax Accountability Reporting – $0.3 Million General Fund-State Decrease
Chapter 137, Laws of 2010 (SB 6206), allows a 90-day extension of the filing date for annual accountability reports or surveys for taxpayers who have timely filed all earlier annual reports and surveys.

Clarifying the Taxability of Certain Conservation Programs – $0.3 Million General Fund-State Decrease
Chapter 295, Laws of 2010 (SSB 6614), provides a business and occupation (B&O) tax exemption for funds or credits provided by the Bonneville Power Administration for the purposes of implementing energy conservation programs or demand-side management programs.

Sales and Use Tax Exemptions for Wax and Ceramic Molds – $0.2 Million General Fund-State Decrease
Chapter 225, Laws of 2010 (SSB 6339), provides a sales and use tax exemption for wax and ceramic materials used to make molds for creating ferrous and nonferrous investment castings used in industrial applications.

Extending the Expiration of Tax Incentives for Clean Vehicles, BioFuels, and Federal Aviation Regulation (FAR) Part 145 Repair Stations – $0.2 Million General Fund-State Decrease
Chapter 11, Laws of 2010, 1st sp.s. (SSB 6712), extends the expiration date for FAR Part 145 certified repair stations from July 1, 2011, to July 1, 2024. The sales and use tax exemptions for new passenger cars, light duty trucks, and medium-duty passenger vehicles exclusively powered by a clean alternative fuel are extended from January 1, 2011, to July 1, 2015. The application deadline for the six-year property tax and leasehold excise tax exemptions for new or expanded manufacturing facilities producing alternative fuels is extended from December 31, 2009, to December 31, 2015.

State and Local Tax Administration – No Impact to General Fund-State
Chapter 106, Laws of 2010 (E2SHB 1597), provides technical corrections and statutory clarifications to various provisions related to excise, estate, and property tax laws.

Property Tax Exemption for Nonprofit Property Used for Farmers' Markets – No Impact to General Fund-State
Chapter 186, Laws of 2010 (SHB 2402), allows nonprofit organizations operating public assembly halls or meeting places and churches to retain their exemption from property taxation if used by qualifying farmers markets for not more than 53 days each year. The exemption expires in 2020.

Modifying the Provisions of Public Facilities Districts – No Impact to General Fund-State
Chapter 192, Laws of 2010 (SHB 2525), limits the authority to create new multi-city public facilities districts (PFDs). These PFDs may only be created by a group of at least three contiguous cities with a combined population of at least 160,000, each of which must have already established a PFD. A new multi-city PFD may, in addition to developing recreational facilities, develop regional centers including special events centers. A new multi-city PFD must specify the recreational facility or regional center to be funded in a sales and use tax proposal sent to the voters. No proposals may be submitted to the voters prior to January 1, 2011.

Extending Tax Relief for Aluminum Smelters – No Impact to General Fund-State
Chapter 2, Laws of 2010, 1st sp.s. (EHB 2672), extends the following tax incentives for aluminum smelters until January 1, 2017: the reduced B&O rate from 0.484 percent to 0.2904 percent for manufacturers of aluminum; the sales and use tax credit against the state portion of the tax for personal property, construction materials, and labor and services performed on buildings and property at an aluminum smelter; and the exemption from the brokered natural gas use tax on gas delivered through a pipeline. The B&O tax credit for the amount of property taxes paid on an aluminum smelter is extended through 2017 property taxes.

Updates to the Seller's Permit Program for Wholesale Purchases – No Impact to General Fund-State
Chapter 112, Laws of 2010 (SHB 2758), makes several changes and updates to the seller permit legislation adopted in 2009 (Chapter 563, Laws of 2009 – SSB 6173), placing limitations on the use of resale certificates.

Pilot Program for City Water-Sewer District Taxing Authority – No Impact to General Fund-State
Chapter 102, Laws of 2010 (SHB 2990), allows the city of Renton to impose a tax upon the gross revenues of a water-sewer system operating within its boundaries in a pilot program expiring January 1, 2015.

Creating Uniformity in Annual Tax Reporting – No Impact to General Fund-State
Chapter 114, Laws of 2010 (SHB 3066), amends various tax incentive statutes that require recipients to file an annual survey or an annual report with the Department of Revenue (DOR) and creates a uniform annual survey and report.

Providing Local Excise Tax Flexibility – No Impact to General Fund-State
Chapter 127, Laws of 2010 (ESHB 3179), allows cities to impose, with voter approval, the public safety sales and use tax at a rate not to exceed 0.1 percent. The non-supplant language in the public safety sales and use tax and the criminal justice sales and use tax is eliminated. Cities with a population over 30,000 and located in a county with a population over 800,000 are allowed to impose the mental health/chemical dependency sales and use tax if the county has not imposed it by January 1, 2011. The brokered natural gas use tax is imposed at the location where the gas is consumed or stored by the customer. It also allows local gambling revenue to be used for general public safety programs.

Temporary Suspension of Initiative 960 – No Impact to General Fund-State
Chapter 4, Laws of 2010 (ESSB 6130), suspends the two-thirds majority necessary to approve raising taxes and the tax advisory vote provisions until July 1, 2011.

Local Government Infrastructure Financing – No Impact to General Fund-State
Chapter 164, Laws of 2010 (E2SSB 6609), increases the total state contribution for the Local Revitalization Financing program by $1.95 million beginning in fiscal year 2013 and dedicates the increase to six demonstration projects. Jurisdictions with Local Infrastructure Financing Tool projects may receive a state contribution less than the project award.

Expanding Health Sciences and Services Authorities – No Impact to General Fund-State
Chapter 33, Laws of 2010, 1st sp.s. (SSB 6727), makes changes to the health science and service authority enacting statutes. Specifically, it allows a health science and service authority to incur debt, and no more than 10 percent of their revenues may be used for personnel costs. The bill also provides that one more authority may be created in eastern Washington.

Exemption from Property Tax for Aircraft Used to Provide Air Ambulance Services – No Impact to General Fund-State
Chapter 12, Laws of 2010, 1st sp.s. (ESSB 6737), provides a property tax exemption and an aircraft excise tax exemption for aircraft owned by a nonprofit organization that is exempt from federal income tax and is used exclusively to provide emergency medical transportation services.

Sales and Use Tax Exemptions for Equipment in Data Centers – No Impact to General Fund-State
Chapter 1, Laws of 2010, 1st sp.s. (ESSB 6789), creates a sales and use tax exemption for servers and power equipment in certain data centers built in rural counties prior to July 1, 2011. The exemption is allowed until April 1, 2018.

Estates and Trusts – No Impact to General Fund-State
Chapter 11, Laws of 2010 (SSB 6831), provides that a will or trust of an individual who dies during 2010, and who uses a formula clause using terms referring to the federal estate tax, will be deemed to be referencing the federal estate tax as it was in 2009. This provision relates to provisions in federal estate tax code which expire for the year 2010.

Community Center Property Tax Exemption – No Impact to General Fund-State
Chapter 281, Laws of 2010 (SB 6855), provides a property tax exemption for certain community centers. The property tax exemption is in effect for 40 years from the time of acquisition. The leasehold excise tax applies to the rental of property from a community center that is otherwise exempt from property taxation under this law. Properties eligible for the exemption are buildings surplused by a school district and purchased by a nonprofit organization for conversion into community facilities.

Washington State Omnibus Operating Budget

2010 Supplemental Budget

TOTAL STATE

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 09-11	2010 Supp	Rev 09-11	Orig 09-11	2010 Supp	Rev 09-11
Legislative	156,095	-2,195	153,900	160,456	-2,179	158,277
Judicial	229,184	-691	228,493	269,541	4,013	273,554
Governmental Operations	473,304	-8,769	464,535	3,880,470	41,375	3,921,845
Other Human Services	2,285,076	-70,124	2,214,952	4,947,282	240,517	5,187,799
DSHS	8,933,257	-172,164	8,761,093	19,882,947	1,379,694	21,262,641
Natural Resources	375,990	-3,883	372,107	1,462,270	32,292	1,494,562
Transportation	83,205	-5,209	77,996	190,762	4,440	195,202
Public Schools	13,310,462	131,840	13,442,302	15,647,542	262,054	15,909,596
Higher Education	3,262,624	-167,712	3,094,912	9,491,726	-38,316	9,453,410
Other Education	165,778	-40,332	125,446	476,200	20,123	496,323
Special Appropriations	2,068,266	-32,980	2,035,286	2,261,860	-32,169	2,229,691
Statewide Total	**31,343,241**	**-372,219**	**30,971,022**	**58,671,056**	**1,911,844**	**60,582,900**

Note: Includes only appropriations from the Omnibus Operating Budget enacted through the 2010 legislative session and appropriations contained in other legislation.

Washington State Omnibus Operating Budget

2010 Supplemental Budget

LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 09-11	2010 Supp	Rev 09-11	Orig 09-11	2010 Supp	Rev 09-11
House of Representatives	66,879	-1,228	65,651	66,879	-1,228	65,651
Senate	52,139	-1,548	50,591	52,139	-1,548	50,591
Jt Leg Audit & Review Committee	5,758	268	6,026	5,758	268	6,026
LEAP Committee	3,675	-11	3,664	3,675	-11	3,664
Office of the State Actuary	225	-5	220	3,514	11	3,525
Joint Legislative Systems Comm	17,170	-12	17,158	17,170	-12	17,158
Statute Law Committee	9,639	-164	9,475	10,711	-164	10,547
Redistricting Commission	610	505	1,115	610	505	1,115
Total Legislative	**156,095**	**-2,195**	**153,900**	**160,456**	**-2,179**	**158,277**
Supreme Court	13,860	0	13,860	13,860	0	13,860
State Law Library	3,846	-262	3,584	3,846	-262	3,584
Court of Appeals	31,688	-87	31,601	31,688	-87	31,601
Commission on Judicial Conduct	2,114	-7	2,107	2,114	-7	2,107
Administrative Office of the Courts	105,419	-213	105,206	141,693	4,496	146,189
Office of Public Defense	49,977	-1	49,976	52,900	-1	52,899
Office of Civil Legal Aid	22,280	-121	22,159	23,440	-126	23,314
Total Judicial	**229,184**	**-691**	**228,493**	**269,541**	**4,013**	**273,554**
Total Legislative/Judicial	**385,279**	**-2,886**	**382,393**	**429,997**	**1,834**	**431,831**

Washington State Omnibus Operating Budget

2010 Supplemental Budget

GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 09-11	2010 Supp	Rev 09-11	Orig 09-11	2010 Supp	Rev 09-11
Office of the Governor	11,756	-215	11,541	13,256	-215	13,041
Office of the Lieutenant Governor	1,558	-41	1,517	1,653	-41	1,612
Public Disclosure Commission	4,531	-70	4,461	4,531	-70	4,461
Office of the Secretary of State	38,542	-2,408	36,134	106,171	1,523	107,694
Governor's Office of Indian Affairs	542	-5	537	542	-5	537
Asian-Pacific-American Affrs	460	-8	452	460	-8	452
Office of the State Treasurer	0	0	0	14,802	-116	14,686
Office of the State Auditor	1,451	-12	1,439	78,335	-5,092	73,243
Comm Salaries for Elected Officials	377	-3	374	377	-3	374
Office of the Attorney General	10,899	681	11,580	241,878	68	241,946
Caseload Forecast Council	1,525	-17	1,508	1,525	-17	1,508
Dept of Financial Institutions	0	0	0	44,197	279	44,476
Department of Commerce	102,828	-12,681	90,147	591,822	-13,495	578,327
Economic & Revenue Forecast Council	1,496	-13	1,483	1,496	-13	1,483
Office of Financial Management	42,269	-635	41,634	135,820	2,720	138,540
Office of Administrative Hearings	0	0	0	33,523	505	34,028
Department of Personnel	0	0	0	65,459	-3,835	61,624
State Lottery Commission	0	0	0	901,704	-999	900,705
Washington State Gambling Comm	0	0	0	29,286	4,469	33,755
WA State Comm on Hispanic Affairs	513	-8	505	513	-8	505
African-American Affairs Comm	487	-8	479	487	-8	479
Department of Retirement Systems	0	0	0	53,109	-193	52,916
State Investment Board	0	0	0	29,581	-229	29,352
Public Printer	0	0	0	19,980	-121	19,859
Department of Revenue	215,210	6,581	221,791	231,784	9,093	240,877
Board of Tax Appeals	2,688	-24	2,664	2,688	-24	2,664
Municipal Research Council	0	0	0	5,455	-2,726	2,729
Minority & Women's Business Enterp	0	0	0	3,622	52	3,674
Dept of General Administration	1,626	3,152	4,778	194,524	-3,882	190,642
Department of Information Services	2,172	-6	2,166	260,352	6	260,358
Office of Insurance Commissioner	0	0	0	49,921	470	50,391
State Board of Accountancy	0	0	0	3,016	633	3,649
Forensic Investigations Council	0	0	0	280	0	280
Washington Horse Racing Commission	0	0	0	10,614	-293	10,321
WA State Liquor Control Board	0	0	0	243,518	1,183	244,701
Utilities and Transportation Comm	0	0	0	36,036	5,683	41,719
Board for Volunteer Firefighters	0	0	0	1,044	8	1,052
Military Department	20,274	-2,050	18,224	330,586	46,510	377,096
Public Employment Relations Comm	6,208	-906	5,302	9,498	-683	8,815
LEOFF 2 Retirement Board	0	0	0	2,044	-17	2,027
Archaeology & Historic Preservation	2,720	33	2,753	4,687	673	5,360
Growth Management Hearings Board	3,172	-106	3,066	3,172	-106	3,066
State Convention and Trade Center	0	0	0	117,122	-301	116,821
Total Governmental Operations	**473,304**	**-8,769**	**464,535**	**3,880,470**	**41,375**	**3,921,845**

Washington State Omnibus Operating Budget

2010 Supplemental Budget

HUMAN SERVICES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 09-11	2010 Supp	Rev 09-11	Orig 09-11	2010 Supp	Rev 09-11
WA State Health Care Authority	388,433	-23,364	365,069	590,480	51,992	642,472
Human Rights Commission	5,171	-22	5,149	6,470	263	6,733
Bd of Industrial Insurance Appeals	0	0	0	36,926	-628	36,298
Criminal Justice Training Comm	38,322	-3,206	35,116	44,974	-1,960	43,014
Department of Labor and Industries	48,489	-4,178	44,311	630,563	-4,351	626,212
Indeterminate Sentence Review Board	3,768	-22	3,746	3,768	-22	3,746
Home Care Quality Authority	2,450	-1,221	1,229	2,450	-1,221	1,229
Department of Health	190,219	-10,070	180,149	988,843	153,977	1,142,820
Department of Veterans' Affairs	20,123	-807	19,316	110,239	3,027	113,266
Department of Corrections	1,573,978	-27,022	1,546,956	1,773,657	5,795	1,779,452
Dept of Services for the Blind	5,094	-200	4,894	25,105	-200	24,905
Sentencing Guidelines Commission	1,922	-12	1,910	1,922	-12	1,910
Employment Security Department	7,107	0	7,107	731,885	33,857	765,742
Total Other Human Services	**2,285,076**	**-70,124**	**2,214,952**	**4,947,282**	**240,517**	**5,187,799**

Washington State Omnibus Operating Budget

2010 Supplemental Budget

DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 09-11	2010 Supp	Rev 09-11	Orig 09-11	2010 Supp	Rev 09-11
Children and Family Services	631,604	-8,930	622,674	1,136,864	6,715	1,143,579
Juvenile Rehabilitation	196,577	4,621	201,198	211,739	4,732	216,471
Mental Health	820,730	-14,058	806,672	1,525,175	48,503	1,573,678
Developmental Disabilities	816,697	-41,357	775,340	1,912,987	9,117	1,922,104
Long-Term Care	1,278,066	-22,694	1,255,372	3,105,813	124,997	3,230,810
Economic Services Administration	1,145,425	276	1,145,701	2,342,380	83,305	2,425,685
Alcohol & Substance Abuse	166,710	-2,335	164,375	334,239	87	334,326
Medical Assistance Payments	3,583,840	-96,664	3,487,176	8,828,440	1,062,192	9,890,632
Vocational Rehabilitation	20,576	-172	20,404	106,089	28,252	134,341
Administration/Support Svcs	69,052	-6,066	62,986	125,747	-10,499	115,248
Special Commitment Center	97,077	-1,328	95,749	97,077	-1,328	95,749
Payments to Other Agencies	106,903	16,543	123,446	156,397	23,621	180,018
Total DSHS	**8,933,257**	**-172,164**	**8,761,093**	**19,882,947**	**1,379,694**	**21,262,641**
Total Human Services	**11,218,333**	**-242,288**	**10,976,045**	**24,830,229**	**1,620,211**	**26,450,440**

Washington State Omnibus Operating Budget

2010 Supplemental Budget

NATURAL RESOURCES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 09-11	2010 Supp	Rev 09-11	Orig 09-11	2010 Supp	Rev 09-11
Columbia River Gorge Commission	886	-5	881	1,780	-24	1,756
Department of Ecology	118,038	-6,761	111,277	445,309	713	446,022
WA Pollution Liab Insurance Program	0	0	0	1,644	-5	1,639
State Parks and Recreation Comm	46,055	-2,568	43,487	151,551	-379	151,172
Rec and Conservation Funding Board	3,069	-103	2,966	18,207	-320	17,887
Environmental Hearings Office	2,153	59	2,212	2,153	59	2,212
State Conservation Commission	15,165	-362	14,803	16,344	-363	15,981
Dept of Fish and Wildlife	79,577	-3,977	75,600	326,669	159	326,828
Puget Sound Partnership	6,315	-308	6,007	11,334	3,174	14,508
Department of Natural Resources	81,132	5,203	86,335	360,354	14,849	375,203
Department of Agriculture	23,600	4,939	28,539	126,925	14,429	141,354
Total Natural Resources	**375,990**	**-3,883**	**372,107**	**1,462,270**	**32,292**	**1,494,562**

Washington State Omnibus Operating Budget

2010 Supplemental Budget

TRANSPORTATION

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 09-11	2010 Supp	Rev 09-11	Orig 09-11	2010 Supp	Rev 09-11
Washington State Patrol	80,234	-5,198	75,036	134,875	4,088	138,963
Department of Licensing	2,971	-11	2,960	55,887	352	56,239
Total Transportation	**83,205**	**-5,209**	**77,996**	**190,762**	**4,440**	**195,202**

Washington State Omnibus Operating Budget

2010 Supplemental Budget

PUBLIC SCHOOLS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 09-11	2010 Supp	Rev 09-11	Orig 09-11	2010 Supp	Rev 09-11
OSPI & Statewide Programs	67,767	1,008	68,775	158,984	1,485	160,469
General Apportionment	10,186,760	99,018	10,285,778	10,186,760	99,018	10,285,778
Pupil Transportation	614,427	-564	613,863	614,427	-564	613,863
School Food Services	6,318	0	6,318	433,318	110,000	543,318
Special Education	1,294,103	-10,355	1,283,748	1,950,155	-1,806	1,948,349
Educational Service Districts	16,789	-76	16,713	16,789	-76	16,713
Levy Equalization	252,918	127,134	380,052	429,202	107,893	537,095
Elementary/Secondary School Improv	0	0	0	43,450	436	43,886
Institutional Education	36,935	130	37,065	36,935	130	37,065
Ed of Highly Capable Students	18,867	-490	18,377	18,867	-490	18,377
Student Achievement Program	104,101	-78,352	25,749	304,396	-78,352	226,044
Education Reform	291,305	4,531	295,836	444,893	4,531	449,424
Transitional Bilingual Instruction	158,931	-4,840	154,091	204,194	15,160	219,354
Learning Assistance Program (LAP)	251,284	10,873	262,157	795,209	20,873	816,082
Compensation Adjustments	9,957	-16,177	-6,220	9,963	-16,184	-6,221
Total Public Schools	**13,310,462**	**131,840**	**13,442,302**	**15,647,542**	**262,054**	**15,909,596**

Washington State Omnibus Operating Budget

2010 Supplemental Budget

EDUCATION

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 09-11	2010 Supp	Rev 09-11	Orig 09-11	2010 Supp	Rev 09-11
Higher Education Coordinating Board	534,919	-96,346	438,573	582,489	-30,288	552,201
University of Washington	621,090	-25,893	595,197	4,278,377	17,617	4,295,994
Washington State University	409,437	-27,357	382,080	1,185,606	-27,025	1,158,581
Eastern Washington University	91,568	-4,172	87,396	235,883	-4,104	231,779
Central Washington University	86,940	-3,836	83,104	262,122	-4,034	258,088
The Evergreen State College	48,827	-4,391	44,436	111,698	-4,579	107,119
Spokane Intercoll Rsch & Tech Inst	3,209	-121	3,088	5,487	-121	5,366
Western Washington University	108,929	-4,475	104,454	336,544	-4,220	332,324
Community/Technical College System	1,357,705	-1,121	1,356,584	2,493,520	18,438	2,511,958
Total Higher Education	**3,262,624**	**-167,712**	**3,094,912**	**9,491,726**	**-38,316**	**9,453,410**
State School for the Blind	11,810	77	11,887	13,738	91	13,829
Childhood Deafness & Hearing Loss	17,248	127	17,375	17,774	127	17,901
Workforce Trng & Educ Coord Board	3,143	-234	2,909	57,678	-246	57,432
Department of Early Learning	121,323	-39,682	81,641	366,182	20,764	386,946
Washington State Arts Commission	3,759	-568	3,191	6,736	-549	6,187
Washington State Historical Society	5,228	-29	5,199	7,737	-39	7,698
East Wash State Historical Society	3,267	-23	3,244	6,355	-25	6,330
Total Other Education	**165,778**	**-40,332**	**125,446**	**476,200**	**20,123**	**496,323**
Total Education	**16,738,864**	**-76,204**	**16,662,660**	**25,615,468**	**243,861**	**25,859,329**

Washington State Omnibus Operating Budget

2010 Supplemental Budget

SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	Orig 09-11	2010 Supp	Rev 09-11	Orig 09-11	2010 Supp	Rev 09-11
Bond Retirement and Interest	1,813,244	-19,447	1,793,797	1,997,338	-20,061	1,977,277
Special Approps to the Governor	123,992	-12,724	111,268	132,492	-10,299	122,193
Sundry Claims	0	891	891	0	891	891
State Employee Compensation Adjust	800	-800	0	1,800	-1,800	0
Contributions to Retirement Systems	130,230	-900	129,330	130,230	-900	129,330
Total Special Appropriations	**2,068,266**	**-32,980**	**2,035,286**	**2,261,860**	**-32,169**	**2,229,691**

Legislative

Appropriations for legislative agencies did not authorize any ongoing program enhancements.

Judicial

Administrative Efficiencies

Judicial agency budgets were reduced by $1.4 million to reflect increased efficiencies, vacant positions, and scaling back of some programs. The Governor vetoed changes made to the Supreme Court's budget, bringing the overall administrative efficiencies reduction down to $1.2 million for the judicial branch agencies.

Judicial Information System

Additional funding of $3.8 million was provided for improvements to the statewide court case management system. Funding comes from the Judicial Information Systems Account and is provided for both planning and implementation of improvements.

Office of Public Guardianship

Funding was provided for an additional 50 clients within the Public Guardianship program. Guardianship services will be provided for low-income incapacitated persons. Adding these additional clients will allow a program effectiveness study to be completed by the Washington State Institute for Public Policy.

Governmental Operations

Department of Commerce *(formerly the Department of Community, Trade, and Economic Development)*

The 2010 supplemental budget provides $90.1 million from the state general fund and $578.3 million in total funds for operations of the Department of Commerce, representing a $12.9 million (12.5 percent) reduction in state general fund and $13.7 million (2.3 percent) reduction in total funds from the 2009-11 enacted budget.

Transfers

Several programs are transferred to or from the Department, reflecting a refocusing of the agency's mission. These transfers total $6.0 million from the state general fund and $12.5 million in total funds.

- Chapter 271, Laws of 2010, Partial Veto (E2SHB 2658), transfers the Energy Facility Site Evaluation Council to the Utilities and Transportation Commission, abolishes the Municipal Research Council and transfers its responsibilities to the Department, transfers the Developmental Disabilities Council to the Department of Social and Health Services, and transfers the State Building Code Council to the Department of General Administration.
- Chapter 68, Laws of 2010 (SSB 6341), transfers the Emergency Food Assistance program to the Department of Agriculture.
- Chapter 30, Laws of 2010 (SHB 2704), transfers the Main Street program to the Department of Archaeology and Historic Preservation.
- In addition, the budget transfers the Forensic Sciences and DNA Analysis programs to the Washington State Patrol.

Economic Development

General Fund-State reductions in the International Trade and Economic Development (ITED) division total $2.8 million and include: Tourism Development ($500,000), International Trade ($765,000), Regional Services ($788,000), Economic Development Training ($210,000), and Marketing and Communications ($200,000). General Fund-State enhancements in the ITED division total $1.7 million and include: Global Health Technology, pursuant to Chapter 13, Laws of 2010 1st sp.s. (2SSB 6675), ($1.0 million), Innovation Partnership Zone grants ($250,000), the Washington Technology Center ($164,000), Export Finance Assistance ($100,000), and the Federal Way Medical Device Incubator ($100,000).

Community Services

General Fund-State reductions in Community Services program total $1.7 million and include: Community Mobilization ($1.0 million), State Drug Task Force ($226,000), and the Development Disabilities Council ($87,000). Community Services enhancements total $80,000 and include $50,000 for HistoryLink and $30,000 for New Americans.

Housing

Enhancements affecting low income housing programs total $7.4 million in total funds and include: Washington Families Fund ($1.0 million); Housing Trust Fund operations and maintenance ($2.6 million); Housing Trust Fund portfolio management ($800,000); foreclosure counseling and support ($500,000); and the Homeless Grant Assistance Program ($2.0 million).

Local Government

General Fund-State reductions in local government programs total $4.4 million and include: grants to local governments to carry out the provisions of the Growth Management Act ($3.8 million) consistent with Chapter 216, Laws of 2010 (SSB 6611), and Growth Management administration and technical assistance ($500,000).

Military Department

Public Safety Interoperability Grant

Expenditure authority ($18 million General Fund-Federal), is provided to continue projects originally funded with a Public Safety Interoperable Communications grant received in 2007 from the Department of Homeland Security. The Military Department will use grant monies to enhance statewide communications infrastructure and address initiatives identified in the Statewide Communications Interoperability Plan. The Department will pass 97 percent of grant funds through to local jurisdictions to use for equipment, exercises, training, and planning. The Department will retain 3 percent of funds for grant administration and management.

Next Generation 911 (NG911) Transition

Expenditure authority of $6.4 million is provided from the Enhanced 911 Account to continue upgrades to the current 911 telephone system to accommodate NG911. This upgrade provides a modern internet protocol system that will allow the 911 system to accept information from a wide variety of communication devices during emergencies.

Department of Revenue

Working Families Tax Exemption

General Fund-State funding of $1.2 million is provided for the Department of Revenue (DOR) to establish the infrastructure to administer the Working Families Tax Exemption program. Under this program, families that qualify for the federal Earned Income Tax Credit (EITC) receive a sales tax exemption in the form of a remittance equal to a percentage of the EITC. In each fiscal year, DOR may only send such remittances at the direction of the Legislature. DOR will be prepared to send the first remittances in FY 2012, subject to legislative authorization.

Liquor Control Board

Contract Store Plan

The Liquor Control Board (LCB) will prepare a plan to convert at least 20 state liquor stores to contract liquor stores. The plan will identify stores for conversion that would result in the greatest efficiency and cost-effectiveness for the state. For these stores, the plan will include an analysis of revenue generating capacity and access to liquor for underage or intoxicated persons, both before and after the planned conversions. All conversions will be planned to occur during the 2011-13 biennium. The LCB will submit the plan to the appropriate committees of the Legislature by November 1, 2010.

Human Services

The Human Services section is separated into two sections: the Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section displays budgets at the agency level and includes the Department of Corrections, Employment Security Department, Department of Veterans' Affairs, Department of Labor and Industries, Criminal Justice Training Commission, Health Care Authority, Department of Health, and other human services related agencies.

Department of Social & Health Services

Children and Family Services

Savings of $1.4 million in total funds ($1.1 million General Fund-State) are achieved through the elimination of 20 FTEs from the DSHS Children's Administration. Filled case-carrying staff positions are not eliminated in this reduction.

The budget reduces a total of $2.8 million in state general funds for Secure Crisis Residential Centers and HOPE beds and provides funding for these services with the Home Security Account, rather than the state general fund.

The budget reduces funding by $1.3 million in total funds ($1.0 million General Fund-State) for supervised visits. The Department will revise supervised visit contracts and reimbursements to achieve savings.

One-time savings of $3.2 million in total funds ($2.1 million General Fund-State) are achieved through under-expenditures in the Behavioral Rehabilitative Services (BRS) program. BRS services are provided to children in foster care who need intensive services. The Department will continue to focus on decreasing the length of stay and moving children to a less restrictive setting.

Savings of $1.4 million in total funds ($1.1 million General Fund-State) are achieved through increasing Supplemental Security Income facilitation for children who are eligible for social security benefits.

Juvenile Rehabilitation Administration

The 2009-11 biennial budget directed the Office of Financial Management to conduct a study of the feasibility of closing state institutions/facilities including Juvenile Rehabilitation Administration (JRA) institutions. One of the final recommendations of the facilities closure study was closure of Maple Lane School, which the Legislature assumes will be closed by June 30, 2013. General fund savings total $5.8 million which includes $5.0 million for the transition costs of facility closure from the State Efficiency and Restructuring Account, effectively assuming the future savings this biennium. (Note: The capital budget provides $760,000 in state bonds and $15.9 million in certificate of participation authority for renovation and construction of specialized housing and treatment facilities at other JRA institutions and community based facilities to accommodate the closure of Maple Lane School).

Other JRA savings include:

- $7.6 million for institutional and administrative staff reductions, in which staff reductions are made at JRA institutions, other than Maple Lane School, as well as at JRA headquarters and regional offices.
- $2.5 million in funding for county juvenile courts; the reduction is in non-evidence based, non-sex offender disposition alternatives.

Mental Health

A total of $1.6 billion ($806.7 million General Fund-State) is provided for operation of the public mental health system during the 2009-11 biennium. This is a $48.1 million (3.2 percent) increase from the amount originally appropriated for the biennium. This $48.1 million increase includes:

- $38 million ($15.5 million General Fund-State) to provide community mental health services for the substantial growth in the number of people enrolling in Medicaid in response to the recession. Over a million people each month are now projected to enroll in Medicaid this biennium. This is almost 10 percent more than were expected to do so when the original 2009-11 budget was enacted.
- $7.2 million for an approximate 13 percent increase each year in payment rates for community psychiatric hospitalizations. The non-federal share of this increase is covered by a new assessment to be paid by the hospitals.
- $4.9 million for increased Medicaid services in selected areas of the state. These increases are possible because Regional Support Networks (RSNs) expect to provide $1.8 million of local tax revenues that will, in turn, earn an additional $3.2 million of federal match.
- $3.4 million ($3 million General Fund-State) to increase the monthly state contribution for employee health benefits.

The cost of these increases is partially offset by:

- A $4.5 million reduction in state funding for staffing at the state psychiatric hospitals. Approximately 31 full-time positions are to be eliminated, approximately 24 of them from administrative and indirect care activities and the balance from vacant direct care functions.
- A $1.3 million ($1.0 million General Fund-State) reduction in compensation expenditures, to be achieved through furloughs, reduced work hours, or other approved methods.

Aging and Disabilities Services (Long-Term Care and Developmental Disabilities)

The Aging and Disability Services Administration (ADSA) administers the Long-Term Care (LTC) and Division of Developmental Disabilities (DDD) programs. These two programs combined account for approximately $5.2 billion total ($2.0 billion General Fund-State) in budgeted expenditures for the 2009-11 biennium.

The DDD and LTC programs share administration, operate several similar programs, and oftentimes utilize the same set of vendors. As a result, numerous budget items impact both programs. These shared budget items are described for both programs collectively. Budget items unique to each program are described separately.

Several savings items in the 2009-11 biennial appropriations act were subsequently impacted by court action including case decisions and temporary restraining orders. The specific items and the relevant litigation are detailed below. The total state general fund savings associated with these four items in the biennial budget was $101 million.

- Nursing Home rates – *WHCA v. Dreyfus*
- In-Home Hours Reduction – *Koshelnik-Turner v. Dreyfus* and *Faith Freeman v. Dreyfus*
- Adult Day Health – *LTC Ombudsman v. Dreyfus*
- Chapter 571, Laws of 2009 (SHB 2361– in-home care/state payments) – *Carter v. Gregoire*

The 2010 supplemental appropriations act makes several adjustments to these items to account for the impacts of the litigation, changes in caseload assumptions, and partial restorations of the Adult Day Health program and the in-home hours reduction. As a result, the revised General Fund-State savings for the biennium are $47.9 million.

Savings of $5.1 million are assumed by the Department using individual client assessments to allocate hours for laundry and meal preparation. Previously, the Department had been allocating hours for these tasks regardless of client need or availability of informal supports. Utilizing the individual assessment to allocate hours results in

some clients losing a portion of their currently allocated hours; but, all clients will receive hours per the needs identified in their assessment.

Chapter 3, Laws of 2010 (ESHB 2921), and Chapter 37, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6444), both addressed the 2010 supplemental budget. Combined, these two budget bills made General Fund-State reductions totaling $6.8 million to ADSA administration, including consolidating printing and human resources functions and taking reductions in the operations of the residential habilitation centers.

The budget assumes an increase in the annual license fees for nursing homes and boarding homes in order to fully recover the costs of the licensure, inspection, and regulatory program. The increased license fee revenue results in a $3.0 million offset to the licensing costs previously subsidized by the state general fund. The nursing home fee is assumed to increase from $275 per bed to $326 per bed while the boarding home fee is assumed to increase from $79 per bed to $106 per bed. Corresponding adjustments are made to the Medicaid reimbursement rate for both care settings to adequately compensate facilities for the impact of the fee on publicly-funded Medicaid beds.

Developmental Disabilities

The budget provides $3.5 million General Fund-State to fund employment and other daytime supports and services to eligible students graduating from high school during the current biennium. This funding provides services and support to individuals already on a waiver, provides some waiver slots for individuals not currently on a waiver, and some state-only funded services and support to certain qualifying individuals. In total, approximately 1,400 graduating seniors will receive additional services.

Long-Term Care

The budget assumes $10.7 million state general fund savings resulting from changes in the nursing home vendor rate methodology. The specific methodological changes are detailed in the budget bill and also in Chapter 34, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6872). Although the Governor's veto eliminated some of the methodological changes, the budget contains a specified appropriation ceiling otherwise known as the budget dial.

Economic Services Administration

The budget provides $78.8 million in total funds ($16.8 million General Fund-State) to maintain Temporary Assistance for Needy Family (TANF) services through January 2011. The budget also reduces $23.7 million in state fund appropriations through elimination of services to non-TANF recipients, changing sanction policies, and reducing the number of hours needed to meet participation requirements for certain clients.

Chapter 8, Laws of 2010, 1st sp.s., Partial Veto (E2SHB 2782), made a number of changes to the General Assistance program including changing its name to the Disability Lifeline program. Savings of $12.3 million in state general funds is realized through implementation of time limits. Benefits will be capped at 24 months in a 60-month period, from September 1, 2010, to June 30, 2013. Further caseload decreases are assumed through requiring participation in chemical dependency treatment if referred and the elimination of the Administrative Review Team.

Savings of $5.9 million in total funds ($3.0 million General Fund-State) are achieved through the temporary suspension of the redistribution of Internal Revenue Service refund payments to repay state debt prior to former TANF clients. This savings step reverses state rules established in 2008.

Medical Assistance Administration

A total of $9.9 billion ($3.5 billion General Fund-State) is provided for the Medical Assistance Administration (MAA) for the 2009-11 biennium. This is a $1.07 billion (12.1 percent) increase from the total amount originally appropriated for the biennium. The state share appropriated to MAA is reduced by $95.0 million. This $1.1 billion increase in total funds includes:

- $483.6 million in total funds ($308.4 million General Fund-State) for maintenance level increases primarily as a result of additional caseload growth in programs most affected by the economic downturn, such as the Categorically Needy (CN) Family Medical program and the CN Children's program for those under 200 percent of the federal poverty level.
- $448.7 million in total funds (General Fund-State savings of $66.8 million) for reimbursement rate increases for hospitals from a Hospital Safety Net Assessment pursuant to Chapter 30, Laws of 2010, 1st sp.s. (E2SHB 2956). These funds will leverage federal Medicaid matching funds. Rate increases range from between 4 percent and 17 percent for inpatient services and between 4 percent and 41 percent for outpatient services, depending on hospital type.
- $95.3 million in total funds ($39.9 million General Fund-State) for rate increases for Federally Qualified Health Centers (FQHCs). Effective January 2009, a new Washington State-specific inflationary index will replace the Medicare Economic Index (MEI) in determining the FQHC fee-for-service encounter rates. Reimbursement rates will increase by 3.8 percent annually compared to 1.2 percent under the MEI for the 2009-11 biennium.
- $38.2 million in total funds ($19.1 million General Fund-State) to restore administrative reductions taken in the enacted 2009-11 operating budget. The Department must implement a management strategy that minimizes disruption of service and negative impacts on employees.
- $35.9 million in total funds ($3.7 million General Fund-State) for the transformation of the General Assistance program to the Disability Lifeline program pursuant to Chapter 8, Laws of 2010, 1st sp.s., Partial Veto (E2SHB 2782). Funding is provided to support caseload growth above the enacted 2009-11 appropriation and the transition to a managed care service delivery system statewide. State savings are achieved under E2SHB 2782 through a time limit of 24 months in a 60-month period and requiring clients with addictions to participate in treatment to maintain eligibility. Elimination of the Administrative Review Team process will also decrease the Lifeline caseload. Finally, the state anticipates the receipt of federal matching funds for Medicaid coverage of Lifeline clients under a Section 1115 Waiver from the federal Centers for Medicare and Medicaid.

Program reductions include the following:

- $6.4 million in total funds ($2.5 million General Fund-State) in dental services, with reductions focused on the fastest growing cost drivers of dental care; and
- $3.4 million in total funds ($2.5 million General Fund-State) saved through a reduction to Healthy Options administrative costs, which include an annual quality incentive payment.

Special Commitment Center

The 2010 supplemental budget adjusted the funding for the Special Commitment Center (SCC), providing a total of $95.7 million state general funds for the operations of the SCC; this is an $11.4 million (10.7 percent) reduction from the 2009-11 enacted budget.

Major savings items include:

- $4.3 million through staff reductions and efficiencies;
- $1.5 million through changes to residential and community programs including and closing the SCC store;
- $1.4 million through reductions in resident salaries to reflect adherence to treatment plans;
- $1.2 million through reduced nursing contracts; and
- $0.7 million through standardizing reimbursements and activities related to evaluations pursuant to Chapter 28, Laws of 2010, 1st sp.s. (ESB 6870).

Payments to Other Agencies

The Payments to Other Agencies program within DSHS is the budgeting and accounting center for payments for services and systems support received from other agencies. For example, this program budgets and tracks payments to the Office of the Attorney General (AG), the Department of Personnel, and the Office of Financial Management. The largest single budget item is payments to the AG's office, which total approximately 40 percent of all expenditures.

The final budget provides $16.2 million from General Fund-State to partially restore a $22.3 million reduction taken in the 2009-11 biennial appropriations act.

Other Human Services

Department of Corrections

A total of $1.8 billion is provided to the Department of Corrections (DOC) to incarcerate and supervise offenders in the 2009-11 biennium. This represents a decrease of $27.0 million (1.7 percent) in correctional spending from the enacted 2009-11 biennial budget, and savings of $48.6 million (3.1 percent) from the revised 2009-11 biennium maintenance level.

In response to excess capacity in adult correctional institutions and slowing or declining demand for incarceration, the budget reflects savings generated through more efficient use of existing prison capacity by closing and restructuring state institution facilities. The 2009-11 biennial budget directed the Office of Financial Management to conduct a study of the feasibility of closing DOC institutions/facilities. The final recommendations of the facilities closure study were used as a base for developing a facilities closure implementation plan. The Department is directed to:

- Downsize McNeil Island Corrections Center from 1,250 medium and minimum custody offenders to 256 minimum custody offenders; $34.5 million is provided for one-time and transition costs from the State Efficiency Restructuring Account, effectively assuming the future savings this biennium;
- Downsize the Larch Corrections Center in Yacolt from 480 to 240 beds;
- Close the Pine Lodge Corrections Center for Women in Medical Lake; and
- Close the Ahtanum View Corrections Center in Yakima.

The plan includes additional funds to shift offender capacity to newer, more efficient facilities at the Coyote Ridge Corrections Center in Connell and the Mission Creek Corrections Center for Women in Belfair. With the restoration of $12 million in anticipated savings from the 2009-11 biennial budget, the total savings from facility closure and downsizing is $46.1 million.

In addition, other savings at DOC include:

- $4.2 million that reflects reduced demand for work release facilities;
- $1.0 million to implement Chapter 267, Laws of 2010 (SSB 6414), which modifies sex offender registration provisions; and
- $0.2 million to implement Chapter 224, Laws of 2010 (SSB 6639), which provides sentencing alternatives for offenders with minor children.

Criminal Justice Training Commission

The budget provides $35.1 million from 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 an 8.4 percent reduction to the 2009-11 enacted budget.

Major items include:

- $3.9 million in savings by funding 10 basic law enforcement academies in each fiscal year; this reflects the actual number of academies offered in fiscal year 2010 and anticipated diminished demand from local law enforcement agencies in fiscal year 2011;
- $537,000 savings for a 20 percent reduction in administration at the CJTC; and
- $1.5 million funding provided for continuing grants to rural counties for drug enforcement activities in fiscal year 2011. Funding for fiscal year 2010 is provided through the Department of Commerce.

Department of Veterans' Affairs

The 2010 supplemental appropriations act provides $19.3 million General Fund-State ($113.3 million all funds) for the Washington Department of Veterans' Affairs (DVA) .

DVA operates three homes that provide long-term health care for honorably discharged veterans, and in some instances, their spouses. The homes are: the Washington Veterans' Home at Retsil, the Washington Soldiers' Home and Colony at Orting, and the Spokane Veterans' Home. In addition, DVA manages several state and federal programs providing support and services to service men and women.

The sum of $250,000 from the Veterans' Innovations Program Account is provided to DVA for increased veterans claims assistance provided by veteran service officers (VSOs). DVA will contract for additional VSOs to assist veterans in accessing federal benefits.

Savings totaling $396,000 General Fund-State are realized by DVA revising contracts at the three state veterans' homes. This item will not impact the availability of services and goods for the residents.

Department of Labor and Industries

Crime Victims' Compensation program benefit limits are modified pursuant to Chapter 122, Laws of 2010 (E2SSB 6504). For example, total claim payments for a single claim will be limited to $50,000. Modifications are also made to limits for burial expense reimbursements, lump sum payments, and permanent partial disability payments.

One-time funding is provided to pay for services to certain crime victims in excess of the new statutory caps. Benefits will be temporarily paid for claimants who were determined eligible for and who were receiving crime victims' compensation benefits because they were determined to be permanently and totally disabled prior to April 1, 2010. The Department will assist these claimants in identifying and applying for appropriate alternative benefit programs.

The Crime Victims' Compensation Account is created. A portion of monies deposited into inmate accounts and the proceeds from certain criminal profiteering recovery actions are deposited into this account, and funds are dedicated to the program.

Health Care Authority

Savings of $25.9 million in General Fund-State funds for the Basic Health Plan (BHP) are achieved through the anticipated receipt of a Section 1115 Waiver from the federal Centers for Medicare and Medicaid Services (CMS), which will allow BHP enrollees under 133 percent of the federal poverty level to be eligible for federal Medicaid matching funds. Should the waiver be approved, the cost of covering an additional 4,000 enrollees

above the 2009-11 enacted budget level is shifted from state to federal funds, allowing for an enrollment level of 69,000 enrollees through June 2011.

Department of Health

Family Planning Grants

During the 2007-09 biennium, funding was provided to the Department of Health to increase the number of non-Department of Social and Health Services eligible clients served by family planning clinics and to add coverage for sexually-transmitted disease testing. The 2009-11 operating budget decreased annual funding by 10 percent in FY 2010 and 70 percent in FY 2011. Funding is restored to FY 2010 levels as of July 1, 2010 ($3.0 million General Fund-State).

Reduce AIDS Funding

Total state funding for services to people with HIV/AIDS is reduced by 7 percent ($1.4 million General Fund-State). The Department is directed to eliminate funding to the regional AIDSNETs and assume those duties within the agency. Funding for nutritional therapy services provided by the Lifelong AIDS Alliance is also eliminated. The Department shall manage the remaining reductions through administrative efficiencies and reductions to minimize impacts on direct client services and prevention activities.

Childhood Vaccines

In the 2009-2011 biennial budget, state funding for the universal purchase of vaccines was eliminated. The Department of Health has achieved an additional $8.3 million in General Fund-State savings through the use of federal funding. The universal purchase of vaccines will be continued through a public/private partnership established by Chapter 174, Laws of 2010 (2SHB 2551 – WA Vaccine Association). The vaccines will be purchased using funds from private insurance carriers and third party administrators.

Natural Resources

Water Resources and Watershed Protection

Puget Sound Cleanup and Restoration

Approximately $7.9 million in state and federal funds are provided for cleanup and restoration activities benefiting Puget Sound, including $640,000 of state funds to complete remedial investigation of the Whitmarsh Landfill, located in the tidelands of Padilla Bay, and to repair erosion of a sediment cap in Commencement Bay.

A total of $7.3 million in federal funds will be used for derelict vessel and creosote removal, invasive species control, stormwater management, habitat restoration projects, and to monitor aquatic reserves. In addition, $2.2 million of these funds will be passed through to local watershed projects and to conduct environmental monitoring and scientific modeling.

The capital budget also invests approximately $123 million for projects that will benefit Puget Sound. See the Omnibus Capital Budget section for more information.

Emergency Drought Response

Due to mild winter conditions, there is potential for drought conditions in certain areas of the state. As a result, a total of $4.2 million is provided for emergency drought response to address potential needs for assistance to Eastern Washington in the event that the Governor declares an emergency.

If necessary, the funds will be used for a number of projects, including drinking water supply improvements, purchasing or leasing water rights for use during a drought, and augmenting streamflows for protection of endangered fish species.

Water Resource Management

The Department of Ecology (DOE) administers the water pollution control revolving loan program that helps local governments improve and protect water quality through high-priority, wastewater treatment facility projects. As a result of additional federal stimulus funds received by the state, a total of $360,000 in state funds are provided for the additional staff needed to provide oversight and management of these funds consistent with federal guidelines.

The Legislature also enacted Chapter 285, Laws of 2010, Partial Veto (E2SSB 6267), which created a new, expedited process for water right applications. This allows DOE to recover the costs associated with processing expedited applications, which will assist DOE in reducing the backlog of water right applicants.

Savings

Approximately $581,000 in state general fund savings are achieved by: reducing water resource data collection and streamflow measurement and management activities; reducing activities that support wetland mitigation, including follow-up compliance and technical assistance; and reducing the Puget Sound Partnership's (PSP's) education and outreach efforts.

Environmental Protection

Pollution Mitigation and Abatement

Approximately $979,000 in state funds are provided to the Department of Ecology (DOE) for mitigation and abatement of air and land pollution, including $100,000, to implement clean air strategies in Pierce County. The federal Environmental Protection Agency recently tightened air quality standards, which resulted in Pierce County becoming out of compliance with the federal Clean Air Act. These funds will identify and implement clean air strategies to improve air quality in the county and allow Pierce County to become compliant under the new regulations.

A total of $650,000 is provided for expert witness fees and other legal fees associated with a court case concerning a toxic cleanup site on the Upper Columbia River. A portion of the upper Columbia River in Eastern Washington has been contaminated by metal and other pollutants from the Teck-Cominco smelter complex in British Columbia. The state is a co-plaintiff with the Confederated Tribes of the Colville Reservation; the trial is scheduled to begin in October 2010.

The Legislature also enacted Chapter 130, Laws of 2010 (ESSB 5543), which requires all producers who sell mercury-containing lights in the state to pay an annual fee to implement a product stewardship program for collection and disposal of mercury-containing lights. This new recycling program will begin January 1, 2013.

Savings

Approximately $120,000 in savings is achieved in DOE by reducing spending for the Woodstove Education and Enforcement Program and for laboratory analysis and data collection activities used to identify and control pollution sources. An additional $2.0 million in state funds is transferred from the Waste Reduction and Recycling Account to the state general fund by reducing litter pick-up activities throughout the state. Remaining funding will be dedicated to litter pick-up along interstate highways with a focus on maximizing the use of correctional crews.

Land and Species Management

Land Management

Approximately $9.6 million in state and federal funds is provided for various activities that facilitate management of state lands. A total of $1.5 million in state funds is provided to replace lost federal funds to continue the adaptive management program within the Forest Practices Division of the Department of Natural Resources (DNR). The adaptive management program is a required component of the state's Forest Practices Habitat Conservation Plan that enables the Forest Practices Board to determine if and when it is necessary to adjust the forest practices rules and guidance.

A total of $6.7 million of expenditure authority is provided to the Department of Agriculture (Agriculture) for grants received from the federal government. These funds will be utilized to protect food safety, support organic agriculture and specialty crops, detect sudden oak death, and to remove Spartina, an invasive aquatic weed.

Fire Suppression

A total of $11.7 million of general funds is provided for one-time costs incurred by DNR and the Department of Fish and Wildlife (DFW) during the 2009 wildfire season. In addition, 50 percent of the helicopter fleet budget ($986,000) is shifted to the Forest Fire Protection Assessment Account, which will produce savings to the general fund in future fiscal years as only half of the costs will be recovered via the emergency fire suppression budget appropriations, resulting in a sharing of these fire protection costs between the general fund and the Forest Fire Protection Assessment Account.

Savings

Approximately $3.3 million in state funds are saved by reducing land and species management activities, including the following:

- State Parks and Recreation Commission: Reducing interpretive and forestry staff, maintenance and operating staff, long-range park planning, using temporary Park Ranger positions during the high-use seasons, and transferring Wenberg State Park to Snohomish County and Lake Osoyoos State Park to the city of Oroville. ($1.6 million)
- State Conservation Commission: Reducing funding and technical assistance to conservation districts and reducing audits conducted by the Commission of the districts. ($561,000)
- Department of Fish and Wildlife: Reducing outreach and education, wildlife disease monitoring and winter feeding, wildlife area management planning, scientific studies and technical assistance, and by using local partnerships to fund the McKernan and Mayr Brothers fish hatcheries. ($1.1 million)

Emergency Food Programs

Pursuant to Chapter 68, Laws of 2010 (SSB 6341), the Temporary Emergency Food Assistance Program and the Commodity Supplemental Food Program in the Department of General Administration and the Emergency Food Assistance Program in the Department of Commerce are transferred to the Department of Agriculture. This transfer takes place on July 1, 2010.

General Reductions and Efficiencies

Approximately $20.9 million in additional state general fund savings are achieved by general administrative reductions and efficiencies including:

- One-time shifts of various activities, including water pollution, parks maintenance and operation, fish program costs, and the Natural Heritage Program from the general fund to other state accounts to utilize available fund balances ($16.5 million);
- Administrative reductions in DOE, State Parks, DFW, PSP, and DNR, including reducing the general fund subsidy of certain fees and recovery of savings as a result of reductions made in the 2009-11 biennial operating budget ($3.8 million);
- Shifting the costs of pesticide testing in Agriculture from the general fund to the State Toxics Control Account ($416,000); and
- Consolidating the Growth Management Hearings Board and the Environmental Hearings Office into the newly-created Environmental and Land Use Hearings Office as a result of enactment of Chapter 210, Laws of 2010 (SHB 2935); consolidating the back-office functions of the PSP and the Recreation and Conservation Office; and increasing the use of the Small Agency Consortium ($184,000).

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.

Washington State Patrol

Staff Savings

A total of $1.8 million General Fund-State savings are achieved through eliminating 12 FTE positions across various divisions of the WSP. Positions at the State Patrol Crime Labs are not included in this reduction.

Criminal History Section

A total of $2.8 million General Fund-State savings are achieved by utilizing the Fingerprint Identification Account rather than General Fund-State for the Criminal History Section. Of this amount, $2 million is a one-time fund shift and the remaining $800,000 is ongoing.

Program Transfers

The Forensic Sciences Improvement program and the Post-Conviction DNA Analysis program are transferred from the Department of Commerce to the WSP. The Forensic Science Improvement program supports forensic science services and medical examiner services provider by state and local government. The Post-Conviction DNA Analysis program provides testing of old evidence to determine if the DNA analysis substantiates prior convictions.

Department of Licensing

Minor-In-Possession Program Funding Shift

Under this program, minors found to be in possession of illegal drugs, alcohol, or firearms lose their driver's licenses for one to two years. Operating costs for this program are now supported with transportation funds, rather than with the state general fund.

Public Schools

Summary Statistics on Total and Percentage Changes in the K-12 Budget

2	009-11 Originally-Enacted Operating Budget	2010 Supplemental	Difference	Percent Change
NGF-S* 1	3,310,462,000	13,442,302,000	131,840,000	1.0%
NGF-S Per Pupil Funding	6,737	6,784	47	0.7%

** Near General Fund-State: General Fund and Education Legacy Trust Account*

Maintenance Level Changes

Enrollment, Workload, and Inflation

State funds in the amount of $262 million are provided for student enrollment increases, inflation of non-employee related costs, and other workload adjustments. Compared to the original budget, the number of full-time equivalent (FTE) students is expected to be higher by 1,798 in year one and by 3,942 in year two of the biennium. Additional adjustments are made for changes in certificated instructional staff compensation based on higher-than-anticipated projections for average teacher experience level (staff mix).

Safety Net Adjustment

State costs for the special education safety net program are lower than originally anticipated in the enacted budget by $29 million, primarily due to the availability of additional federal stimulus funding for the Individuals with Disabilities Education Act.

Policy Level Changes

State funds reductions totaling $120 million are included in the 2010 supplemental budget for the 2009-11 biennium.

Major Reductions in the 2009-11 K-12 Operating Budget:

Student Achievement Program

Student Achievement program funds are reduced by $79 million, eliminating the planned distribution of $99 per eligible K-12 student for the 2010-11 school year.

Certificated Staff Ratio, Grade 4

Funding for class-size reductions in grade four is reduced by $30 million in fiscal year 2011. State law requires certain levels of staffing per FTE student. Currently, the law requires 46 certificated instructional staff (CIS) to 1,000 annual average FTE students enrolled in grade four; the enacted biennial budget provided an enhancement over this level to reduce class sizes – funding 53.2 CIS per 1,000 average annual FTE students in grades kindergarten (K) through four. These enhancements are retained for grades K through three but reduced for grade four to a ratio of 47.4 staff per 1,000 student FTEs.

Bus Depreciation

A one-time reduction of $22 million is taken by postponing sales tax payments for school bus depreciation. The Office of the Superintendent of Public Instruction will provide sufficient funds in the last year of an expected bus life cycle to cover sales tax costs, rather than providing a portion of these funds to districts each year.

Learning Improvement Day

The 2009-11 base operating budget funds one learning improvement day to state-funded certified instructional staff. This funding is discontinued beginning in the 2010-11 school year, reducing the budget by $15.3 million in fiscal year 2011.

Statewide Grants and Programs

A number of statewide grants and programs are reduced or eliminated in the second year of the biennium, totaling reductions of $10 million. Among the programs reduced or eliminated are: Focused Assistance, Career, and Technical Education grants; Building Bridges grants; and Navigation 101.

Major Policy-Level Additions

School Levies

The supplemental budget includes $22 million for the 2009-11 levy equalization costs of Chapter 237, Laws of 2010, Partial Veto (SHB 2893), which are increased from the originally-enacted budget beginning in calendar year 2011 (the last six months of the biennium). The bill increases the levy lid by 4 percentage points and increases the levy equalization percentage from 12 to 14 percent through December 2017. The legislation also makes amendments to the school districts' levy bases upon which levy authority is calculated.

Per-Pupil Inflator

Funding is increased by $8 million to fund the per-pupil inflator at 4 percent, rather than 1 percent. This item will allow some districts to collect additional local funds previously approved by voters and increases local effort assistance funds for eligible districts. The increase is effective for calendar year 2011; therefore, the additional funds cover the last six months of the biennium.

2010 Session Bills

A total amount of $7.1 million is added to the budget for the costs associated with legislation enacted in the 2010 legislative session. The following table includes a list of bills and their costs – excluding SHB 2893, school levies, which is described above:

2010 Session Bills
Dollars in Thousands

Bill Number	Brief Title	Change in State Funding
SHB 2776	Funding distribution formulas for K-12 education	2,518
E2SSB 6696	Education reform	2,357
2SSB 6702	Providing education programs for juveniles in adult jails	1,747
SSB 6759	Development of a plan for a voluntary program of early learning	164
HB 2621	Resource programs for STEM instructions and K-12 schools	150
E2SHB 3026	Compliance with state and federal civil rights laws	133
	Total	7,069

Changes to Basic Education Funding

The Legislature adopted Chapter 236, Laws of 2010, Partial Veto (SHB 2776), which makes two significant changes to basic education funding. First, the bill establishes specific crosswalk funding values to create a fiscally-neutral conversion to the new prototypical school funding formulas established in Chapter 548, Laws of 2009, Partial Veto (ESHB 2261). Those formulas are scheduled to take effect beginning in the 2010-2011 school year. Second, the bill establishes a phase-in schedule for specific funding enhancements in several program areas, including: K-3 class size of 17 by 2017-18; implementation of a new pupil-transportation formula by the 2013-15 biennium; full-day kindergarten programs by 2017-18; and enhanced funding for maintenance, supplies, and other non-salary costs by 2015-16.

Higher Education

Overview

The original 2009-11 operating budget reduced biennial Near General Fund-State support for higher education by $502 million, or approximately 13 percent, after accounting for $81.5 million in one-time federal stimulus funding through the American Recovery and Reinvestment Act of 2009. In response to the continued economic recession, the 2010 supplemental operating budget reduces state support for higher education by an additional $57 million, or 3 percent, during the second year of the biennium. This $57 million net reduction includes approximately $55 million of targeted increases that are offset by $112 million of additional reductions in state support to the public colleges and universities, student financial aid, and other higher education agencies.

Major Increases

State Employee Health Benefits

State employer contributions are increased by $34.8 million (11 percent), from $768 per employee per month to $850 per employee per month.

Worker Retraining

The amount of $17.6 million is provided for an additional 3,800 unemployed workers to train at community and technical colleges for new jobs in high-demand fields.

Aerospace Training

A total of $1.75 million is appropriated for the State Board for Community and Technical Colleges to contract with the Aerospace Training and Research Center at Paine Field in Everett to provide industry-identified training in the aerospace sector.

Opportunity Grants

The sum of $1.0 million is provided for additional financial aid and support services for community and technical college students who are pursuing training in high-demand fields.

Institutional Reductions

Through a combination of general budget reductions and savings from the implementation of Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503), state appropriations to the six public universities and 34 community and technical colleges are reduced by $90 million in fiscal year 2011. This represents an approximate 6.3 percent reduction in the level of state support each institution was previously budgeted to receive during the second year of the biennium. As directed by the Legislature in the original 2009-11 biennial budget, colleges and universities are expected to achieve savings first through purchasing efficiencies, reduced energy use, administrative reductions, and program consolidations. However, additional reductions in course offerings, increased class sizes, and reduced student support services are also anticipated.

Student Financial Aid Reductions

State Work Study Program

Funding is reduced by $7.4 million, or approximately 30 percent in the second year of the biennium. These savings are to be achieved through a combination of actions, such as maintaining average student earnings at the current level rather than increasing them to keep pace with the estimated costs of attendance; increasing the required employer share of wages to approximately 50 percent for proprietary employers and to 30 percent for non profits (from 35 percent and 20 percent, respectively); and discontinuing non-resident student eligibility for the program.

Conditional Scholarship and Loan Programs

Funding is reduced by $5 million due to the suspension of new awards for the Health Professionals Conditional Scholarship and Loan Repayment and the Future Teachers Conditional Scholarship and Loan Repayment programs for the 2010-11 academic year. As a result of these suspensions approximately 125 new applicants will no longer receive awards. Students currently receiving scholarships or loan repayments in either of these programs will continue to receive their awards.

Educational Opportunity Grants

The state will not provide $2.6 million of additional financial assistance for community and technical college graduates who, because of work or financial obligations, face significant barriers to completing their studies at a distant public baccalaureate institution. Funding continues to be available to complete scholarship commitments to current recipients, but no new applicants will be selected.

Washington Scholars and Washington Award for Vocation Excellence

Each year, three outstanding high school graduates from each legislative district are selected as Washington Scholars, and three outstanding vocational/technical graduates receive the Washington Award for Vocational Excellence (WAVE). State expenditures are reduced by $870,000 during the 2010-11 academic year by awarding scholarships to only one Washington Scholar and one WAVE recipient in each district, rather than to three each. Funding continues to be available for current recipients who were awarded scholarships in previous years to complete their studies.

Other Education

Special Appropriations

Employee compensation related changes are displayed in individual agency budgets including institutions of higher education. The amounts displayed below summarize those items and are in addition to those included in the public schools section of this document.

Special Appropriations (Non-Compensation Related Items)

Strategic Printing

Savings of $1.5 million state general fund are realized through implementing various printing strategies. The strategies include utilizing print management, standardizing envelopes, and streamlining processes and may also include pilot projects allowing state agencies to directly purchase printing services from other than the State Printer.

Information Technology Reform

Savings of $30 million state general fund are realized through Information Technology (IT) related efficiency efforts. Chapter 282, Laws of 2010, Partial Veto (ESHB 3178), outlines the IT efficiency efforts, which includes potential savings related to wireless service, telephony, desktop computers, email services, and data storage. Additionally, $15 million of the $30 million savings are achieved from reducing rates paid by agencies into the Data Processing Revolving Account and utilizing the excess fund balance.

Special Appropriations (Compensation Related Items)

Temporary Layoff Savings

Funding for agencies is reduced ($38.0 million General Fund-State and $35.3 million in other funds) to reflect savings from closing agencies for ten days, or implementing approved equivalent compensation reduction plans, as specified in Chapter 32, Laws of 2010, 1st sp.s., Partial Veto (ESSB 6503). Certain agencies and activities are exempted from the closure or compensation reduction requirements. Legislatively-adopted provisions requiring general government state agencies to reduce compensation expenditures on Washington Management Services (WMS) and Civil Service-exempt management employees by $10 million General Fund-State and additional amounts in other funds, in addition to the reduced expenditures due to closures or reduction plans, were vetoed by the Governor.

State Employee Health Benefit Funding Increase

Additional funding ($64.9 million General Fund-State and $53.1 million in other funds) is provided to cover cost increases for state employee health benefits. State employer contribution rates for fiscal year 2011 are increased from $768 per employee per month to $850 per employee per month, an increase of $82 per employee per month over contribution levels for fiscal year 2010. The amount remitted by technical colleges, school districts, and educational service districts for retiree insurance coverage from the Public Employees' Benefits Board is reduced $64.90 per employee per month to $62.48 per employee per employee per month.

2010 Supplemental Transportation Budget

Transportation Outlook

Washington State continues to feel the negative impacts of the worldwide economic recession, including the continued erosion of dedicated transportation revenue. Since enactment of the 2009-11 biennial transportation budget, state transportation revenues have declined approximately $121 million for the biennium and almost $347 million over the course of the 16-year planning period. Combined with fuel cost increases, it is expected that over the 16-year plan, the result is an additional deficit of roughly $500 million.

The decline in revenues, particularly the underlying 23 cent fuel tax, results in a deficit situation in four to six years for those accounts supporting core transportation projects and operating programs. The activities most adversely affected by the deterioration of transportation revenues are some of the state's fundamental transportation obligations, including maintenance, preservation, and stewardship of the existing highway system; Washington State Patrol's (WSP's) highway safety mission; and operating and preserving the Washington State Ferries (WSF). The 2003 "Nickel" and 2005 Transportation Partnership Act construction programs remain viable for the 16-year planning period. However, these construction improvement programs are increasingly reliant on out-biennia fund transfers from other transportation accounts.

- Of the 391 Nickel and Transportation Partnership Act projects originally authorized, 241 were completed as of February 2010, 54 were under construction, and 21 were headed for advertisement. This means that 81 percent or $6.5 billion worth of projects have been completed or are underway.
- Furthermore, federal American Recovery and Reinvestment Act (ARRA) funding has made possible 198 state and local projects, valued at $490 million, all of which were obligated by March 2010, meeting required federal timelines.
- In the first six months of the 2009-11 biennium, bids have come in on average 24 percent below the engineer's cost estimates. The resulting savings of about $57 million have allowed the Department of Transportation (DOT) to meet the biennium-to-date inflation savings targets set by the Legislature in the underlying 2009-11 budget. Total estimated inflation savings captured by the Legislature in the current biennial budget total approximately $175 million.
- Favorable interest rates in the debt markets, along with a federal stimulus bond program with subsidized rates, has made borrowing cheaper, resulting in $195 million in long-term state savings.

Budget Summary

The 2010 Supplemental Transportation Budget makes adjustments to the underlying 2009-11 budget, resulting in $8.5 billion in funding for transportation activities and construction in the two-year period. This reflects an increase of just over $1 billion for the biennium, primarily attributable to $590 million in new federal grants for high speed rail, a $35 million Transportation Infrastructure Generating Economic Recovery (TIGER) grant award, and additional revenue for the State Route 520 corridor made possible by the passage of Chapter 248, Laws of 2010, Partial Veto (ESSB 6392), and Chapter 249, Laws of 2010 (ESSB 6499).

Washington State Patrol: $3.6 million is provided for a trooper basic class so that trooper staffing levels can be restored to the level prior to cancellation of the March 2009 cadet class.

Fuel: The budget provides $30 million to reflect increases in fuel prices since the passage of the original 2009-11 budget.

Of these amounts, $26 million is provided to the ferry system, $2 million is provided to DOT's maintenance crews, and $2 million is provided for the increased cost of fueling up WSP vehicles.

The budget also directs the WSF System to continue initiatives to conserve fuel and reduce the effect of price volatility on the fuel budget. The Transportation Commission may impose a fuel surcharge in fiscal year 2012.

Ferries: The budget continues to support the WSF vessel delivery schedule, with the first of the Kwa-di Tabil (64-car) class to be delivered during the summer of 2010, the second scheduled for delivery in spring of 2011, and the third for winter of 2012. In addition, the budget provides an additional $8.45 million to finalize detailed design work on the larger 144-auto vessels.

In an effort to balance costly terminal improvements with customer demand on WSF, the budget provides funding for future development of a cost-effective reservation system.

Rail: On January 28, 2010, the Federal Rail Administration awarded Washington State $590 million for projects that increase passenger rail service along the I-5 corridor. Projects at the top of the state's priority list that are vital to increasing rail service along the I-5 corridor include the Vancouver Rail Bypass project, the Kelso to Martin's Bluff 3rd Mainline project, and the Tacoma Pt. Defiance Bypass project.

The budget further provides $2.2 million and 5.7 full-time equivalent staff (FTEs) to ensure the receipt of these funds and implementation of the projects. The budget also includes $2.5 million for the increasing costs of providing Amtrak service.

Public Transportation: An additional $10.6 million is provided for three additional regional mobility grants from the 2009 contingency list. The grant recipients are Sound Transit as well as the cities of Seattle and Bothell.

Stormwater: An additional $2.7 million is provided for DOT to meet its obligations under its National Pollutant Discharge Elimination System permit. Funding will support the completion of planning activities and basic infrastructure investments. The Joint Legislative Audit and Review Committee is directed to review the most cost-effective way for DOT to meet its stormwater responsibilities.

Tolling: With the declining purchasing power of the gas tax, tolling will play an increasing role in the finance of transportation projects. Tolls are currently only collected on the Tacoma Narrows Bridge and the State Route 167 High Occupancy Toll (HOT) lane pilot project. The budget supports efforts under way throughout the state to prepare the way for further use of this financing tool in the future, including:

- Allowing early toll revenue on the SR 520 Bridge to be used throughout the corridor;
- Applying toll penalty revenue to the facility where the infraction is incurred;
- Studying of potential tolling of the I-5 express lanes through Seattle; and
- Promoting a bi-state approach to tolling of the Columbia River Crossing project.

Planning for the Future: An appropriation of $2 million is provided to DOT to begin project design work for the next construction program. The Department is directed to focus efforts on projects that:

- Offer solutions which maximize benefits to all state residents;
- Address statewide transportation policy goals; and
- Build on prior investments made in the Nickel and TPA programs.

To address future public transportation needs, the supplemental budget also provides $350,000 to the Joint Transportation Committee to assess the capital and operating needs of transit agencies; to develop a blueprint to guide investments in public transit; and to establish a plan to improve service, public access to public transit, and connectivity between public transit providers across jurisdictional boundaries.

For future budgeting purposes, the financial plan assumes that additional efficiencies will be taken in the 2011-13 biennial budget for a number of programs such that, when combined with the efficiencies taken in the 2009-11 budget, the expected result will achieve a 5 percent reduction relative to the adopted 2009-11 biennial budget level, exclusive of one-time items and inclusive of the bowwave effect of items funded in the biennial budget. The affected programs are assumed to be various DOT operating

programs, including B, C, D, H, Q, S, T, and V; WSP Technical Services and Investigative Services Bureaus; and a number of smaller transportation agencies. The Department of Licensing is assumed to have achieved the requisite additional efficiencies through closure and consolidation of the adopted licensing service office item in the 2009-11 biennial budget.

Highway Projects: The budget includes investments in new emergent needs projects made possible by the receipt of federal emergency and other funds:

- $18 million to reconstruct a portion of the SR 410 route damaged in the Nile Valley landslide;
- $6 million in increased federal border funds, allowing DOT to work with the Whatcom Council of Governments to prioritize projects;
- $35 million TIGER grant award for the US 395 North Spokane Corridor;
- $274 million in toll penalty revenue is added to the 16-year project plan for the SR 520 corridor;
- $22 million in additional Rural Arterial Trust Account funding to allow additional investments in projects by the County Road Administration Board;
- $9 million for 15 priority projects, including a number of intersection safety improvements, access road improvements, and flood reduction solutions; and
- $400,000 in new operating funding for electronic speed limit and lane status signs on I-5 in the Seattle area. The project is designed to improve traffic safety and highway efficiency in one of the state's busiest corridors, where collisions account for as much as 70 percent of congestion. Similar signs will be activated later on I-90 and SR 520.

Compensation:

- Savings of $2.3 million is taken to reflect compensation reduction plans for non-essential employees through fiscal year 2011.
- An additional $7.654 million is provided for the state's share of employee health insurance increases.

2009-11 Washington State Transportation Budget

TOTAL OPERATING AND CAPITAL BUDGET

Total Appropriated Funds

(Dollars in Thousands)

	Original 2009-11 Appropriations	2010 Supplemental Budget	Revised 2009-11 Appropriations
Department of Transportation	**5,780,668**	**975,047**	**6,755,715**
Pgm B - Toll Op & Maint-Op	88,898	-28,798	60,100
Pgm C - Information Technology	73,765	839	74,604
Pgm D - Facilities-Operating	25,501	-209	25,292
Pgm D - Facilities-Capital	4,810	0	4,810
Pgm F - Aviation	8,159	-49	8,110
Pgm H - Pgm Delivery Mgmt & Suppt	48,782	-1,126	47,656
Pgm I - Hwy Const/Improvements	3,119,872	248,967	3,368,839
Pgm K - Public/Private Part-Op	815	58	873
Pgm M - Highway Maintenance	355,434	5,008	360,442
Pgm P - Hwy Const/Preservation	736,327	24,299	760,626
Pgm Q - Traffic Operations	53,703	-398	53,305
Pgm Q - Traffic Operations - Cap	15,656	10,712	26,368
Pgm S - Transportation Management	30,420	-687	29,733
Pgm T - Transpo Plan, Data & Resch	47,445	4,988	52,433
Pgm U - Charges from Other Agys	88,292	0	88,292
Pgm V - Public Transportation	124,081	10,458	134,539
Pgm W - WA State Ferries-Cap	284,688	21,462	306,150
Pgm X - WA State Ferries-Op	400,592	25,330	425,922
Pgm Y - Rail - Op	34,933	2,438	37,371
Pgm Y - Rail - Cap	98,440	636,887	735,327
Pgm Z - Local Programs-Operating	11,306	-140	11,166
Pgm Z - Local Programs-Capital	128,749	15,008	143,757
Washington State Patrol	351,856	3,716	355,572
Department of Licensing	237,849	-1,767	236,082
Joint Transportation Committee	1,901	612	2,513
Jt Leg Audit & Review Committee	0	50	50
LEAP Committee	502	-11	491
Office of Financial Management	3,489	135	3,624
Utilities and Transportation Comm	705	-3	702
WA Traffic Safety Commission	22,472	18,080	40,552
Archaeology & Historic Preservation	422	-9	413
County Road Administration Board	87,920	21,904	109,824
Transportation Improvement Board	217,473	-4,414	213,059
Marine Employees' Commission	446	-6	440
Transportation Commission	2,349	91	2,440
Freight Mobility Strategic Invest	695	-7	688
State Parks and Recreation Comm	986	-1	985
Department of Agriculture	1,507	-14	1,493
State Employee Compensation Adjust	-24,927	32,581	7,654
Total Appropriation	**6,686,313**	**1,045,984**	**7,732,297**
Bond Retirement and Interest	831,879	-7,414	824,465
Total	**7,518,192**	**1,038,570**	**8,556,762**

2009-11 Transportation Budget - Including 2010 Supplemental

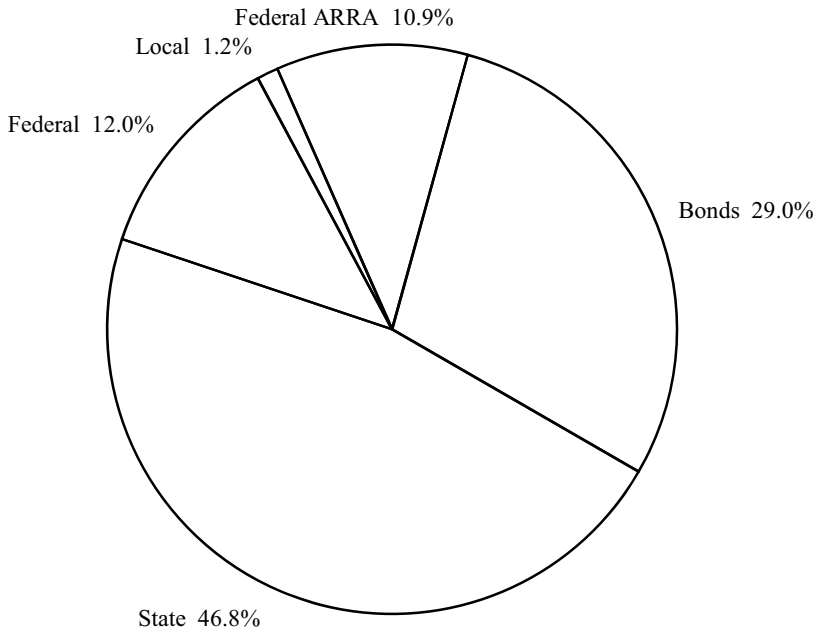
Chapter 247, Laws of 2010, Partial Veto (ESSB 6381)

Total Appropriated Funds

(Dollars in Thousands)

COMPONENTS BY FUND TYPE

Total Operating and Capital Budget



Fund Type	2009-11 Original	2010 Supp	2009-11 Revised
State	4,017,635	-13,420	4,004,215
Federal	759,231	271,556	1,030,787
Local	94,959	10,082	105,041
Federal ARRA	338,069	592,954	931,023
Bonds	2,308,298	177,398	2,485,696
Total	**7,518,192**	**1,038,570**	**8,556,762**

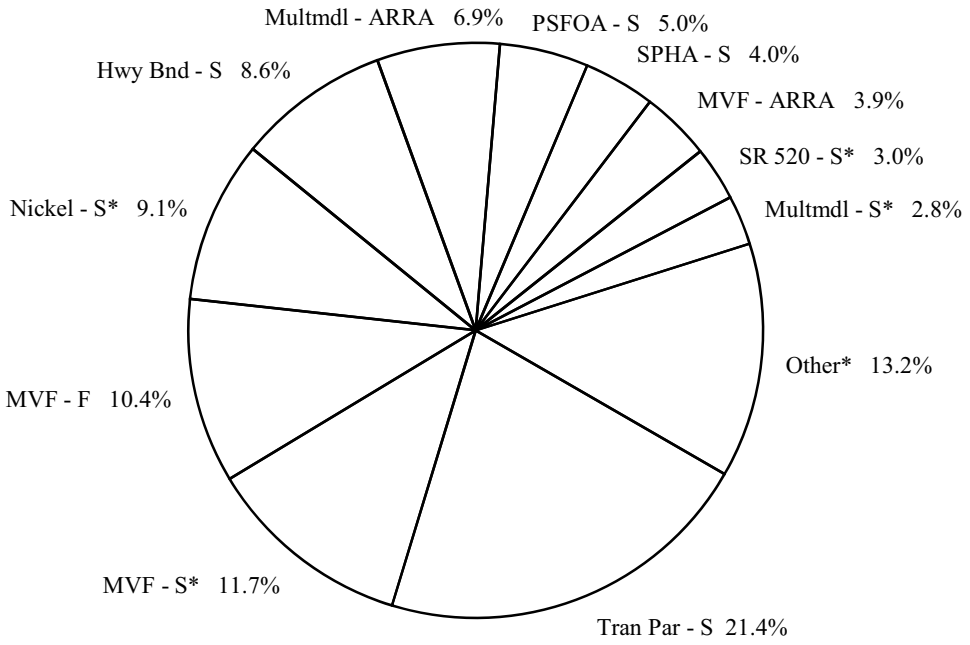
2009-11 Transportation Budget - Including 2010 Supplemental

Chapter 247, Laws of 2010, Partial Veto (ESSB 6381)

Total Appropriated Funds

(Dollars in Thousands)

MAJOR COMPONENTS BY FUND SOURCE AND TYPE
Total Operating and Capital Budget



Major Fund Source	2009-11 Original	2010 Supplemental	2009-11 Revised
Transportation Partnership Account - State (TranPar - S) *	1,914,524	-86,053	1,828,471
Motor Vehicle Account - State (MVF - S) *	970,806	27,125	997,931
Motor Vehicle Account - Federal (MVF - F)	666,522	221,673	888,195
Transportation 2003 Acct (Nickel) - State (Nickel - S) *	770,439	10,693	781,132
Highway Bond Retirement Account - State (Hwy Bnd - S)	742,400	-8,733	733,667
Multimodal Transportation Account - ARRA (Multmdl - ARRA)	0	590,000	590,000
Puget Sound Ferry Operations Acct - State (PSFOA - S)	397,430	30,631	428,061
State Patrol Highway Account - State (SPHA - S)	335,069	8,837	343,906
Motor Vehicle Account - ARRA (MVF - ARRA)	338,069	-2,571	335,498
SR 520 Corridor Account - State (SR 520 - S) *	164,352	96,315	260,667
Multimodal Transportation Account - State (Multmdl - S) *	200,970	37,596	238,566
Other Appropriated Funds *	1,017,611	113,057	1,130,668
Total	**7,518,192**	**1,038,570**	**8,556,762**

** Includes Bond amounts.*

2009-11 Washington State Transportation Budget
Including 2010 Supplemental Budget
Fund Summary
TOTAL OPERATING AND CAPITAL BUDGET

(Dollars in Thousands)

	P MVF State *	.S. Ferry Op Acct State	Nickel Acct State *	WSP Hwy Acct State	Transpo Partner State *	Multimod Acct State *	Other Approp *	Total Approp
Department of Transportation	**900,698**	**425,922**	**776,652**	**0**	**1,819,366**	**237,777**	**2,595,300**	**6,755,715**
Pgm B - Toll Op & Maint-Op	575	0	0	0	0	0	59,525	60,100
Pgm C - Information Technology	68,650	0	2,676	0	2,675	363	240	74,604
Pgm D - Facilities-Operating	25,292	0	0	0	0	0	0	25,292
Pgm D - Facilities-Capital	4,810	0	0	0	0	0	0	4,810
Pgm F - Aviation	0	0	0	0	0	0	8,110	8,110
Pgm H - Pgm Delivery Mgmt & Suppt	46,906	0	0	0	0	250	500	47,656
Pgm I - Hwy Const/Improvements	85,534	0	713,205	0	1,665,644	98	904,358	3,368,839
Pgm K - Public/Private Part-Op	673	0	0	0	0	200	0	873
Pgm M - Highway Maintenance	347,645	0	0	0	0	0	12,797	360,442
Pgm P - Hwy Const/Preservation	96,884	0	6,328	0	75,305	0	582,109	760,626
Pgm Q - Traffic Operations	51,128	0	0	0	0	0	2,177	53,305
Pgm Q - Traffic Operations - Cap	8,158	0	0	0	0	0	18,210	26,368
Pgm S - Transportation Management	28,468	0	0	0	0	971	294	29,733
Pgm T - Transpo Plan, Data & Resch	25,955	0	0	0	0	1,090	25,388	52,433
Pgm U - Charges from Other Agys	87,331	0	0	0	0	561	400	88,292
Pgm V - Public Transportation	0	0	0	0	0	65,667	68,872	134,539
Pgm W - WA State Ferries-Cap	0	0	51,734	0	66,879	149	187,388	306,150
Pgm X - WA State Ferries-Op	0	425,922	0	0	0	0	0	425,922
Pgm Y - Rail - Op	0	0	0	0	0	37,371	0	37,371
Pgm Y - Rail - Cap	0	0	0	0	0	102,202	633,125	735,327
Pgm Z - Local Programs-Operating	8,621	0	0	0	0	0	2,545	11,166
Pgm Z - Local Programs-Capital	14,068	0	2,709	0	8,863	28,855	89,262	143,757
Washington State Patrol	0	0	0	341,292	0	0	14,280	355,572
Department of Licensing	77,898	0	0	737	0	0	157,447	236,082
Joint Transportation Committee	2,163	0	0	0	0	350	0	2,513
Jt Leg Audit & Review Committee	0	0	0	0	0	50	0	50
LEAP Committee	491	0	0	0	0	0	0	491
Office of Financial Management	3,526	98	0	0	0	0	0	3,624
Utilities and Transportation Comm	0	0	0	0	0	0	702	702
WA Traffic Safety Commission	0	0	0	0	0	0	40,552	40,552
Archaeology & Historic Preservation	413	0	0	0	0	0	0	413
County Road Administration Board	3,132	0	0	0	0	0	106,692	109,824
Transportation Improvement Board	0	0	0	0	0	0	213,059	213,059
Marine Employees' Commission	0	440	0	0	0	0	0	440
Transportation Commission	2,328	0	0	0	0	112	0	2,440
Freight Mobility Strategic Invest	688	0	0	0	0	0	0	688
State Parks and Recreation Comm	985	0	0	0	0	0	0	985
Department of Agriculture	1,493	0	0	0	0	0	0	1,493
State Employee Compensation Adjust	3,262	1,601	0	1,877	0	39	875	7,654
Total Appropriation	**997,077**	**428,061**	**776,652**	**343,906**	**1,819,366**	**238,328**	**3,128,907**	**7,732,297**
Bond Retirement and Interest	854	0	4,480	0	9,105	238	809,788	824,465
Total	**997,931**	**428,061**	**781,132**	**343,906**	**1,828,471**	**238,566**	**3,938,695**	**8,556,762**

* *Includes Bond amounts.*

2010 Supplemental Capital Budget Overview

The 2010 Supplemental Capital Budget, Chapter 36, Laws of 2010, 1st sp.s., Partial Veto (ESHB 2836), appropriates $123 million in new state debt limit general obligation bonds and $452 million in total funds, including all new appropriation increases and decreases. The current "working debt limit" is 8.75 percent to avoid the possibility of exceeding the 9 percent constitutional debt limit in case general state revenues decline, interest rates rise, and to leave capacity to address emergencies or unforeseen circumstances.

New, undedicated revenue in the amount of $760 million for the remainder of the 2009-11 biennium allows for an additional $141 million in new state debt limit bond appropriations. Approximately $19 million in bond reductions from prior biennium appropriations were taken to reflect project savings.

Project savings were taken on current projects as well. Project savings are based on five categories: 1) Projects no longer viable because of a different community, fundraising, or organizational situation; 2) Projects completed at a lower cost than estimated at the time of funding; 3) Projects bid at a lower cost than estimated at the time of funding; 4) Projects not yet bid but estimated to be completed 15 percent less than the construction cost estimated at the time of funding; and 5) Project management included in design projects – funds for project management are removed but may be added back at the time of construction funding.

Approximately $200 million in funds that are traditionally used in the capital budget were transferred to the operating budget. These transfers required existing projects to be backfilled with $140 million in debt limit general obligation bonds.

The Office of Financial Management (OFM) is also directed to find savings in the amount of $50 million in debt limit bonds by reducing previously approved allotments or by withholding approval of planned allotments for those projects that have not shown substantial progress. These projects include those that have failed to secure all required and appropriate transaction elements necessary to execute contracts with the administering state agency by November 30, 2010. Projects in the 2010 Supplemental Capital Budget, minor works projects, and the School Construction Assistance Grant Program are not included in the projects that OFM will consider for savings.

Risk Pools

Risk pools are created within OFM and the State Board for Community and Technical Colleges to complete projects included in the 2010 Supplemental Capital Budget with reduced appropriations reflecting project savings in case savings are not as much as anticipated.

School Construction Assistance Program

The 2009-11 School Construction Assistance Program is reduced to reflect revised assumptions regarding eligible K-12 public schools expected to request construction reimbursement for the remainder of the biennium.

Energy Efficiency for K-12 Public Schools and Higher Education Institutions

Appropriations totaling $100 million are provided solely for grants to public school districts and public higher education institutions for energy improvements and related projects that result in cost savings.

Environmental Clean-Up

Funding is provided for projects that clean up toxic sites that include stormwater, contamination from Asarco, and other contaminants:

Environmental Clean Up Funding (Dollars in Millions)	
Clean Up Toxic Sites - Puget Sound	41.0
Clean Up Asarco Contamination on Vashon/Maury Islands and Mines	15.0
Reduce Diesel Particle Emissions in Tacoma	1.0
Reduce Wood Smoke Particle Emissions in Tacoma	.6
Remedial Action Grant Program	38.0
Settlement Funding to Clean-Up Toxic Sites	8.5
Stormwater Retrofit and Low-Impact Development Grant Program	50.0
Total	**154.1**

Facility Closures

The Department of Social and Health Services (DSHS) is provided funding for construction of new high-security beds at Green Hill School and for renovation of housing units at Echo Glen School. This will allow the Juvenile Rehabilitation residents to be moved out of the Maple Lane School and to close the facility by 2013.

The Department of Corrections (DOC) is provided funding to relocate the Correctional Industries furniture factory from McNeil Island to the Stafford Creek Corrections Center. In addition, funding is provided to conduct a predesign analysis, including siting, of a corrections complex to be located in western Washington. The facility will include capacity for 1,024 medium custody offenders and 300 minimum custody offenders.

Alternative Financing

The following certificates of participation and university-issued bonds are authorized in the 2010 Supplemental Capital Budget:

Alternative Financing (Dollars in Millions)	
Certificates of Participation	
DSHS: Capacity to Replace Maple Lane School	15.9
DOC: Relocate McNeil Island Corrections Center Furniture Factory to Stafford Creek Corrections Center	12.4
Washington State University: Student Information System	15.0
University Issued Bonds	
University of Washington: Balmer Hall Reconstruction	42.8
University of Washington: Tacoma Phase 3	7.5
Total	**93.5**

2010 Supplemental Capital Budget

Alternative Finance Projects

Chapter 36, Laws of 2010, 1st sp.s., Partial Veto (ESHB 2836)

(Dollars in Thousands)

Human Services	
Department of Social and Health Services	
Capacity to Replace Maple Lane School	15,850
Department of Corrections	
Relocate MICC Furniture Factory to Stafford Creek	12,400
Total Human Services	**28,250**
Higher Education	
University of Washington	
Balmer Hall Reconstruction	42,800
UW Tacoma Phase 3	7,450
Total	**50,250**
Washington State University	
Student Information System	15,000
Total Higher Education	**65,250**
Projects Total	**93,500**

2010 Supplemental Capital Budget

New Appropriations Project List

Chapter 36, Laws of 2010, 1st sp.s., Partial Veto (ESHB 2836)

(Dollars in Thousands)

	Debt Limit Bonds	Total
NEW PROJECTS		
Governmental Operations		
Department of Commerce		
2010 Local and Community Projects	13,750	13,750
Belfair Sewer Improvements	4,800	4,800
Building for the Arts Grants	-1,000	-1,000
CERB - Export Assistance Grants & Loans	0	3,000
Community Schools	1,500	1,500
Drinking Water State Revolving Fund Loan Program	0	2,930
Energy Regional Innovation Cluster Match	0	5,500
Housing Assistance, Weatherization, and Affordable Housing	30,000	30,000
Job and Economic Development Grants	12,439	12,439
Job Development Fund Grants	20,930	17,930
Jobs Act for K-12 Public Schools & Higher Education Institutions	50,000	50,000
Local and Community Projects	-1,000	-1,000
Public Works Trust Fund	100,000	100,000
Quillayute Valley Wood-Fire Boiler	980	980
Snohomish County Biodiesel	81	81
Total	232,480	240,910
Office of Financial Management		
Cowlitz River Dredging	500	500
Port Angeles Economic Development Agreement	250	250
Risk Pool	4,000	4,000
Total	4,750	4,750
Department of General Administration		
Capitol Campus Heating System Improvements	200	200
Highway-License Building: Repairs & Renewal	24	24
Minor Works - Facility Preservation	723	723
Minor Works - Infrastructure Preservation	136	136
Minor Works Preservation	600	600
Natural Resources Building: Repairs and Renewal	78	78
O'Brien Building Improvements	-1,451	-1,451
Powerhouse: Improvements and Preservation	-219	-219
Pro Arts Building	-1,775	-1,775
Transportation Building Preservation	2,105	2,105
Total	421	421
Washington State Patrol		
High Speed Driving Simulators	600	600
Military Department		
Camp Murray New Primary Gate Entrance West Gate Entrance	0	4,927
Combined Support Maintenance Shop Design and Construction	0	4,736
Minor Works Preservation	0	5,603
Minor Works Program	0	2,460
Total	0	17,726

** = Alternative Finance Project; ** = Project Funded by Building Fees*

2010 Supplemental Capital Budget

New Appropriations Project List

Chapter 36, Laws of 2010, 1st sp.s., Partial Veto (ESHB 2836)

(Dollars in Thousands)

	Debt Limit Bonds	Total
Department of Transportation		
Commute Trip Reduction for Thurston County State Agencies	0	-84
Freight Mobility Study - SR 12 & Schouweiler Road	500	500
Local Programs--Pgm Z-- West Vancouver Freight Access Project	0	-700
Total	500	-284
Total Governmental Operations	**238,751**	**264,123**

Human Services

WA State Criminal Justice Training Commission		
Replace Hawthorne Hall Dormitory	-16,745	-16,745
School Mapping	600	600
Total	-16,145	-16,145
Department of Labor and Industries		
Central Office Roof Replacement and Fall Restraint Upgrades	0	2,500
Department of Social and Health Services		
Capacity to Replace Maple Lane School *	760	16,610
Eastern State Hospital: Roof Replacements	-163	-163
Special Commitment Center: Utility Replacements	-524	-524
Total	73	15,923
Department of Health		
Drinking Water Assistance Program	0	14,000
Department of Veterans' Affairs		
Minor Works Facilities Preservation	275	275
State Veterans' Cemetery	0	1,909
Total	275	2,184
Department of Corrections		
Clallam Bay Corrections Ctr: Replace 5 Towers & Housing Roofs	-450	-450
Monroe Corrections Center: Water Line Replacements	-271	-271
Relocate MICC Furniture Factory to Stafford Creek *	0	12,400
Washington Corrections Ctr for Women: Roof Replacement	-275	-275
Washington State Penitentiary: Housing Units, Kitchen & Site Work	5,990	6,819
Westside Corrections Complex: Siting and Predesign	2,600	2,600
Total	7,594	20,823
Total Human Services	**-8,203**	**39,285**

Natural Resources

Department of Ecology		
Clean Up Toxic Sites - Puget Sound	511	41,198
Cleanup Asarco Contamination on Vashon/Maury Islands and Mines	0	15,000
Reducing Diesel Particle Emissions in Tacoma	0	1,000
Reducing Wood Smoke Particle Emissions in Tacoma	0	600

** = Alternative Finance Project; ** = Project Funded by Building Fees*

2010 Supplemental Capital Budget

New Appropriations Project List

Chapter 36, Laws of 2010, 1st sp.s., Partial Veto (ESHB 2836)

(Dollars in Thousands)

	Debt Limit Bonds	Total
Department of Ecology (continued)		
Remedial Action Grant Program	0	38,211
Safe Soils Remediation Program	-1,620	0
Settlement Funding To Clean Up Toxic Sites	0	8,500
Stormwater Retrofit and Low-Impact Development Grant Program	27,334	50,000
Sunnyside Valley Irrigation District Water Conservation	4,400	4,400
Upper Columbia River Black Sand Beach Cleanup	-2,500	-2,500
Wastewater Treatment and Water Reclamation	3,430	3,430
Water Pollution Control Revolving Fund Program	0	37,000
Water Pollution Control Revolving Fund Program Match	0	1,400
Total	31,555	198,239
State Parks and Recreation Commission		
Cama Beach State Park Phase 2C Development	-490	-490
Dash Point State Park: Sanitary Sewer Collection System Phase 2	-573	-573
Deception Pass State Park: Wastewater System Design and Permit	300	300
Federal Grant Authority	0	1,000
Flaming Geyser State Park: Parkwide Infrastructure Redevelopment Construction only	-530	-530
Illahee State Park: Wastewater Treatment Upgrade Phase 2 Construction	-278	-278
Total	-1,571	-571
Recreation and Conservation Funding Board		
Aquatic Lands Enhancement Account	-1,000	0
Department of Fish and Wildlife		
Carpenter Creek Estuary Restoration	2,784	2,784
Leque Island Highway 532 Road Protection Predesign and Permitting	680	680
Minor Works - Dam and Dike	-46	-46
Minor Works - Facility Preservation	-257	-257
Minor Works - Programmatic	-150	-150
Minor Works - Road Maintenance and Abandonment Plan	-50	-50
Mitigation Projects and Dedicated Funding	0	6,000
Puget Sound Flood Plain Restoration Projects	566	566
Puget Sound General Investigation for Nearshore Restoration	0	1,030
Total	3,527	10,557
Department of Natural Resources		
Elk River Estuarine Lands Acquisition	0	1,000
Forest Hazard Reduction and Biomass Equipment	2,000	2,750
Forest Riparian Easement Program	500	1,100
Puget Sound Cleanup and Recovery	0	1,030
Removal/Cleanup of Asarco Docks in Ruston/Commencement Bay	0	2,050
Total	2,500	7,930
Total Natural Resources	**35,011**	**216,155**

** = Alternative Finance Project; ** = Project Funded by Building Fees*

2010 Supplemental Capital Budget

New Appropriations Project List

Chapter 36, Laws of 2010, 1st sp.s., Partial Veto (ESHB 2836)

(Dollars in Thousands)

	Debt Limit Bonds	Total
Higher Education		
University of Washington		
Balmer Hall Reconstruction **	0	42,800
Clark Hall Renovation	183	183
Intermediate Student Service and Classroom Improvements	6,934	6,934
Minor Works - Facility Preservation	-6,865	0
Preventative Facility Maintenance and Building System Repairs	0	-5,084
UW Tacoma Phase 3 **	-17,232	4,225
UW Tacoma-Land Acquisition	0	2,469
Total	-16,980	51,527
Washington State University		
Minor Works - Preservation	7,775	0
Minor Works Program	10,485	0
Preventative Facility Maintenance and Building System Repairs	0	18,260
Student Information System *	0	15,000
WSU Spokane - Riverpoint Biomedical and Health Sciences	3,500	3,500
WSU Vancouver - Applied Technology and Classroom Building	-3,149	-3,149
Total	18,611	33,611
Eastern Washington University		
Minor Works - Facility Preservation	-1,625	0
Minor Works - Health, Safety, and Code Requirements	1,343	1,343
Patterson Hall Remodel	-2,430	-2,430
Preventive Maintenance and Building System Repairs	0	2,192
Total	-2,712	1,105
Central Washington University		
Minor Works - Facility Preservation	-2,610	0
Minor Works - Infrastructure Preservation	-89	0
Preventative Facility Maintenance and Building System Repairs	0	1,985
Total	-2,699	1,985
The Evergreen State College		
Feasibility Study of Biomass Gasification Project Feasibility Study	125	125
Laboratory and Art Annex Building Renovation	-4,849	0
Minor Works - Health, Safety, Code Compliance	-562	0
Minor Works Preservation	3,247	0
Preventative Facility Maintenance and Building System Repairs	0	3,247
Total	-2,039	3,372
Western Washington University		
Miller Hall Renovation	-8,881	-8,881
Minor Works - Program	1,913	1,913
Preventative Facility Maintenance and Building System Repairs	0	2,200
Total	-6,968	-4,768

** = Alternative Finance Project; ** = Project Funded by Building Fees*

2010 Supplemental Capital Budget

New Appropriations Project List

Chapter 36, Laws of 2010, 1st sp.s., Partial Veto (ESHB 2836)

(Dollars in Thousands)

	Debt Limit Bonds	Total
Community & Technical College System		
Bates Technical College: Mohler Communications Technology Center	-563	-563
Bellevue Community College: Health Science Building	-1,440	-1,440
Bellingham Technical College: Instructional Resource Center Debt Service	0	320
Clark College: Health and Advanced Technologies Building	-182	-182
Construction Contingency Pool	3,339	3,339
Everett Community College: Index Hall Replacement	-144	-144
Grays Harbor College: Science and Math Building	-1,291	-1,291
Green River Community College: Humanities and Classroom Building Debt Service	0	4,044
Green River Community College: Science Math & Technology Building	-385	-385
Green River Community College: Trades and Industry Building	-918	-918
Lake Washington Technical College: Allied Health Building	-2,110	-2,110
Lower Columbia College: Health and Science Building	-782	-782
Minor Works - Facility Preservation - Roof Repairs	2,108	2,108
Minor Works - Preservation	-15,116	884
Minor Works - Program	0	2,513
North Seattle Community College: Employment Resource Center	2,676	2,676
North Seattle Community College: Technology Bldg Renewal	-892	-892
Peninsula College: Business and Humanities Center	-3,983	-3,983
Pierce College Fort Steilacoom: Cascade Core Phase II	-1,901	6,599
Preventative Facility Maintenance and Building System Repairs	0	-22,800
Roof Repairs "A"	-5,866	988
Seattle Central Community College: Seattle Maritime Academy	-1,502	-1,502
Seattle Central Community College: Wood Construction Center	-4,885	-4,885
Skagit Valley College: Academic and Student Services Building	-386	-386
Spokane Community College: Building 7 Renovation	-1,405	-1,405
Spokane Community College: Technical Education Building	-6,681	-6,681
Spokane Falls Community College: Chemistry and Life Science Bldg	-6,793	-6,793
Spokane Falls Community College: Music Building 15 Renovation	-3,347	-3,347
Tacoma Community College: Health Careers Center	-1,135	-1,135
Yakima Valley Community College: Palmer Martin Building	-467	-467
Total	-54,051	-38,620
Total Higher Education	**-66,838**	**48,212**

Other Education

Public Schools		
2009-11 School Construction Asst. Grant Program	-110,920	-168,779
Energy Efficiency and Small Repair Grants	50,000	50,000
North Central Technical Skills Center	0	-47
Northeast King County Skills Center	0	-997
Vocational Skills Center Minor Capital Projects	0	-100
Total	-60,920	-119,923
Center for Childhood Deafness & Hearing Loss		
Lloyd Auditorium Emergency Repairs	2,500	2,500

** = Alternative Finance Project; ** = Project Funded by Building Fees*

2010 Supplemental Capital Budget

New Appropriations Project List

Chapter 36, Laws of 2010, 1st sp.s., Partial Veto (ESHB 2836)

(Dollars in Thousands)

	Debt Limit Bonds	Total
Washington State Historical Society		
Vancouver National Historic Reserve Visitors Center	750	750
Vancouver National Historic Reserve West Barracks	1,000	1,000
Washington Heritage Project Capital Grants	-575	-575
Total	1,175	1,175
Total Other Education	**-57,245**	**-116,248**
Projects Total	**141,476**	**451,527**
GOVERNOR VETO		
Higher Education		
Community & Technical College System		
Bates Technical College: Mohler Communications Technology Center	563	563
Governor Veto Total	**563**	**563**
TOTALS		
Projects Total	141,476	451,527
Governor Veto Total	563	563
Statewide Total	**142,039**	**452,090**
Bond Capacity Adjustments	-18,759	
Total for Bond Capacity Purposes	**123,280**	

** = Alternative Finance Project; ** = Project Funded by Building Fees*

2009-11 Capital Budget - 2010 Supplemental
Chapter 36, Laws of 2010, 1st sp.s., Partial Veto (ESHB 2836)
New Appropriations Including Alternatively Financed Projects
(Dollars in Thousands)

	Debt Limit Bonds	Other Fund Sources	Total Funds
2009-11 Biennial Capital Budget [1]	1,845,995	1,421,508	3,267,503
2010 Supplemental Capital Budget [2]	142,039	310,051	452,090
Subtotal	**1,988,034**	**1,731,559**	**3,719,593**
Bond Capacity Adjustments			
2009-11 Biennial Capital Budget [1]	-5,409		
2010 Supplemental Capital Budget [2]	-18,759		
Subtotal	**-24,168**		
Allotment Reductions			
OFM - Reduce or Withhold Allotment Approval [3]	-50,000	0	-50,000
Total	**1,913,866**	**1,731,559**	**3,669,593**

[1] *2009-11 Capital Budget enacted as Chapter 497, Laws of 2009, Partial Veto (ESHB 1216).*

[2] *2010 Supplemental Capital Budget enacted as Chapter 36, Laws of 2010, 1st sp.s., Partial Veto (ESHB 2836)*

[3] *The Office of Financial Management (OFM) is directed to withhold or reduce allotments in the amount of $50 million. See section 1023 of the 2010 Supplemental Capital Budget.*

Section III: Index

61st Washington State Legislature

This Page Intentionally Left Blank

ECONOMIC DEVELOPMENT

EDUCATION & EARLY LEARNING

FISCAL--APPROPRIATIONS

FISCAL--CAPITAL

FISCAL--REVENUE

GROWTH MANAGEMENT

LAW AND JUSTICE--CRIMINAL LAW

LAW AND JUSTICE--JUVENILE JUSTICE

LOCAL GOVERNMENT

NATURAL RESOURCES

STATE GOVERNMENT

VETERANS

Bill Number to Session Law Table

HOUSE BILLS

HB	1080	Fire protection facilities	C	86	L 10		
E2SHB	1096	Small business/state purchasing	FULL VETO				
E2SH	1149	Security breach protection	C	151	L 10		
E2SH	1317	Criminal justice employees	C	257	L 10		
E2SH	1418	Dropout reengagement system	C	20	L 10		
HB	1541	Half-time education employment	C	103	L 10		
SHB	1545	Higher education annuities	C	21	L 10		
E2SH	1560	Higher education collective bargaining	C	104	L 10		
HB	1576	Tax on marine fuel	C	23	L 10		
2SHB	1591	Transportation benefit district funds	C	105	L 10		
E2SH	1597	Tax programs administration	C	106	L 10		
EHB	1653	Shoreline & growth management acts	C	107	L 10		
SHB	1679	Public safety personnel	C	259	L 10		
EHB	1690	Public works projects	C	21	L 10	E1	
ESHB	1714	Association health plans	C	172	L 10		
2SHB	1761	Ethical use/legislative web sites	C	185	L 10		
2EHB	1876	Disabled veterans/donations	C	90	L 10		
HB	1880	Ballot envelopes	C	125	L 10		PV
SHB	1913	Process servers	C	108	L 10		
ESHB	1956	Homeless person encampments	C	175	L 10		
HB	1966	Drivers & wheelchair users	C	184	L 10		
2SHB	2016	Campaign laws	C	204	L 10		PV
SHB	2179	Transportation improvements	C	251	L 10		
SHB	2196	Military service credit	C	260	L 10		
SHB	2226	Retired law enforcement	C	264	L 10		
EHB	2360	AIDS grants/Department of Health	C	3	L 10	E1	
2SHB	2396	Emergency cardiac & stroke care	C	52	L 10		
ESHB	2399	Solid waste collection	C	24	L 10		
SHB	2402	Farmers market/property tax	C	186	L 10		
SHB	2403	Military leave/public employees	C	91	L 10		
HB	2406	Joint Legislative Audit & Review Committee	C	26	L 10		
HB	2419	Foreign and alien insurers	C	93	L 10		
SHB	2420	Industries/working land base	C	187	L 10		
SHB	2422	Escape notice requirements	C	28	L 10		
ESHB	2424	Sexual exploitation/children	C	227	L 10		
HB	2428	Locating surplus funds/fees	C	29	L 10		
SHB	2429	Resale of motor vehicles	C	31	L 10		
SHB	2430	Cardio invasive specialists	C	92	L 10		
2SHB	2436	Vehicle license fraud	C	270	L 10		
SHB	2443	Controlled Substances Act	C	177	L 10		
HB	2460	Organic products	C	109	L 10		
ESHB	2464	Vehicles in emergency zones	C	252	L 10		
HB	2465	Breath test instruments	C	53	L 10		
SHB	2466	Ignition interlock devices	C	268	L 10		
2SHB	2481	DNR forest biomass agreements	C	126	L 10		

SHB	2487	Deferred prosecution costs	C	54	L 10		
HB	2490	Intellectual disabilities	C	94	L 10		
ESHB	2493	Cigarette & tobacco taxation	C	22	L 10	E1	
ESHB	2496	Ballot design	C	32	L 10		
SHB	2503	Natural Resources Board	C	189	L 10		
HB	2510	Public hospital districts	C	95	L 10		
SHB	2515	Biodiesel fuel labeling	C	96	L 10		
ESHB	2518	Interpreter oath requirements	C	190	L 10		
EHB	2519	Public safety employee benefits	C	261	L 10		
HB	2521	Health plan conversion right	C	110	L 10		
SHB	2525	Public facilities districts	C	192	L 10		
SHB	2527	Energy Facility Site Evaluation Council	C	152	L 10		
SHB	2533	Persons not guilty/insanity	C	208	L 10		
SHB	2534	Verifying offender addresses	C	265	L 10		
ESHB	2538	High-density urban development	C	153	L 10		
E2SH	2539	Source separated materials	C	154	L 10		
HB	2540	Licensure of dentists	C	173	L 10		
ESHB	2541	Forest products industry	C	188	L 10		
SHB	2546	Electrical trainee training	C	33	L 10		
ESHB	2547	Motor vehicle franchises	C	178	L 10		
2SHB	2551	WA Vaccine Association	C	174	L 10		
SHB	2555	L&I subpoenas/electricians	C	55	L 10		
ESHB	2560	Joint underwriting associations	C	230	L 10		
EHB	2561	Energy cost savings & jobs	C	35	L 10	E1	
ESHB	2564	Escrow agents	C	34	L 10		
HB	2575	Capital Projects Review Board	FULL VETO				
2SHB	2576	Fees/corporations, charities	C	29	L 10	E1	
SHB	2585	Insurance, generally	C	27	L 10		
HB	2592	Impounds/incentive towing	C	56	L 10		
SHB	2593	F&W Dept. shellfish management	C	193	L 10		
SHB	2596	Child advocacy centers	C	176	L 10		
HB	2598	Dredged riverbed materials	C	57	L 10		
2SHB	2603	Small businesses/compliance	C	194	L 10		
HB	2608	Residential mortgage loaning	C	35	L 10		
E2SH	2617	Boards and commissions	C	7	L 10	E1	
SHB	2620	Excise taxation	C	111	L 10		
HB	2621	K-12 schools resource programs	C	238	L 10		
HB	2625	Bail for felony offenses	C	254	L 10		
E2SH	2630	Opportunity express program	C	24	L 10	E1	PV
SHB	2649	Unemployment insurance/RCW	C	25	L 10		
SHB	2651	Port districts/job training	C	195	L 10		
SHB	2657	Limited liability companies	C	196	L 10		
E2SH	2658	Refocusing Dept. of Commerce	C	271	L 10		PV
HB	2659	Timber purchase reporting	C	197	L 10		
SHB	2661	WSU extension energy program	C	37	L 10		
EHB	2667	Forest fire response	C	38	L 10		
EHB	2672	Aluminum smelters/tax relief	C	2	L 10	E1	
HB	2676	Energy conservation loans	C	4	L 10	E1	
HB	2677	Water conservation loans	C	5	L 10	E1	

SHB	2678	Nonprofit race meets	C	39	L 10		
SHB	2680	Guardianship program	C	272	L 10		
HB	2681	Compensation for part-time judges	C	191	L 10		
SHB	2684	Opportunity centers	C	40	L 10		
SHB	2686	Dental services not covered	C	228	L 10		
HB	2694	BS in nursing/University Center	C	25	L 10	E1	
HB	2697	Real estate broker licensure	C	156	L 10		
SHB	2704	WA main street program	C	30	L 10		
HB	2707	PUD commissioner	C	58	L 10		
SHB	2717	Leave from state facilities	C	262	L 10		
2SHB	2731	At-risk children program	C	231	L 10		PV
HB	2734	Community health centers	C	157	L 10		
HB	2735	Children/dependency matters	C	180	L 10		
HB	2740	Land use decision	C	59	L 10		
2SHB	2742	DUI accountability	C	269	L 10		
SHB	2745	Lead-based paint program	C	158	L 10		
ESHB	2747	Use of restraints	C	181	L 10		
HB	2748	Public port association dues	C	198	L 10		
ESHB	2752	Safety of runaway youth	C	229	L 10		
ESHB	2753	WA works housing program	C	6	L 10	E1	
SHB	2758	Wholesale sales/excise tax	C	112	L 10		
SHB	2775	State Building Code Council	C	275	L 10		
SHB	2776	K-12 education funding	C	236	L 10		PV
ESHB	2777	Domestic violence provisions	C	274	L 10		PV
E2SH	2782	Security Lifeline Act	C	8	L 10	E1	PV
SHB	2789	Underground economy activity	C	22	L 10		
SHB	2801	Antiharassment strategies	C	239	L 10		
EHB	2805	Public works/off-site prefabrication	C	276	L 10		
HB	2823	Retirees resuming service	C	60	L 10		
SHB	2828	Hospital infection reports	C	113	L 10		
EHB	2830	Credit union regulation	C	87	L 10		
EHB	2831	Banks and trust companies	C	88	L 10		
ESHB	2836	Capital supplemental budget 2010	C	36	L 10	E1	PV
SHB	2841	Standard health questionnaire	C	277	L 10		
ESHB	2842	Insurer receiverships	C	97	L 10		
HB	2858	Higher education purchasing	C	61	L 10		
HB	2861	Certified court reporters	C	98	L 10		
2SHB	2867	Early learning	C	232	L 10		
ESHB	2876	Pain management	C	209	L 10		PV
HB	2877	Educational employees/stock	C	41	L 10		
SHB	2893	School levies	C	237	L 10		PV
ESHB	2913	High school programs	C	99	L 10		
ESHB	2921	Operating supplemental 2010	C	3	L 10		
ESHB	2925	Hydroelectric facilities	C	199	L 10		PV
SHB	2935	Hearing boards/environmental, land use	C	210	L 10		
SHB	2939	Driver abstract/not at fault	C	253	L 10		PV
E2SH	2956	Hospital safety net	C	30	L 10	E1	
E2SH	2961	Tracking ephedrine, etc	C	182	L 10		
SHB	2962	County treasurers/property taxes	C	200	L 10		

HB	2973	Resident students/military	C	183	L 10		
ESHB	2986	Public transportation governing bodies	C	278	L 10		
SHB	2990	Water-sewer districts	C	102	L 10		
HB	2996	OSPI record check information rules	C	100	L 10		
SHB	2998	Suspending monetary awards	C	2	L 10		
HB	3007	Airport property rental	C	155	L 10		
ESHB	3014	Rural county investment projects	C	16	L 10	E1	
SHB	3016	Child support orders	C	279	L 10		
E2SH	3026	State & federal civil rights law	C	240	L 10		
HB	3030	Irrigation district administration	C	201	L 10		
ESHB	3032	Normal wear & tear/vehicles	C	89	L 10		
SHB	3036	School district debt	C	241	L 10		
ESHB	3040	Appraisal management companies	C	179	L 10		
SHB	3046	Nonprofit corporations	C	212	L 10		
HB	3061	Industrial insurance	C	213	L 10		
SHB	3066	Tax reporting surveys	C	114	L 10		
2SHB	3076	Involuntary Treatment Act	C	280	L 10		
SHB	3105	Alternative fuel vehicles	C	159	L 10		
SHB	3124	DUI with child in car/report	C	214	L 10		
E2SH	3141	Delivery of TANF	C	273	L 10		PV
SHB	3145	Wage complaints	C	42	L 10		
ESHB	3178	State government technology use	C	282	L 10		PV
ESHB	3179	Local excise tax provisions	C	127	L 10		
HB	3197	Budget stabilization account	C	31	L 10	E1	
SHB	3201	Infant disorders screening	C	17	L 10	E1	
ESHB	3209	Managing ferry system costs	C	283	L 10		PV
HB	3219	RCW technical corrections	C	26	L 10	E1	PV

SENATE BILLS

ESB	5041	Veteran-owned businesses	C	5	L 10		
SSB	5046	Symphony musicians	C	6	L 10		
SSB	5295	Public Records Exemptions Accountability Committee	C	128	L 10		
ESB	5516	Drug overdose prevention	C	9	L 10		
ESSB	5529	Architects	C	129	L 10		
ESSB	5543	Mercury reduction	C	130	L 10		
SB	5582	Chief for a day program	C	10	L 10		
2ESB	5617	Early Learning Council	C	12	L 10		
ESSB	5704	Flood district creation	C	131	L 10		
2ESSB	5742	Crime-free rental housing	C	132	L 10		
SSB	5798	Medical marijuana	C	284	L 10		
ESSB	5902	Persons with disabilities	C	215	L 10		
ESSB	6130	Initiative Measure No. 960	C	4	L 10		
2ESSB	6143	Excise tax law modifications	C	23	L 10	E1	
SSB	6192	Juvenile cases/restitution	C	134	L 10		
SSB	6197	Group life insurance	C	13	L 10		
SSB	6202	Vulnerable adults	C	133	L 10		
SB	6206	Tax incentive accountability	C	137	L 10		
SSB	6207	Golf cart zones/local governments	C	217	L 10		PV
SSB	6208	Temporary agricultural directional signs	C	138	L 10		
SB	6209	Park & ride lots/road funds	C	43	L 10		

SSB	6211	Agricultural scenic corridor	C	14	L 10		
SSB	6213	Railroad grade crossings	C	15	L 10		
SSB	6214	Growth management hearings boards	C	211	L 10		
SB	6218	Financing contracts payment	C	115	L 10		
SB	6219	Certificate of deposit investment	C	139	L 10		
SB	6220	State indebtedness/evidences	C	18	L 10	E1	
2ESB	6221	Local government investment pool	C	10	L 10	E1	
SB	6227	Opticianry students	C	16	L 10		
SB	6229	Dairy inspection program	C	17	L 10		
SSB	6239	Gender-based terms	C	8	L 10		
ESSB	6241	Community facilities districts	C	7	L 10		
SB	6243	Public Disclosure Committee filings	C	205	L 10		
SSB	6248	Bisphenol A	C	140	L 10		
SSB	6251	Surplus line brokers	C	18	L 10		
ESB	6261	Utility services collections	C	135	L 10		
E2SSB	6267	Water right processing	C	285	L 10		PV
SSB	6271	Annexations by cities	C	19	L 10		
SSB	6273	Durable medical equipment	C	44	L 10		
SB	6275	Harbor lines	C	45	L 10		
SB	6279	Regional transit facilities	C	62	L 10		
SSB	6280	East Asian medicine	C	286	L 10		
ESSB	6286	Flood control zone districts	C	46	L 10		
ESB	6287	Annexation to fire district	C	63	L 10		
SB	6288	Criminal background checks	C	47	L 10		
SSB	6293	Criminal assistance/1st degree	C	255	L 10		
SB	6297	Speech-language pathology	C	65	L 10		
SSB	6298	Public funds/credit unions	C	36	L 10		
SSB	6299	Animal inspection	C	66	L 10		
ESSB	6306	Crop adjusters	C	67	L 10		
SB	6308	Special Commitment Center computers	C	218	L 10		
SSB	6329	Beer and wine tasting	C	141	L 10		
SB	6330	Human trafficking posters	C	48	L 10		
SSB	6332	Human trafficking	C	142	L 10		
SSB	6337	Inmate savings accounts	C	116	L 10		
SSB	6339	Wax and ceramic materials	C	225	L 10		
SSB	6340	Forensic investigation council	C	143	L 10		
SSB	6341	Food assistance/Department of Agriculture	C	68	L 10		
SSB	6342	Washington soldiers' home	C	75	L 10		
SSB	6343	WA food policy forum	FULL VETO				
SSB	6344	Campaign contribution limits	C	206	L 10		
SSB	6345	Wireless communications	C	223	L 10		
SSB	6346	Electric vehicles	C	144	L 10		
SSB	6349	Farm internship program	C	160	L 10		PV
SSB	6350	Marine waters management	C	145	L 10		
SSB	6355	Higher education system	C	245	L 10		
SSB	6356	Access to emergency vehicles	C	117	L 10		
SSB	6357	Academic credit/experiences	C	71	L 10		
ESSB	6359	Community & technical college system	C	246	L 10		
SSB	6361	Sex offender notification	C	266	L 10		

SSB	6363	School crosswalk violations	C	242	L 10			
SB	6365	Motor vehicle emissions exemption	C	76	L 10			
SSB	6367	Agency web sites/public records	C	69	L 10			
SSB	6371	Money transmitters	C	73	L 10			
SSB	6373	Greenhouse gas emissions	C	146	L 10			
SB	6379	Vehicles & vessels	C	161	L 10			
ESSB	6381	Transportation supplemental budget 2009-11	C	247	L 10			PV
SSB	6382	State government compensation	C	1	L 10			
ESSB	6392	SR 520 tolling revenue use	C	248	L 10			PV
SSB	6395	Rights of speech & petition	C	118	L 10			
SSB	6398	Threat/malicious harassment	C	119	L 10			
SB	6401	General contractor projects	C	163	L 10			
ESSB	6403	Vulnerable students	C	243	L 10			PV
E2SSB	6409	Opportunity pathways account	C	27	L 10	E1		PV
SSB	6414	Offender registration	C	267	L 10			
SB	6418	Annexation to fire protection districts	C	136	L 10			
ESSB	6444	Operating supplemental budget 2010	C	37	L 10	E1		PV
SB	6450	Court reporters	C	49	L 10			
SB	6453	LEOFF plan 2 shared leave	C	50	L 10			
SSB	6459	Rental property inspection	C	148	L 10			
SB	6467	Honorary degrees	C	51	L 10			
ESSB	6468	Weatherization/residential	C	287	L 10			
SSB	6470	Indian children/dependency	C	288	L 10			
ESSB	6476	Sex crimes involving minors	C	289	L 10			PV
SB	6481	Forest practice jurisdiction	C	219	L 10			
SSB	6485	Craft distilleries	C	290	L 10			
SB	6487	Chiropractic service/payment	C	121	L 10			
ESSB	6499	Tolls: collection, use, etc.	C	249	L 10			
ESSB	6503	Closing state agencies	C	32	L 10	E1		PV
E2SSB	6504	Crime victims' compensation	C	122	L 10			
SSB	6510	State Route 166 extension	C	77	L 10			
SSB	6520	William D. Ruckelshaus Center	C	203	L 10			
ESSB	6522	Accountable care projects	C	220	L 10			
SSB	6524	Unemployment insurance rates	C	72	L 10			
ESSB	6538	Small groups/insurance	C	292	L 10			
SB	6540	Combined fund drive	C	101	L 10			
SB	6543	Tree Fruit Research Commission	C	78	L 10			
SSB	6544	Plat approval time limits	C	79	L 10			
SB	6546	PERS/director of fire protection	C	80	L 10			
SSB	6548	Suspending parole, probation	C	258	L 10			
SB	6555	State Route Number 908	C	81	L 10			
SSB	6556	Agricultural burning fees	C	70	L 10			
SSB	6557	Brake friction material	C	147	L 10			
SSB	6558	Railroad crossing petitions	C	82	L 10			
E2SSB	6561	Juvenile offender records	C	150	L 10			
SSB	6572	Eliminating accounts	C	9	L 10	E1		PV
2SSB	6575	Underground economy	FULL VETO					
SSB	6577	Transportation policy goals	C	74	L 10			
2SSB	6578	Multiagency permitting teams	C	162	L 10			

ESSB	6582	Nursing assistant credential	C	169	L 10		
SSB	6584	State Health Care Authority	C	293	L 10		
SSB	6590	Law enforcement officer conduct	C	294	L 10		
SSB	6591	Human Rights Commission	C	85	L 10		
SB	6593	Infant & toddler program	C	233	L 10		
ESSB	6604	Student learning plans	C	244	L 10		
E2SSB	6609	Local government infrastructure	C	164	L 10		
ESB	6610	Persons with mental illnesses	C	263	L 10		
SSB	6611	Comprehensive land use plan	C	216	L 10		
SSB	6614	Bonneville Power Administration	C	295	L 10		
SB	6627	Prescriptions by ARNPs	C	83	L 10		
SSB	6634	Dairy nutrient management records	C	84	L 10		
SSB	6639	Confinement alternatives	C	224	L 10		
SSB	6647	Civil air patrol/emergencies	C	170	L 10		
ESSB	6658	Community solar projects	C	202	L 10		
2SSB	6667	Business assistance programs	C	165	L 10		
SSB	6673	Bail Practices Task Force	C	256	L 10		
SSB	6674	Motor carrier liability	C	120	L 10		
2SSB	6675	Global health program	C	13	L 10	E1	
2SSB	6679	Export Finance Assistance Center	C	166	L 10		
SSB	6688	Nonpartisan elective office	C	207	L 10		
SSB	6692	Electric generation/biomass	C	167	L 10		
E2SSB	6696	Education reform	C	235	L 10		
2SSB	6702	Juveniles in adult jails	C	226	L 10		
SSB	6706	Research at state universities	C	14	L 10	E1	
SSB	6712	Extending tax incentives	C	11	L 10	E1	
ESSB	6724	Shared leave program	C	168	L 10		
ESSB	6726	Language access providers	C	296	L 10		PV
SSB	6727	Health sciences and services	C	33	L 10	E1	
ESSB	6737	Air ambulance tax exemption	C	12	L 10	E1	
SB	6745	Veterinary technicians	C	123	L 10		
SSB	6749	Commercial real estate	C	64	L 10		
SSB	6759	Voluntary early learning	C	234	L 10		
ESB	6764	Judgments/tortious conduct	C	149	L 10		
ESSB	6774	Transportation benefit districts	C	250	L 10		
ESSB	6789	Equipment in data centers	C	1	L 10	E1	
SB	6804	Gambling treatment/DSHS rules	C	171	L 10		
SSB	6816	Farm implement permits	C	124	L 10		
SB	6826	Subagent service fees	C	221	L 10		PV
SSB	6831	Estates and trusts	C	11	L 10		
SSB	6832	Child welfare services	C	291	L 10		
SB	6833	State treasurer/funds, accounts	C	222	L 10		
SSB	6846	Enhanced 911 services	C	19	L 10	E1	
SB	6855	Community center taxation	C	281	L 10		
ESB	6870	Sexually violent predators	C	28	L 10	E1	
ESSB	6872	Nursing facilities/Medicaid	C	34	L 10	E1	PV
SSB	6884	Practice of counseling	C	20	L 10	E1	
SSB	6889	Convention and Trade Center	C	15	L 10	E1	

Session Law to Bill Number Table

C	1	L 10	State government compensation	SSB	6382
C	1	L 10 E1	Equipment in data centers	ESSB	6789
C	2	L 10	Suspending monetary awards	SHB	2998
C	2	L 10 E1	Aluminum smelters/tax relief	EHB	2672
C	3	L 10	Operating supplemental 2010	ESHB	2921
C	3	L 10 E1	AIDS grants/Department of Health	EHB	2360
C	4	L 10	Initiative Measure No. 960	ESSB	6130
C	4	L 10 E1	Energy conservation loans	HB	2676
C	5	L 10	Veteran-owned businesses	ESB	5041
C	5	L 10 E1	Water conservation loans	HB	2677
C	6	L 10	Symphony musicians	SSB	5046
C	6	L 10 E1	WA works housing program	ESHB	2753
C	7	L 10	Community facilities districts	ESSB	6241
C	7	L 10 E1	Boards and commissions	E2SHB	2617
C	8	L 10	Gender-based terms	SSB	6239
C	8	L 10 E1 PV	Security Lifeline Act	E2SHB	2782
C	9	L 10	Drug overdose prevention	ESB	5516
C	9	L 10 E1 PV	Eliminating accounts	SSB	6572
C	10	L 10	Chief for a day program	SB	5582
C	10	L 10 E1	Local government investment pool	2ESB	6221
C	11	L 10	Estates and trusts	SSB	6831
C	11	L 10 E1	Extending tax incentives	SSB	6712
C	12	L 10	Early Learning Council	2ESB	5617
C	12	L 10 E1	Air ambulance tax exemption	ESSB	6737
C	13	L 10	Group life insurance	SSB	6197
C	13	L 10 E1	Global health program	2SSB	6675
C	14	L 10	Agricultural scenic corridor	SSB	6211
C	14	L 10 E1	Research at state universities	SSB	6706
C	15	L 10	Railroad grade crossings	SSB	6213
C	15	L 10 E1	Convention and Trade Center	SSB	6889
C	16	L 10	Opticianry students	SB	6227
C	16	L 10 E1	Rural county investment projects	ESHB	3014
C	17	L 10	Dairy inspection program	SB	6229
C	17	L 10 E1	Infant disorders screening	SHB	3201
C	18	L 10	Surplus line brokers	SSB	6251
C	18	L 10 E1	State indebtedness/evidences	SB	6220
C	19	L 10	Annexations by cities	SSB	6271
C	19	L 10 E1	Enhanced 911 services	SSB	6846
C	20	L 10	Dropout reengagement system	E2SHB	1418
C	20	L 10 E1	Practice of counseling	SSB	6884
C	21	L 10	Higher education annuities	SHB	1545
C	21	L 10 E1	Public works projects	EHB	1690

C	22	L 10	Underground economy activity	SHB	2789
C	22	L 10 E1	Cigarette & tobacco taxation	ESHB	2493
C	23	L 10	Tax on marine fuel	HB	1576
C	23	L 10 E1	Excise tax law modifications	2ESSB	6143
C	24	L 10	Solid waste collection	ESHB	2399
C	24	L 10 E1 PV	Opportunity express program	E2SHB	2630
C	25	L 10	Unemployment insurance/RCW	SHB	2649
C	25	L 10 E1	BS in nursing/University Center	HB	2694
C	26	L 10	Joint Legislative Audit & Review Committee	HB	2406
C	26	L 10 E1 PV	RCW technical corrections	HB	3219
C	27	L 10	Insurance, generally	SHB	2585
C	27	L 10 E1 PV	Opportunity pathways account	E2SSB	6409
C	28	L 10	Escape notice requirements	SHB	2422
C	28	L 10 E1	Sexually violent predators	ESB	6870
C	29	L 10	Locating surplus funds/fees	HB	2428
C	29	L 10 E1	Fees/corporations, charities	2SHB	2576
C	30	L 10	WA main street program	SHB	2704
C	30	L 10 E1	Hospital safety net	E2SHB	2956
C	31	L 10	Resale of motor vehicles	SHB	2429
C	31	L 10 E1	Budget stabilization account	HB	3197
C	32	L 10	Ballot design	ESHB	2496
C	32	L 10 E1 PV	Closing state agencies	ESSB	6503
C	33	L 10	Electrical trainee training	SHB	2546
C	33	L 10 E1	Health sciences and services	SSB	6727
C	34	L 10	Escrow agents	ESHB	2564
C	34	L 10 E1 PV	Nursing facilities/Medicaid	ESSB	6872
C	35	L 10	Residential mortgage loaning	HB	2608
C	35	L 10 E1	Energy cost savings & jobs	EHB	2561
C	36	L 10	Public funds/credit unions	SSB	6298
C	36	L 10 E1 PV	Capital supplemental budget 2010	ESHB	2836
C	37	L 10	WSU extension energy program	SHB	2661
C	37	L 10 E1 PV	Operating supplemental budget 2010	ESSB	6444
C	38	L 10	Forest fire response	EHB	2667
C	39	L 10	Nonprofit race meets	SHB	2678
C	40	L 10	Opportunity centers	SHB	2684
C	41	L 10	Educational employees/stock	HB	2877
C	42	L 10	Wage complaints	SHB	3145
C	43	L 10	Park & ride lots/road funds	SB	6209
C	44	L 10	Durable medical equipment	SSB	6273
C	45	L 10	Harbor lines	SB	6275
C	46	L 10	Flood control zone districts	ESSB	6286
C	47	L 10	Criminal background checks	SB	6288
C	48	L 10	Human trafficking posters	SB	6330
C	49	L 10	Court reporters	SB	6450

C	50	L 10	LEOFF plan 2 shared leave	SB	6453
C	51	L 10	Honorary degrees	SB	6467
C	52	L 10	Emergency cardiac & stroke care	2SHB	2396
C	53	L 10	Breath test instruments	HB	2465
C	54	L 10	Deferred prosecution costs	SHB	2487
C	55	L 10	L&I subpoenas/electricians	SHB	2555
C	56	L 10	Impounds/incentive towing	HB	2592
C	57	L 10	Dredged riverbed materials	HB	2598
C	58	L 10	PUD commissioner	HB	2707
C	59	L 10	Land use decision	HB	2740
C	60	L 10	Retirees resuming service	HB	2823
C	61	L 10	Higher education purchasing	HB	2858
C	62	L 10	Regional transit facilities	SB	6279
C	63	L 10	Annexation to fire district	ESB	6287
C	64	L 10	Commercial real estate	SSB	6749
C	65	L 10	Speech-language pathology	SB	6297
C	66	L 10	Animal inspection	SSB	6299
C	67	L 10	Crop adjusters	ESSB	6306
C	68	L 10	Food assistance/Department of Agriculture	SSB	6341
C	69	L 10	Agency web sites/public records	SSB	6367
C	70	L 10	Agricultural burning fees	SSB	6556
C	71	L 10	Academic credit/experiences	SSB	6357
C	72	L 10	Unemployment insurance rates	SSB	6524
C	73	L 10	Money transmitters	SSB	6371
C	74	L 10	Transportation policy goals	SSB	6577
C	75	L 10	Washington soldiers' home	SSB	6342
C	76	L 10	Motor vehicle emissions exemption	SB	6365
C	77	L 10	State Route 166 extension	SSB	6510
C	78	L 10	Tree Fruit Research Commission	SB	6543
C	79	L 10	Plat approval time limits	SSB	6544
C	80	L 10	PERS/director of fire protection	SB	6546
C	81	L 10	State Route Number 908	SB	6555
C	82	L 10	Railroad crossing petitions	SSB	6558
C	83	L 10	Prescriptions by ARNPs	SB	6627
C	84	L 10	Dairy nutrient management records	SSB	6634
C	85	L 10	Human Rights Commission	SSB	6591
C	86	L 10	Fire protection facilities	HB	1080
C	87	L 10	Credit union regulation	EHB	2830
C	88	L 10	Banks and trust companies	EHB	2831
C	89	L 10	Normal wear & tear/vehicles	ESHB	3032
C	90	L 10	Disabled veterans/donations	2EHB	1876
C	91	L 10	Military leave/public employees	SHB	2403
C	92	L 10	Cardio invasive specialists	SHB	2430
C	93	L 10	Foreign and alien insurers	HB	2419

C	94	L 10		Intellectual disabilities	HB	2490
C	95	L 10		Public hospital districts	HB	2510
C	96	L 10		Biodiesel fuel labeling	SHB	2515
C	97	L 10		Insurer receiverships	ESHB	2842
C	98	L 10		Certified court reporters	HB	2861
C	99	L 10		High school programs	ESHB	2913
C	100	L 10		OSPI record check information rules	HB	2996
C	101	L 10		Combined fund drive	SB	6540
C	102	L 10		Water-sewer districts	SHB	2990
C	103	L 10		Half-time education employment	HB	1541
C	104	L 10		Higher education collective bargaining	E2SHB	1560
C	105	L 10		Transportation benefit district funds	2SHB	1591
C	106	L 10		Tax programs administration	E2SHB	1597
C	107	L 10		Shoreline & growth management acts	EHB	1653
C	108	L 10		Process servers	SHB	1913
C	109	L 10		Organic products	HB	2460
C	110	L 10		Health plan conversion right	HB	2521
C	111	L 10		Excise taxation	SHB	2620
C	112	L 10		Wholesale sales/excise tax	SHB	2758
C	113	L 10		Hospital infection reports	SHB	2828
C	114	L 10		Tax reporting surveys	SHB	3066
C	115	L 10		Financing contracts payment	SB	6218
C	116	L 10		Inmate savings accounts	SSB	6337
C	117	L 10		Access to emergency vehicles	SSB	6356
C	118	L 10		Rights of speech & petition	SSB	6395
C	119	L 10		Threat/malicious harassment	SSB	6398
C	120	L 10		Motor carrier liability	SSB	6674
C	121	L 10		Chiropractic service/payment	SB	6487
C	122	L 10		Crime victims' compensation	E2SSB	6504
C	123	L 10		Veterinary technicians	SB	6745
C	124	L 10		Farm implement permits	SSB	6816
C	125	L 10	PV	Ballot envelopes	HB	1880
C	126	L 10		DNR forest biomass agreements	2SHB	2481
C	127	L 10		Local excise tax provisions	ESHB	3179
C	128	L 10		Public Records Exemptions Accountability Committee	SSB	5295
C	129	L 10		Architects	ESSB	5529
C	130	L 10		Mercury reduction	ESSB	5543
C	131	L 10		Flood district creation	ESSB	5704
C	132	L 10		Crime-free rental housing	2ESSB	5742
C	133	L 10		Vulnerable adults	SSB	6202
C	134	L 10		Juvenile cases/restitution	SSB	6192
C	135	L 10		Utility services collections	ESB	6261
C	136	L 10		Annexation to fire protection districts	SB	6418
C	137	L 10		Tax incentive accountability	SB	6206

C	138	L 10		Temporary agricultural directional signs	SSB	6208
C	139	L 10		Certificate of deposit investment	SB	6219
C	140	L 10		Bisphenol A	SSB	6248
C	141	L 10		Beer and wine tasting	SSB	6329
C	142	L 10		Human trafficking	SSB	6332
C	143	L 10		Forensic investigation council	SSB	6340
C	144	L 10		Electric vehicles	SSB	6346
C	145	L 10		Marine waters management	SSB	6350
C	146	L 10		Greenhouse gas emissions	SSB	6373
C	147	L 10		Brake friction material	SSB	6557
C	148	L 10		Rental property inspection	SSB	6459
C	149	L 10		Judgments/tortious conduct	ESB	6764
C	150	L 10		Juvenile offender records	E2SSB	6561
C	151	L 10		Security breach protection	E2SHB	1149
C	152	L 10		Energy Facility Site Evaluation Council	SHB	2527
C	153	L 10		High-density urban development	ESHB	2538
C	154	L 10		Source separated materials	E2SHB	2539
C	155	L 10		Airport property rental	HB	3007
C	156	L 10		Real estate broker licensure	HB	2697
C	157	L 10		Community health centers	HB	2734
C	158	L 10		Lead-based paint program	SHB	2745
C	159	L 10		Alternative fuel vehicles	SHB	3105
C	160	L 10	PV	Farm internship program	SSB	6349
C	161	L 10		Vehicles & vessels	SB	6379
C	162	L 10		Multiagency permitting teams	2SSB	6578
C	163	L 10		General contractor projects	SB	6401
C	164	L 10		Local government infrastructure	E2SSB	6609
C	165	L 10		Business assistance programs	2SSB	6667
C	166	L 10		Export Finance Assistance Center	2SSB	6679
C	167	L 10		Electric generation/biomass	SSB	6692
C	168	L 10		Shared leave program	ESSB	6724
C	169	L 10		Nursing assistant credential	ESSB	6582
C	170	L 10		Civil air patrol/emergencies	SSB	6647
C	171	L 10		Gambling treatment/DSHS rules	SB	6804
C	172	L 10		Association health plans	ESHB	1714
C	173	L 10		Licensure of dentists	HB	2540
C	174	L 10		WA Vaccine Association	2SHB	2551
C	175	L 10		Homeless person encampments	ESHB	1956
C	176	L 10		Child advocacy centers	SHB	2596
C	177	L 10		Controlled Substances Act	SHB	2443
C	178	L 10		Motor vehicle franchises	ESHB	2547
C	179	L 10		Appraisal management companies	ESHB	3040
C	180	L 10		Children/dependency matters	HB	2735
C	181	L 10		Use of restraints	ESHB	2747

C	182	L 10		Tracking ephedrine, etc.	E2SHB 2961
C	183	L 10		Resident students/military	HB 2973
C	184	L 10		Drivers & wheelchair users	HB 1966
C	185	L 10		Ethical use/legislative web sites	2SHB 1761
C	186	L 10		Farmers market/property tax	SHB 2402
C	187	L 10		Industries/working land base	SHB 2420
C	188	L 10		Forest products industry	ESHB 2541
C	189	L 10		Natural Resources Board	SHB 2503
C	190	L 10		Interpreter oath requirements	ESHB 2518
C	191	L 10		Compensation for part-time judges	HB 2681
C	192	L 10		Public facilities districts	SHB 2525
C	193	L 10		F&W Dept. shellfish management	SHB 2593
C	194	L 10		Small businesses/compliance	2SHB 2603
C	195	L 10		Port districts/job training	SHB 2651
C	196	L 10		Limited liability companies	SHB 2657
C	197	L 10		Timber purchase reporting	HB 2659
C	198	L 10		Public port association dues	HB 2748
C	199	L 10	PV	Hydroelectric facilities	ESHB 2925
C	200	L 10		County treasurers/property taxes	SHB 2962
C	201	L 10		Irrigation district administration	HB 3030
C	202	L 10		Community solar projects	ESSB 6658
C	203	L 10		William D. Ruckelshaus Center	SSB 6520
C	204	L 10	PV	Campaign laws	2SHB 2016
C	205	L 10		Public Disclosure Committee filings	SB 6243
C	206	L 10		Campaign contribution limits	SSB 6344
C	207	L 10		Nonpartisan elective office	SSB 6688
C	208	L 10		Persons not guilty/insanity	SHB 2533
C	209	L 10	PV	Pain management	ESHB 2876
C	210	L 10		Hearing boards/environmental, land use	SHB 2935
C	211	L 10		Growth management hearings boards	SSB 6214
C	212	L 10		Nonprofit corporations	SHB 3046
C	213	L 10		Industrial insurance	HB 3061
C	214	L 10		DUI with child in car/report	SHB 3124
C	215	L 10		Persons with disabilities	ESSB 5902
C	216	L 10		Comprehensive land use plan	SSB 6611
C	217	L 10	PV	Golf cart zones/local governments	SSB 6207
C	218	L 10		Special Commitment Center computers	SB 6308
C	219	L 10		Forest practice jurisdiction	SB 6481
C	220	L 10		Accountable care projects	ESSB 6522
C	221	L 10	PV	Subagent service fees	SB 6826
C	222	L 10		State treasurer/funds, accounts	SB 6833
C	223	L 10		Wireless communications	SSB 6345
C	224	L 10		Confinement alternatives	SSB 6639
C	225	L 10		Wax and ceramic materials	SSB 6339

C	226	L 10		Juveniles in adult jails	2SSB 6702
C	227	L 10		Sexual exploitation/children	ESHB 2424
C	228	L 10		Dental services not covered	SHB 2686
C	229	L 10		Safety of runaway youth	ESHB 2752
C	230	L 10		Joint underwriting associations	ESHB 2560
C	231	L 10	PV	At-risk children program	2SHB 2731
C	232	L 10		Early learning	2SHB 2867
C	233	L 10		Infant & toddler program	SB 6593
C	234	L 10		Voluntary early learning	SSB 6759
C	235	L 10		Education reform	E2SSB 6696
C	236	L 10	PV	K-12 education funding	SHB 2776
C	237	L 10	PV	School levies	SHB 2893
C	238	L 10		K-12 schools resource programs	HB 2621
C	239	L 10		Antiharassment strategies	SHB 2801
C	240	L 10		State & federal civil rights law	E2SHB 3026
C	241	L 10		School district debt	SHB 3036
C	242	L 10		School crosswalk violations	SSB 6363
C	243	L 10	PV	Vulnerable students	ESSB 6403
C	244	L 10		Student learning plans	ESSB 6604
C	245	L 10		Higher education system	SSB 6355
C	246	L 10		Community & technical college system	ESSB 6359
C	247	L 10	PV	Transportation supplemental budget 2009-11	ESSB 6381
C	248	L 10	PV	SR 520 tolling revenue use	ESSB 6392
C	249	L 10		Tolls: collection, use, etc.	ESSB 6499
C	250	L 10		Transportation benefit districts	ESSB 6774
C	251	L 10		Transportation improvements	SHB 2179
C	252	L 10		Vehicles in emergency zones	ESHB 2464
C	253	L 10	PV	Driver abstract/not at fault	SHB 2939
C	254	L 10		Bail for felony offenses	HB 2625
C	255	L 10		Criminal assistance/1st degree	SSB 6293
C	256	L 10		Bail Practices Task Force	SSB 6673
C	257	L 10		Criminal justice employees	E2SHB 1317
C	258	L 10		Suspending parole, probation	SSB 6548
C	259	L 10		Public safety personnel	SHB 1679
C	260	L 10		Military service credit	SHB 2196
C	261	L 10		Public safety employee benefits	EHB 2519
C	262	L 10		Leave from state facilities	SHB 2717
C	263	L 10		Persons with mental illnesses	ESB 6610
C	264	L 10		Retired law enforcement	SHB 2226
C	265	L 10		Verifying offender addresses	SHB 2534
C	266	L 10		Sex offender notification	SSB 6361
C	267	L 10		Offender registration	SSB 6414
C	268	L 10		Ignition interlock devices	SHB 2466
C	269	L 10		DUI accountability	2SHB 2742

C 270	L 10		Vehicle license fraud	2SHB	2436
C 271	L 10	PV	Refocusing Dept. of Commerce	E2SHB	2658
C 272	L 10		Guardianship program	SHB	2680
C 273	L 10	PV	Delivery of TANF	E2SHB	3141
C 274	L 10	PV	Domestic violence provisions	ESHB	2777
C 275	L 10		State Building Code Council	SHB	2775
C 276	L 10		Public works/off-site prefabrication	EHB	2805
C 277	L 10		Standard health questionnaire	SHB	2841
C 278	L 10		Public transportation governing bodies	ESHB	2986
C 279	L 10		Child support orders	SHB	3016
C 280	L 10		Involuntary Treatment Act	2SHB	3076
C 281	L 10		Community center taxation	SB	6855
C 282	L 10	PV	State government technology use	ESHB	3178
C 283	L 10	PV	Managing ferry system costs	ESHB	3209
C 284	L 10		Medical marijuana	SSB	5798
C 285	L 10	PV	Water right processing	E2SSB	6267
C 286	L 10		East Asian medicine	SSB	6280
C 287	L 10		Weatherization/residential	ESSB	6468
C 288	L 10		Indian children/dependency	SSB	6470
C 289	L 10	PV	Sex crimes involving minors	ESSB	6476
C 290	L 10		Craft distilleries	SSB	6485
C 291	L 10		Child welfare services	SSB	6832
C 292	L 10		Small groups/insurance	ESSB	6538
C 293	L 10		State Health Care Authority	SSB	6584
C 294	L 10		Law enforcement officer conduct	SSB	6590
C 295	L 10		Bonneville Power Administration	SSB	6614
C 296	L 10	PV	Language access providers	ESSB	6726

FULL VETO	Small business/state purchasing	E2SHB	1096
FULL VETO	Capital Projects Review Board	HB	2575
FULL VETO	WA food policy forum	SSB	6343
FULL VETO	Underground economy	2SSB	6575

Gubernatorial Appointments Confirmed

Executive Agencies

Office of Administrative Hearings
Lorraine Lee

Department of Ecology
Ted Sturdevant

Washington State Department of Early Learning
Bette Hyde

Department of Information Services
Tony Tortorice

Puget Sound Partnership
Diana Gale
Dan O'Neal
Steve Sakuma

Department of Social and Health Services
Susan Dreyfus

Universities and Colleges Boards of Trustees

University of Washington
Benjamin Golden
Joanne Harrell
Orin Smith

Washington State University
Harold Cochran
Laura Jennings
Kasey Webster

Central Washington University
Kate Reardon

The Evergreen State College
Irene Gonzales
Kristin Hayden
Dixon McReynolds

Western Washington University
Sarah Ishmael

Higher Education Boards

Higher Education Coordinating Board
Bill Grinstein

Higher Education Facilities Authority
Tom A. Johnson

Professional Educator Standards Board
Roshni A. Jokhi

Community and Technical Colleges Boards of Trustees

Bates Technical College District No. 28
Michael Grunwald

Bellevue Community College District No. 8
Paul Chiles
Mariellen Gunn

Big Bend Community College District No. 18
Michael Blakely

Cascadia Community College District No. 30
Julie P. Miller

Clark Community College District No. 14
Sherry W. Parker

Clover Park Technical College District No. 29
Bruce L. Lachney

Grays Harbor Community College District No. 2
Randy J. Rust

Lake Washington Technical College District No. 26
Sang Chae
Lynette D. Jones

Olympic Community College District No. 3
Alice Tawresey

Pierce Community College District No. 11
Jaqueline B. Rosenblatt

Renton Technical College District No. 27
Tyler Page
Ira SenGupta
Brian Unti

Seattle, So. Seattle and No. Seattle Community Colleges District No. 6
Jorge Carrasco
Gayatri J. Eassey

South Puget Sound Community College District No. 24
Judy Blinn

Spokane and Spokane Falls Community Colleges District No. 17
Ben Cabildo

State Board for Community and Technical Colleges
Shaunta Hyde

Tacoma Community College District No. 22
Chad R. Wright

Yakima Valley Community College District No. 16
Paul McDonald

State Boards, Councils, and Commissions

State School for the Blind
Yang-su Cho
Edwin Snook

State School for the Deaf
Dolorita Reandeau
Larry E. Swift

State Board of Education
Sheila L. Fox
Mary Jean Ryan
Jeff Vincent

Gambling Commission
Michael L. Reichert

Human Rights Commission
Vanessa R. Gaston
Deborah S. Lee
Charlene D. Strong

The Life Sciences Discovery Fund Authority Board of Trustees
Ryland P. Davis
Cheryl Scott

Liquor Control Board
Sharon Foster

Lottery Commission
Brian Comstock
Valoria Loveland

Northwest Power and Conservation Council
Tom Karier

Parks and Recreation Commission
Patricia T. Lantz
Rodger E. Schmitt
Cindy Whaley

Pacific Marine Fishery Commission
Brian Blake

Personnel Resources Board
Darryl-Jean "DJ" K. Mark

Board of Pilotage Commissioners
Patrick M. Hannigan
Elsie Hulsizer
Craig Lee
William Snyder
Jeffrey L. Thompson

Public Disclosure Commission
Donald B. Sehlin

Public Employment Relations Commission
Pamela Bradburn

Gubernatorial Appointments Confirmed

Recreation and Conservation Funding Board
William H. Chapman
Karen Daubert
Steven Drew
Jeff Parsons
Harriet A. Spanel

Salmon Recovery Funding Board
David Troutt

Sentencing Guidelines Commission
Ellen Fair
Michael R. Kawamura
Paul A. Pastor

Transportation Commission
Daniel O'Neal

House of Representatives

Frank Chopp ..... Speaker
Jeff Morris ..... Speaker Pro Tempore
Jim Moeller ..... Deputy Speaker Pro Tempore
Lynn Kessler ..... Majority Leader
Dawn Morrell ..... Majority Caucus Chair
Sharon Tomiko Santos ..... Majority Whip
Zack Hudgins ..... Majority Floor Leader
Larry Springer ..... Majority Caucus Liaison
Deb Eddy ..... Majority Caucus Vice Chair
Tami Green ..... Majority Assistant Floor Leader
Kevin Van De Wege ..... Majority Deputy Whip
Reuven Carlyle ..... Majority Assistant Whip
Fred Finn ..... Majority Assistant Whip
Jim Jacks ..... Majority Assistant Whip
Scott White ..... Majority Assistant Whip

Republican Leadership

Richard DeBolt ..... Minority Leader
Joel Kretz ..... Minority Deputy Leader
Dan Kristiansen ..... Minority Caucus Chair
Bill Hinkle ..... Minority Whip
Doug Ericksen ..... Minority Floor Leader
Maureen Walsh ..... Minority Caucus Vice Chair
Charles Ross ..... Minority Asst. Floor Leader
Jaime Herrera ..... Minority Asst. Floor Leader
Kevin Parker ..... Minority Assistant Whip
Mike Hope ..... Minority Assistant Whip
Brad Klippert ..... Minority Assistant Whip

Barbara Baker ..... Chief Clerk
Bernard Dean ..... Deputy Chief Clerk

Senate

Officers

Lt. Governor Brad Owen ..... President
Rosa Franklin ..... President Pro Tempore
Paull Shin ..... Vice President Pro Tempore
Tom Hoemann ..... Secretary
Brad Hendrickson ..... Deputy Secretary
Jim Ruble ..... Sergeant At Arms

Caucus Officers

Democratic Caucus

Lisa Brown ..... Majority Leader
Ed Murray ..... Majority Caucus Chair
Tracey J. Eide ..... Majority Floor Leader
Chris Marr ..... Majority Whip
Debbie Regala ..... Majority Caucus Vice Chair
Joe McDermott ..... Majority Asst. Floor Leader
Claudia Kauffman ..... Majority Assistant Whip

Republican Caucus

Mike Hewitt ..... Republican Leader
Linda Evans Parlette ..... Republican Caucus Chair
Mark Schoesler ..... Republican Floor Leader
Dale Brandland ..... Republican Whip
Mike Carrell ..... Republican Deputy Leader
Cheryl Pflug ..... Republican Caucus Vice Chair
Jim Honeyford ..... Republican Deputy Floor Leader
Jerome Delvin ..... Republican Deputy Whip

Legislative Members by District

District 1
Sen. Rosemary McAuliffe (D)
Rep. Al O'Brien (D-1)
Rep. Mark Ericks (D-2)

District 2
Sen. Randi Becker (R)
Rep. Jim McCune (R-1)
Rep. Tom Campbell (R-2)

District 3
Sen. Lisa Brown (D)
Rep. Alex Wood (D-1)
Rep. Timm Ormsby (D-2)

District 4
Sen. Bob McCaslin (R)
Rep. Larry Crouse (R-1)
Rep. Matt Shea (R-2)

District 5
Sen. Cheryl Pflug (R)
Rep. Jay Rodne (R-1)
Rep. Glenn Anderson (R-2)

District 6
Sen. Chris Marr (D)
Rep. Kevin Parker (R-1)
Rep. John Driscoll (D-2)

District 7
Sen. Bob Morton (R)
Rep. Shelly Short (R-1)
Rep. Joel Kretz (R-2)

District 8
Sen. Jerome Delvin (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. Mary Margaret Haugen (D)
Rep. Norma Smith (R-1)
Rep. Barbara Bailey (R-2)

District 11
Sen. Margarita Prentice (D)
Rep. Zachary Hudgins (D-1)
Rep. Bob Hasegawa (D-2)

District 12
Sen. Linda Evans Parlette (R)
Rep. Cary Condotta (R-1)
Rep. Mike Armstrong (R-2)

District 13
Sen. Janéa Holmquist (R)
Rep. Judy Warnick (R-1)
Rep. Bill Hinkle (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 (D-2)

District 17
Sen. Don Benton (R)
Rep. Tim Probst (D-1)
Rep. Deb Wallace (D-2)

District 18
Sen. Joseph Zarelli (R)
Rep. Jaime Herrera (R-1)
Rep. Ed Orcutt (R-2)

District 19
Sen. Brian Hatfield (D)
Rep. Dean Takko (D-1)
Rep. Brian Blake (D-2)

District 20
Sen. Dan Swecker (R)
Rep. Richard DeBolt (R-1)
Rep. Gary Alexander (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. Brendan Williams (D-1)
Rep. Sam Hunt (D-2)

District 23
Sen. Phil Rockefeller (D)
Rep. Sherry Appleton (D-1)
Rep. Christine Rolfes (D-2)

District 24
Sen. James Hargrove (D)
Rep. Kevin Van De Wege (D-1)
Rep. Lynn Kessler (D-2)

District 25
Sen. Jim Kastama (D)
Rep. Bruce Dammeier (R-1)
Rep. Dawn Morrell (D-2)

District 26
Sen. Derek Kilmer (D)
Rep. Jan Angel (R-1)
Rep. Larry Seaquist (D-2)

District 27
Sen. Debbie Regala (D)
Rep. Dennis Flannigan (D-1)
Rep. Jeannie Darneille (D-2)

District 28
Sen. Mike Carrell (R)
Rep. Troy Kelley (D-1)
Rep. Tami Green (D-2)

District 29
Sen. Rosa Franklin (D)
Rep. Steve Conway (D-1)
Rep. Steve Kirby (D-2)

District 30
Sen. Tracey Eide (D)
Rep. Mark Miloscia (D-1)
Rep. Skip Priest (R-2)

District 31
Sen. Pam Roach (R)
Rep. Dan Roach (R-1)
Rep. Christopher Hurst (D-2)

District 32
Sen. Darlene Fairley (D)
Rep. Maralyn Chase (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. Joe McDermott (D)
Rep. Eileen Cody (D-1)
Rep. Sharon Nelson (D-2)

District 35
Sen. Tim Sheldon (D)
Rep. Kathy Haigh (D-1)
Rep. Fred Finn (D-2)

District 36
Sen. Jeanne Kohl-Welles (D)
Rep. Reuven Carlyle (D-1)
Rep. Mary Lou Dickerson (D-2)

District 37
Sen. Adam Kline (D)
Rep. Sharon Tomiko Santos (D-1)
Rep. Eric Pettigrew (D-2)

District 38
Sen. Jean Berkey (D)
Rep. John McCoy (D-1)
Rep. Mike Sells (D-2)

District 39
Sen. Val Stevens (R)
Rep. Dan Kristiansen (R-1)
Rep. Kirk Pearson (R-2)

District 40
Sen. Kevin Ranker (D)
Rep. Dave Quall (D-1)
Rep. Jeff Morris (D-2)

District 41
Sen. Randy Gordon (D)
Rep. Marcie Maxwell (D-1)
Rep. Judy Clibborn (D-2)

District 42
Sen. Dale Brandland (R)
Rep. Doug Ericksen (R-1)
Rep. Kelli Linville (D-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. Eric Oemig (D)
Rep. Roger Goodman (D-1)
Rep. Larry Springer (D-2)

District 46
Sen. Ken Jacobsen (D)
Rep. Scott White (D-1)
Rep. Phyllis Gutierrez Kenney (D-2)

District 47
Sen. Claudia Kauffman (D)
Rep. Geoff Simpson (D-1)
Rep. Pat Sullivan (D-2)

District 48
Sen. Rodney Tom (D)
Rep. Ross Hunter (D-1)
Rep. Deborah Eddy (D-2)

District 49
Sen. Craig Pridemore (D)
Rep. Jim Jacks (D-1)
Rep. Jim Moeller (D-2)

Standing Committee Assignments

Senate Agriculture & Rural Economic Development
Brian Hatfield, Chair
Kevin Ranker, V. Chair
Mark Schoesler*
Randi Becker
Mary Margaret Haugen
Ken Jacobsen
Bob Morton
Paull Shin

Senate Early Learning & K-12 Education
Rosemary McAuliffe, Chair
Claudia Kauffman, V. Chair (Early Learning)
Eric Oemig, V. Chair (K-12)
Curtis King*
Dale Brandland
Randy Gordon
Steve Hobbs
Janéa Holmquist
Joe McDermott
Pam Roach
Rodney Tom

Senate Economic Development, Trade & Innovation
Jim Kastama, Chair
Paull Shin, V. Chair
Joseph Zarelli*
Jerome Delvin
Tracey Eide
Derek Kilmer
Bob McCaslin

Senate Environment, Water & Energy
Phil Rockefeller, Chair
Craig Pridemore, V. Chair
Jim Honeyford*
Jerome Delvin
Karen Fraser
Janéa Holmquist
Chris Marr
Bob Morton
Eric Oemig
Kevin Ranker
Tim Sheldon

Senate Financial Institutions, Housing & Insurance
Jean Berkey, Chair
Steve Hobbs, V. Chair
Don Benton*
Rosa Franklin
Joe McDermott
Linda Evans Parlette
Mark Schoesler

Senate Government Operations & Elections
Darlene Fairley, Chair
Eric Oemig, V. Chair
Pam Roach*
Don Benton
Joe McDermott
Craig Pridemore
Dan Swecker

Senate Health & Long-Term Care
Karen Keiser, Chair
Rosa Franklin, V. Chair
Cheryl Pflug*
Randi Becker
Darlene Fairley
Chris Marr
Ed Murray
Linda Evans Parlette

Senate Higher Education & Workforce Development
Derek Kilmer , Chair
Jim Kastama, V. Chair
Randi Becker*
Mike Hewitt
Ken Jacobsen
Rosemary McAuliffe
Cheryl Pflug
Paull Shin
Val Stevens
Rodney Tom

Senate Human Services & Corrections
James Hargrove, Chair
Debbie Regala, V. Chair
Val Stevens*
Dale Brandland
Mike Carrell
Claudia Kauffman
Rosemary McAuliffe

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

Senate Judiciary
Adam Kline, Chair
Debbie Regala, V. Chair
Bob McCaslin*
Mike Carrell
Randy Gordon
James Hargrove
Jeanne Kohl-Welles
Pam Roach

Senate Labor, Commerce, & Consumer Protection
Jeanne Kohl-Welles, Chair
Karen Keiser, V. Chair
Janéa Holmquist*
Rosa Franklin
Jim Honeyford
Curtis King
Adam Kline

Senate Natural Resources, Ocean & Recreation
Ken Jacobsen, Chair
Kevin Ranker, V. Chair
Bob Morton*
Karen Fraser
James Hargrove
Brian Hatfield
Val Stevens
Dan Swecker

Senate Rules
Lt. Governor Brad Owen, Chair
Rosa Franklin, V. Chair
Mike Hewitt*
Lisa Brown
Tracey Eide
Karen Fraser
Mary Margaret Haugen
Claudia Kauffman
Karen Keiser
Curtis King
Jeanne Kohl-Welles
Chris Marr
Ed Murray
Linda Evans Parlette
Craig Pridemore
Debbie Regala
Mark Schoesler
Val Stevens
Joseph Zarelli

Senate Transportation
Mary Margaret Haugen, Chair
Chris Marr, V. Chair
Dan Swecker*
Randi Becker
Don Benton
Jean Berkey
Jerome Delvin
Tracey Eide
Brian Hatfield
Ken Jacobsen
Jim Kastama
Claudia Kauffman
Derek Kilmer
Curtis King
Kevin Ranker
Tim Sheldon

Senate Ways & Means
Margarita Prentice, Chair
Karen Fraser, V. Chair
(Capital Budget)
Rodney Tom, V. Chair
(Operating Budget)
Joseph Zarelli*
Dale Brandland
Mike Carrell
Darlene Fairley
Mike Hewitt
Steve Hobbs
Jim Honeyford
Karen Keiser
Adam Kline
Jeanne Kohl-Welles
Joe McDermott
Ed Murray
Eric Oemig
Linda Evans Parlette
Cheryl Pflug
Craig Pridemore
Debbie Regala
Phil Rockefeller
Mark Schoesler

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

Standing Committee Assignments

House Agriculture & Natural Resources
Blake, Brian, *Chair*
Ormsby, Timm*, V. Chair*
Chandler, Bruce*
Smith, Norma**
Jacks, Jim
Kretz, Joel
Liias, Marko
McCoy, John
Nelson, Sharon
Pearson, Kirk
Rolfes, Christine
Van De Wege, Kevin
Warnick, Judy

House Audit Review & Oversight
Miloscia, Mark, *Chair*
Williams, Brendan*, V. Chair*
Johnson, Norm*
Smith, Norma**
Chopp, Frank
Fagan, Susan
Finn, Fred
Green, Tami
Hasegawa, Bob
Kelley, Troy
Linville, Kelli
Morris, Jeff
Roach, Dan
Short, Shelly
Wallace, Deb
Warnick, Judy

House Capital Budget
Dunshee, Hans, *Chair*
Ormsby, Timm, *V. Chair*
Warnick, Judy*
Pearson, Kirk**
Anderson, Glenn
Blake, Brian
Chase, Maralyn
Hope, Mike
Jacks, Jim
Maxwell, Marcie
McCune, Jim
Morrell, Dawn
Orwall, Tina
Smith, Norma
White, Scott

House Commerce & Labor
Conway, Steve, *Chair*
Wood, Alex, *V. Chair*
Condotta, Cary*
Chandler, Bruce
Crouse, Larry
Green, Tami
Moeller, Jim
Williams, Brendan

House Community & Economic Development & Trade
Kenney, Phyllis Gutierrez*, Chair*
Maxwell, Marcie, *V. Chair*
Smith, Norma*
Chase, Maralyn
Liias, Marko
Moeller, Jim
Orcutt, Ed
Parker, Kevin
Probst, Tim

House Early Learning & Children's Services
Kagi, Ruth, *Chair*
Roberts, Mary Helen, *V. Chair*
Haler, Larry*
Walsh, Maureen**
Angel, Jan
Goodman, Roger
Seaquist, Larry

House Ecology & Parks
Upthegrove, Dave, *Chair*
Rolfes, Christine, *V. Chair*
Short, Shelly*
Chase, Maralyn
Dickerson, Mary Lou
Dunshee, Hans
Eddy, Deborah
Finn, Fred
Hudgins, Zachary
Kretz, Joel
Kristiansen, Dan
Morris, Jeff
Orcutt, Ed
Shea, Matt
Taylor, David

House Education
Quall, Dave*, Chair*
Maxwell, Marcie, V*. Chair*
Priest, Skip*
Hope, Mike**
Dammeier, Bruce
Fagan, Susan
Hunt, Sam
Johnson, Norm
Liias, Marko
Orwall, Tina
Probst, Tim
Santos, Sharon Tomiko
Sullivan, Pat

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

House Education Appropriations
Haigh, Kathy, *Chair*
Probst, Tim, V. *Chair*
Priest, Skip*
Hope, Mike**
Anderson, Glenn
Carlyle, Reuven
Haler, Larry
Hunter, Ross
Kagi, Ruth
Maxwell, Marcie
Nealey, Terry
Quall, Dave
Rolfes, Christine
Wallace, Deb

House Environmental Health
Campbell, Tom, *Chair*
Chase, Maralyn, *V. Chair*
Shea, Matt*
Orcutt, Ed**
Dickerson, Mary Lou
Dunshee, Hans
Finn, Fred
Hudgins, Zachary
Kretz, Joel
Rolfes, Christine

House Finance
Hunter, Ross, *Chair*
Hasegawa, Bob, *V. Chair*
Orcutt, Ed*
Parker, Kevin**
Condotta, Cary
Conway, Steve
Ericks, Mark
Santos, Sharon Tomiko
Springer, Larry

Financial Institutions & Insurance
Kirby, Steve, *Chair*
Kelley, Troy, *V. Chair*
Bailey, Barbara*
Parker, Kevin**
Hurst, Christopher
McCoy, John
Nelson, Sharon
Roach, Dan
Rodne, Jay
Santos, Sharon Tomiko
Simpson, Geoff

House General Government Appropriations
Darneille, Jeannie, *Chair*
Takko, Dean, *V. Chair*
McCune, Jim*
Armstrong, Mike**
Blake, Brian
Crouse, Larry
Dunshee, Hans
Hudgins, Zachary
Kenney, Phyllis Gutierrez
Klippert, Brad
Pedersen, Jamie
Sells, Mike
Short, Shelly
Van De Wege, Kevin
Williams, Brendan

House Health & Human Services Appropriations
Pettigrew, Eric, *Chair*
Seaquist, Larry, *V. Chair*
Schmick, Joe*
Alexander, Gary**
Appleton, Sherry
Cody, Eileen
Dickerson, Mary Lou
Fagan, Susan
Johnson, Norm
Miloscia, Mark
Morrell, Dawn
O'Brien, Al
Roberts, Mary Helen
Walsh, Maureen
Wood, Alex

House Health Care & Wellness
Cody, Eileen, *Chair*
Driscoll, John, *V. Chair*
Ericksen, Doug*
Bailey, Barbara
Campbell, Tom
Clibborn, Judy
Green, Tami
Herrera, Jaime
Hinkle, Bill
Kelley, Troy
Moeller, Jim
Morrell, Dawn
Pedersen, Jamie

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

Standing Committee Assignments

House Higher Education
Wallace, Deb, *Chair*
Sells, Mike, *V. Chair*
Anderson, Glenn*
Schmick, Joe**
Angel, Jan
Carlyle, Reuven
Driscoll, John
Haler, Larry
Hasegawa, Bob
White, Scott

Human Services
Dickerson, Mary Lou, *Chair*
Orwall, Tina, *V. Chair*
Dammeier, Bruce*
Darneille, Jeannie
Green, Tami
Herrera, Jaime
O'Brien, Al
Walsh, Maureen

House Judiciary
Pedersen, Jamie, *Chair*
Goodman, Roger, *V. Chair*
Rodne, Jay*
Shea, Matt**
Flannigan, Dennis
Kelley, Troy
Kirby, Steve
Ormsby, Timm
Roberts, Mary Helen
Ross, Charles
Warnick, Judy

House Local Government & Housing
Simpson, Geoff, *Chair*
Nelson, Sharon, *V. Chair*
Angel, Jan*
DeBolt, Richard**
Fagan, Susan
Miloscia, Mark
Short, Shelly
Springer, Larry
Upthegrove, Dave
White, Scott
Williams, Brendan

House Public Safety & Emergency Preparedness
Hurst, Christopher, *Chair*
O'Brien, Al, *V. Chair*
Pearson, Kirk*
Klippert, Brad**
Appleton, Sherry
Goodman, Roger
Kirby, Steve
Ross, Charles

House Rules
Chopp, Frank, *Chair*
DeBolt, Richard*
Armstrong, Mike
Bailey, Barbara
Eddy, Deborah
Ericks, Mark
Green, Tami
Hasegawa, Bob
Hinkle, Bill
Hudgins, Zachary
Johnson, Norm
Kelley, Troy
Kessler, Lynn
Kretz, Joel
Kristiansen, Dan
Liias, Marko
Moeller, Jim
Morrell, Dawn
Morris, Jeff
Santos, Sharon Tomiko
Schmick, Joe
Springer, Larry
Van De Wege, Kevin
Warnick, Judy

House State Government & Tribal Affairs
Hunt, Sam, *Chair*
Appleton, Sherry, *V. Chair*
Armstrong, Mike*
Alexander, Gary
Flannigan, Dennis
Hurst, Christopher
Miloscia, Mark
Taylor, David

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

House Technology, Energy & Communications

McCoy, John, *Chair*
Finn, Fred, *V. Chair*
Crouse, Larry*
Haler, Larry**
Carlyle, Reuven
Condotta, Cary
Eddy, Deborah
Hasegawa, Bob
Hinkle, Bill
Hudgins, Zachary
Jacks, Jim
McCune, Jim
Morris, Jeff
Nealey, Terry
Takko, Dean
Taylor, David
Van De Wege, Kevin

House Transportation

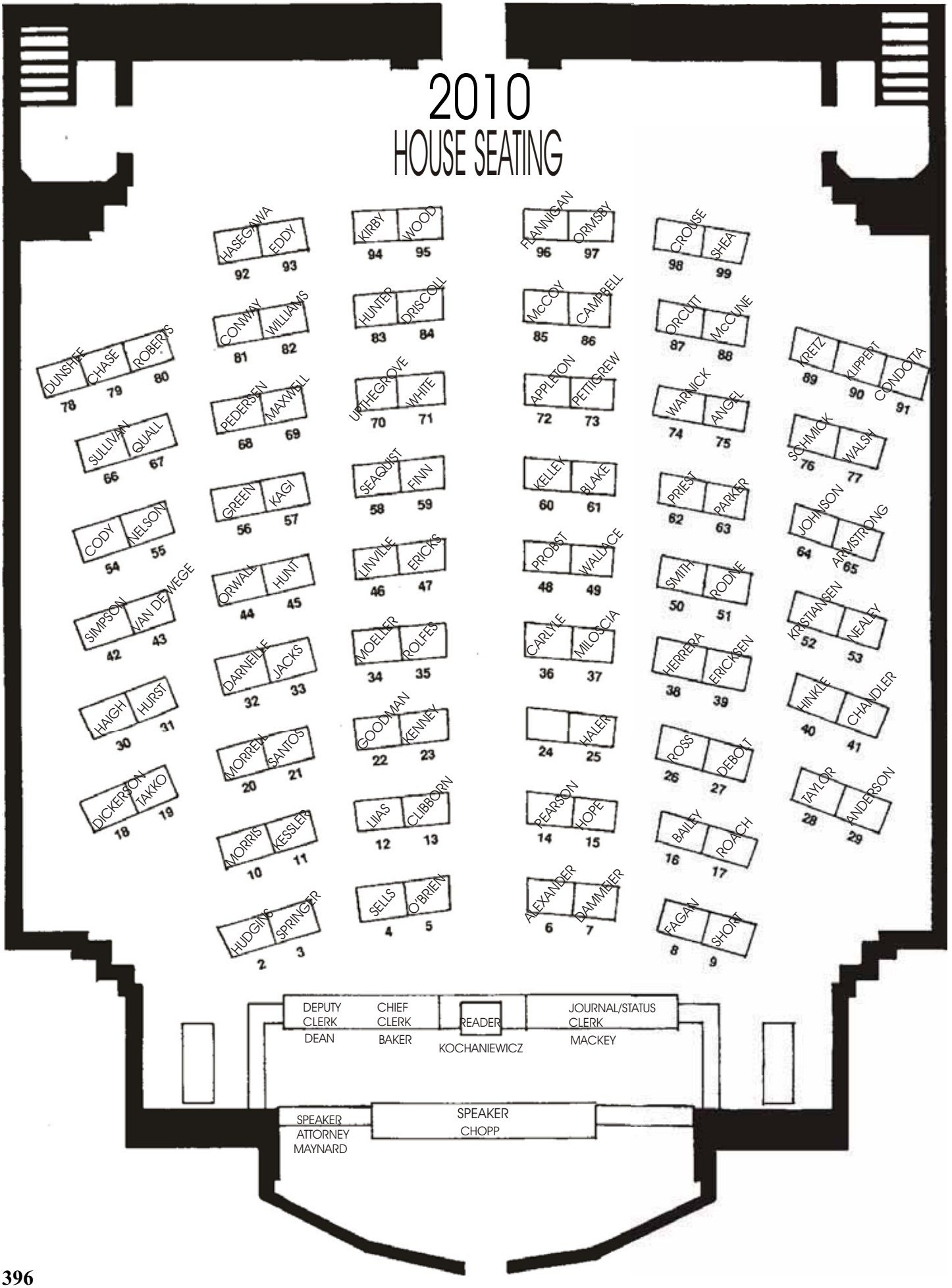
Clibborn, Judy, *Chair*
Liias, Marko, *V. Chair*
Roach, Dan*
Rodne, Jay**
Armstrong, Mike
Campbell, Tom
Dickerson, Mary Lou
Driscoll, John
Eddy, Deborah
Ericksen, Doug
Finn, Fred
Flannigan, Dennis
Herrera, Jaime
Johnson, Norm
Klippert, Brad
Kristiansen, Dan
Moeller, Jim
Morris, Jeff
Nealey, Terry
Rolfes, Christine
Sells, Mike
Shea, Matt
Simpson, Geoff
Springer, Larry
Takko, Dean
Upthegrove, Dave
Williams, Brendan
Wood, Alex

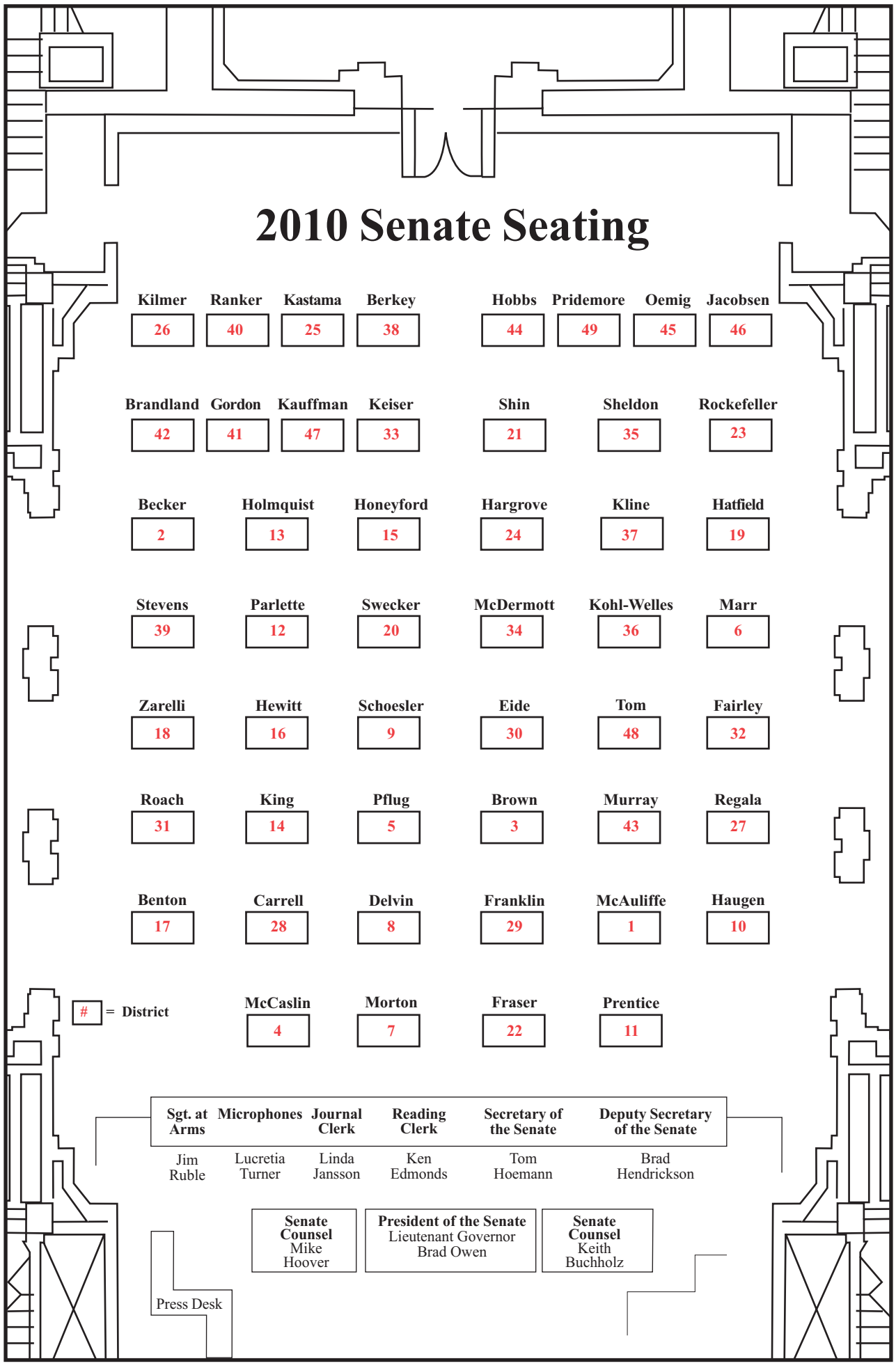
House Ways & Means

Linville, Kelli, *Chair*
Ericks, Mark, *V. Chair*
Sullivan, Pat, *V. Chair*
Alexander, Gary*
Bailey, Barbara**
Dammeier, Bruce**
Chandler, Bruce
Cody, Eileen
Conway, Steve
Darneille, Jeannie
Haigh, Kathy
Hinkle, Bill
Hunt, Sam
Hunter, Ross
Kagi, Ruth
Kenney, Phyllis Gutierrez
Kessler, Lynn
Pettigrew, Eric
Priest, Skip
Ross, Charles
Schmick, Joe
Seaquist, Larry

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

2010
HOUSE SEATING




2010 Senate Seating
Kilmer 26
Ranker 40
Kastama 25
Berkey 38
Hobbs 44
Pridemore 49
Oemig 45
Jacobsen 46
Brandland 42
Gordon 41
Kauffman 47
Keiser 33
Shin 21
Sheldon 35
Rockefeller 23
Becker 2
Holmquist 13
Honeyford 15
Hargrove 24
Kline 37
Hatfield 19
Stevens 39
Parlette 12
Swecker 20
McDermott 34
Kohl-Welles 36
Marr 6
Zarelli 18
Hewitt 16
Schoesler 9
Eide 30
Tom 48
Fairley 32
Roach 31
King 14
Pflug 5
Brown 3
Murray 43
Regala 27
Benton 17
Carrell 28
Delvin 8
Franklin 29
McAuliffe 1
Haugen 10
= District
McCaslin 4
Morton 7
Fraser 22
Prentice 11
Sgt. at Arms
Jim Ruble
Microphones
Lucretia Turner
Journal Clerk
Linda Jansson
Reading Clerk
Ken Edmonds
Secretary of the Senate
Tom Hoemann
Deputy Secretary of the Senate
Brad Hendrickson
Senate Counsel
Mike Hoover
President of the Senate
Lieutenant Governor
Brad Owen
Senate Counsel
Keith Buchholz
Press Desk


VOTES-FOR-W
VOTES FOR