

SIXTY EIGHTH DAY

House Chamber, Olympia, Friday, March 18, 2011

The House was called to order at 10:00 a.m. by the Speaker (Representative Moeller presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Melissa Estabrook and Matt Althoff. The Speaker (Representative Moeller presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Chaplain Ben Benthien, Central Pierce Fire and Rescue.

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

INTRODUCTIONS AND FIRST READING

HB 2022 by Representatives Reykdal, Billig, Cody, Fitzgibbon, Liias, Appleton, Dunshee, Dickerson, Jinkins, Ryu, McCoy, Ormsby, Hasegawa, Kirby, Ladenburg, Hunt, Roberts, Lytton and Frockt

AN ACT Relating to providing additional funds for medicare by extending sales and use taxes to elective cosmetic services; amending RCW 82.12.020 and 82.12.035; reenacting and amending RCW 82.04.050 and 82.12.010; adding a new section to chapter 82.04 RCW; adding a new section to chapter 82.32 RCW; adding a new section to chapter 43.135 RCW; and creating a new section.

Referred to Committee on Ways & Means.

There being no objection, the bill listed on the day's introduction sheet under the fourth order of business was referred to the committee so designated.

REPORTS OF STANDING COMMITTEES

March 15, 2011
2SSB 5034 Prime Sponsor, Committee on Environment, Water & Energy: Concerning private infrastructure development. Reported by Committee on Environment

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature recognizes the critical importance of infrastructure to the development of industrial, commercial, and residential properties and finds that infill development is often limited by the lack of infrastructure. The legislature further finds that in many areas, public funding to extend infrastructure is not available. It is the purpose of this act to allow private utilities to provide infrastructure needed for economic development in a manner that minimizes development sprawl.

Sec. 2. RCW 80.04.010 and 1995 c 243 s 2 are each amended to read as follows:

As used in this title, unless specifically defined otherwise or unless the context indicates otherwise:

(1) "Automatic location identification" means a system by which information about a caller's location, including the seven-digit number or ten-digit number used to place a 911 call or a different seven-digit number or ten-digit number to which a return call can be made from the public switched network, is forwarded to a public safety answering point for display.

(2) "Automatic number identification" means a system that allows for the automatic display of the seven-digit or ten-digit number used to place a 911 call.

(3) "Commission" means the utilities and transportation commission.

(4) "Commissioner" means one of the members of such commission.

(5) "Competitive telecommunications company" means a telecommunications company which has been classified as such by the commission pursuant to RCW 80.36.320.

(6) "Competitive telecommunications service" means a service which has been classified as such by the commission pursuant to RCW 80.36.330.

(7) "Corporation" includes a corporation, company, association or joint stock association.

(8) "Person" includes an individual, a firm or partnership.

(9) "Gas plant" includes all real estate, fixtures and personal property, owned, leased, controlled, used or to be used for or in connection with the transmission, distribution, sale or furnishing of natural gas, or the manufacture, transmission, distribution, sale or furnishing of other type gas, for light, heat or power.

(10) "Gas company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receiver appointed by any court whatsoever, and every city or town, owning, controlling, operating or managing any gas plant within this state.

(11) "Electric plant" includes all real estate, fixtures and personal property operated, owned, used or to be used for or in connection with or to facilitate the generation, transmission, distribution, sale or furnishing of electricity for light, heat, or power for hire; and any conduits, ducts or other devices, materials, apparatus or property for containing, holding or carrying conductors used or to be used for the transmission of electricity for light, heat or power.

(12) "Electrical company" includes any corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever (other than a railroad or street railroad company generating electricity solely for railroad or street railroad purposes or for the use of its tenants and not for sale to others), and every city or town owning, operating or managing any electric plant for hire within this state. "Electrical company" does not include a company or person employing a cogeneration facility solely for the generation of electricity for its own use or the use of its tenants or for sale to an electrical company, state or local public agency, municipal corporation, or quasi municipal corporation engaged in the sale or distribution of electrical energy, but not for sale to others, unless such company or person is otherwise an electrical company.

(13) "LATA" means a local access transport area as defined by the commission in conformance with applicable federal law.

(14) "Private telecommunications system" means a telecommunications system controlled by a person or entity for the sole and exclusive use of such person, entity, or affiliate thereof, including the provision of private shared telecommunications services by such person or entity. "Private telecommunications system" does not include a system offered for hire, sale, or resale to the general public.

(15) "Private shared telecommunications services" includes the provision of telecommunications and information management services and equipment within a user group located in discrete private premises in building complexes, campuses, or high-rise buildings, by a commercial shared services provider or by a user association, through privately owned customer premises equipment and associated data processing and information management services and includes the provision of connections to the facilities of a local exchange and to interexchange telecommunications companies.

(16) "Private switch automatic location identification service" means a service that enables automatic location identification to be provided to a public safety answering point for 911 calls originating from station lines served by a private switch system.

(17) "Radio communications service company" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers appointed by any court, and every city or town making available facilities to provide radio communications service, radio paging, or cellular communications service for hire, sale, or resale.

(18) "Telecommunications company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, and every city or town owning, operating or managing any facilities used to provide telecommunications for hire, sale, or resale to the general public within this state.

(19) "Noncompetitive telecommunications service" means any service which has not been classified as competitive by the commission.

(20) "Facilities" means lines, conduits, ducts, poles, wires, cables, cross-arms, receivers, transmitters, instruments, machines, appliances, instrumentalities and all devices, real estate, easements, apparatus, property and routes used, operated, owned or controlled by any telecommunications company to facilitate the provision of telecommunications service.

(21) "Telecommunications" is the transmission of information by wire, radio, optical cable, electromagnetic, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols.

(22) "Water system" includes all real estate, easements, fixtures, personal property, dams, dikes, head gates, weirs, canals, reservoirs, flumes or other structures or appliances operated, owned, used or to be used for or in connection with or to facilitate the supply, storage, distribution, sale, furnishing, diversion, carriage, apportionment or measurement of water for power, irrigation, reclamation, manufacturing, municipal, domestic or other beneficial uses for hire.

(23)(a) "Water company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, and every city or town owning, controlling, operating, or managing any water system for hire within this state(~~— PROVIDED, That~~).

(b) For purposes of commission jurisdiction (~~(it shall)~~), "water company" does not include any water system serving less than one hundred customers where the average annual gross revenue per customer does not exceed three hundred dollars per year, which revenue figure may be increased annually by the commission by rule adopted pursuant to chapter 34.05 RCW to reflect the rate of inflation as determined by the implicit price deflator of the United States department of commerce(~~— AND PROVIDED FURTHER, That~~

~~such~~). The measurement of customers or revenues (~~(shall)~~) must include all portions of water companies having common ownership or control, regardless of location or corporate designation.

(c) "Control" (~~(as used herein shall be)~~) is defined by the commission by rule and (~~(shall)~~) does not include management by a satellite agency as defined in chapter 70.116 RCW if the satellite agency is not an owner of the water company.

(d) "Water company" also includes, for auditing purposes only, nonmunicipal water systems which are referred to the commission pursuant to an administrative order from the department, or the city or county as provided in RCW 80.04.110. (~~However,~~)

(e) Water companies exempt from commission regulation (~~(shall be)~~) are subject to the provisions of chapter 19.86 RCW. A water company cannot be removed from regulation except with the approval of the commission. Water companies subject to regulation may petition the commission for removal from regulation if the number of customers falls below one hundred or the average annual revenue per customer falls below three hundred dollars. The commission is authorized to maintain continued regulation if it finds that the public interest so requires.

(24) "Cogeneration facility" means any machinery, equipment, structure, process, or property, or any part thereof, installed or acquired for the primary purpose of the sequential generation of electrical or mechanical power and useful heat from the same primary energy source or fuel.

(25) "Public service company" includes every gas company, electrical company, telecommunications company, wastewater company, and water company. Ownership or operation of a cogeneration facility does not, by itself, make a company or person a public service company.

(26) "Local exchange company" means a telecommunications company providing local exchange telecommunications service.

(27) "Department" means the department of health.

(~~The term~~) (28) "Service" is used in this title in its broadest and most inclusive sense.

(29)(a) "Wastewater company" means a corporation, company, association, joint stock association, partnership and person, their lessees, trustees, or receivers that owns or proposes to develop and own a system of sewerage that is designed for a peak flow of twenty-seven thousand to one hundred thousand gallons per day if treatment is by a large on-site sewerage system, or to serve one hundred or more customers.

(b) For purposes of commission jurisdiction, wastewater company does not include: (i) Municipal, county, or other publicly owned systems of sewerage; or (ii) wastewater company service to customers outside of an urban growth area as defined in RCW 36.70A.030.

(30) "System of sewerage" means collection, treatment, and disposal facilities and services for sewerage, or storm or surface water run-off.

NEW SECTION. Sec. 3. A new section is added to chapter 80.28 RCW to read as follows:

(1) A wastewater company may not own or develop a system of sewerage for the purpose of providing service for compensation without first having obtained from the commission a certificate declaring that the public convenience and necessity requires such service.

(2) Issuance of the certificate of public convenience and necessity must be determined on, but not limited to, the following factors:

(a) A comprehensive business plan detailing the design, construction, operation, and maintenance of the proposed service system;

(b) Demonstration of sufficient financial resources to properly operate and maintain the proposed system, and to replace and upgrade capital assets;

(c) The need to develop a new stand alone system instead of connecting to an existing system;

(d) A statement of prior experience, if any, in such field by the petitioner, set out in an affidavit or declaration;

(e) A certification from the municipal corporation that it is not willing and able to provide the sewerage services being proposed; and

(f) A certification from the municipal corporation that the company's proposed service is consistent with the locally approved general sewer plan.

(3) The commission may, after providing notice and an opportunity for public comment, issue certificates, or for good cause shown refuse to issue them, or issue them for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted such terms and conditions as, in its judgment, the public convenience and necessity may require.

(4) No certificate may be transferred to any private or nonprofit entity unless authorized by the commission.

(5)(a) Prior to the commission approving a wastewater company to provide new service or extend existing service, the wastewater company must file and continuously maintain in effect, a bond, or equivalent surety as determined by the commission, with the commission to ensure that there are sufficient funds to:

(i) Design, construct, operate, and maintain the proposed system;

(ii) Replace and upgrade capital assets as required by federal or state law or by order of the department of health or department of ecology; and

(iii) Allow additional connections to the system, if approved by the department of health or the department of ecology.

(b) The bond, or its equivalent surety, is payable under this section to the commission upon:

(i) An order under section 5 of this act to transfer a system or systems of sewerage to a capable wastewater company;

(ii) Notice that the wastewater company does not intend to renew the bond or its equivalent surety or has failed to renew the bond or its equivalent surety; or

(iii) A petition by the commission under section 6, 13, or 14 of this act to place a wastewater company in receivership.

(c) The commission must hold the payment in trust until an acquiring wastewater company is designated under section 5 of this act or a receiving entity is designated under section 6, 13, or 14 of this act, at which point the funds will be made available to the company or entity to expend as directed by the commission.

(6) For purposes of issuing certificates under this chapter, the commission may adopt rules to implement this section.

(7) A wastewater company must obtain commission approval before expanding an existing system beyond the approved capacity set forth in its certificate or acquiring new systems, either by construction or purchase.

NEW SECTION. Sec. 4. A new section is added to chapter 80.04 RCW to read as follows:

(1) Every wastewater company subject to regulation by the commission must, on or before the date specified by the commission for filing annual reports under RCW 80.04.080, pay to the commission a regulatory fee.

(2) The commission must assess such regulatory fees in amounts sufficient for the commission to recover the commission's actual and reasonable costs of supervising and regulating wastewater companies.

(3) Any payment of a fee assessed under this section made after the due date must include a late fee of two percent of the amount due.

(4) Delinquent fees accrue interest at the rate of one percent per month.

(5) The provisions of RCW 80.04.030, 80.04.040, and 80.04.050 apply to regulatory fees for wastewater companies.

(6) The commission is authorized and empowered to adopt and issue rules and regulations to implement this section, including

establishing the methodologies and procedures for developing, assessing, and collecting fees under this section.

NEW SECTION. Sec. 5. A new section is added to chapter 80.28 RCW to read as follows:

(1) If the commission determines, after providing notice and opportunity for a hearing in the manner required for complaints under RCW 80.04.110, that a wastewater company is unfit to provide wastewater service on any system of sewerage, under its ownership, the commission may order the transfer of any such system or systems to a capable wastewater company.

(2) In determining whether a wastewater company is unfit to provide wastewater service on a system of sewerage in consultation with the department of health or the department of ecology as appropriate to the agencies' jurisdiction, the commission may consider the company's technical and managerial expertise to operate the system of sewerage, the company's financial soundness and the company's willingness and ability to make ongoing investments necessary to maintain compliance with statutory and regulatory standards for the safety, adequacy, efficiency, and reasonableness of the service provided.

(3) Before ordering the transfer of a system of sewerage owned by a wastewater company that is unfit to provide service, the commission must first determine that:

(a) Alternatives to the transfer are impractical or not economically feasible;

(b) The acquiring wastewater company is willing and able to acquire the system or systems of sewerage, financially sound, and has the technical and managerial expertise to own and operate the system or systems of sewerage in compliance with applicable statutory and regulatory standards; and

(c) Rates paid by existing customers served by the acquiring wastewater company will not increase unreasonably because of the acquisition of the system of sewerage or because of expenditures that may be necessary to assure compliance with applicable statutory and regulatory standards for the safety, adequacy, efficiency, and reasonableness of the service provided.

(4) The sale price for the unfit wastewater company's system or systems of sewerage assets must be determined by agreement between the unfit wastewater company and the acquiring capable wastewater company subject to a finding by the commission that the agreed price is reasonable. A price is deemed reasonable if it does not exceed the original cost of plant in service, minus accumulated depreciation, minus contributions in aid to construction. If the unfit wastewater company and the acquiring capable wastewater company are unable to agree on the sale price or the commission finds that the agreed sale price is not reasonable, the acquiring capable wastewater company may initiate a condemnation proceeding in superior court in the manner provided by chapter 8.04 RCW to determine the compensation to be paid by the acquiring capable wastewater company for the failed system or systems of sewerage assets.

(5) The capable wastewater company acquiring an unfit wastewater company's system or systems shall have the same immunity from liability as wastewater companies assuming substandard systems as set forth in RCW 80.28.275.

(6) The commission must provide copies of the notice required by subsection (1) of this section to the department of health or the department of ecology, as appropriate to the agencies' jurisdiction, and all proximate public entities providing wastewater utility service.

(7) Any capable wastewater company approved by the commission to acquire the system or systems of sewerage of an unfit wastewater company must submit to the commission, for approval, a financial plan, including a timetable, for bringing the acquired system of sewerage assets into compliance with applicable statutory and regulatory standards. The acquiring capable wastewater company must also provide a copy of the plan to the department of health or the department of ecology, as appropriate to the agencies' jurisdiction,

and other state or local agency as the commission may direct. The commission must give the department of health or the department of ecology, as appropriate to the agencies' jurisdiction, adequate opportunity to comment on the plan and must consider any comments submitted in deciding whether or not to approve the plan.

(8) The legislature grants to any private entity the power of eminent domain, for exercise only under the circumstances described in this section. However, a private entity must obtain authorization from the city, town, or county with jurisdiction over the subject property after the legislative authority of the city, town, or county has passed an ordinance requiring that property be taken for public use. This subsection does not limit eminent domain authority granted by any other provision of law.

NEW SECTION. Sec. 6. A new section is added to chapter 80.28 RCW to read as follows:

(1) The commission may petition the Thurston county superior court pursuant to chapter 7.60 RCW to place a wastewater company in receivership. The petition must include the names of one or more qualified candidates for receiver who have consented to assume operation of the system of sewerage. The petition must also include a list of interested and qualified individuals, municipal corporations, and wastewater companies with experience in providing wastewater service and a history of satisfactory operation of a system of sewerage. If no other entity is willing and able to be appointed as the receiver, the court must appoint the county or other municipal corporation whose geographic boundaries include, in whole or in part, the system of sewerage at issue. The municipal corporation may designate one of its agencies or divisions to operate the system, or it may contract with another entity to operate the system. The department of health or department of ecology, whichever has jurisdiction, must provide regulatory oversight for managing the system of sewerage.

(2) In any petition for receivership under subsection (1) of this section, the commission must recommend that the court grant the receiver full authority to act in the best interests of the customers served by the system of sewerage. The receiver must assess the capability, in conjunction with the department of health or ecology, whichever has jurisdiction, and local government, for the system to operate in compliance with health and safety standards. The receiver must report to the court and the commission its recommendations for the company's future operation of the system, including the formation of a water-sewer district or other public entity, or ownership by another existing wastewater company capable of providing service.

(3) If a petition for receivership and verifying affidavit executed by an appropriate official allege an immediate and serious danger to residents constituting an emergency, the court must set the matter for hearing within three days and may appoint a temporary receiver ex parte upon the strength of such petition and affidavit pending a full evidentiary hearing, which must be held within fourteen days after receipt of the petition.

(4) If the court imposes a bond upon a receiver, the amount must reasonably relate to the level of operating revenue generated by, and the capital value of, the wastewater company. Any receiver appointed pursuant to this section may not be held personally liable for any good faith, reasonable effort to assume possession of, and to operate, the system in compliance with the court's orders, subject to the provisions of law governing clean water as referenced by the commission by rule.

(5) The court must authorize the receiver to impose reasonable assessments on the customers of the system of sewerage to recover expenditures for improvements necessary for the public health and safety.

(6) The commission must develop a plan for transfer of the system of sewerage to a new operator and submit its plan to the court. The commission must develop the plan after notice to, and an opportunity to participate by, the receiver, the municipal corporations

whose geographic boundaries, in whole or in part, include the system of sewerage at issue, and the public. The commission must complete the plan no later than twelve months after appointment of a receiver.

(a) If the commission finds that no private entity is able or willing to take over the system of sewerage and decides the system of sewerage should be taken over by a municipal corporation whose geographic boundaries include the system of sewerage at issue, in whole or in part, the commission must provide its findings to the court and the court may issue an order to that effect. If the court orders a municipal corporation to take over the system of sewerage, the municipal corporation must promptly institute negotiations to purchase the system. If, within six months of the court's order, the negotiations fail or otherwise do not result in a purchase, the municipal corporation must promptly initiate a condemnation proceeding to acquire the system. The court must terminate the receivership once the purchase is complete.

(b) If the commission decides the system of sewerage should be taken over by a private entity, such as an individual or business, the commission must provide its findings to the court and the court may issue an order to that effect. If the court orders a private entity to take over the system of sewerage, the private entity must promptly institute negotiations to purchase the system. If, within six months of the court's order, the negotiations fail or otherwise do not result in a purchase, the private entity must promptly exercise its power of eminent domain granted by the legislature in subsection (9) of this section to acquire the system. The court must terminate the receivership once the purchase is complete.

(7) Other than pursuant to subsection (6)(a) and (b) of this section, the court may not terminate the receivership, and order the return of the system to the owners, unless the commission approves that action. The court may impose reasonable conditions upon the return of the system to the owner, including the posting of a bond or other security, routine performance and financial audits, employment of qualified operators and other staff or contracted services, compliance with financial viability requirements, or other measures sufficient to ensure the ongoing proper operation of the system.

(8) If, as part of the ultimate disposition of the system, a condemnation proceeding is commenced to acquire the system of sewerage, the court shall oversee any appraisal of the system conducted under Title 7 RCW to assure that the appraised value properly reflects any reduced value because of the necessity to make improvements to the system. The court has the authority to approve the appraisal and to modify the appraisal based on any information provided at an evidentiary hearing. The court's determination of the proper value of the system, based on the appraisal, is final and only appealable if not supported by substantial evidence. If the appraised value is appealed, the court may order the system's ownership to be transferred upon payment of the approved appraised value.

(9) The legislature grants any municipal corporation, and any private entity the power of eminent domain under the circumstances described in this section. However, a private entity must obtain authorization from the city, town, or county with jurisdiction over the subject property after the legislative authority of the city, town, or county has passed an ordinance requiring that property be taken for public use. This subsection does not limit eminent domain authority granted by any other provision of law.

Sec. 7. RCW 80.04.110 and 1995 c 376 s 12 are each amended to read as follows:

(1)(a) Complaint may be made by the commission of its own motion or by any person or corporation, chamber of commerce, board of trade, or any commercial, mercantile, agricultural or manufacturing society, or any body politic or municipal corporation, or by the public counsel section of the office of the attorney general, or its successor, by petition or complaint in writing, setting forth any act or thing done or omitted to be done by any public service corporation in violation, or claimed to be in violation, of any provision of ~~(law)~~ this title,

Title 81 RCW, or of any order or rule of the commission(~~(= PROVIDED, That)~~).

(b) No complaint (~~(shall)~~) may be entertained by the commission except upon its own motion, as to the reasonableness of the schedule of the rates or charges of any gas company, electrical company, water company, wastewater company, or telecommunications company, unless the same be signed by the mayor, council or commission of the city or town in which the company complained of is engaged in business, or not less than twenty-five consumers or purchasers of such gas, electricity, water, wastewater company services, or telecommunications service, or at least twenty-five percent of the consumers or purchasers of the company's service(~~(= PROVIDED, FURTHER, That)~~).

(c) When two or more public service corporations, (meaning to exclude municipal and other public corporations) are engaged in competition in any locality or localities in the state, either may make complaint against the other or others that the rates, charges, rules, regulations or practices of such other or others with or in respect to which the complainant is in competition, are unreasonable, unremunerative, discriminatory, illegal, unfair or intending or tending to oppress the complainant, to stifle competition, or to create or encourage the creation of monopoly, and upon such complaint or upon complaint of the commission upon its own motion, the commission (~~(shall have)~~) has power, after notice and hearing as in other cases, to, by its order, subject to appeal as in other cases, correct the abuse complained of by establishing such uniform rates, charges, rules, regulations or practices in lieu of those complained of, to be observed by all of such competing public service corporations in the locality or localities specified as (~~(shall be)~~) is found reasonable, remunerative, nondiscriminatory, legal, and fair or tending to prevent oppression or monopoly or to encourage competition, and upon any such hearing it (~~(shall be)~~) is proper for the commission to take into consideration the rates, charges, rules, regulations and practices of the public service corporation or corporations complained of in any other locality or localities in the state.

(2) All matters upon which complaint may be founded may be joined in one hearing, and no motion (~~(shall)~~) may be entertained against a complaint for misjoinder of complaints or grievances or misjoinder of parties; and in any review of the courts of orders of the commission the same rule shall apply and pertain with regard to the joinder of complaints and parties as herein provided(~~(= PROVIDED,))~~. However, all grievances to be inquired into (~~(shall)~~) must be plainly set forth in the complaint. No complaint (~~(shall)~~) may be dismissed because of the absence of direct damage to the complainant.

(3) Upon the filing of a complaint, the commission shall cause a copy thereof to be served upon the person or corporation complained of, which (~~(shall)~~) must be accompanied by a notice fixing the time when and place where a hearing will be had upon such complaint. The time fixed for such hearing (~~(shall)~~) may not be less than ten days after the date of the service of such notice and complaint, excepting as herein provided. The commission shall enter its final order with respect to a complaint filed by any entity or person other than the commission within ten months from the date of filing of the complaint, unless the date is extended for cause. Rules of practice and procedure not otherwise provided for in this title may be prescribed by the commission. Such rules may include the requirement that a complainant use informal processes before filing a formal complaint.

(4)(a) The commission (~~(shall)~~) may, as appropriate, audit a nonmunicipal water system upon receipt of an administrative order from the department, or the city or county in which the water system is located, finding that the water delivered by a system does not meet state board of health standards adopted under RCW 43.20.050(2)(a) or standards adopted under chapters 70.116 and 70.119A RCW, and the results of the audit (~~(shall)~~) must be provided to the requesting

department, city, or county. However, the number of nonmunicipal water systems referred to the commission in any one calendar year shall not exceed twenty percent of the water companies subject to commission regulation as defined in RCW 80.04.010.

(b) Every nonmunicipal water system referred to the commission for audit under this section shall pay to the commission an audit fee in an amount, based on the system's twelve-month audited period, equal to the fee required to be paid by regulated companies under RCW 80.24.010.

(5) Any customer or purchaser of service from a water system or company that is subject to commission regulation may file a complaint with the commission if he or she has reason to believe that the water delivered by the system to the customer does not meet state drinking water standards under chapter 43.20 or 70.116 RCW. The commission shall investigate such a complaint, and shall request that the state department of health or local health department of the county in which the system is located test the water for compliance with state drinking water standards, and provide the results of such testing to the commission. The commission may decide not to investigate the complaint if it determines that the complaint has been filed in bad faith, or for the purpose of harassment of the water system or company, or for other reasons has no substantial merit. The water system or company shall bear the expense for the testing. After the commission has received the complaint from the customer and during the pendency of the commission investigation, the water system or company (~~(shall)~~) may not take any steps to terminate service to the customer or to collect any amounts alleged to be owed to the company by the customer. The commission may issue an order or take any other action to ensure that no such steps are taken by the system or company. The customer may, at the customer's option and expense, obtain a water quality test by a licensed or otherwise qualified water testing laboratory, of the water delivered to the customer by the water system or company, and provide the results of such a test to the commission. If the commission determines that the water does not meet state drinking water standards, it shall exercise its authority over the system or company as provided in this title, and may, where appropriate, order a refund to the customer on a pro rata basis for the substandard water delivered to the customer, and shall order reimbursement to the customer for the cost incurred by the customer, if any, in obtaining a water quality test.

Sec. 8. RCW 80.04.160 and 1961 c 14 s 80.04.160 are each amended to read as follows:

The commission is hereby authorized and empowered to adopt, promulgate and issue rules and regulations covering the transmission and delivery of messages and conversations, and the furnishing and supply of gas, electricity, wastewater company services, and water, and any and all services concerning the same, or connected therewith; and generally such rules as pertain to the comfort and convenience of the public concerning the subjects treated of in this title. Such rules and regulations (~~(shall)~~) must be promulgated and issued by the commission on its own motion, and (~~(shall)~~) must be served on the public service company affected thereby as other orders of the commission are served. Any public service company affected thereby, and deeming such rules and regulations, or any of them, improper, unjust, unreasonable, or contrary to law, may within twenty days from the date of service of such order upon it file objections thereto with the commission, specifying the particular grounds of such objections. The commission shall, upon receipt of such objections, fix a time and place for hearing the same, and after a full hearing may make such changes or modifications thereto, if any, as the evidence may justify. The commission (~~(shall have)~~) has, and it is hereby given, power to adopt rules to govern its proceedings, and to regulate the mode and manner of all investigations and hearings(~~(= PROVIDED,))~~. However, no person desiring to be present at such hearing (~~(shall)~~) may be denied permission. Actions may be

instituted to review rules and regulations promulgated under this section as in the case of orders of the commission.

Sec. 9. RCW 80.04.250 and 1991 c 122 s 2 are each amended to read as follows:

(1) The commission (~~(shall have)~~) has power upon complaint or upon its own motion to ascertain and determine the fair value for rate making purposes of the property of any public service company used and useful for service in this state and shall exercise such power whenever it (~~(shall)~~) deems such valuation or determination necessary or proper under any of the provisions of this title. In determining what property is used and useful for providing electric, gas, wastewater company services, or water service, the commission may include the reasonable costs of construction work in progress to the extent that the commission finds that inclusion is in the public interest.

(2) The commission (~~(shall have)~~) has the power to make revaluations of the property of any public service company from time to time.

(3) The commission shall, before any hearing is had, notify the complainants and the public service company concerned of the time and place of such hearing by giving at least thirty days' written notice thereof, specifying that at the time and place designated a hearing will be held for the purpose of ascertaining the value of the company's property, used and useful as aforesaid, which notice (~~(shall)~~) must be sufficient to authorize the commission to inquire into and pass upon the matters designated in this section.

Sec. 10. RCW 80.04.500 and 1985 c 450 s 13 are each amended to read as follows:

Nothing in this title (~~(shall)~~) authorizes the commission to make or enforce any order affecting rates, tolls, rentals, contracts or charges or service rendered, or the adequacy or sufficiency of the facilities, equipment, instrumentalities or buildings, or the reasonableness of rules or regulations made, furnished, used, supplied or in force affecting any telecommunications line, gas plant, electrical plant, system of sewerage, or water system owned and operated by any city or town, or to make or enforce any order relating to the safety of any telecommunications line, electrical plant, system of sewerage, or water system owned and operated by any city or town, but all other provisions enumerated herein (~~(shall)~~) apply to public utilities owned by any city or town.

Sec. 11. RCW 80.28.010 and 2008 c 299 s 35 are each amended to read as follows:

(1) All charges made, demanded or received by any gas company, electrical company, wastewater company, or water company for gas, electricity or water, or for any service rendered or to be rendered in connection therewith, shall be just, fair, reasonable and sufficient. Reasonable charges necessary to cover the cost of administering the collection of voluntary donations for the purposes of supporting the development and implementation of evergreen community management plans and ordinances under RCW 80.28.300 (~~(shall)~~) must be deemed as prudent and necessary for the operation of a utility.

(2) Every gas company, electrical company, wastewater company, and water company shall furnish and supply such service, instrumentalities and facilities as shall be safe, adequate and efficient, and in all respects just and reasonable.

(3) All rules and regulations issued by any gas company, electrical company, wastewater company, or water company, affecting or pertaining to the sale or distribution of its product or service, (~~(shall)~~) must be just and reasonable.

(4) Utility service for residential space heating shall not be terminated between November 15 through March 15 if the customer:

(a) Notifies the utility of the inability to pay the bill, including a security deposit. This notice should be provided within five business days of receiving a payment overdue notice unless there are extenuating circumstances. If the customer fails to notify the utility within five business days and service is terminated, the customer can,

by paying reconnection charges, if any, and fulfilling the requirements of this section, receive the protections of this chapter;

(b) Provides self-certification of household income for the prior twelve months to a grantee of the department of (~~(community, trade, and economic development)~~) commerce, which administers federally funded energy assistance programs. The grantee shall determine that the household income does not exceed the maximum allowed for eligibility under the state's plan for low-income energy assistance under 42 U.S.C. 8624 and shall provide a dollar figure that is seven percent of household income. The grantee may verify information provided in the self-certification;

(c) Has applied for home heating assistance from applicable government and private sector organizations and certifies that any assistance received will be applied to the current bill and future utility bills;

(d) Has applied for low-income weatherization assistance to the utility or other appropriate agency if such assistance is available for the dwelling;

(e) Agrees to a payment plan and agrees to maintain the payment plan. The plan will be designed both to pay the past due bill by the following October 15th and to pay for continued utility service. If the past due bill is not paid by the following October 15, the customer (~~(shall)~~) is not (~~(be)~~) eligible for protections under this chapter until the past due bill is paid. The plan (~~(shall)~~) may not require monthly payments in excess of seven percent of the customer's monthly income plus one-twelfth of any arrearage accrued from the date application is made and thereafter during November 15 through March 15. A customer may agree to pay a higher percentage during this period, but shall not be in default unless payment during this period is less than seven percent of monthly income plus one-twelfth of any arrearage accrued from the date application is made and thereafter. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan; and

(f) Agrees to pay the moneys owed even if he or she moves.

(5) The utility shall:

(a) Include in any notice that an account is delinquent and that service may be subject to termination, a description of the customer's duties in this section;

(b) Assist the customer in fulfilling the requirements under this section;

(c) Be authorized to transfer an account to a new residence when a customer who has established a plan under this section moves from one residence to another within the same utility service area;

(d) Be permitted to disconnect service if the customer fails to honor the payment program. Utilities may continue to disconnect service for those practices authorized by law other than for nonpayment as provided for in this subsection. Customers who qualify for payment plans under this section who default on their payment plans and are disconnected can be reconnected and maintain the protections afforded under this chapter by paying reconnection charges, if any, and by paying all amounts that would have been due and owing under the terms of the applicable payment plan, absent default, on the date on which service is reconnected; and

(e) Advise the customer in writing at the time it disconnects service that it will restore service if the customer contacts the utility and fulfills the other requirements of this section.

(6) A payment plan implemented under this section is consistent with RCW 80.28.080.

(7) Every gas company and electrical company shall offer residential customers the option of a budget billing or equal payment plan. The budget billing or equal payment plan shall be offered low-income customers eligible under the state's plan for low-income energy assistance prepared in accordance with 42 U.S.C. 8624(C)(1) without limiting availability to certain months of the year, without regard to the length of time the customer has occupied the premises,

and without regard to whether the customer is the tenant or owner of the premises occupied.

(8) Every gas company, electrical company, wastewater company, and water company shall construct and maintain such facilities in connection with the manufacture and distribution of its product, or provision of its services, as will be efficient and safe to its employees and the public.

(9) An agreement between the customer and the utility, whether oral or written, ~~((shall))~~ does not waive the protections afforded under this chapter.

(10) In establishing rates or charges for water service, water companies as defined in RCW 80.04.010 may consider the achievement of water conservation goals and the discouragement of wasteful water use practices.

Sec. 12. RCW 80.28.020 and 1961 c 14 s 80.28.020 are each amended to read as follows:

Whenever the commission shall find, after a hearing had upon its own motion, or upon complaint, that the rates or charges demanded, exacted, charged or collected by any gas company, electrical company, wastewater company, or water company, for gas, electricity, wastewater company services, or water, or in connection therewith, or that the rules, regulations, practices or contracts affecting such rates or charges are unjust, unreasonable, unjustly discriminatory or unduly preferential, or in any wise in violation of the provisions of the law, or that such rates or charges are insufficient to yield a reasonable compensation for the service rendered, the commission shall determine the just, reasonable, or sufficient rates, charges, regulations, practices or contracts to be thereafter observed and in force, and shall fix the same by order.

Sec. 13. RCW 80.28.030 and 1989 c 207 s 4 are each amended to read as follows:

(1) Whenever the commission ~~((shall))~~ finds, after such hearing, that the illuminating or heating power, purity or pressure of gas, the efficiency of electric lamp supply, the voltage of the current supplied for light, heat or power, the quality of wastewater company services, or the purity, quality, volume, and pressure of water, supplied by any gas company, electrical company, wastewater company, or water company, as the case may be, is insufficient, impure, inadequate or inefficient, it shall order such improvement in the manufacture, distribution or supply of gas, in the manufacture, transmission or supply of electricity, in the operation of the services and facilities of wastewater companies, or in the storage, distribution or supply of water, or in the methods employed by such gas company, electrical company, wastewater company, or water company, as will in its judgment be efficient, adequate, just and reasonable. Failure of a water company to comply with state board of health standards adopted under RCW 43.20.050(2)(a) or department standards adopted under chapter 70.116 RCW for purity, volume, and pressure ~~((shall be))~~ is prima facie evidence that the water supplied is insufficient, impure, inadequate, or inefficient. Failure of a wastewater company to comply with standards and permit conditions adopted and implemented under chapter 70.118B or 90.48 RCW for treatment and disposal of sewerage, is prima facie evidence that the system of sewerage is insufficient, inadequate, or inefficient.

(2) In ordering improvements in the storage, distribution, or supply of water, the commission shall consult and coordinate with the department of health. In the event that a water company fails to comply with an order of the commission ~~((in a timely fashion))~~ within the deadline specified in the order, the commission may request that the department petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

(3) In ordering improvements to the system of sewerage, the commission shall consult and coordinate with the department of health or the department of ecology, as appropriate to the agencies' jurisdiction. In the event that a wastewater company fails to comply with an order of the commission within the deadline specified in the

order, the commission may petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

Sec. 14. RCW 80.28.040 and 1989 c 207 s 5 are each amended to read as follows:

(1) Whenever the commission ~~((shall))~~ finds, after hearing, that any rules, regulations, measurements or the standard thereof, practices, acts or services of any such gas company, electrical company, wastewater company, or water company are unjust, unreasonable, improper, insufficient, inefficient or inadequate, or that any service which may be reasonably demanded is not furnished, the commission shall fix the reasonable rules, regulations, measurements or the standard thereof, practices, acts or service to be thereafter furnished, imposed, observed and followed, and shall fix the same by order or rule.

(2) In ordering improvements to the service of any water company, the commission shall consult and coordinate with the department of health. In the event that a water company fails to comply with an order of the commission within the deadline specified in the order, the commission may request that the department petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

(3) In ordering improvements to the service of any system of sewerage, the commission shall consult and coordinate with the department of health or the department of ecology, as appropriate to the agencies' jurisdiction. In the event that a wastewater company fails to comply with an order of the commission within the deadline specified in the order, the commission may petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

Sec. 15. RCW 80.28.050 and 1961 c 14 s 80.28.050 are each amended to read as follows:

Every gas company, electrical company, wastewater company, and water company shall file with the commission and shall print and keep open to public inspection schedules in such form as the commission may prescribe, showing all rates and charges made, established or enforced, or to be charged or enforced, all forms of contract or agreement, all rules and regulations relating to rates, charges or service, used or to be used, and all general privileges and facilities granted or allowed by such gas company, electrical company, wastewater company, or water company.

Sec. 16. RCW 80.28.060 and 2008 c 181 s 402 are each amended to read as follows:

(1) Unless the commission otherwise orders, no change ~~((shall))~~ may be made in any rate or charge or in any form of contract or agreement or in any rule or regulation relating to any rate, charge or service, or in any general privilege or facility which shall have been filed and published by a gas company, electrical company, wastewater company, or water company in compliance with the requirements of RCW 80.28.050 except after thirty days' notice to the commission and publication for thirty days, which notice ~~((shall))~~ must plainly state the changes proposed to be made in the schedule then in force and the time when the change will go into effect and all proposed changes ~~((shall))~~ must be shown by printing, filing and publishing new schedules, or shall be plainly indicated upon the schedules in force at the time and kept open to public inspection. Proposed changes may be suspended by the commission within thirty days or before the stated effective date of the proposed change, whichever is later. The commission, for good cause shown, may allow changes without requiring the thirty days' notice by duly filing, in such manner as it may direct, an order specifying the changes so to be made and the time when it ~~((shall))~~ takes effect. All such changes ~~((shall))~~ must be immediately indicated upon its schedules by the company affected. When any change is made in any rate or charge, form of contract or agreement, or any rule or regulation relating to any rate or charge or service, or in any general privilege or facility, the effect of which is to

increase any rate or charge, then in existence, attention ~~((shall))~~ must be directed on the copy filed with the commission to such increase by some character immediately preceding or following the item in such schedule, such character to be in form as designated by the commission.

(2) During a state of emergency declared under RCW 43.06.010(12), the governor may waive or suspend the operation or enforcement of this section or any portion of this section or under any administrative rule, and issue any orders to facilitate the operation of state or local government or to promote and secure the safety and protection of the civilian population.

Sec. 17. RCW 80.28.080 and 1985 c 427 s 2 are each amended to read as follows:

(1)(a) Except as provided otherwise in this subsection, no gas company, electrical company, wastewater company, or water company ~~((shall))~~ may charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges applicable to such service as specified in its schedule filed and in effect at the time, nor ~~((shall))~~ may any such company directly or indirectly refund or remit in any manner or by any device any portion of the rates or charges so specified, or furnish its product at free or reduced rates except to its employees and their families, and its officers, attorneys, and agents; to hospitals, charitable and eleemosynary institutions and persons engaged in charitable and eleemosynary work; to indigent and destitute persons; to national homes or state homes for disabled volunteer soldiers and soldiers' and sailors' homes~~((: PROVIDED, That the term))~~.

For the purposes of this subsection (1):
(i) "Employees" ~~((as used in this paragraph shall))~~ includes furloughed, pensioned and superannuated employees, persons who have become disabled or infirm in the service of any such company; and ~~((the term))~~

(ii) "Families~~((:))~~" ~~((as used in this paragraph, shall))~~ includes the families of those persons named in this proviso, the families of persons killed or dying in the service, also the families of persons killed, and the surviving spouse prior to remarriage, and the minor children during minority of persons who died while in the service of any of the companies named in this ~~((paragraph: PROVIDED FURTHER, That))~~ subsection (1).

(b) Water companies may furnish free or at reduced rates water for the use of the state, or for any project in which the state is interested~~((: AND PROVIDED FURTHER, That))~~.

(c) Gas companies, electrical companies, wastewater companies, and water companies may charge the defendant for treble damages awarded in lawsuits successfully litigated under RCW 80.28.240.

(2) No gas company, electrical company, wastewater company, or water company ~~((shall))~~ may extend to any person or corporation any form of contract or agreement or any rule or regulation or any privilege or facility except such as are regularly and uniformly extended to all persons and corporations under like circumstances.

Sec. 18. RCW 80.28.090 and 1961 c 14 s 80.28.090 are each amended to read as follows:

No gas company, electrical company, wastewater company, or water company ~~((shall))~~ may make or grant any undue or unreasonable preference or advantage to any person, corporation, or locality, or to any particular description of service in any respect whatsoever, or subject any particular person, corporation or locality or any particular description of service to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Sec. 19. RCW 80.28.100 and 1961 c 14 s 80.28.100 are each amended to read as follows:

No gas company, electrical company, wastewater company, or water company ~~((shall))~~ may, directly or indirectly, or by any special rate, rebate, drawback or other device or method, charge, demand, collect or receive from any person or corporation a greater or less

compensation for gas, electricity, wastewater company services, or water, or for any service rendered or to be rendered, or in connection therewith, except as authorized in this chapter, than it charges, demands, collects or receives from any other person or corporation for doing a like or contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions.

Sec. 20. RCW 80.28.110 and 1990 c 132 s 5 are each amended to read as follows:

Every gas company, electrical company, wastewater company, or water company, engaged in the sale and distribution of gas, electricity or water or the provision of wastewater company services, shall, upon reasonable notice, furnish to all persons and corporations who may apply therefor and be reasonably entitled thereto, suitable facilities for furnishing and furnish all available gas, electricity, wastewater company services, and water as demanded, except that a water company ~~((shall))~~ may not furnish water contrary to the provisions of water system plans approved under chapter 43.20 or 70.116 RCW and wastewater companies may not provide services contrary to the approved general sewer plan.

Sec. 21. RCW 80.28.120 and 1961 c 14 s 80.28.120 are each amended to read as follows:

Every gas, water, wastewater, or electrical company owning, operating or managing a plant or system for the distribution and sale of gas, water or electricity, or the provision of wastewater company services to the public for hire ~~((shall be))~~ is, and ~~((be))~~ is held to be, a public service company as to such plant or system and as to all gas, water, wastewater company services, or electricity distributed or furnished therefrom, whether such gas, water, wastewater company services, or electricity be sold wholesale or retail or be distributed wholly to the general public or in part as surplus gas, water, wastewater company services, or electricity to manufacturing or industrial concerns or to other public service companies or municipalities for redistribution. Nothing in this title ~~((shall))~~ may be construed to prevent any gas company, electrical company or water company from continuing to furnish its product or the use of its lines, equipment or service under any contract or contracts in force on June 7, 1911, at the rates fixed in such contract or contracts~~((: PROVIDED, That))~~. However, the commission ~~((shall have))~~ has power, in its discretion, to direct by order that such contract or contracts ~~((shall))~~ be terminated by the company party thereto and thereupon such contract or contracts ~~((shall))~~ must be terminated by such company as and when directed by such order.

Sec. 22. RCW 80.28.130 and 1961 c 14 s 80.28.130 are each amended to read as follows:

Whenever the commission ~~((shall))~~ finds, after hearing had upon its own motion or upon complaint, that repairs or improvements, to, or changes in, any gas plant, electrical plant, system of sewerage, or water system ought to be made, or that any additions or extensions should reasonably be made thereto, in order to promote the security or convenience of the public or employees, or in order to secure adequate service or facilities for manufacturing, distributing or supplying gas, electricity, wastewater company services, or water, the commission may enter an order directing that such reasonable repairs, improvements, changes, additions or extensions of such gas plant, electrical plant, system of sewerage, or water system be made.

Sec. 23. RCW 80.28.185 and 1989 c 207 s 6 are each amended to read as follows:

The commission may develop and enter into an agreement with a county to carry out the regulatory functions of this chapter with regard to water companies or wastewater companies located within the boundary of that county. The duration of the agreement, the duties to be performed, and the remuneration to be paid by the commission are subject to agreement by the commission and the county.

Sec. 24. RCW 80.28.240 and 1989 c 11 s 30 are each amended to read as follows:

(1) A utility may bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts to:

(a) Divert, or cause to be diverted, utility services by any means whatsoever;

(b) Make, or cause to be made, any connection or reconnection with property owned or used by the utility to provide utility service without the authorization or consent of the utility;

(c) Prevent any utility meter or other device used in determining the charge for utility services from accurately performing its measuring function by tampering or by any other means;

(d) Tamper with any property owned or used by the utility to provide utility services; or

(e) Use or receive the direct benefit of all or a portion of the utility service with knowledge of, or reason to believe that, the diversion, tampering, or unauthorized connection existed at the time of the use or that the use or receipt was without the authorization or consent of the utility.

(2) In any civil action brought under this section, the utility may recover from the defendant as damages three times the amount of actual damages, if any, plus the cost of the suit and reasonable attorney's fees, plus the costs incurred on account of the bypassing, tampering, or unauthorized reconnection, including but not limited to costs and expenses for investigation, disconnection, reconnection, service calls, and expert witnesses.

(3) Any damages recovered under this section in excess of the actual damages sustained by the utility may be taken into account by the utilities and transportation commission or other applicable rate-making agency in establishing utility rates.

(4) As used in this section:

(a) "Customer" means the person in whose name a utility service is provided;

(b) "Divert" means to change the intended course or path of electricity, gas, or water without the authorization or consent of the utility;

(c) "Person" means any individual, partnership, firm, association, or corporation or government agency;

(d) "Reconnection" means the commencement of utility service to a customer or other person after service has been lawfully disconnected by the utility;

(e) "Tamper" means to rearrange, injure, alter, interfere with, or otherwise prevent from performing the normal or customary function;

(f) "Utility" means any electrical company, gas company, wastewater company, or water company as those terms are defined in RCW 80.04.010, and includes any electrical, gas, system of sewerage, or water system operated by any public agency; and

(g) "Utility service" means the provision of electricity, gas, water, wastewater company services, or any other service or commodity furnished by the utility for compensation.

Sec. 25. RCW 80.28.270 and 1991 c 101 s 2 are each amended to read as follows:

The commission's jurisdiction over the rates, charges, practices, acts or services of any water company (~~shall~~) or wastewater company includes any aspect of line extension, service installation, or service connection. If the charges for such services are not set forth by specific amount in the company's tariff filed with the commission pursuant to RCW 80.28.050, the commission shall determine the fair, just, reasonable, and sufficient charge for such extension, installation, or connection. In any such proceeding in which there is no specified tariffed rate, the burden (~~shall be~~) is on the company to prove that its proposed charges are fair, just, reasonable, and sufficient.

Sec. 26. RCW 80.28.275 and 1994 c 292 s 9 are each amended to read as follows:

A water company or a wastewater company assuming responsibility for a water system or system of sewerage that is not in compliance with state or federal requirements (~~for public drinking water systems~~), and its agents and employees, are immune from

lawsuits or causes of action, based on noncompliance with state or federal requirements (~~for public drinking water systems~~), which predate the date of assuming responsibility and continue after the date of assuming responsibility, provided that the water company or wastewater company has submitted and is complying with a plan and schedule of improvements approved by the department of health or the department of ecology, as appropriate to the agencies' jurisdiction. This immunity (~~shall~~) expires on the earlier of the date the plan of improvements is completed or four years from the date of assuming responsibility. This immunity does not apply to intentional injuries, fraud, or bad faith and is subject to the provisions of law governing clean water as referenced by the commission by rule.

Sec. 27. RCW 7.60.025 and 2010 c 212 s 4 are each amended to read as follows:

(1) A receiver may be appointed by the superior court of this state in the following instances, but except in any case in which a receiver's appointment is expressly required by statute, or any case in which a receiver's appointment is sought by a state agent whose authority to seek the appointment of a receiver is expressly conferred by statute, or any case in which a receiver's appointment with respect to real property is sought under (b)(ii) of this subsection, a receiver shall be appointed only if the court additionally determines that the appointment of a receiver is reasonably necessary and that other available remedies either are not available or are inadequate:

(a) On application of any party, when the party is determined to have a probable right to or interest in property that is a subject of the action and in the possession of an adverse party, or when the property or its revenue-producing potential is in danger of being lost or materially injured or impaired. A receiver may be appointed under this subsection (1)(a) whether or not the application for appointment of a receiver is combined with, or is ancillary to, an action seeking a money judgment or other relief;

(b) Provisionally, during the pendency of any action to foreclose upon any lien against or for forfeiture of any interest in real or personal property, or after notice of a trustee's sale has been given under RCW 61.24.040, or after notice of forfeiture has been given under RCW 61.30.040, on application of any person, when the interest in the property that is the subject of foreclosure or forfeiture of the person seeking the receiver's appointment is determined to be probable and either:

(i) The property or its revenue-producing potential is in danger of being lost or materially injured or impaired; or

(ii) The appointment of a receiver with respect to the real or personal property that is the subject of the action, the notice of trustee's sale or notice of forfeiture is provided for by agreement or is reasonably necessary to effectuate or enforce an assignment of rents or other revenues from the property;

(c) After judgment, in order to give effect to the judgment;

(d) To dispose of property according to provisions of a judgment dealing with its disposition;

(e) To the extent that property is not exempt from execution, at the instance of a judgment creditor either before or after the issuance of any execution, to preserve or protect it, or prevent its transfer;

(f) If and to the extent that property is subject to execution to satisfy a judgment, to preserve the property during the pendency of an appeal, or when an execution has been returned unsatisfied, or when an order requiring a judgment debtor to appear for proceedings supplemental to judgment has been issued and the judgment debtor fails to submit to examination as ordered;

(g) Upon an attachment of real or personal property when the property attached is of a perishable nature or is otherwise in danger of waste, impairment, or destruction, or where the abandoned property's owner has absconded with, secreted, or abandoned the property, and it is necessary to collect, conserve, manage, control, or protect it, or to dispose of it promptly, or when the court determines that the nature of

the property or the exigency of the case otherwise provides cause for the appointment of a receiver;

(h) In an action by a transferor of real or personal property to avoid or rescind the transfer on the basis of fraud, or in an action to subject property or a fund to the payment of a debt;

(i) In an action against any person who is not an individual if the object of the action is the dissolution of that person, or if that person has been dissolved, or if that person is insolvent or is not generally paying the person's debts as those debts become due unless they are the subject of bona fide dispute, or if that person is in imminent danger of insolvency;

(j) In accordance with RCW 7.08.030 (4) and (6), in cases in which a general assignment for the benefit of creditors has been made;

(k) In quo warranto proceedings under chapter 7.56 RCW;

(l) As provided under RCW 11.64.022;

(m) In an action by the department of licensing under RCW 18.35.220(3) with respect to persons engaged in the business of dispensing of hearing aids, RCW 18.85.430 in the case of persons engaged in the business of a real estate broker, associate real estate broker, or real estate salesperson, or RCW 19.105.470 with respect to persons engaged in the business of camping resorts;

(n) In an action under RCW 18.44.470 or 18.44.490 in the case of persons engaged in the business of escrow agents;

(o) Upon a petition with respect to a nursing home in accordance with and subject to receivership provisions under chapter 18.51 RCW;

(p) Under RCW 19.40.071(3), in connection with a proceeding for relief with respect to a transfer fraudulent as to a creditor or creditors;

(q) Under RCW 19.100.210(1), in an action by the attorney general or director of financial institutions to restrain any actual or threatened violation of the franchise investment protection act;

(r) In an action by the attorney general or by a prosecuting attorney under RCW 19.110.160 with respect to a seller of business opportunities;

(s) In an action by the director of financial institutions under RCW 21.20.390 in cases involving actual or threatened violations of the securities act of Washington or under RCW 21.30.120 in cases involving actual or threatened violations of chapter 21.30 RCW with respect to certain businesses and transactions involving commodities;

(t) In an action for or relating to dissolution of a business corporation under RCW 23B.14.065, 23B.14.300, 23B.14.310, or 23B.14.320, for dissolution of a nonprofit corporation under RCW 24.03.271, for dissolution of a mutual corporation under RCW 24.06.305, or in any other action for the dissolution or winding up of any other entity provided for by Title 23, 23B, 24, or 25 RCW;

(u) In any action in which the dissolution of any public or private entity is sought, in any action involving any dispute with respect to the ownership or governance of such an entity, or upon the application of a person having an interest in such an entity when the appointment is reasonably necessary to protect the property of the entity or its business or other interests;

(v) Under RCW 25.05.215, in aid of a charging order with respect to a partner's interest in a partnership;

(w) Under and subject to RCW 30.44.100, 30.44.270, and 30.56.030, in the case of a bank or trust company or, under and subject to RCW 32.24.070 through 32.24.090, in the case of a mutual savings bank;

(x) Under and subject to RCW 31.12.637 and 31.12.671 through 31.12.724, in the case of credit unions;

(y) Upon the application of the director of financial institutions under RCW 31.35.090 in actions to enforce chapter 31.35 RCW applicable to agricultural lenders, under RCW 31.40.120 in actions to enforce chapter 31.40 RCW applicable to entities engaged in federally guaranteed small business loans, under RCW 31.45.160 in

actions to enforce chapter 31.45 RCW applicable to persons licensed as check cashers or check sellers, or under RCW 19.230.230 in actions to enforce chapter 19.230 RCW applicable to persons licensed under the uniform money services act;

(z) Under RCW 35.82.090 or 35.82.180, with respect to a housing project;

(aa) Under RCW 39.84.160 or 43.180.360, in proceedings to enforce rights under any revenue bonds issued for the purpose of financing industrial development facilities or bonds of the Washington state housing finance commission, or any financing document securing any such bonds;

(bb) Under and subject to RCW 43.70.195, in an action by the secretary of health or by a local health officer with respect to a public water system;

(cc) As contemplated by RCW 61.24.030, with respect to real property that is the subject of nonjudicial foreclosure proceedings under chapter 61.24 RCW;

(dd) As contemplated by RCW 61.30.030(3), with respect to real property that is the subject of judicial or nonjudicial forfeiture proceedings under chapter 61.30 RCW;

(ee) Under RCW 64.32.200(2), in an action to foreclose upon a lien for common expenses against a dwelling unit subject to the horizontal property regimes act, chapter 64.32 RCW;

(ff) Under RCW 64.34.364(10), in an action by a unit owners' association to foreclose a lien for nonpayment of delinquent assessments against condominium units;

(gg) Upon application of the attorney general under RCW 64.36.220(3), in aid of any writ or order restraining or enjoining violations of chapter 64.36 RCW applicable to timeshares;

(hh) Under RCW 70.95A.050(3), in aid of the enforcement of payment or performance of municipal bonds issued with respect to facilities used to abate, control, or prevent pollution;

(ii) Upon the application of the department of social and health services under RCW 74.42.580, in cases involving nursing homes;

(jj) Upon the application of the utilities and transportation commission under RCW 80.28.040, with respect to a water company or wastewater company that has failed to comply with an order of such commission within the time deadline specified therein;

(kk) Under RCW 87.56.065, in connection with the dissolution of an irrigation district;

(ll) Upon application of the attorney general or the department of licensing, in any proceeding that either of them are authorized by statute to bring to enforce Title 18 or 19 RCW; the securities act of Washington, chapter 21.20 RCW; the Washington commodities act, chapter 21.30 RCW; the land development act, chapter 58.19 RCW; or under chapter 64.36 RCW relating to the regulation of timeshares;

(mm) Upon application of the director of financial institutions in any proceeding that the director of financial institutions is authorized to bring to enforce chapters 31.35, 31.40, and 31.45 RCW; or

(nn) In such other cases as may be provided for by law, or when, in the discretion of the court, it may be necessary to secure ample justice to the parties.

(2) The superior courts of this state shall appoint as receiver of property located in this state a person who has been appointed by a federal or state court located elsewhere as receiver with respect to the property specifically or with respect to the owner's property generally, upon the application of the person or of any party to that foreign proceeding, and following the appointment shall give effect to orders, judgments, and decrees of the foreign court affecting the property in this state held by the receiver, unless the court determines that to do so would be manifestly unjust or inequitable. The venue of such a proceeding may be any county in which the person resides or maintains any office, or any county in which any property over which the receiver is to be appointed is located at the time the proceeding is commenced.

(3) At least seven days' notice of any application for the appointment of a receiver ~~((shall))~~ must be given to the owner of property to be subject thereto and to all other parties in the action, and to other parties in interest as the court may require. If any execution by a judgment creditor under Title 6 RCW or any application by a judgment creditor for the appointment of a receiver, with respect to property over which the receiver's appointment is sought, is pending in any other action at the time the application is made, then notice of the application for the receiver's appointment also ~~((shall))~~ must be given to the judgment creditor in the other action. The court may shorten or expand the period for notice of an application for the appointment of a receiver upon good cause shown.

(4) The order appointing a receiver in all cases ~~((shall))~~ must reasonably describe the property over which the receiver is to take charge, by category, individual items, or both if the receiver is to take charge of less than all of the owner's property. If the order appointing a receiver does not expressly limit the receiver's authority to designated property or categories of property of the owner, the receiver is a general receiver with the authority to take charge over all of the owner's property, wherever located.

(5) The court may condition the appointment of a receiver upon the giving of security by the person seeking the receiver's appointment, in such amount as the court may specify, for the payment of costs and damages incurred or suffered by any person should it later be determined that the appointment of the receiver was wrongfully obtained.

Sec. 28. RCW 36.94.110 and 1967 c 72 s 11 are each amended to read as follows:

After adoption of the sewerage and/or water general plan, all municipal corporations and private utilities within the plan area shall abide by and adhere to the plan for the future development of their systems. A municipal corporation or private utility, including a wastewater company as defined in RCW 80.04.010, may petition for amendments to the plan. Whenever the governing authority of any county or counties or any municipal corporation deems it to be for the public interest to amend the sewerage and/or water general plan for such county or counties, notice ~~((shall))~~ must be filed with the board or boards of county commissioners. Upon such notice, the board or boards shall initiate consideration of any amendment requested relating to the plan and proceed as provided in this chapter for the adoption of an original plan.

NEW SECTION. Sec. 29. (1) The commission may adopt rules to implement this act before July 1, 2012, to ensure that this act is implemented on its effective date.

(2)(a) The commission may collect payments from wastewater companies and other private entities that have notified the commission of their willingness to cover the costs of the rule making. The commission must issue a notice of intent to adopt rules that includes a request that wastewater companies or other private entities notify the commission of their intent to participate in the cost recovery mechanism.

(b) Upon receipt of the statements of intent to participate in the cost recovery mechanism, the commission must proportionately divide among the companies or private entities the anticipated cost of the rule making and send the parties an invoice.

(c) Upon receipt of sufficient funds to pay for the rule making, the commission must commence the rule-making process.

(3) The commission is not required to engage in rule making until it has collected sufficient payments to cover the projected costs of the rule making.

(4) The commission must provide a refund for any overpayment of the costs at the conclusion of the rule making.

(5) Between the conclusion of the rule making and June 30, 2013, the commission may collect from applicants for a certificate of public convenience and necessity a portion of the costs of rule making and

provide proportionate refunds to the parties that had previously paid for the costs of rule making.

NEW SECTION. Sec. 30. Nothing in this act supersedes federal, state, or local government requirements to obtain a wastewater discharge permit or a large on-site sewerage system operating permit or other permits or licenses required by law in the state of Washington.

NEW SECTION. Sec. 31. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 32. Except for section 29 of this act, this act takes effect July 1, 2012."

Correct the title.

Signed by Representatives Upthegrove, Chair; Rolfes, Vice Chair; Short, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Fitzgibbon; Jacks; Jinkins; Morris; Moscoso; Nealey; Pearson; Takko; Taylor and Tharinger.

Referred to Committee on General Government Appropriations & Oversight.

March 15, 2011

SSB 5168 Prime Sponsor, Committee on Judiciary: Reducing maximum sentences for gross misdemeanors by one day. Reported by Committee on Public Safety & Emergency Preparedness

MAJORITY recommendation: Do pass. Signed by Representatives Hurst, Chair; Ladenburg, Vice Chair; Pearson, Ranking Minority Member; Klippert, Assistant Ranking Minority Member; Appleton; Armstrong; Goodman; Hope; Kirby; Moscoso and Ross.

Passed to Committee on Rules for second reading.

March 15, 2011

SSB 5203 Prime Sponsor, Committee on Human Services & Corrections: Improving the administration and efficiency of sex and kidnapping offender registration. Reported by Committee on Public Safety & Emergency Preparedness

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 4.24.550 and 2008 c 98 s 1 are each amended to read as follows:

(1) In addition to the disclosure under subsection (5) of this section, public agencies are authorized to release information to the public regarding sex offenders and kidnapping offenders when the agency determines that disclosure of the information is relevant and necessary to protect the public and counteract the danger created by the particular offender. This authorization applies to information regarding: (a) Any person adjudicated or convicted of a sex offense as defined in RCW ~~((9A.44.130))~~ 9A.44.128 or a kidnapping offense as defined by RCW ~~((9A.44.130))~~ 9A.44.128; (b) any person under the jurisdiction of the indeterminate sentence review board as the result of a sex offense or kidnapping offense; (c) any person committed as a sexually violent predator under chapter 71.09 RCW or as a sexual psychopath under chapter 71.06 RCW; (d) any person found not guilty of a sex offense or kidnapping offense by reason of insanity under chapter 10.77 RCW; and (e) any person found

incompetent to stand trial for a sex offense or kidnapping offense and subsequently committed under chapter 71.05 or 71.34 RCW.

(2) Except for the information specifically required under subsection (5) of this section, the extent of the public disclosure of relevant and necessary information shall be rationally related to: (a) The level of risk posed by the offender to the community; (b) the locations where the offender resides, expects to reside, or is regularly found; and (c) the needs of the affected community members for information to enhance their individual and collective safety.

(3) Except for the information specifically required under subsection (5) of this section, local law enforcement agencies shall consider the following guidelines in determining the extent of a public disclosure made under this section: (a) For offenders classified as risk level I, the agency shall share information with other appropriate law enforcement agencies and, if the offender is a student, the public or private school regulated under Title 28A RCW or chapter 72.40 RCW which the offender is attending, or planning to attend. The agency may disclose, upon request, relevant, necessary, and accurate information to any victim or witness to the offense and to any individual community member who lives near the residence where the offender resides, expects to reside, or is regularly found; (b) for offenders classified as risk level II, the agency may also disclose relevant, necessary, and accurate information to public and private schools, child day care centers, family day care providers, public libraries, businesses and organizations that serve primarily children, women, or vulnerable adults, and neighbors and community groups near the residence where the offender resides, expects to reside, or is regularly found; (c) for offenders classified as risk level III, the agency may also disclose relevant, necessary, and accurate information to the public at large; and (d) because more localized notification is not feasible and homeless and transient offenders may present unique risks to the community, the agency may also disclose relevant, necessary, and accurate information to the public at large for offenders registered as homeless or transient.

(4) The county sheriff with whom an offender classified as risk level III is registered shall cause to be published by legal notice, advertising, or news release a sex offender community notification that conforms to the guidelines established under RCW 4.24.5501 in at least one legal newspaper with general circulation in the area of the sex offender's registered address or location. ~~((The county sheriff shall also cause to be published consistent with this subsection a current list of level III registered sex offenders, twice yearly.))~~ Unless the information is posted on the web site described in subsection (5) of this section, this list shall be maintained by the county sheriff on a publicly accessible web site and shall be updated at least once per month.

(5)(a) When funded by federal grants or other sources, the Washington association of sheriffs and police chiefs shall create and maintain a statewide registered kidnapping and sex offender web site, which shall be available to the public. The web site shall post all level III and level II registered sex offenders, level I registered sex offenders during the time they are out of compliance with registration requirements under RCW 9A.44.130, and all registered kidnapping offenders in the state of Washington.

(i) For level III offenders, the web site shall contain, but is not limited to, the registered sex offender's name, relevant criminal convictions, address by hundred block, physical description, and photograph. The web site shall provide mapping capabilities that display the sex offender's address by hundred block on a map. The web site shall allow citizens to search for registered sex offenders within the state of Washington by county, city, zip code, last name, ~~((type of conviction,))~~ and address by hundred block.

(ii) For level II offenders, and level I sex offenders during the time they are out of compliance with registration requirements under RCW 9A.44.130, the web site shall contain, but is not limited to, the same information and functionality as described in (a)(i) of this

subsection, provided that it is permissible under state and federal law. If it is not permissible, the web site shall be limited to the information and functionality that is permissible under state and federal law.

(iii) For kidnapping offenders, the web site shall contain, but is not limited to, the same information and functionality as described in (a)(i) of this subsection, provided that it is permissible under state and federal law. If it is not permissible, the web site shall be limited to the information and functionality that is permissible under state and federal law.

(b) Until the implementation of (a) of this subsection, the Washington association of sheriffs and police chiefs shall create a web site available to the public that provides electronic links to county-operated web sites that offer sex offender registration information.

(6) Local law enforcement agencies that disseminate information pursuant to this section shall: (a) Review available risk level classifications made by the department of corrections, the department of social and health services, and the indeterminate sentence review board; (b) assign risk level classifications to all offenders about whom information will be disseminated; and (c) make a good faith effort to notify the public and residents ~~((at least fourteen days before the offender is released from confinement or, where an offender moves from another jurisdiction, as soon as possible after the agency learns of the offender's move, except that in no case may this notification provision be construed to require an extension of an offender's release date))~~ within a reasonable period of time after the offender registers with the agency. The juvenile court shall provide local law enforcement officials with all relevant information on offenders allowed to remain in the community in a timely manner.

(7) An appointed or elected public official, public employee, or public agency as defined in RCW 4.24.470, or units of local government and its employees, as provided in RCW 36.28A.010, are immune from civil liability for damages for any discretionary risk level classification decisions or release of relevant and necessary information, unless it is shown that the official, employee, or agency acted with gross negligence or in bad faith. The immunity in this section applies to risk level classification decisions and the release of relevant and necessary information regarding any individual for whom disclosure is authorized. The decision of a local law enforcement agency or official to classify an offender to a risk level other than the one assigned by the department of corrections, the department of social and health services, or the indeterminate sentence review board, or the release of any relevant and necessary information based on that different classification shall not, by itself, be considered gross negligence or bad faith. The immunity provided under this section applies to the release of relevant and necessary information to other public officials, public employees, or public agencies, and to the general public.

(8) Except as may otherwise be provided by law, nothing in this section shall impose any liability upon a public official, public employee, or public agency for failing to release information authorized under this section.

(9) Nothing in this section implies that information regarding persons designated in subsection (1) of this section is confidential except as may otherwise be provided by law.

(10) When a local law enforcement agency or official classifies an offender differently than the offender is classified by the end of sentence review committee or the department of social and health services at the time of the offender's release from confinement, the law enforcement agency or official shall notify the end of sentence review committee or the department of social and health services and submit its reasons supporting the change in classification. ~~((Upon implementation of subsection (5)(a) of this section, notification of the change shall also be sent to the Washington association of sheriffs and police chiefs.))~~

classes, notify the sheriff for the county of the person's residence of the person's intent to attend the school, and the sheriff shall promptly notify the principal of the school;

(ii) Who is admitted to a public or private institution of higher education shall, within three business days prior to arriving at the institution, notify the sheriff for the county of the person's residence of the person's intent to attend the institution;

(iii) Who gains employment at a public or private institution of higher education shall, within three business days prior to commencing work at the institution, notify the sheriff for the county of the person's residence of the person's employment by the institution; or

(iv) Whose enrollment or employment at a public or private institution of higher education is terminated shall, within three business days of such termination, notify the sheriff for the county of the person's residence of the person's termination of enrollment or employment at the institution.

(c) The sheriff shall notify the school's principal or institution's department of public safety and shall provide that department with the same information provided to a county sheriff under subsection (3) of this section.

(d)(i) A principal receiving notice under this subsection must disclose the information received from the sheriff under (b) of this subsection as follows:

(A) If the student who is required to register as a sex offender is classified as a risk level II or III, the principal shall provide the information received to every teacher of any student required to register under (a) of this subsection and to any other personnel who, in the judgment of the principal, supervises the student or for security purposes should be aware of the student's record;

(B) If the student who is required to register as a sex offender is classified as a risk level I, the principal shall provide the information received only to personnel who, in the judgment of the principal, for security purposes should be aware of the student's record.

(ii) Any information received by a principal or school personnel under this subsection is confidential and may not be further disseminated except as provided in RCW 28A.225.330, other statutes or case law, and the family and educational and privacy rights act of 1994, 20 U.S.C. Sec. 1232g et seq.

(2) This section may not be construed to confer any powers pursuant to RCW 4.24.550 upon the public safety department of any public or private school or institution of higher education.

(3)) ~~(2)(a)~~ ~~((The))~~ A person ~~((shall))~~ required to register under this section must provide the following information when registering: (i) Name and any aliases used; (ii) complete and accurate residential address or, if the person lacks a fixed residence, where he or she plans to stay; (iii) date and place of birth; (iv) place of employment; (v) crime for which convicted; (vi) date and place of conviction; (vii) ~~((aliases used; (viii)))~~ social security number; ~~((ix))~~ (viii) photograph; and ~~((x))~~ (ix) fingerprints.

(b) ~~((Any))~~ A person ~~((who lacks a fixed residence shall provide the following information when registering: (i) Name; (ii) date and place of birth; (iii) place of employment; (iv) crime for which convicted; (v) date and place of conviction; (vi) aliases used; (vii) social security number; (viii) photograph; (ix) fingerprints; and (x) where he or she plans to stay))~~ may be required to update any of the information required in this subsection in conjunction with any address verification conducted by the county sheriff or as part of any notice required by this section.

(c) A photograph or copy of an individual's fingerprints may be taken at any time to update an individual's file.

~~((4))~~ ~~(3)(a)~~ Offenders shall register with the county sheriff within the following deadlines:

(i) OFFENDERS IN CUSTODY. (A) Sex offenders who committed a sex offense on, before, or after February 28, 1990, and who, on or after July 28, 1991, are in custody, as a result of that

offense, of the state department of corrections, the state department of social and health services, a local division of youth services, or a local jail or juvenile detention facility, and (B) kidnapping offenders who on or after July 27, 1997, are in custody of the state department of corrections, the state department of social and health services, a local division of youth services, or a local jail or juvenile detention facility, must register at the time of release from custody with an official designated by the agency that has jurisdiction over the offender. The agency shall within three days forward the registration information to the county sheriff for the county of the offender's anticipated residence. The offender must also register within three business days from the time of release with the county sheriff for the county of the person's residence, or if the person is not a resident of Washington, the county of the person's school, or place of employment or vocation. The agency that has jurisdiction over the offender shall provide notice to the offender of the duty to register.

When the agency with jurisdiction intends to release an offender with a duty to register under this section, and the agency has knowledge that the offender is eligible for developmental disability services from the department of social and health services, the agency shall notify the division of developmental disabilities of the release. Notice shall occur not more than thirty days before the offender is to be released. The agency and the division shall assist the offender in meeting the initial registration requirement under this section. Failure to provide such assistance shall not constitute a defense for any violation of this section.

(ii) OFFENDERS NOT IN CUSTODY BUT UNDER STATE OR LOCAL JURISDICTION. Sex offenders who, on July 28, 1991, are not in custody but are under the jurisdiction of the indeterminate sentence review board or under the department of corrections' active supervision, as defined by the department of corrections, the state department of social and health services, or a local division of youth services, for sex offenses committed before, on, or after February 28, 1990, must register within ten days of July 28, 1991. Kidnapping offenders who, on July 27, 1997, are not in custody but are under the jurisdiction of the indeterminate sentence review board or under the department of corrections' active supervision, as defined by the department of corrections, the state department of social and health services, or a local division of youth services, for kidnapping offenses committed before, on, or after July 27, 1997, must register within ten days of July 27, 1997. A change in supervision status of a sex offender who was required to register under this subsection ~~((4))~~ ~~(3)(a)(ii)~~ as of July 28, 1991, or a kidnapping offender required to register as of July 27, 1997, shall not relieve the offender of the duty to register or to reregister following a change in residence.

(iii) OFFENDERS UNDER FEDERAL JURISDICTION. Sex offenders who, on or after July 23, 1995, and kidnapping offenders who, on or after July 27, 1997, as a result of that offense are in the custody of the United States bureau of prisons or other federal or military correctional agency for sex offenses committed before, on, or after February 28, 1990, or kidnapping offenses committed on, before, or after July 27, 1997, must register within three business days from the time of release with the county sheriff for the county of the person's residence, or if the person is not a resident of Washington, the county of the person's school, or place of employment or vocation. Sex offenders who, on July 23, 1995, are not in custody but are under the jurisdiction of the United States bureau of prisons, United States courts, United States parole commission, or military parole board for sex offenses committed before, on, or after February 28, 1990, must register within ten days of July 23, 1995. Kidnapping offenders who, on July 27, 1997, are not in custody but are under the jurisdiction of the United States bureau of prisons, United States courts, United States parole commission, or military parole board for kidnapping offenses committed before, on, or after July 27, 1997, must register within ten days of July 27, 1997. A change in supervision status of a sex offender who was required to register under this subsection ~~((4))~~

(3)(a)(iii) as of July 23, 1995, or a kidnapping offender required to register as of July 27, 1997 shall not relieve the offender of the duty to register or to reregister following a change in residence, or if the person is not a resident of Washington, the county of the person's school, or place of employment or vocation.

(iv) OFFENDERS WHO ARE CONVICTED BUT NOT CONFINED. Sex offenders who are convicted of a sex offense on or after July 28, 1991, for a sex offense that was committed on or after February 28, 1990, and kidnapping offenders who are convicted on or after July 27, 1997, for a kidnapping offense that was committed on or after July 27, 1997, but who are not sentenced to serve a term of confinement immediately upon sentencing, shall report to the county sheriff to register within three business days of being sentenced.

(v) OFFENDERS WHO ARE NEW RESIDENTS OR RETURNING WASHINGTON RESIDENTS. Sex offenders and kidnapping offenders who move to Washington state from another state or a foreign country that are not under the jurisdiction of the state department of corrections, the indeterminate sentence review board, or the state department of social and health services at the time of moving to Washington, must register within three business days of establishing residence or reestablishing residence if the person is a former Washington resident. The duty to register under this subsection applies to sex offenders convicted under the laws of another state or a foreign country, federal or military statutes for offenses committed before, on, or after February 28, 1990, or Washington state for offenses committed before, on, or after February 28, 1990, and to kidnapping offenders convicted under the laws of another state or a foreign country, federal or military statutes, or Washington state for offenses committed before, on, or after July 27, 1997. Sex offenders and kidnapping offenders from other states or a foreign country who, when they move to Washington, are under the jurisdiction of the department of corrections, the indeterminate sentence review board, or the department of social and health services must register within three business days of moving to Washington. The agency that has jurisdiction over the offender shall notify the offender of the registration requirements before the offender moves to Washington.

(vi) OFFENDERS FOUND NOT GUILTY BY REASON OF INSANITY. Any adult or juvenile who has been found not guilty by reason of insanity under chapter 10.77 RCW of (A) committing a sex offense on, before, or after February 28, 1990, and who, on or after July 23, 1995, is in custody, as a result of that finding, of the state department of social and health services, or (B) committing a kidnapping offense on, before, or after July 27, 1997, and who on or after July 27, 1997, is in custody, as a result of that finding, of the state department of social and health services, must register within three business days from the time of release with the county sheriff for the county of the person's residence. The state department of social and health services shall provide notice to the adult or juvenile in its custody of the duty to register. Any adult or juvenile who has been found not guilty by reason of insanity of committing a sex offense on, before, or after February 28, 1990, but who was released before July 23, 1995, or any adult or juvenile who has been found not guilty by reason of insanity of committing a kidnapping offense but who was released before July 27, 1997, shall be required to register within three business days of receiving notice of this registration requirement.

(vii) OFFENDERS WHO LACK A FIXED RESIDENCE. Any person who lacks a fixed residence and leaves the county in which he or she is registered and enters and remains within a new county for twenty-four hours is required to register with the county sheriff not more than three business days after entering the county and provide the information required in subsection ~~((3)(b))~~ (2)(a) of this section.

(viii) OFFENDERS WHO LACK A FIXED RESIDENCE AND WHO ARE UNDER SUPERVISION. Offenders who lack a fixed

residence and who are under the supervision of the department shall register in the county of their supervision.

(ix) OFFENDERS WHO MOVE TO, WORK, CARRY ON A VOCATION, OR ATTEND SCHOOL IN ANOTHER STATE. Offenders required to register in Washington, who move to another state, or who work, carry on a vocation, or attend school in another state shall register a new address, fingerprints, and photograph with the new state within three business days after establishing residence, or after beginning to work, carry on a vocation, or attend school in the new state. The person must also send written notice within three business days of moving to the new state or to a foreign country to the county sheriff with whom the person last registered in Washington state. The county sheriff shall promptly forward this information to the Washington state patrol.

(b) The county sheriff shall not be required to determine whether the person is living within the county.

(c) An arrest on charges of failure to register, service of an information, or a complaint for a violation of RCW 9A.44.132, or arraignment on charges for a violation of RCW 9A.44.132, constitutes actual notice of the duty to register. Any person charged with the crime of failure to register under RCW 9A.44.132 who asserts as a defense the lack of notice of the duty to register shall register within three business days following actual notice of the duty through arrest, service, or arraignment. Failure to register as required under this subsection ~~((4))~~ (3)(c) constitutes grounds for filing another charge of failing to register. Registering following arrest, service, or arraignment on charges shall not relieve the offender from criminal liability for failure to register prior to the filing of the original charge.

(d) The deadlines for the duty to register under this section do not relieve any sex offender of the duty to register under this section as it existed prior to July 28, 1991.

~~((5))~~ (4)(a) If any person required to register pursuant to this section changes his or her residence address within the same county, the person must provide, by certified mail, with return receipt requested or in person, signed written notice of the change of address to the county sheriff within three business days of moving.

(b) If any person required to register pursuant to this section moves to a new county, the person must register with that county sheriff within three business days of moving. Within three business days, the person must also provide, by certified mail, with return receipt requested or in person, signed written notice of the change of address in the new county to the county sheriff with whom the person last registered. The county sheriff with whom the person last registered shall promptly forward the information concerning the change of address to the county sheriff for the county of the person's new residence. Upon receipt of notice of change of address to a new state, the county sheriff shall promptly forward the information regarding the change of address to the agency designated by the new state as the state's offender registration agency.

~~((6))~~ (5)(a) Any person required to register under this section who lacks a fixed residence shall provide signed written notice to the sheriff of the county where he or she last registered within three business days after ceasing to have a fixed residence. The notice shall include the information required by subsection ~~((3)(b))~~ (2)(a) of this section, except the photograph and fingerprints. The county sheriff may, for reasonable cause, require the offender to provide a photograph and fingerprints. The sheriff shall forward this information to the sheriff of the county in which the person intends to reside, if the person intends to reside in another county.

(b) A person who lacks a fixed residence must report weekly, in person, to the sheriff of the county where he or she is registered. The weekly report shall be on a day specified by the county sheriff's office, and shall occur during normal business hours. The person must keep an accurate accounting of where he or she stays during the week and provide it to the county sheriff upon request. The lack of a

fixed residence is a factor that may be considered in determining an offender's risk level and shall make the offender subject to disclosure of information to the public at large pursuant to RCW 4.24.550.

(c) If any person required to register pursuant to this section does not have a fixed residence, it is an affirmative defense to the charge of failure to register, that he or she provided written notice to the sheriff of the county where he or she last registered within three business days of ceasing to have a fixed residence and has subsequently complied with the requirements of subsections ~~((4))~~ (3)(a)(vii) or (viii) and ~~((6))~~ (5) of this section. To prevail, the person must prove the defense by a preponderance of the evidence.

~~((7))~~ (6) A sex offender subject to registration requirements under this section who applies to change his or her name under RCW 4.24.130 or any other law shall submit a copy of the application to the county sheriff of the county of the person's residence and to the state patrol not fewer than five days before the entry of an order granting the name change. No sex offender under the requirement to register under this section at the time of application shall be granted an order changing his or her name if the court finds that doing so will interfere with legitimate law enforcement interests, except that no order shall be denied when the name change is requested for religious or legitimate cultural reasons or in recognition of marriage or dissolution of marriage. A sex offender under the requirement to register under this section who receives an order changing his or her name shall submit a copy of the order to the county sheriff of the county of the person's residence and to the state patrol within three business days of the entry of the order.

~~((8))~~ The county sheriff shall obtain a photograph of the individual and shall obtain a copy of the individual's fingerprints. A photograph may be taken at any time to update an individual's file.

(9)) (7) Except as may otherwise be provided by law, nothing in this section shall impose any liability upon a peace officer, including a county sheriff, or law enforcement agency, for failing to release information authorized under this section.

NEW SECTION. Sec. 4. A new section is added to chapter 9A.44 RCW to read as follows:

(1) Upon receiving notice from a registered person pursuant to RCW 9A.44.130 that the person will be attending a school or institution of higher education or will be employed with an institution of higher education, the sheriff must promptly notify the school district and the school principal or institution's department of public safety and shall provide that school or department with the person's: (a) Name and any aliases used; (b) complete residential address; (c) date and place of birth; (d) place of employment; (e) crime for which convicted; (f) date and place of conviction; (g) social security number; (h) photograph; and (i) risk level classification.

(2) A principal or department receiving notice under this subsection must disclose the information received from the sheriff as follows:

(a) If the student is classified as a risk level II or III, the principal shall provide the information received to every teacher of the student and to any other personnel who, in the judgment of the principal, supervises the student or for security purposes should be aware of the student's record;

(b) If the student is classified as a risk level I, the principal or department shall provide the information received only to personnel who, in the judgment of the principal or department, for security purposes should be aware of the student's record.

(3) The sheriff shall notify the applicable school district and school principal or institution's department of public safety whenever a student's risk level classification is changed or the sheriff is notified of a change in the student's address.

(4) Any information received by school or institution personnel under this subsection is confidential and may not be further disseminated except as provided in RCW 28A.225.330, other statutes

or case law, and the family and educational and privacy rights act of 1994, 20 U.S.C. Sec. 1232g et seq.

Sec. 5. RCW 9A.44.132 and 2010 c 267 s 3 are each amended to read as follows:

(1) A person commits the crime of failure to register as a sex offender if the person has a duty to register under RCW 9A.44.130 for a felony sex offense ~~((as defined in that section))~~ and knowingly fails to comply with any of the requirements of RCW 9A.44.130.

(a) ~~((Except as provided in (b) of this subsection,))~~ The failure to register as a sex offender pursuant to this subsection is a class C felony if:

(i) It is the person's first conviction for a felony failure to register;

or
(ii) The person has previously been convicted of a felony failure to register as a sex offender in this state or pursuant to the laws of another state.

(b) If a person has been convicted ~~((in this state))~~ of a felony failure to register as a sex offender in this state or pursuant to the laws of another state on two or more prior occasions, the failure to register under this subsection is a class B felony.

(2) A person is guilty of failure to register as a sex offender if the person has a duty to register under RCW 9A.44.130 for a sex offense other than a felony and knowingly fails to comply with any of the requirements of RCW 9A.44.130. The failure to register as a sex offender under this subsection is a gross misdemeanor.

(3) A person commits the crime of failure to register as a kidnapping offender if the person has a duty to register under RCW 9A.44.130 for a kidnapping offense and knowingly fails to comply with any of the requirements of RCW 9A.44.130.

(a) If the person has a duty to register for a felony kidnapping offense, the failure to register as a kidnapping offender is a class C felony.

(b) If the person has a duty to register for a kidnapping offense other than a felony, the failure to register as a kidnapping offender is a gross misdemeanor.

(4) Unless relieved of the duty to register pursuant to RCW 9A.44.141 and 9A.44.142, a violation of this section is an ongoing offense for purposes of the statute of limitations under RCW 9A.04.080.

Sec. 6. RCW 9A.44.141 and 2010 c 267 s 5 are each amended to read as follows:

(1) Upon the request of a person who is listed in the Washington state patrol central registry of sex offenders and kidnapping offenders, the county sheriff shall investigate whether a person's duty to register has ended by operation of law pursuant to RCW 9A.44.140.

(a) Using available records, the county sheriff shall verify that the offender has spent the requisite time in the community and has not been convicted of a disqualifying offense.

(b) If the county sheriff determines the person's duty to register has ended by operation of law, the county sheriff shall request the Washington state patrol remove the person's name from the central registry.

(2) Nothing in this subsection prevents a county sheriff from investigating, upon his or her own initiative, whether a person's duty to register has ended by operation of law pursuant to RCW 9A.44.140.

(3)(a) A person who is listed in the central registry as the result of a federal or out-of-state conviction may request the county sheriff to investigate whether the person should be removed from the registry if:

(i) A court in the person's state of conviction has made an individualized determination that the person should not be required to register;

and
(ii) The person provides proof of relief from registration to the county sheriff.

(b) If the county sheriff determines the person has been relieved of the duty to register in his or her state of conviction, the county

sheriff shall request the Washington state patrol remove the person's name from the central registry.

(4) An appointed or elected public official, public employee, or public agency as defined in RCW 4.24.470, or units of local government and its employees, as provided in RCW 36.28A.010, are immune from civil liability for damages for removing or requesting the removal of a person from the central registry of sex offenders and kidnapping offenders or the failure to remove or request removal of a person within the time frames provided in RCW 9A.44.140.

Sec. 7. RCW 9A.44.142 and 2010 c 267 s 6 are each amended to read as follows:

(1) A person who is required to register under RCW 9A.44.130 may petition the superior court to be relieved of the duty to register:

(a) If the person has a duty to register for a sex offense or kidnapping offense committed when the offender was a juvenile, regardless of whether the conviction was in this state, as provided in RCW 9A.44.143;

(b) If the person is required to register for a conviction in this state and is not prohibited from petitioning for relief from registration under subsection (2) of this section, when the person has spent ten consecutive years in the community without being convicted of a disqualifying offense during that time period; ~~(and)~~ or

(c) If the person is required to register for a federal or out-of-state conviction, when the person has spent fifteen consecutive years in the community without being convicted of a disqualifying offense during that time period.

(2)(a) A person may not petition for relief from registration if the person has been:

(i) Determined to be a sexually violent predator as defined in RCW 71.09.020;

(ii) Convicted as an adult of a sex offense or kidnapping offense that is a class A felony and that was committed with forcible compulsion on or after June 8, 2000; or

(iii) Until July 1, 2012, convicted of one aggravated offense or more than one sexually violent offense, as defined in subsection (5) of this section, and the offense or offenses were committed on or after March 12, 2002. After July 1, 2012, this subsection (2)(a)(iii) shall have no further force and effect.

(b) Any person who may not be relieved of the duty to register may petition the court to be exempted from any community notification requirements that the person may be subject to fifteen years after the later of the entry of the judgment and sentence or the last date of release from confinement, including full-time residential treatment, pursuant to the conviction, if the person has spent the time in the community without being convicted of a disqualifying offense.

(3) A petition for relief from registration or exemption from notification under this section shall be made to the court in which the petitioner was convicted of the offense that subjects him or her to the duty to register or, in the case of convictions in other states, a foreign country, or a federal or military court, to the court in ~~((Thurston))~~ the county where the person is registered at the time the petition is sought. The prosecuting attorney of the county shall be named and served as the respondent in any such petition.

(4)(a) The court may relieve a petitioner of the duty to register only if the petitioner shows by clear and convincing evidence that the petitioner is sufficiently rehabilitated to warrant removal from the central registry of sex offenders and kidnapping offenders.

(b) In determining whether the petitioner is sufficiently rehabilitated to warrant removal from the registry, the following factors are provided as guidance to assist the court in making its determination:

(i) The nature of the registrable offense committed including the number of victims and the length of the offense history;

(ii) Any subsequent criminal history;

(iii) The petitioner's compliance with supervision requirements;

(iv) The length of time since the charged incident(s) occurred;

(v) Any input from community corrections officers, law enforcement, or treatment providers;

(vi) Participation in sex offender treatment;

(vii) Participation in other treatment and rehabilitative programs;

(viii) The offender's stability in employment and housing;

(ix) The offender's community and personal support system;

(x) Any risk assessments or evaluations prepared by a qualified professional;

(xi) Any updated polygraph examination;

(xii) Any input of the victim;

(xiii) Any other factors the court may consider relevant.

(5)(a) A person who has been convicted of an aggravated offense, or has been convicted of one or more prior sexually violent offenses or criminal offenses against a victim who is a minor, as defined in (b) of this subsection:

(i) Until July 1, 2012, may not be relieved of the duty to register;

(ii) After July 1, 2012, may petition the court to be relieved of the duty to register as provided in this section;

(iii) This provision shall apply to convictions for crimes committed on or after July 22, 2001.

(b) Unless the context clearly requires otherwise, the following definitions apply only to the federal lifetime registration requirements under this subsection:

(i) "Aggravated offense" means an adult conviction that meets the definition of 18 U.S.C. Sec. 2241, which is limited to the following:

(A) Any sex offense involving sexual intercourse or sexual contact where the victim is under twelve years of age;

(B) RCW 9A.44.040 (rape in the first degree), RCW 9A.44.073 (rape of a child in the first degree), or RCW 9A.44.083 (child molestation in the first degree);

(C) Any of the following offenses when committed by forcible compulsion or by the offender administering, by threat or force or without the knowledge or permission of that person, a drug, intoxicant, or other similar substance that substantially impairs the ability of that person to appraise or control conduct: RCW 9A.44.050 (rape in the second degree), RCW 9A.44.100 (indecent liberties), RCW 9A.44.160 (custodial sexual misconduct in the first degree), RCW 9A.64.020 (incest), or RCW 9.68A.040 (sexual exploitation of a minor);

(D) Any of the following offenses when committed by forcible compulsion or by the offender administering, by threat or force or without the knowledge or permission of that person, a drug, intoxicant, or other similar substance that substantially impairs the ability of that person to appraise or control conduct, if the victim is twelve years of age or over but under sixteen years of age and the offender is eighteen years of age or over and is more than forty-eight months older than the victim: RCW 9A.44.076 (rape of a child in the second degree), RCW 9A.44.079 (rape of a child in the third degree), RCW 9A.44.086 (child molestation in the second degree), or RCW 9A.44.089 (child molestation in the third degree);

(E) A felony with a finding of sexual motivation under RCW 9.94A.835 where the victim is under twelve years of age or that is committed by forcible compulsion or by the offender administering, by threat or force or without the knowledge or permission of that person, a drug, intoxicant, or other similar substance that substantially impairs the ability of that person to appraise or control conduct;

(F) An offense that is, under chapter 9A.28 RCW, an attempt or solicitation to commit such an offense; or

(G) An offense defined by federal law or the laws of another state that is equivalent to the offenses listed in (b)(i)(A) through (F) of this subsection.

(i) "Sexually violent offense" means an adult conviction that meets the definition of 42 U.S.C. Sec. 14071(a)(1)(A), which is limited to the following:

(A) An aggravated offense;

(B) An offense that is not an aggravated offense but meets the definition of 18 U.S.C. Sec. 2242, which is limited to RCW 9A.44.050(1) (b) through (f) (rape in the second degree) and RCW 9A.44.100(1) (b) through (f) (indecent liberties);

(C) A felony with a finding of sexual motivation under RCW 9.94A.835 where the victim is incapable of appraising the nature of the conduct or physically incapable of declining participation in, or communicating unwillingness to engage in, the conduct;

(D) An offense that is, under chapter 9A.28 RCW, an attempt or solicitation to commit such an offense; or

(E) An offense defined by federal law or the laws of another state that is equivalent to the offenses listed in (b)(ii)(A) through (D) of this subsection.

(iii) "Criminal offense against a victim who is a minor" means, in addition to any aggravated offense or sexually violent offense where the victim was under eighteen years of age, an adult conviction for the following offenses where the victim is under eighteen years of age:

(A) RCW 9A.44.060 (rape in the third degree), RCW 9A.44.076 (rape of a child in the second degree), RCW 9A.44.079 (rape of a child in the third degree), RCW 9A.44.086 (child molestation in the second degree), RCW 9A.44.089 (child molestation in the third degree), RCW 9A.44.093 (sexual misconduct with a minor in the first degree), RCW 9A.44.096 (sexual misconduct with a minor in the second degree), RCW 9A.44.160 (custodial sexual misconduct in the first degree), RCW 9A.64.020 (incest), RCW 9.68A.040 (sexual exploitation of a minor), RCW 9.68A.090 (communication with a minor for immoral purposes), or RCW 9.68A.100 (commercial sexual abuse of a minor);

(B) RCW 9A.40.020 (kidnapping in the first degree), RCW 9A.40.030 (kidnapping in the second degree), or RCW 9A.40.040 (unlawful imprisonment), where the victim is a minor and the offender is not the minor's parent;

(C) A felony with a finding of sexual motivation under RCW 9.94A.835 where the victim is a minor;

(D) An offense that is, under chapter 9A.28 RCW, an attempt or solicitation to commit such an offense; or

(E) An offense defined by federal law or the laws of another state that is equivalent to the offenses listed in (b)(iii)(A) through (D) of this subsection.

Sec. 8. RCW 43.43.540 and 2006 c 136 s 1 are each amended to read as follows:

(1) The county sheriff shall ~~((+))~~ forward ~~((the))~~ registration information, photographs, and fingerprints obtained pursuant to RCW 9A.44.130, including the sex offender's risk level classification and any notice of change of address, to the Washington state patrol within five working days~~((and))~~.

(2) Upon implementation of RCW 4.24.550(5)(a), the Washington state patrol ~~((will forward the information necessary to operate the registered sex offender web site described in RCW 4.24.550(5)(a) to the Washington association of sheriffs and police chiefs within five working days of receiving the information, including any notice of change of address or change in risk level notification. The state patrol))~~ shall maintain a central registry of sex offenders and kidnapping offenders required to register under RCW 9A.44.130 and shall adopt rules consistent with chapters 10.97, 10.98, and 43.43 RCW as are necessary to carry out the purposes of RCW 9A.44.130, 9A.44.140, 10.01.200, 43.43.540, 46.20.187, 70.48.470, and 72.09.330. The Washington state patrol shall reimburse the counties for the costs of processing the offender registration, including taking the offender's fingerprints and ~~((the))~~ photograph~~((s))~~."

Correct the title.

Signed by Representatives Hurst, Chair; Ladenburg, Vice Chair; Pearson, Ranking Minority Member; Klippert, Assistant

Ranking Minority Member; Appleton; Armstrong; Goodman; Hope; Kirby; Moscoso and Ross.

Passed to Committee on Rules for second reading.

March 16, 2011

SSB 5222

Prime Sponsor, Committee on Economic Development, Trade & Innovation: Increasing the flexibility for industrial development district levies for public port districts. Reported by Committee on Community Development & Housing

MAJORITY recommendation: Do pass. Signed by Representatives Kenney, Chair; Finn, Vice Chair; Maxwell; Ryu; Santos and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Smith, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member and Ahern.

Referred to Committee on Ways & Means.

March 15, 2011

ESSB 5253

Prime Sponsor, Committee on Government Operations, Tribal Relations & Elections: Concerning tax increment financing for landscape conservation and local infrastructure. Reported by Committee on Local Government

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

**"PART I
FINDINGS**

NEW SECTION. Sec. 101. FINDINGS. (1) Recognizing that uncoordinated and poorly planned growth poses a threat to the environment, sustainable economic development, and the health, safety, and high quality of life enjoyed by residents of this state, the legislature passed the growth management act, chapter 36.70A RCW. The planning goals adopted through the growth management act encourage development in urban areas where public facilities and services exist or can be provided efficiently, conservation of productive forest and agricultural lands, and a reduction of sprawl.

(2) Under RCW 36.70A.090 and 43.362.005 the legislature has encouraged:

(a) The use of innovative land use management techniques, including the transfer of development rights, to meet growth management goals; and

(b) The creation of a regional transfer of development rights marketplace in the central Puget Sound to assist in conserving agricultural and forest land, as well as other lands of state or regional priority.

(3) The legislature finds that:

(a) Local governments are in need of additional resources to provide public infrastructure to meet the needs of a growing population, and that public infrastructure is fundamental to community health, safety, and economic vitality. Investment in public infrastructure in growing urban areas supports growth management goals, encourages the redevelopment of underutilized or blighted urban areas, stimulates business activity and helps create jobs, lowers the cost of housing, promotes efficient land use, and improves residents' quality of life;

(b) Transferring development rights from agricultural and forest lands to urban areas where public facilities and services exist or can be provided efficiently and cost-effectively will ensure vibrant, economically viable communities. Directing growth to communities where people can live close to where they work or have access to transportation choices will also advance state goals regarding climate change by reducing vehicle miles traveled and by reducing fuel consumption and emissions that contribute to climate change. Directing growth to these communities will further help avoid the impacts of storm water runoff to Puget Sound by avoiding impervious surfaces associated with development in watershed uplands;

(c) A transfer of development rights marketplace is particularly appropriate for conserving agricultural and forest land of long-term commercial significance. Transferring the development rights from these lands of statewide importance to cities will help achieve a specific goal of the growth management act by keeping them in farming and forestry, thereby helping ensure these remain viable industries in counties experiencing population growth. Transferring growth from agricultural and forest land of long-term commercial significance will also reduce costs to the counties that otherwise would be responsible for the provision of infrastructure and services for development on these lands, which are generally further from existing infrastructure and services; and

(d) The state and its residents benefit from investment in public infrastructure that is associated with urban growth facilitated by the transfer of development from agricultural and forest lands of long-term commercial significance. These activities advance multiple state growth management goals and benefit the state and local economies. It is in the public interest to enable local governments to finance such infrastructure investments and to incentivize development right transfers in the central Puget Sound through this chapter.

PART II DEFINITIONS

NEW SECTION. Sec. 201. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Assessed value" means the valuation of taxable real property as placed on the last completed assessment roll.

(2) "Eligible county" means any county that borders Puget Sound, that has a population of six hundred thousand or more, and that has an established program for transfer of development rights.

(3) "Employment" means total employment in a county or city, as applicable, estimated by the office of financial management.

(4) "Exchange rate" means an increment of development beyond what base zoning allows that is assigned to a development right by a sponsoring city for use in a receiving area.

(5) "Local infrastructure project area" means the geographic area identified by a sponsoring city under section 601 of this act.

(6) "Local infrastructure project financing" means the use of local property tax allocation revenue distributed to the sponsoring city to pay or finance public improvement costs within the local infrastructure project area in accordance with section 701 of this act.

(7) "Local property tax allocation revenue" means those tax revenues derived from the receipt of regular property taxes levied on the property tax allocation revenue value and used for local infrastructure project financing.

(8) "Participating taxing district" means a taxing district that:

(a) Has a local infrastructure project area wholly or partially within the taxing district's geographic boundaries; and

(b) Levies, or has levied on behalf of the taxing district, regular property taxes as defined in this section.

(9) "Population" means the population of a city or county, as applicable, estimated by the office of financial management.

(10) "Property tax allocation revenue base value" means the assessed value of real property located within a local infrastructure project area, less the property tax allocation revenue value.

(11)(a)(i) "Property tax allocation revenue value" means an amount equal to the sponsoring city ratio multiplied by seventy-five percent of any increase in the assessed value of real property in a local infrastructure project area resulting from:

(A) The placement of new construction, improvements to property, or both, on the assessment roll, where the new construction and improvements are initiated after the local infrastructure project area is created by the sponsoring city;

(B) The cost of new housing construction, conversion, and rehabilitation improvements, when the cost is treated as new construction for purposes of chapter 84.55 RCW as provided in RCW 84.14.020, and the new housing construction, conversion, and rehabilitation improvements are initiated after the local infrastructure project area is created by the sponsoring city;

(C) The cost of rehabilitation of historic property, when the cost is treated as new construction for purposes of chapter 84.55 RCW as provided in RCW 84.26.070, and the rehabilitation is initiated after the local infrastructure project area is created by the sponsoring city.

(ii) Increases in the assessed value of real property resulting from (a)(i)(A) through (C) of this subsection are included in the property tax allocation revenue value in the initial year. These same amounts are also included in the property tax allocation revenue value in subsequent years unless the property becomes exempt from property taxation.

(b) "Property tax allocation revenue value" includes an amount equal to the sponsoring city ratio multiplied by seventy-five percent of any increase in the assessed value of new construction consisting of an entire building in the years following the initial year, unless the building becomes exempt from property taxation.

(c) Except as provided in (b) of this subsection, "property tax allocation revenue value" does not include any increase in the assessed value of real property after the initial year.

(d) There is no property tax allocation revenue value if the assessed value of real property in a local infrastructure project area has not increased as a result of any of the reasons specified in (a)(i)(A) through (C) of this subsection.

(e) For purposes of this subsection, "initial year" means:

(i) For new construction and improvements to property added to the assessment roll, the year during which the new construction and improvements are initially placed on the assessment roll;

(ii) For the cost of new housing construction, conversion, and rehabilitation improvements, when the cost is treated as new construction for purposes of chapter 84.55 RCW, the year when the cost is treated as new construction for purposes of levying taxes for collection in the following year; and

(iii) For the cost of rehabilitation of historic property, when the cost is treated as new construction for purposes of chapter 84.55 RCW, the year when such cost is treated as new construction for purposes of levying taxes for collection in the following year.

(12)(a) "Public improvements" means:

(i) Infrastructure improvements within the local infrastructure project area that include:

(A) Street, road, bridge, and rail construction and maintenance;

(B) Water and sewer system construction and improvements;

(C) Sidewalks, streetlights, landscaping, and streetscaping;

(D) Parking, terminal, and dock facilities;

(E) Park and ride facilities of a transit authority and other facilities that support transportation efficient development;

(F) Park facilities, recreational areas, bicycle paths, and environmental remediation;

(G) Storm water and drainage management systems;

(H) Electric, gas, fiber, and other utility infrastructures; and

(ii) Expenditures for facilities and improvements that support affordable housing as defined in RCW 43.185A.010;

(iii) Providing maintenance and security for common or public areas in the local infrastructure project area; or

(iv) Historic preservation activities authorized under RCW 35.21.395.

(b) Public improvements do not include the acquisition by a sponsoring city of transferable development rights.

(13) "Real property" has the same meaning as in RCW 84.04.090 and also includes any privately owned improvements located on publicly owned land that are subject to property taxation.

(14)(a) "Regular property taxes" means regular property taxes as defined in RCW 84.04.140, except: (i) Regular property taxes levied by port districts or public utility districts specifically for the purpose of making required payments of principal and interest on general indebtedness; (ii) regular property taxes levied by the state for the support of common schools under RCW 84.52.065; and (iii) regular property taxes authorized by RCW 84.55.050 that are limited to a specific purpose.

(b) "Regular property taxes" do not include:

(i) Excess property tax levies that are exempt from the aggregate limits for junior and senior taxing districts as provided in RCW 84.52.043; and

(ii) Property taxes that are specifically excluded through an interlocal agreement between the sponsoring local government and a participating taxing district as set forth in RCW 39.104.060(3).

(15) "Receiving areas," for purposes of this chapter, are those designated lands within local infrastructure project areas in which transferable development rights from sending areas may be used.

(16) "Receiving city" means any incorporated city with population plus employment equal to twenty-two thousand five hundred or greater within an eligible county.

(17) "Receiving city allocated share" means the total number of transferable development rights from agricultural and forest land of long-term commercial significance and rural zoned lands designated under section 303 of this act within the eligible counties allocated to a receiving city under section 305 (1) and (2) of this act.

(18) "Sending areas" means those lands within an eligible county that meet conservation criteria as described in sections 301 and 303 of this act.

(19) "Sponsoring city" means a receiving city that accepts all or a portion of its receiving city allocated share, adopts a plan for development of infrastructure within one or more proposed local infrastructure project areas in accordance with section 401 of this act, and creates one or more local infrastructure project areas, as specified in section 305(4) of this act.

(20) "Sponsoring city allocated share" means the total number of transferable development rights a sponsoring city agrees to accept, under section 305(4) of this act, from agricultural and forest land of long-term commercial significance and rural zoned lands designated under section 303 of this act within the eligible counties, plus the total number of transferable development rights transferred to the sponsoring city from another receiving city under section 305(5) of this act.

(21) "Sponsoring city ratio" means the ratio of the sponsoring city specified portion to the sponsoring city allocated share.

(22) "Sponsoring city specified portion" means the portion of a sponsoring city allocated share which may be used within one or more local infrastructure project areas, as set forth in the sponsoring city's plan for development of infrastructure under section 401 of this act.

(23) "Taxing district" means a city or county that levies or has levied on behalf of the taxing district, regular property taxes upon real property located within a local infrastructure project area.

(24) "Transfer of development rights" includes methods for protecting land from development by voluntarily removing the

development rights from a sending area and transferring them to one or more receiving areas for the purpose of increasing development density or intensity.

(25) "Transferable development rights" means a right to develop one or more residential units in a sending area that can be sold and transferred.

PART III SENDING AREAS

NEW SECTION. Sec. 301. DESIGNATION OF SENDING AREAS--INCLUSION OF AGRICULTURAL AND FOREST LAND OF LONG-TERM COMMERCIAL SIGNIFICANCE. An eligible county must designate all agricultural and forest land of long-term commercial significance within its jurisdiction as sending areas for conservation under the eligible county's program for transfer of development rights. The development rights from all such agricultural and forest land of long-term commercial significance within the eligible counties must be available for transfer to receiving cities under this chapter.

NEW SECTION. Sec. 302. DEVELOPMENT RIGHTS FROM AGRICULTURAL AND FOREST LAND OF LONG-TERM COMMERCIAL SIGNIFICANCE. (1) An eligible county must calculate the number of development rights from agricultural and forest land of long-term commercial significance that are eligible for transfer to receiving areas. An eligible county must determine transferable development rights for allocation purposes in this program by:

(a) Base zoning in effect as of January 1, 2011; or

(b) An allocation other than base zoning as reflected by an eligible county's transfer of development rights program or an interlocal agreement with a receiving city in effect as of January 1, 2011.

(2) The number of transferable development rights includes the development rights from agricultural and forest lands of long-term commercial significance that have been previously issued under the eligible county's program for transfer of development rights, but that have not as yet been utilized to increase density or intensity in a development as of January 1, 2011.

(3) The number of transferable development rights does not include development rights from agricultural and forest lands of long-term commercial significance that have previously been removed or extinguished, such as through an existing conservation easement or mitigation or habitat restoration plan, except when consistent with subsection (2) of this section.

NEW SECTION. Sec. 303. DESIGNATION OF SENDING AREAS--INCLUSION OF RURAL ZONED LANDS UNDER CERTAIN CIRCUMSTANCES. (1) Subject to the requirements of this section, an eligible county may designate a portion of its rural zoned lands as sending areas for conservation under the eligible county's program for transfer of development rights available for transfer to receiving cities under this chapter.

(2) An eligible county may designate rural zoned lands as available for transfer to receiving cities under this chapter only if, and at such time as, fifty percent or more of the total acreage of land classified as agricultural and forest land of long-term commercial significance in the county, as of January 1, 2011, has been protected through either a permanent conservation easement, ownership in fee by the county for land protection or conservation purposes, or ownership in fee by a nongovernmental land conservation organization.

(3) To be designated as available for transfer to receiving cities under this chapter, rural zoned lands must either:

(a) Be identified by the county as top conservation priorities because they:

(i) Provide ecological effectiveness in achieving water resource inventory area goals;

(ii) Provide contiguous habitat protection, are adjacent to already protected habitat areas, or improve ecological function;

(iii) Are of sufficient size and location in the landscape to yield strategic growth management benefits;

(iv) Provide improved access for regional recreational opportunity;

(v) Prevent forest fragmentation or are appropriate for forest management;

(vi) Provide flood protection or reduce flood risk; or

(vii) Have other attributes that meet natural resource preservation program priorities; or

(b) Be identified by the state or in regional conservation plans as highly important to the water quality of Puget Sound.

(4) The portion of rural zoned lands in an eligible county designated as sending areas for conservation under the eligible county's program for transfer of development rights available for transfer to receiving cities under this chapter must not exceed one thousand five hundred development rights.

NEW SECTION. Sec. 304. DETERMINATION OF TOTAL NUMBER OF TRANSFERABLE DEVELOPMENT RIGHTS FOR AGRICULTURAL AND FOREST LAND OF LONG-TERM COMMERCIAL SIGNIFICANCE AND DESIGNATED RURAL ZONED LANDS. On or before September 1, 2011, each eligible county must report to the Puget Sound regional council the total number of transferable development rights from agricultural and forest land of long-term commercial significance and designated rural zoned lands within the eligible county that may be available for allocation to receiving cities under this chapter, as determined under sections 302 and 303 of this act.

NEW SECTION. Sec. 305. ALLOCATION AMONG LOCAL GOVERNMENTS OF TRANSFERABLE DEVELOPMENT RIGHTS FROM AGRICULTURAL AND FOREST LAND OF LONG-TERM COMMERCIAL SIGNIFICANCE AND DESIGNATED RURAL ZONED LANDS. (1) The Puget Sound regional council must allocate among receiving cities the total number of development rights reported by eligible counties under section 304 of this act. Each receiving city allocated share must be determined by the Puget Sound regional council, in consultation with eligible counties and receiving cities, based on growth targets, determined by established growth management processes, and other relevant factors as determined by the Puget Sound regional council in conjunction with the counties and receiving cities.

(2) The Puget Sound regional council must report to each receiving city its receiving city allocated share on or before March 1, 2012.

(3) The Puget Sound regional council must report each receiving city allocated share to the department of commerce on or before March 1, 2012.

(4) A receiving city may become a sponsoring city by accepting all or a portion of its receiving city allocated share, adopting a plan in accordance with section 401 of this act, and creating one or more local infrastructure project areas to pay or finance costs of public improvements.

(5) A receiving city may, by interlocal agreement, transfer all or a portion of its receiving city allocated share to another sponsoring city. The transferred portion of the receiving city allocated share must be included in the other sponsoring city allocated share.

PART IV RECEIVING AREAS

NEW SECTION. Sec. 401. DEVELOPMENT PLAN FOR INFRASTRUCTURE. (1) Before adopting an ordinance or resolution creating one or more local infrastructure project areas, a sponsoring city must adopt a plan for development of public infrastructure within one or more proposed local infrastructure project areas sufficient to utilize, on an aggregate basis, a sponsoring city

specified portion that is equal to or greater than twenty percent of the sponsoring city allocated share.

(2) The plan must be developed in consultation with the department of transportation and the county where the local infrastructure project area to be created is located, be consistent with any transfer of development rights policies or development regulations adopted by the sponsoring city under section 402 of this act, specify the public improvements to be financed using local infrastructure project financing under section 601 of this act, estimate the number of any transferable development rights that will be used within the local infrastructure project area or areas and estimate the cost of the public improvements.

(3) A plan adopted under this section may be revised from time to time by the sponsoring city, in consultation with the county where the local infrastructure project area or areas are located, to increase the sponsoring city specified portion.

NEW SECTION. Sec. 402. PROGRAM FOR TRANSFER OF DEVELOPMENT RIGHTS INTO RECEIVING AREAS-- REQUIREMENTS. (1) Before adopting an ordinance or resolution creating one or more local infrastructure project areas, a sponsoring city must:

(a) Adopt transfer of development rights policies or implement development regulations as required by subsection (2) of this section; or

(b) Make a finding that the sponsoring city will:

(i) Receive its sponsoring city specified portion within one or more local infrastructure project areas; or

(ii) Purchase its sponsoring city specified portion should the sponsoring city not be able to receive its sponsoring city specified portion within one or more local infrastructure project areas such that purchased development rights can be held in reserve by the sponsoring city and used in future development.

(2) Any adoption of transfer of development rights policies or implementation of development regulations must:

(a) Comply with chapter 36.70A RCW;

(b) Designate a receiving area or areas;

(c) Adopt incentives consistent with subsection (4) of this section for developers purchasing transferable development rights;

(d) Establish an exchange rate consistent with subsection (5) of this section; and

(e) Require that the sale of a transferable development right from agricultural or forest land of long-term commercial significance or designated rural zoned lands under section 303 of this act be evidenced by its permanent removal from the sending site, such as through a conservation easement on the sending site.

(3) Any adoption of transfer of development rights policies or implementation of development regulations must not be based upon a downzone within one or more receiving areas solely to create a market for the transferable development rights.

(4) Developer incentives should be designed to:

(a) Achieve the densities or intensities reasonably likely to result from absorption of the sponsoring city specified portion identified in the plan under section 401 of this act;

(b) Include streamlined permitting strategies such as by-right permitting; and

(c) Include streamlined environmental review strategies such as development and substantial environmental review of a subarea plan for a receiving area that benefits projects that use transferable development rights, with adoption as appropriate under RCW 43.21C.420 of optional elements of their comprehensive plan and optional development regulations that apply within the receiving area, adoption as appropriate of a categorical exemption for infill under RCW 43.21C.229 for a receiving area, and adoption as appropriate of a planned action under RCW 43.21C.031 for the receiving area.

(5) Each sponsoring city may determine, at its option, what developer incentives to adopt within its jurisdiction.

(6) Exchange rates should be designed to:

(a) Create a marketplace in which transferable development rights are priced at a level at which sending site landowners are willing to sell and developers are willing to buy transferable development rights;

(b) Achieve the densities or intensities anticipated by the plan adopted under section 401 of this act;

(c) Provide for translation to commodities in addition to residential density, such as building height, commercial floor area, parking ratio, impervious surface, parkland and open space, setbacks, and floor area ratio; and

(d) Allow for appropriate exemptions from other land use or building requirements.

(7) A sponsoring city must designate all agricultural and forest land of long-term commercial significance and designated rural zoned lands under section 303 of this act within the eligible counties as available sending areas.

(8) A sponsoring city, in accordance with its existing comprehensive planning and development regulation authority under chapter 36.70A RCW, and in accordance with RCW 36.70A.080, may elect to adopt an optional comprehensive plan element and optional development regulations that apply within one or more local infrastructure project areas under this chapter.

NEW SECTION. Sec. 403. DEVELOPMENT RIGHTS AVAILABLE FOR TRANSFER TO RECEIVING CITIES. Only development rights from agricultural and forest land of long-term commercial significance within the eligible counties as determined under section 302 of this act, and rural-zoned lands with the eligible counties designated under section 303 of this act, may be available for transfer to receiving cities in accordance with this chapter.

PART V

QUANTITATIVE AND QUALITATIVE PERFORMANCE MEASURES

NEW SECTION. Sec. 501. QUANTITATIVE AND QUALITATIVE PERFORMANCE MEASURES--REPORTING. The eligible counties, in collaboration with sponsoring cities, must provide a report to the department of commerce by March 1st of every other year. The report must contain the following information:

(1) The number of sponsoring cities that have adopted transfer of development rights policies and regulations incorporating transfer of development rights under this chapter, and have an interlocal agreement or have adopted the department of commerce transfer of development rights interlocal terms and conditions rule;

(2) The number of transfer of development rights transactions under this chapter using different types of transfer of development rights mechanisms;

(3) The number of acres under conservation easement under this chapter, broken out by agricultural land, forest land, and rural lands;

(4) The number of transferable development rights transferred from sending areas under this chapter;

(5) The number of transferable development rights transferred from a county into a sponsoring city under this chapter;

(6) Sponsoring city development under this chapter using transferable development rights, including:

(a) The number of total new residential units;

(b) The number of residential units created in receiving areas using transferable development rights transferred from sending areas;

(c) The amount of additional commercial floor area;

(d) The amount of additional building height;

(e) The number of required structured parking spaces reduced, if transferable development rights are specifically converted into reduced structured parking space requirements;

(f) The number of additional parking spaces allowed, if transferable development rights are specifically converted into additional receiving area parking spaces; and

(g) The amount of additional impervious surface allowed, if transferable development rights are specifically converted into receiving area impervious surfaces;

(7) The amount of the local property tax allocation revenues, if any, received in the preceding calendar year by the sponsoring city;

(8) A list of public improvements paid or financed with local infrastructure project financing;

(9) The names of any businesses locating within local infrastructure project areas as a result of the public improvements undertaken by the sponsoring local government and paid or financed in whole or in part with local infrastructure project financing;

(10) The total number of permanent jobs created in the local infrastructure project area as a result of the public improvements undertaken by the sponsoring local government and paid or financed in whole or in part with local infrastructure project financing;

(11) The average wages and benefits received by all employees of businesses locating within the local infrastructure project area as a result of the public improvements undertaken by the sponsoring local government and paid or financed in whole or in part with local infrastructure project financing; and

(12) The date when any indebtedness issued for local infrastructure project financing is expected to be retired.

PART VI

ESTABLISHMENT OF LOCAL INFRASTRUCTURE PROJECT AREAS

NEW SECTION. Sec. 601. CREATING A LOCAL INFRASTRUCTURE PROJECT AREA. (1) Before adopting an ordinance or resolution creating one or more local infrastructure project areas, a sponsoring city must:

(a) Provide notice to the county assessor, county treasurer, and county within the proposed local infrastructure project area of the sponsoring city's intent to create one or more local infrastructure project areas. This notice must be provided at least one hundred eighty days in advance of the public hearing as required by (b) of this subsection;

(b) Hold a public hearing on the proposed formation of the local infrastructure project area.

(2) A sponsoring city may create one or more local infrastructure project areas by ordinance or resolution that:

(a) Describes the proposed public improvements, identified in the plan under section 401 of this act, to be financed in each local infrastructure project area;

(b) Describes the boundaries of each local infrastructure project area, subject to the limitations in section 602 of this act; and

(c) Provides the date when the use of local property tax allocation revenues will commence and a list of the participating taxing districts.

(3) The sponsoring city must deliver a certified copy of the adopted ordinance or resolution to the county assessor, county treasurer, and each other participating taxing district within which the local infrastructure project area is located.

NEW SECTION. Sec. 602. LIMITATIONS ON LOCAL INFRASTRUCTURE PROJECT AREAS. The designation of any local infrastructure project area is subject to the following limitations:

(1) A local infrastructure project area is limited to contiguous tracts, lots, pieces, or parcels of land without the creation of islands of territory not included in the local infrastructure project area;

(2) The public improvements to be financed with local infrastructure project financing must be located in the local infrastructure project area and must, in the determination of the sponsoring city, further the intent of this chapter;

(3) Local infrastructure project areas created by a sponsoring city may not comprise an area containing more than twenty-five percent of the total assessed value of taxable property within the sponsoring city at the time the local infrastructure project areas are created;

(4) The boundaries of each local infrastructure project area may not overlap and may not be changed during the time period that local

infrastructure project financing is used within the local infrastructure project area, as provided under this chapter; and

(5) All local infrastructure project areas created by the sponsoring city must comprise, in the aggregate, an area that the sponsoring city determines (a) is sufficient to use the sponsoring city specified portion, unless the sponsoring city satisfies its sponsoring city allocated share under section 402(1)(b)(ii) of this act, and (b) is no larger than reasonably necessary to use the sponsoring city specified portion in projected future developments.

NEW SECTION. Sec. 603. PARTICIPATING TAXING DISTRICTS. Participating taxing districts must allow the use of all of their local property tax allocation revenues for local infrastructure project financing.

PART VII

LOCAL INFRASTRUCTURE PROJECT FINANCING USE OF PROPERTY TAX REVENUES TO PAY OR FINANCE

COSTS OF PUBLIC IMPROVEMENTS

NEW SECTION. Sec. 701. ALLOCATION OF PROPERTY TAX REVENUES. (1) Commencing in the second calendar year following the creation of a local infrastructure project area by a sponsoring city, the county treasurer must distribute receipts from regular taxes imposed on real property located in the local infrastructure project area as follows:

(a) Each participating taxing district and the sponsoring city must receive that portion of its regular property taxes produced by the rate of tax levied by or for the taxing district on the property tax allocation revenue base value for that local infrastructure project area in the taxing district; and

(b) The sponsoring city must receive an additional portion of the regular property taxes levied by it and by or for each participating taxing district upon the property tax allocation revenue value within the local infrastructure project area. However, if there is no property tax allocation revenue value, the sponsoring city may not receive any additional regular property taxes under this subsection (1)(b). The sponsoring city may agree to receive less than the full amount of the additional portion of regular property taxes under this subsection (1)(b) as long as bond debt service, reserve, and other bond covenant requirements are satisfied, in which case the balance of these tax receipts must be allocated to the participating taxing districts that levied regular property taxes, or have regular property taxes levied for them, in the local infrastructure project area for collection that year in proportion to their regular tax levy rates for collection that year. The sponsoring city may request that the treasurer transfer this additional portion of the property taxes to its designated agent. The portion of the tax receipts distributed to the sponsoring local government or its agent under this subsection (1)(b) may only be expended to pay or finance public improvement costs within the local infrastructure project area.

(2) The county assessor must determine the property tax allocation revenue value and property tax allocation revenue base value. This section does not authorize revaluations of real property by the assessor for property taxation that are not made in accordance with the assessor's revaluation plan under chapter 84.41 RCW or under other authorized revaluation procedures.

(3)(a) The distribution of local property tax allocation revenue to the sponsoring city must cease on the date that is the earlier of:

(i) The date when local property tax allocation revenues are no longer used or obligated to pay the costs of the public improvements; or

(ii) The final termination date as determined under (b) of this subsection.

(b) The final termination date is determined as follows:

(i) Except as provided otherwise in this subsection (3)(b), if the sponsoring city certifies to the county treasurer that the local property tax threshold level 1 is met, the final termination date is ten years after

the date of the first distribution of local property tax allocation revenues under subsection (1) of this section;

(ii) If the sponsoring city certifies to the county treasurer that the local property tax threshold level 2 is met at least six months prior to the final termination date under (b)(i) of this subsection (3), the final termination date is fifteen years after the date of the first distribution of local property tax allocation revenues under subsection (1) of this section;

(iii) If the sponsoring city certifies to the county treasurer that the local property tax threshold level 3 is met at least six months prior to the final termination date under (b)(ii) of this subsection (3), the final termination date is twenty years after the date of the first distribution of local property tax allocation revenues under subsection (1) of this section;

(iv) If the sponsoring city certifies to the county treasurer that the local property tax threshold level 4 is met at least six months prior to the final termination date under (b)(iii) of this subsection (3), the final termination date is twenty-five years after the date of the first distribution of local property tax allocation revenues under subsection (1) of this section.

(4) For purposes of this section:

(a) The "local property tax threshold level 1" is met when the sponsoring city has either:

(i) Issued building permits for development within the local infrastructure project area that, on an aggregate basis, uses at least twenty-five percent of the sponsoring city specified portion; or

(ii) Acquired transferable development rights equal to at least twenty-five percent of the sponsoring city specified portion for use in the local infrastructure project area or for extinguishment.

(b) The "local property tax threshold level 2" is met when the sponsoring city has either:

(i) Issued building permits for development within the local infrastructure project area that, on an aggregate basis, uses at least fifty percent of the sponsoring city specified portion; or

(ii) Acquired transferable development rights equal to at least fifty percent of the sponsoring city specified portion for use in the local infrastructure project area or for extinguishment.

(c) The "local property tax threshold level 3" is met when the sponsoring city has either:

(i) Issued building permits for development within the local infrastructure project area that, on an aggregate basis, uses at least seventy-five percent of the sponsoring city specified portion; or

(ii) Acquired transferable development rights equal to at least seventy-five percent of the sponsoring city specified portion for use in the local infrastructure project area or for extinguishment.

(d) The "local property tax threshold level 4" is met when the sponsoring city has either:

(i) Issued building permits for development within the local infrastructure project area that, on an aggregate basis, uses at least one hundred percent of the sponsoring city specified portion; or

(ii) Acquired transferable development rights equal to at least one hundred percent of the sponsoring city specified portion for use in the local infrastructure project area or for extinguishment.

(5) Any excess local property tax allocation revenues, and earnings on the revenues, remaining at the time the distribution of local property tax allocation revenue terminates must be returned to the county treasurer and distributed to the participating taxing districts that imposed regular property taxes, or had regular property taxes imposed for it, in the local infrastructure project area for collection that year, in proportion to the rates of their regular property tax levies for collection that year.

(6) The allocation to local infrastructure project financing of that portion of the sponsoring city's and each participating taxing district's regular property taxes levied upon the property tax allocation revenue value within that local infrastructure project area is declared to be a

public purpose of and benefit to the sponsoring city and each participating taxing district.

(7) The distribution of local property tax allocation revenues under this section may not affect or be deemed to affect the rate of taxes levied by or within any sponsoring local government and participating taxing district or the consistency of any such levies with the uniformity requirement of Article VII, section 1 of the state Constitution.

**PART VIII
GROWTH MANAGEMENT ACT
COMPREHENSIVE PLAN OPTIONAL ELEMENTS**

Sec. 801. RCW 36.70A.080 and 1990 1st ex.s. c 17 s 8 are each amended to read as follows:

(1) A comprehensive plan may include additional elements, items, or studies dealing with other subjects relating to the physical development within its jurisdiction, including, but not limited to:

- (a) Conservation;
- (b) Solar energy; and
- (c) Recreation.

(2) A comprehensive plan may include, where appropriate, subarea plans, each of which is consistent with the comprehensive plan.

(3)(a) Cities that qualify as a receiving city may adopt a comprehensive plan element and associated development regulations that apply within receiving areas under chapter 39.--- RCW (the new chapter created in section 903 of this act).

(b) For purposes of this subsection, the terms "receiving city" and "receiving area" have the same meanings as provided in section 201 of this act.

**PART IX
MISCELLANEOUS**

NEW SECTION. **Sec. 901.** ADMINISTRATION BY THE DEPARTMENT OF COMMERCE. The department of commerce may adopt any rules under chapter 34.05 RCW it considers necessary for the administration of this chapter.

NEW SECTION. **Sec. 902.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 903.** Sections 101 through 701 of this act constitute a new chapter in Title 39 RCW."

Correct the title.

Signed by Representatives Takko, Chair; Tharinger, Vice Chair; Asay, Assistant Ranking Minority Member; Fitzgibbon; Springer and Upthegrove.

MINORITY recommendation: Do not pass. Signed by Representatives Angel, Ranking Minority Member; Rodne and Smith.

Referred to Committee on Ways & Means.

March 15, 2011

SSB 5264 Prime Sponsor, Committee on Natural Resources & Marine Waters: Requiring a study of Mazama pocket gophers. Reported by Committee on Agriculture & Natural Resources

MAJORITY recommendation: Do pass. Signed by Representatives Blake, Chair; Stanford, Vice Chair; Chandler, Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys; Dunshee; Hinkle; Kretz; Lytton; Orcutt; Pettigrew; Rolfes and Van De Wege.

Referred to Committee on General Government Appropriations & Oversight.

March 15, 2011

SB 5265 Prime Sponsor, Senator Swecker: Authorizing multijurisdiction flood control zones. Reported by Committee on Local Government

MAJORITY recommendation: Do pass as amended.

0) On page 2, line 8, after "supervisors" insert ", subject to the restrictions in subsection (4) of this section.

(e) Each supervisor appointed or elected under this section must represent an identified area of land that is a specified jurisdiction within the multijurisdictional zone;

(f)"

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

On page 3, line 24, after "(4)" insert "A supervisor is eligible to vote on policies related to the imposition of rates, charges, taxes, and assessments if the supervisor represents a jurisdiction that:

(a) Is subject to the imposition of the rates, charges, taxes, and assessments of the multijurisdiction zone;

(b) Agrees to subject itself to the imposition of these rates, charges, taxes, and assessments of the multijurisdiction zone; or

(c) Agrees to contribute an amount commensurate to what its obligation would be if these rates, charges, taxes, and assessments were imposed on all lands within its jurisdiction.

(5)"

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

Signed by Representatives Takko, Chair; Tharinger, Vice Chair; Angel, Ranking Minority Member; Asay, Assistant Ranking Minority Member; Fitzgibbon; Rodne; Springer and Upthegrove.

MINORITY recommendation: Without recommendation. Signed by Representative Smith.

Referred to Committee on Ways & Means.

March 15, 2011

SSB 5364 Prime Sponsor, Committee on Environment, Water & Energy: Concerning public water system operating permits. Reported by Committee on Environment

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 70.119A.110 and 2003 1st sp.s. c 5 s 18 are each amended to read as follows:

(1) No person may operate a group A public water system unless the person first submits an application to the department and receives an operating permit as provided in this section. A new application must be submitted upon any change in ownership of the system. ~~((Any person operating a public water system on July 28, 1991, may continue to operate the system until the department takes final action, including any time necessary for a hearing under subsection (3) of this section, on a permit application submitted by the person operating the system under the rules adopted by the department to implement this section.))~~

(2) The department may require that each application include the information that is reasonable and necessary to determine that the

system complies with applicable standards and requirements of the federal safe drinking water act, state law, and rules adopted by the department or by the state board of health.

(3) Following its review of the application, its supporting material, and any information received by the department in its investigation of the application, the department shall issue or deny the operating permit. The department shall act on initial permit applications as expeditiously as possible, and shall in all cases either grant or deny the application within one hundred twenty days of receipt of the application or of any supplemental information required to complete the application. The applicant for a permit shall be entitled to file an appeal in accordance with chapter 34.05 RCW if the department denies the initial or subsequent applications or imposes conditions or requirements upon the operator. Any operator of a public water system that requests a hearing may continue to operate the system until a decision is issued after the hearing.

(4) At the time of initial permit application or at the time of permit renewal the department may impose such permit conditions, requirements for system improvements, and compliance schedules as it determines are reasonable and necessary to ensure that the system will provide a safe and reliable water supply to its users.

(5) Operating permits shall be issued for a term of one year, and shall be renewed annually, unless the operator fails to apply for a new permit or the department finds good cause to deny the application for renewal.

(6) Each application shall be accompanied by an annual fee ((as follows:

(a) The annual fee for public water supply systems serving fifteen to forty-nine service connections shall be twenty-five dollars.

(b) The annual fee for public water supply systems serving fifty to three thousand three hundred thirty-three service connections shall be based on a uniform per service connection fee of one dollar and fifty cents per service connection.

(c) The annual fee for public water supply systems serving three thousand three hundred thirty-four to fifty-three thousand three hundred thirty-three service connections shall be based on a uniform per service connection fee of one dollar and fifty cents per service connection plus ten cents for each service connection in excess of three thousand three hundred thirty-three service connections.

(d) The annual fee for public water supply systems serving fifty-three thousand three hundred thirty-four or more service connections shall be ten thousand dollars.

(e) In addition to the fees under (a) through (d) of this subsection, the department may charge an additional one-time fee of five dollars for each service connection in a new water system.

(f) Until June 30, 2007, in addition to the fees under (a) through (e) of this subsection, the department may charge municipal water suppliers, as defined in RCW 90.03.015, an additional annual fee equivalent to twenty-five cents for each residential service connection for the purpose of funding the water conservation activities in RCW 70.119A.180)),

(7) The department shall adopt rules, in accordance with chapter 34.05 RCW, necessary to implement this section.

(8) The department shall establish by rule categories of annual operating permit fees based on system size, complexity, and number of service connections. Fees charged must be sufficient to cover, but may not exceed, the costs to the department of administering a program for safe and reliable drinking water. The department shall use operating permit fees to monitor and enforce compliance by group A public water systems with state and federal laws that govern planning, water use efficiency, design, construction, operation, maintenance, financing, management, and emergency response.

~~((7))~~ (9) The annual per-connection fee may not exceed one dollar and fifty cents. The department ~~((may))~~ shall phase-in ~~((the))~~ implementation ~~((for any group of systems provided))~~ of any annual fee increase greater than ten percent, and shall establish the schedule

for implementation ~~((is established))~~ by rule. ~~((Prior to implementing the operating permit requirement on water systems having less than five hundred service connections, the department shall form a committee composed of persons operating these systems. The committee shall be composed of the department of health, two operators of water systems having under one hundred connections, two operators of water systems having between one hundred and two hundred service connections, two operators of water systems having between two hundred and three hundred service connections, two operators of water systems having between three hundred and four hundred service connections, two operators of water systems having between four hundred and five hundred service connections, and two county public health officials. The members shall be chosen from different geographic regions of the state. This committee shall develop draft rules to implement this section. The draft rules will then be subject to the rule making procedures in accordance with chapter 34.05 RCW.~~

~~—(8))~~ (10) The department shall notify existing public water systems of the requirements of RCW 70.119A.030, 70.119A.060, and this section at least one hundred twenty days prior to the date that an application for a permit is required pursuant to RCW 70.119A.030, 70.119A.060, and this section.

~~((9))~~ (11) The department shall issue one operating permit to any approved satellite system management agency. Operating permit fees for approved satellite system management agencies ~~((shall be one dollar per connection per year for the total number of connections under the management of the approved satellite agency. The department shall define by rule the meaning of the term "satellite system management agency." If a statutory definition of this term exists, then the department shall adopt by rule a definition consistent with the statutory definition))~~ must be established by the department by rule. Rules established by the department must set a single fee based on the total number of connections for all group A public water systems owned by a satellite management agency.

~~((10))~~ (12) For purposes of this section, "group A public water system" and "system" mean those water systems with fifteen or more service connections, regardless of the number of people; or a system serving an average of twenty-five or more people per day for sixty or more days within a calendar year, regardless of the number of service connections."

Correct the title.

Signed by Representatives Uptegrove, Chair; Rolfes, Vice Chair; Fitzgibbon; Jacks; Jinkins; Morris; Moscoso; Takko and Tharinger.

MINORITY recommendation: Do not pass. Signed by Representatives Short, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Nealey; Pearson and Taylor.

Referred to Committee on Ways & Means.

March 16, 2011
SB 5403 Prime Sponsor, Senator Chase: Authorizing local improvement district funding to benefit innovation partnership zones for the purposes of economic development. Reported by Committee on Community Development & Housing

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 35.43.040 and 2009 c 435 s 1 are each amended to read as follows:

Whenever the public interest or convenience may require, the legislative authority of any city or town may order the whole or any part of any local improvement including but not restricted to those, or any combination thereof, listed below to be constructed, reconstructed, repaired, or renewed and landscaping including but not restricted to the planting, setting out, cultivating, maintaining, and renewing of shade or ornamental trees and shrubbery thereon; may order any and all work to be done necessary for completion thereof; and may levy and collect special assessments on property specially benefited thereby to pay the whole or any part of the expense thereof, viz:

(1) Alleys, avenues, boulevards, lanes, park drives, parkways, parking facilities, public places, public squares, public streets, their grading, regrading, planking, replanking, paving, repaving, macadamizing, remacadamizing, graveling, regraveling, piling, repiling, capping, recapping, or other improvement; if the management and control of park drives, parkways, and boulevards is vested in a board of park commissioners, the plans and specifications for their improvement must be approved by the board of park commissioners before their adoption;

(2) Auxiliary water systems;

(3) Auditoriums, field houses, gymnasiums, swimming pools, or other recreational, playground, museum, cultural, or arts facilities or structures;

(4) Bridges, culverts, and trestles and approaches thereto;

(5) Bulkheads and retaining walls;

(6) Dikes and embankments;

(7) Drains, sewers, and sewer appurtenances which as to trunk sewers shall include as nearly as possible all the territory which can be drained through the trunk sewer and subsewers connected thereto;

(8) Escalators or moving sidewalks together with the expense of operation and maintenance;

(9) Parks and playgrounds;

(10) Sidewalks, curbing, and crosswalks;

(11) Street lighting systems together with the expense of furnishing electrical energy, maintenance, and operation;

(12) Underground utilities transmission lines;

(13) Water mains, hydrants, and appurtenances which as to trunk water mains shall include as nearly as possible all the territory in the zone or district to which water may be distributed from the trunk water mains through lateral service and distribution mains and services;

(14) Fences, culverts, syphons, or coverings or any other feasible safeguards along, in place of, or over open canals or ditches to protect the public from the hazards thereof;

(15) Roadbeds, trackage, signalization, storage facilities for rolling stock, overhead and underground wiring, and any other stationary equipment reasonably necessary for the operation of an electrified public streetcar line;

(16) Systems of surface, underground, or overhead railways, tramways, buses, or any other means of local transportation except taxis, and including passenger, terminal, station parking, and related facilities and properties, and such other facilities as may be necessary for passenger and vehicular access to and from such terminal, station, parking, and related facilities and properties, together with all lands, rights-of-way, property, equipment, and accessories necessary for such systems and facilities;

(17) Convention center facilities or structures in cities incorporated before January 1, 1982, with a population over sixty thousand located in a county with a population over one million, other than the city of Seattle. Assessments for purposes of convention center facilities or structures may be levied only to the extent necessary to cover a funding shortfall that occurs when funds received from special excise taxes imposed pursuant to chapter 67.28 RCW are insufficient to fund the annual debt service for such facilities or structures, and may not be levied on property exclusively maintained

as single-family or multifamily permanent residences whether they are rented, leased, or owner occupied;

(18) Programs of aquatic plant control, lake or river restoration, or water quality enhancement. Such programs (~~shall~~) must identify all the area of any lake or river which will be improved and (~~shall~~) must include the adjacent waterfront property specially benefited by such programs of improvements. Assessments may be levied only on waterfront property including any waterfront property owned by the department of natural resources or any other state agency. Notice of an assessment on a private leasehold in public property (~~shall~~) must comply with provisions of chapter 79.44 RCW. Programs under this subsection shall extend for a term of not more than five years; (~~and~~)

(19) Railroad crossing protection devices, including maintenance and repair. Assessments for purposes of railroad crossing protection devices may not be levied on property owned or maintained by a railroad, railroad company, street railroad, or street railroad company, as defined in RCW 81.04.010, or a regional transit authority as defined in RCW 81.112.020; and

(20) Research laboratories, testing facilities, business incubator facilities, and training centers built in areas designated as innovation partnership zones under RCW 43.330.270."

Correct the title.

Signed by Representatives Kenney, Chair; Finn, Vice Chair; Maxwell; Ryu; Santos and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Smith, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member and Ahern.

Passed to Committee on Rules for second reading.

March 15, 2011

SSB 5451

Prime Sponsor, Committee on Natural Resources & Marine Waters: Concerning shoreline structures in a master program adopted under the shoreline management act. Reported by Committee on Local Government

MAJORITY recommendation: Do pass as amended.

0)

On page 1, line 19 of the amendment, after "bulkheads" insert "and other shoreline modifications"

On page 2, beginning on line 4, strike all of section 2 and insert the following:

"**NEW SECTION. Sec. 2.** A new section is added to chapter 90.58 RCW to read as follows:

(1) New or amended master programs approved by the department on or after September 1, 2011, may include provisions authorizing:

(a) Residential structures and appurtenant structures that were legally established and are used for a conforming use, but that do not meet standards for the following to be considered a conforming structure: Setbacks, buffers, or yards; area; bulk; height; or density; and

(b) Redevelopment, expansion, change with the class of occupancy, or replacement of the residential structure if it is consistent with the master program, including requirements for no net loss of shoreline ecological functions.

(2) For purposes of this section, "appurtenant structures" means garages, sheds, and other legally established structures. "Appurtenant structures" does not include bulkheads or over-water structures.

(3) Nothing in this section: (a) Restricts the ability of a master program to limit redevelopment, expansion, or replacement of over-water structures located in hazardous areas, such as floodplains and

geologically hazardous areas; or (b) affects the application of other federal, state, or local government requirements to residential structures."

Signed by Representatives Takko, Chair; Tharinger, Vice Chair; Angel, Ranking Minority Member; Asay, Assistant Ranking Minority Member; Fitzgibbon; Rodne; Smith; Springer and Upthegrove.

Passed to Committee on Rules for second reading.

March 16, 2011

SB 5463 Prime Sponsor, Senator Kilmer: Requiring the college board to establish minimum standards for common student identifiers. Reported by Committee on Higher Education

MAJORITY recommendation: Do pass. Signed by Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Buys; Fagan; Hasegawa; Jacks; Probst; Reykdal; Sells; Springer; Warnick and Zeiger.

Referred to Committee on Education Appropriations & Oversight.

March 16, 2011

SB 5484 Prime Sponsor, Senator Shin: Concerning the higher education coordinating board's responsibilities with regard to health sciences and services authorities. Reported by Committee on Higher Education

MAJORITY recommendation: Do pass. Signed by Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Buys; Fagan; Hasegawa; Jacks; Probst; Reykdal; Sells; Springer; Warnick and Zeiger.

Passed to Committee on Rules for second reading.

March 16, 2011

SSB 5664 Prime Sponsor, Committee on Higher Education & Workforce Development: Concerning the Lake Washington Institute of Technology. Reported by Committee on Higher Education

MAJORITY recommendation: Do pass. Signed by Representatives Seaquist, Chair; Carlyle, Vice Chair; Haler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Buys; Fagan; Hasegawa; Jacks; Probst; Reykdal; Sells; Springer; Warnick and Zeiger.

Referred to Committee on Education Appropriations & Oversight.

March 15, 2011

SSB 5695 Prime Sponsor, Committee on Government Operations, Tribal Relations & Elections: Concerning the authorization of bonds issued by Washington local governments. Reported by Committee on Local Government

MAJORITY recommendation: Do pass as amended.

On page 2, beginning line 12, after "act" strike "consistent with the approved county debt policy as specified in" and insert "in a manner that is consistent with the approved county debt policy adopted in accordance with"

Signed by Representatives Takko, Chair; Tharinger, Vice Chair; Angel, Ranking Minority Member; Asay, Assistant Ranking Minority Member; Fitzgibbon; Rodne; Smith; Springer and Upthegrove.

Passed to Committee on Rules for second reading.

There being no objection, the bills listed on the day's committee reports under the fifth order of business were referred to the committees so designated.

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

There being no objection, the House adjourned until 10:00 a.m., March 21, 2011, the 71st Day of the Regular Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

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