

## SEVENTY FIFTH DAY

House Chamber, Olympia, Friday, March 29, 2013

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 the Yakama Warriors Association Color Guard. The Speaker (Representative Moeller presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Rex Puckhyahtoot Buck JR, Religious Leader for Wanapum of Priest Rapids.

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

### RESOLUTIONS

**HOUSE RESOLUTION NO. 2013-4643**, by Representatives **Chopp, DeBolt, Alexander, Angel, Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Clibborn, Cody, Condotta, Crouse, Dahlquist, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Liias, Lytton, MacEwen, Magendanz, Manweller, Maxwell, McCoy, Moeller, Morrell, Morris, Moscoso, Nealey, O'Ban, Orcutt, Ormsby, Orwall, Overstreet, Parker, Pedersen, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Rodne, Ross, Ryu, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Upthegrove, Van De Wege, Vick, Walsh, Warnick, Wilcox, Wylie, and Zeiger**

WHEREAS, The Vietnam War was fought in Vietnam from 1961 to 1975, and involved North Vietnam and the Viet Cong in conflict with United States Armed Forces and South Vietnam; and

WHEREAS, Members of the United States Armed Forces began serving in an advisory role to the South Vietnamese in 1961; and

WHEREAS, Congress overwhelmingly passed the Gulf of Tonkin Resolution on August 7, 1964, which handed over war making powers to President Johnson until peace and security returned to Vietnam; and

WHEREAS, In 1965, United States Armed Forces ground combat units arrived in Vietnam; and

WHEREAS, By the end of 1965, there were eighty thousand United States troops in Vietnam, and by 1969 a peak of approximately five hundred forty-three thousand troops was reached; and

WHEREAS, On January 27, 1973, the Treaty of Paris was signed, requiring the release of all United States prisoners of war held in North Vietnam and the withdrawal of all United States Armed Forces from South Vietnam; and

WHEREAS, On March 30, 1973, the United States Armed Forces completed the withdrawal of combat troops from Vietnam; and

WHEREAS, The Vietnam War was an extremely divisive issue among the people of the United States; and

WHEREAS, Members of the United States Armed Forces who served bravely and faithfully for the United States during the Vietnam War were, upon their return home, caught in the crossfire of public debate about the involvement of the United States in the Vietnam War; and

WHEREAS, One thousand one hundred twenty-three members of the United States Armed Forces from Washington State were killed or were declared missing in action in Vietnam, and hundreds were wounded; and

WHEREAS, In 1987, the current Vietnam War Veterans Memorial was dedicated on the Washington state capitol grounds to commemorate the members of the United States Armed Forces from Washington State who died or were declared missing in action in Vietnam; and

WHEREAS, The establishment of a Washington state "Welcome Home Vietnam Veterans Day" would be a fitting way to honor our state's brave and loyal veterans who served in Vietnam during the war; and

WHEREAS, March 30, 2013, is an appropriate day to establish as "Welcome Home Vietnam Veterans Day";

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives commemorate and honor the contributions of Washington state veterans of the Armed Forces who served in Vietnam, and encourage the people of Washington State to observe "Welcome Home Vietnam Veterans Day" with ceremonies and activities that promote awareness of the contributions of our Vietnam War veterans and the importance of helping them readjust to civilian life.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4643.

HOUSE RESOLUTION NO. 4643 was adopted.

**HOUSE RESOLUTION NO. 2013-4632**, by Representatives **Bergquist and Hudgins**

WHEREAS, On Saturday, March 2, the Cleveland High School Eagles women's basketball team faced the Seattle Prep High School Panthers for the State Championship game; and

WHEREAS, The Eagles won their last 25 games in a row heading into the championship game and had not lost a game in the state of Washington. Having been crowned Metro Champions and District Champions, they also had not lost a home game in two and a half seasons; and

WHEREAS, The Eagles won the championship game 45-43 in overtime, scored the game winning points with 18 seconds left on the clock, and capped an amazing season with a state championship; and

WHEREAS, The Eagles have also done a great deal to benefit their community. Over the last three years, they have held a community basketball camp designed for 3rd-8th grade students focusing on basketball and life skills and have hosted a toy drive for families in need in their community, resulting in several hundred boys and girls receiving gifts during the holidays; and

WHEREAS, Six players earned all-league awards, including Makala Roper, who also earned all-state recognition; and

WHEREAS, Coach Stephanie Wheeler-Smith, who was hired in 2008, turned the program into a contender and a two-time state champion during her tenure and, along with a tremendous coaching staff, focused on academic excellence and sportsmanship;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives congratulate the Cleveland High School women's basketball team for their fantastic play this season and their community involvement and work ethic off the court.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4632.

HOUSE RESOLUTION NO. 4632 was adopted.

**HOUSE RESOLUTION NO. 2013-4634, by Representatives Pettigrew, Santos, and Maxwell**

WHEREAS, The Rainier Beach High School Vikings men's basketball team won the 2013 state championship in overtime, scoring 62-59 against Lakeside High School in the Tacoma Dome on March 2nd; and

WHEREAS, Rainier Beach finished the year with 25 wins and only four losses, their second state championship in a row, and their sixth title since 1998; and

WHEREAS, Rainier Beach ended the season ranked number 1 in Washington, which they were ranked for much of the year, and 34th nationally; and

WHEREAS, Rainier Beach played Lakeside for the fourth time this year, beating them three times and losing once, and beating Franklin 73-59 in the semifinals; and

WHEREAS, There were four members selected for the very talented Metro All-Conference teams, including Washington State 3A Basketball Player of the Year Anrio Adams; and

WHEREAS, Rainier Beach High School Vikings men's basketball team has been a dominant force in Washington State high school basketball for the last two decades and has displayed outstanding sportsmanship through its success, advancing many players on to play college basketball and several players into the NBA; and

WHEREAS, Coach Mike "Falcon Eddie" Bethea won his Washington state record sixth state basketball championship since taking over during the 1993-1994 season, making him one of the most successful basketball coaches in Washington State history;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives join and congratulate the members of the 2013 Rainier Beach High School Vikings men's basketball team for their success this year in winning the Men's Basketball 3A state championship and for their continued success.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4634.

HOUSE RESOLUTION NO. 4634 was adopted.

**INTRODUCTIONS AND FIRST READING**

HB 2021 by Representatives O'Ban and Green

AN ACT Relating to streamlining hydraulic project approval for sediment removal by citizen volunteers; adding a new section to chapter 77.55 RCW; and creating a new section.

Referred to Committee on Agriculture & Natural Resources.

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 27, 2013

SSB 5135 Prime Sponsor, Committee on Law & Justice:  
Concerning judicial proceedings and forms.  
Reported by Committee on Judiciary

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 2.36.095 and 1993 c 408 s 8 are each amended to read as follows:

(1) Persons selected to serve on a petit jury, grand jury, or jury of inquest shall be summoned by mail or personal service. The county clerk shall issue summons and thereby notify persons selected for jury duty. The clerk may issue summons for any jury term, in any consecutive twelve-month period, at any time thirty days or more before the beginning of the jury term for which the summons are issued. However, when applicable, the provisions of RCW 2.36.130 apply.

(2) In courts of limited jurisdiction summons shall be issued by the court. Upon the agreement of the courts, the county clerk may summon jurors for any and all courts in the county or judicial district.

((3) The county clerk shall notify the county auditor of each summons for jury duty that is returned by the postal service as undeliverable.))

Sec. 2. RCW 11.96A.090 and 1999 c 42 s 302 are each amended to read as follows:

(1) A judicial proceeding under this title is a special proceeding under the civil rules of court. The provisions of this title governing such actions control over any inconsistent provision of the civil rules.

(2) A judicial proceeding under this title ((may)) must be commenced as a new action ((or as an action incidental to an existing judicial proceeding relating to the same trust or estate or nonprobate asset)).

(3) Once commenced, the action may be consolidated with an existing proceeding ((~~or converted to a separate action~~)) upon the motion of a party for good cause shown, or by the court on its own motion.

(4) The procedural rules of court apply to judicial proceedings under this title only to the extent that they are consistent with this title, unless otherwise provided by statute or ordered by the court under RCW 11.96A.020 or 11.96A.050, or other applicable rules of court.

Sec. 3. RCW 26.26.610 and 2002 c 302 s 533 are each amended to read as follows:

(1) On request of a party and for good cause shown, the court may close a proceeding under this section and RCW 26.26.500 through 26.26.605 and 26.26.615 through 26.26.630.

(2) A final order determining parentage in a proceeding under this section and RCW 26.26.500 through 26.26.605 and 26.26.615 through 26.26.630 is ((~~available for public inspection. Other papers and records are available only with the consent of the parties or on order of the court for good cause~~)) publicly accessible. Records entered prior to the entry of a final order determining parentage in a proceeding under this section and RCW 26.26.500 through 26.26.605 and 26.26.615 through 26.26.630 are accessible only to the parties or on order of the court for good cause.

(3) Except as provided by applicable court rules, records entered after the entry of a final order determining parentage in a proceeding

under this section and RCW 26.26.500 through 26.26.605 and 26.26.615 through 26.26.630 are publicly accessible."

Correct the title.

Signed by Representatives Pedersen, Chair; Hansen, Vice Chair; Rodne, Ranking Minority Member; O'Ban, Assistant Ranking Minority Member; Goodman; Hope; Jinkins; Kirby; Klippert; Nealey; Orwall; Roberts and Shea.

Passed to Committee on Rules for second reading.

March 26, 2013

ESSB 5153 Prime Sponsor, Committee on Human Services & Corrections: Concerning transfers of clients between regional support networks. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 71.24 RCW to read as follows:

The regional support networks shall jointly develop a uniform transfer agreement to govern the transfer of clients between regional support networks. By September 1, 2013, the regional support networks shall submit the uniform transfer agreement to the department. By December 1, 2013, the department shall establish guidelines to implement the uniform transfer agreement and may modify the uniform transfer agreement as necessary to avoid impacts on state administrative systems."

Correct the title.

Signed by Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Angel; Clibborn; Green; Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross; Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

March 27, 2013

SSB 5165 Prime Sponsor, Committee on Law & Justice: Increasing the authority of superior court commissioners to hear and determine certain matters. Reported by Committee on Judiciary

MAJORITY recommendation: Do pass. Signed by Representatives Pedersen, Chair; Hansen, Vice Chair; Rodne, Ranking Minority Member; O'Ban, Assistant Ranking Minority Member; Goodman; Hope; Jinkins; Kirby; Klippert; Nealey; Orwall and Roberts.

MINORITY recommendation: Do not pass. Signed by Representative Shea.

Passed to Committee on Rules for second reading.

March 27, 2013

SSB 5182 Prime Sponsor, Committee on Transportation: Addressing the disclosure of vehicle owner information. Reported by Committee on Judiciary

MAJORITY recommendation: Do pass. Signed by Representatives Pedersen, Chair; Hansen, Vice Chair; Rodne, Ranking Minority Member; O'Ban, Assistant Ranking

Minority Member; Goodman; Hope; Jinkins; Kirby; Klippert; Nealey; Orwall; Roberts and Shea.

Referred to Committee on Transportation.

March 26, 2013

ESB 5206 Prime Sponsor, Senator Becker: Authorizing occupational therapists, occupational therapy assistants, dietitians, and nutritionists to participate in online access to the University of Washington health sciences library. (REVISED FOR ENGROSSED: Increasing the health professions participating in online access to the University of Washington health sciences library. ) Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 43.70.110 and 2011 c 35 s 1 are each amended to read as follows:

(1) The secretary shall charge fees to the licensee for obtaining a license. Physicians regulated pursuant to chapter 18.71 RCW who reside and practice in Washington and obtain or renew a retired active license are exempt from such fees. After June 30, 1995, municipal corporations providing emergency medical care and transportation services pursuant to chapter 18.73 RCW shall be exempt from such fees, provided that such other emergency services shall only be charged for their pro rata share of the cost of licensure and inspection, if appropriate. The secretary may waive the fees when, in the discretion of the secretary, the fees would not be in the best interest of public health and safety, or when the fees would be to the financial disadvantage of the state.

(2) Except as provided in subsection (3) of this section, fees charged shall be based on, but shall not exceed, the cost to the department for the licensure of the activity or class of activities and may include costs of necessary inspection.

(3) License fees shall include amounts in addition to the cost of licensure activities in the following circumstances:

(a) For registered nurses and licensed practical nurses licensed under chapter 18.79 RCW, support of a central nursing resource center as provided in RCW 18.79.202, until June 30, 2013;

(b) For all health care providers licensed under RCW 18.130.040, the cost of regulatory activities for retired volunteer medical worker licensees as provided in RCW 18.130.360; and

(c) For physicians licensed under chapter 18.71 RCW, physician assistants licensed under chapter 18.71A RCW, osteopathic physicians licensed under chapter 18.57 RCW, osteopathic physicians' assistants licensed under chapter 18.57A RCW, naturopaths licensed under chapter 18.36A RCW, podiatrists licensed under chapter 18.22 RCW, chiropractors licensed under chapter 18.25 RCW, psychologists licensed under chapter 18.83 RCW, registered nurses and licensed practical nurses licensed under chapter 18.79 RCW, optometrists licensed under chapter 18.53 RCW, mental health counselors licensed under chapter 18.225 RCW, massage therapists licensed under chapter 18.108 RCW, clinical social workers licensed under chapter 18.225 RCW, midwives licensed under chapter 18.50 RCW((§)), licensed marriage and family therapists under chapter 18.225 RCW((§)), occupational therapists and occupational therapy assistants licensed under chapter 18.59 RCW, dietitians and nutritionists certified under chapter 18.138 RCW, speech-language pathologists licensed under chapter 18.35 RCW, and East Asian medicine practitioners licensed under chapter 18.06 RCW, the license fees shall include up to an additional twenty- five dollars to be

transferred by the department to the University of Washington for the purposes of RCW 43.70.112.

(4) Department of health advisory committees may review fees established by the secretary for licenses and comment upon the appropriateness of the level of such fees."

Correct the title.

Signed by Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Angel; Clibborn; Green; Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross; Short; Tharinger and Van De Wege.

Referred to Committee on Appropriations Subcommittee on Health & Human Services.

March 26, 2013

SB 5216 Prime Sponsor, Senator Rolfes: Addressing long-term care insurance. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Angel; Clibborn; Green; Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross; Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

March 27, 2013

ESB 5221 Prime Sponsor, Senator Kohl-Welles: Requiring notification of release of a person following dismissal of charges based on incompetence to stand trial. Reported by Committee on Judiciary

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 10.77.065 and 2012 c 256 s 4 are each amended to read as follows:

(1)(a)(i) The expert conducting the evaluation shall provide his or her report and recommendation to the court in which the criminal proceeding is pending. For a competency evaluation of a defendant who is released from custody, if the evaluation cannot be completed within twenty-one days due to a lack of cooperation by the defendant, the evaluator shall notify the court that he or she is unable to complete the evaluation because of such lack of cooperation.

(ii) A copy of the report and recommendation shall be provided to the designated mental health professional, the prosecuting attorney, the defense attorney, and the professional person at the local correctional facility where the defendant is being held, or if there is no professional person, to the person designated under (a)(iv) of this subsection. Upon request, the evaluator shall also provide copies of any source documents relevant to the evaluation to the designated mental health professional.

(iii) Any facility providing inpatient services related to competency shall discharge the defendant as soon as the facility determines that the defendant is competent to stand trial. Discharge shall not be postponed during the writing and distribution of the evaluation report. Distribution of an evaluation report by a facility providing inpatient services shall ordinarily be accomplished within two working days or less following the final evaluation of the defendant. If the defendant is discharged to the custody of a local correctional facility, the local correctional facility must continue the medication regimen prescribed by the facility, when clinically

appropriate, unless the defendant refuses to cooperate with medication.

(iv) If there is no professional person at the local correctional facility, the local correctional facility shall designate a professional person as defined in RCW 71.05.020 or, in cooperation with the regional support network, a professional person at the regional support network to receive the report and recommendation.

(v) Upon commencement of a defendant's evaluation in the local correctional facility, the local correctional facility must notify the evaluator of the name of the professional person, or person designated under (a)(iv) of this subsection, to receive the report and recommendation.

(b) If the evaluator concludes, under RCW 10.77.060(3)(f), the person should be evaluated by a designated mental health professional under chapter 71.05 RCW, the court shall order such evaluation be conducted prior to release from confinement when the person is acquitted or convicted and sentenced to confinement for twenty-four months or less, or when charges are dismissed pursuant to a finding of incompetent to stand trial.

(2) The designated mental health professional shall provide written notification within twenty-four hours of the results of the determination whether to commence proceedings under chapter 71.05 RCW. The notification shall be provided to the persons identified in subsection (1)(a) of this section.

(3) The prosecuting attorney shall provide a copy of the results of any proceedings commenced by the designated mental health professional under subsection (2) of this section to the secretary.

(4) A facility conducting a civil commitment evaluation under RCW 10.77.086(4) or 10.77.088(1)(b)(ii) that makes a determination to release the person instead of filing a civil commitment petition must provide written notification to the prosecuting attorney and defense attorney. The notification must be provided on a business day and at least twenty-four hours prior to the person's release.

(5) The fact of admission and all information and records compiled, obtained, or maintained in the course of providing services under this chapter may also be disclosed to the courts solely to prevent the entry of any evaluation or treatment order that is inconsistent with any order entered under chapter 71.05 RCW."

Correct the title.

Signed by Representatives Pedersen, Chair; Hansen, Vice Chair; Rodne, Ranking Minority Member; O'Ban, Assistant Ranking Minority Member; Goodman; Hope; Jinkins; Kirby; Klippert; Nealey; Orwall; Roberts and Shea.

Passed to Committee on Rules for second reading.

March 27, 2013

SSB 5264 Prime Sponsor, Committee on Transportation: Concerning the transportation and storage of certain explosive devices. Reported by Committee on Judiciary

MAJORITY recommendation: Do pass. Signed by Representatives Pedersen, Chair; Hansen, Vice Chair; Rodne, Ranking Minority Member; O'Ban, Assistant Ranking Minority Member; Goodman; Hope; Jinkins; Kirby; Klippert; Nealey; Orwall; Roberts and Shea.

Passed to Committee on Rules for second reading.

March 27, 2013

SSB 5282 Prime Sponsor, Committee on Human Services & Corrections: Creating a statewide database of mental health commitment information. Reported by Committee on Judiciary

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**NEW SECTION. Sec. 1.** The department of licensing, Washington state patrol, department of social and health services, administrative office of the courts, and representatives of regional support networks and superior courts shall participate in a work group convened by the department of licensing for the purpose of making a proposal for consolidation of statewide involuntary commitment information for the purpose of accurate and efficient verification of eligibility to possess a firearm. The work group shall also make recommendations with respect to how to maintain the privacy of commitment information and whether access to the database can legally be provided to designated mental health professionals or law enforcement officials for use in the official course of their duties. The work group shall report its recommendations to the governor and the appropriate committees of the legislature by December 1, 2013.

**NEW SECTION. Sec. 2.** A new section is added to chapter 71.05 RCW to read as follows:

By August 1, 2013, all regional support networks in the state of Washington must forward historical mental health involuntary commitment information retained by the organization including identifying information and dates of commitment to the department. As soon as feasible, the regional support networks must arrange to report new commitment data to the department within twenty-four hours. Commitment information under this section does not need to be resent if it is already in the possession of the department. Regional support networks and the department shall be immune from liability related to the sharing of commitment information under this section."

Correct the title.

Signed by Representatives Pedersen, Chair; Hansen, Vice Chair; Rodne, Ranking Minority Member; O'Ban, Assistant Ranking Minority Member; Goodman; Hope; Jinkins; Kirby; Klippert; Nealey; Orwall; Roberts and Shea.

Passed to Committee on Rules for second reading.

March 26, 2013

SSB 5332 Prime Sponsor, Committee on Governmental Operations: Modifying the percentage of votes required to continue benefit charges for fire protection districts. Reported by Committee on Local Government

MAJORITY recommendation: Do pass. Signed by Representatives Takko, Chair; Fitzgibbon, Vice Chair; Liias; Springer and Uptegrove.

MINORITY recommendation: Do not pass. Signed by Representatives Taylor, Ranking Minority Member; Kochmar, Assistant Ranking Minority Member and Buys.

Referred to Committee on Finance.

March 27, 2013

ESSB 5338 Prime Sponsor, Committee on Financial Institutions, Housing & Insurance: Addressing nonprofit debt adjusters. (REVISED FOR ENGROSSED: Addressing debt adjuster compensation.) Reported by Committee on Business & Financial Services

MAJORITY recommendation: Do pass. Signed by Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Assistant Ranking Minority Member; Blake; Chandler; Habib; Hawkins; Hudgins; Hurst; Kochmar; MacEwen; O'Ban; Santos and Stanford.

Passed to Committee on Rules for second reading.

March 28, 2013

SB 5411 Prime Sponsor, Senator Rolfes: Requiring the ballot proposition to reduce the terms of office of port commissioners to be submitted at the next general election. Reported by Committee on Government Operations & Elections

MAJORITY recommendation: Do pass. Signed by Representatives Hunt, Chair; Bergquist, Vice Chair; Buys, Ranking Minority Member; Taylor, Assistant Ranking Minority Member; Alexander; Carlyle; Kristiansen; Manweller; Orwall and Van De Wege.

Passed to Committee on Rules for second reading.

March 26, 2013

SSB 5416 Prime Sponsor, Committee on Health Care: Concerning prescription information. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Angel; Clibborn; Green; Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross; Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

March 26, 2013

SSB 5434 Prime Sponsor, Committee on Health Care: Addressing the filing and public disclosure of health care provider compensation. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass as amended.

On page 6, after line 32, insert the following:

"**Sec. 4.** RCW 42.56.400 and 2012 2nd sp.s. c 3 s 8 are each amended to read as follows:

The following information relating to insurance and financial institutions is exempt from disclosure under this chapter:

(1) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110;

(2) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW;

(3) The names and individual identification data of either all owners or all insureds, or both, received by the insurance commissioner under chapter 48.102 RCW;

(4) Information provided under RCW 48.30A.045 through 48.30A.060;

(5) Information provided under RCW 48.05.510 through 48.05.535, 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600 through 48.46.625;

(6) Examination reports and information obtained by the department of financial institutions from banks under RCW 30.04.075, from savings banks under RCW 32.04.220, from savings and loan associations under RCW 33.04.110, from credit unions under RCW 31.12.565, from check cashers and sellers under RCW 31.45.030(3), and from securities brokers and investment advisers under RCW 21.20.100, all of which is confidential and privileged information;

(7) Information provided to the insurance commissioner under RCW 48.110.040(3);

(8) Documents, materials, or information obtained by the insurance commissioner under RCW 48.02.065, all of which are confidential and privileged;

(9) Confidential proprietary and trade secret information provided to the commissioner under RCW 48.31C.020 through 48.31C.050 and 48.31C.070;

(10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and 7.70.140 that, alone or in combination with any other data, may reveal the identity of a claimant, health care provider, health care facility, insuring entity, or self-insurer involved in a particular claim or a collection of claims. For the purposes of this subsection:

(a) "Claimant" has the same meaning as in RCW 48.140.010(2).

(b) "Health care facility" has the same meaning as in RCW 48.140.010(6).

(c) "Health care provider" has the same meaning as in RCW 48.140.010(7).

(d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

(e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

(11) Documents, materials, or information obtained by the insurance commissioner under RCW 48.135.060;

(12) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.060;

(13) Confidential and privileged documents obtained or produced by the insurance commissioner and identified in RCW 48.37.080;

(14) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.140;

(15) Documents, materials, or information obtained by the insurance commissioner under RCW 48.17.595;

(16) Documents, materials, or information obtained by the insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and (7)(a)(ii);

(17) Documents, materials, or information obtained by the insurance commissioner in the commissioner's capacity as receiver under RCW 48.31.025 and 48.99.017, which are records under the jurisdiction and control of the receivership court. The commissioner is not required to search for, log, produce, or otherwise comply with the public records act for any records that the commissioner obtains under chapters 48.31 and 48.99 RCW in the commissioner's capacity as a receiver, except as directed by the receivership court;

(18) Documents, materials, or information obtained by the insurance commissioner under RCW 48.13.151;

(19) Data, information, and documents provided by a carrier pursuant to section 1, chapter 172, Laws of 2010;

(20) Information in a filing of usage-based insurance about the usage-based component of the rate pursuant to RCW 48.19.040(5)(b); ~~(and)~~

(21) Data, information, and documents, other than those described in RCW 48.02.210(2), that are submitted to the office of the insurance commissioner by an entity providing health care coverage pursuant to RCW 28A.400.275 and 48.02.210; and

(22) Information not subject to public inspection or public disclosure under section 1(5) of this act."

Renumber the remaining section consecutively and correct any internal references accordingly. Correct the title.

Signed by Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Angel; Clibborn; Green; Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross; Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

March 28, 2013

SSB 5444 Prime Sponsor, Committee on Governmental Operations: Concerning the administration of taxes regarding publicly owned property. Reported by Committee on Local Government

MAJORITY recommendation: Do pass. Signed by Representatives Takko, Chair; Kochmar, Assistant Ranking Minority Member; Buys; Liias; Springer and Upthegrove.

MINORITY recommendation: Do not pass. Signed by Representative Taylor, Ranking Minority Member.

Referred to Committee on Finance.

March 26, 2013

ESSB 5449 Prime Sponsor, Committee on Health Care: Addressing the Washington state health insurance pool. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The federal patient protection and affordable care act of 2010, P.L. 111-148, as amended, prohibits the imposition of any preexisting condition coverage exceptions in the individual market for insurance coverage beginning January 1, 2014. The affordable care act also extends opportunities for individuals to enroll in comprehensive coverage in a health benefit exchange beginning January 1, 2014. The legislature finds that some individuals may still be barred from enrolling in the new comprehensive coverage options and it is the intent of the legislature to continue some limited access to the Washington state health insurance pool for a transitional period, and to provide for modification to the pool to reflect changes in federal law and insurance availability.

Sec. 2. RCW 48.41.060 and 2011 c 314 s 13 are each amended to read as follows:

(1) The board shall have the general powers and authority granted under the laws of this state to insurance companies, health care service contractors, and health maintenance organizations, licensed or registered to offer or provide the kinds of health coverage defined under this title. In addition thereto, the board shall:

(a) ~~((Designate or establish the standard health questionnaire to be used under RCW 48.41.100 and 48.43.018, including the form and content of the standard health questionnaire and the method of its application. The questionnaire must provide for an objective evaluation of an individual's health status by assigning a discreet measure, such as a system of point scoring to each individual. The questionnaire must not contain any questions related to pregnancy, and pregnancy shall not be a basis for coverage by the pool. The questionnaire shall be designed such that it is reasonably expected to~~

~~identify the eight percent of persons who are the most costly to treat who are under individual coverage in health benefit plans, as defined in RCW 48.43.005, in Washington state or are covered by the pool, if applied to all such persons;~~

~~—(b) Obtain from a member of the American academy of actuaries, who is independent of the board, a certification that the standard health questionnaire meets the requirements of (a) of this subsection;~~

~~—(c) Approve the standard health questionnaire and any modifications needed to comply with this chapter. The standard health questionnaire shall be submitted to an actuary for certification, modified as necessary, and approved at least every thirty six months unless at the time when certification is required the pool will be discontinued before the end of the succeeding thirty six month period. The designation and approval of the standard health questionnaire by the board shall not be subject to review and approval by the commissioner. The standard health questionnaire or any modification thereto shall not be used until ninety days after public notice of the approval of the questionnaire or any modification thereto, except that the initial standard health questionnaire approved for use by the board after March 23, 2000, may be used immediately following public notice of such approval;~~

~~—(d)) Establish appropriate rates, rate schedules, rate adjustments, expense allowances, claim reserve formulas and any other actuarial functions appropriate to the operation of the pool. Rates shall not be unreasonable in relation to the coverage provided, the risk experience, and expenses of providing the coverage. Rates and rate schedules may be adjusted for appropriate risk factors such as age and area variation in claim costs and shall take into consideration appropriate risk factors in accordance with established actuarial underwriting practices consistent with Washington state individual plan rating requirements under RCW 48.44.022 and 48.46.064;~~

~~((e)) (b)(i) Assess members of the pool in accordance with the provisions of this chapter, and make advance interim assessments as may be reasonable and necessary for the organizational or interim operating expenses. Any interim assessments will be credited as offsets against any regular assessments due following the close of the year.~~

(ii) Self-funded multiple employer welfare arrangements are subject to assessment under this subsection only in the event that assessments are not preempted by the employee retirement income security act of 1974, as amended, 29 U.S.C. Sec. 1001 et seq. The arrangements and the commissioner shall initially request an advisory opinion from the United States department of labor or obtain a declaratory ruling from a federal court on the legality of imposing assessments on these arrangements before imposing the assessment. Once the legality of the assessments has been determined, the multiple employer welfare arrangement certified by the insurance commissioner must begin payment of these assessments.

(iii) If there has not been a final determination of the legality of these assessments, then beginning on the earlier of (A) the date the fourth multiple employer welfare arrangement has been certified by the insurance commissioner, or (B) April 1, 2006, the arrangement shall deposit the assessments imposed by this subsection into an interest bearing escrow account maintained by the arrangement. Upon a final determination that the assessments are not preempted by the employee retirement income security act of 1974, as amended, 29 U.S.C. Sec. 1001 et seq., all funds in the interest bearing escrow account shall be transferred to the board;

~~((f)) (c) Issue policies of health coverage in accordance with the requirements of this chapter;~~

~~((g)) (d) Establish procedures for the administration of the premium discount provided under RCW 48.41.200(3)(a)(iii);~~

~~((h)) (e) Contract with the Washington state health care authority for the administration of the premium discounts provided under RCW 48.41.200(3)(a) (i) and (ii);~~

~~((i)) (f) Set a reasonable fee to be paid to an insurance producer licensed in Washington state for submitting an acceptable application for enrollment in the pool; and~~

~~((j)) (g) Provide certification to the commissioner when assessments will exceed the threshold level established in RCW 48.41.037.~~

(2) In addition thereto, the board may:

(a) Enter into contracts as are necessary or proper to carry out the provisions and purposes of this chapter including the authority, with the approval of the commissioner, to enter into contracts with similar pools of other states for the joint performance of common administrative functions, or with persons or other organizations for the performance of administrative functions;

(b) Sue or be sued, including taking any legal action as necessary to avoid the payment of improper claims against the pool or the coverage provided by or through the pool;

(c) Appoint appropriate legal, actuarial, and other committees as necessary to provide technical assistance in the operation of the pool, policy, and other contract design, and any other function within the authority of the pool; and

(d) Conduct periodic audits to assure the general accuracy of the financial data submitted to the pool, and the board shall cause the pool to have an annual audit of its operations by an independent certified public accountant.

(3) Nothing in this section shall be construed to require or authorize the adoption of rules under chapter 34.05 RCW.

**Sec. 3.** RCW 48.41.100 and 2011 c 315 s 5 and 2011 c 314 s 15 are each reenacted and amended to read as follows:

(1)(a) The following persons who are residents of this state are eligible for pool coverage:

~~(i) ((Any person who provides evidence of a carrier's decision not to accept him or her for enrollment in an individual health benefit plan as defined in RCW 48.43.005 based upon, and within ninety days of the receipt of, the results of the standard health questionnaire designated by the board and administered by health carriers under RCW 48.43.018;~~

~~—(ii) Any person who continues to be eligible for pool coverage based upon the results of the standard health questionnaire designated by the board and administered by the pool administrator pursuant to subsection (3) of this section;~~

~~—(iii) Any person who resides in a county of the state where no carrier or insurer eligible under chapter 48.15 RCW offers to the public an individual health benefit plan other than a catastrophic health plan as defined in RCW 48.43.005 at the time of application to the pool, and who makes direct application to the pool.) Any resident of the state not eligible for medicare coverage or medicaid coverage, and residing in a county where an individual health plan other than a catastrophic health plan as defined in RCW 48.43.005 is not offered to the resident during defined open enrollment or special enrollment periods at the time of application to the pool, whether through the health benefit exchange operated pursuant to chapter 43.71 RCW or in the private insurance market, and who makes application to the pool for coverage prior to December 31, 2017;~~

~~(ii) Any resident of the state not eligible for medicare coverage, enrolled in the pool prior to December 31, 2013, shall remain eligible for pool coverage except as provided in subsections (2) and (3) of this section through December 31, 2017;~~

~~((iv)) (iii) Any person becoming eligible for medicare before August 1, 2009, who provides evidence of (A) a rejection for medical reasons, (B) a requirement of restrictive riders, (C) an up-rated premium, (D) a preexisting conditions limitation, or (E) lack of access to or for a comprehensive medicare supplemental insurance policy under chapter 48.66 RCW, the effect of any of which is to substantially reduce coverage from that received by a person considered a standard risk by at least one member within six months of the date of application; and~~

~~((v)) (iv)~~ Any person becoming eligible for medicare on or after August 1, 2009, who does not have access to a reasonable choice of comprehensive medicare part C plans, as defined in (b) of this subsection, and who provides evidence of (A) a rejection for medical reasons, (B) a requirement of restrictive riders, (C) an up-rated premium, (D) a preexisting conditions limitation, or (E) lack of access to or for a comprehensive medicare supplemental insurance policy under chapter 48.66 RCW, the effect of any of which is to substantially reduce coverage from that received by a person considered a standard risk by at least one member within six months of the date of application ~~((; and~~  
~~(vi) Any person under the age of nineteen who does not have access to individual plan open enrollment or special enrollment, as defined in RCW 48.43.005, or the federal preexisting condition insurance pool, at the time of application to the pool is eligible for the pool coverage).~~

(b) For purposes of (a)(i) of this subsection, by December 1, 2013, the board shall develop and implement a process to determine an applicant's eligibility based on the criteria specified in (a)(i) of this subsection.

~~(c)~~ For purposes of (a)~~((v))~~(iv) of this subsection (1), a person does not have access to a reasonable choice of plans unless the person has a choice of health maintenance organization or preferred provider organization medicare part C plans offered by at least three different carriers that have had provider networks in the person's county of residence for at least five years. The plan options must include coverage at least as comprehensive as a plan F medicare supplement plan combined with medicare parts A and B. The plan options must also provide access to adequate and stable provider networks that make up-to-date provider directories easily accessible on the carrier web site, and will provide them in hard copy, if requested. In addition, if no health maintenance organization or preferred provider organization plan includes the health care provider with whom the person has an established care relationship and from whom he or she has received treatment within the past twelve months, the person does not have reasonable access.

(2) The following persons are not eligible for coverage by the pool:

(a) Any person having terminated coverage in the pool unless (i) twelve months have lapsed since termination, or (ii) that person can show continuous other coverage which has been involuntarily terminated for any reason other than nonpayment of premiums. However, these exclusions do not apply to eligible individuals as defined in section 2741(b) of the federal health insurance portability and accountability act of 1996 (42 U.S.C. Sec. 300gg-41(b));

(b) Inmates of public institutions and those persons who become eligible for medical assistance after June 30, 2008, as defined in RCW 74.09.010. However, these exclusions do not apply to eligible individuals as defined in section 2741(b) of the federal health insurance portability and accountability act of 1996 (42 U.S.C. Sec. 300gg-41(b));

~~(c) Any person who resides in a county of the state where any carrier or insurer regulated under chapter 48.15 RCW offers to the public an individual health benefit plan other than a catastrophic health plan as defined in RCW 48.43.005 at the time of application to the pool and who does not qualify for pool coverage based upon the results of the standard health questionnaire, or pursuant to subsection (1)(a)(iv) of this section).~~

(3) When a carrier or insurer regulated under chapter 48.15 RCW begins to offer an individual health benefit plan in a county where no carrier had been offering an individual health benefit plan:

(a) If the health benefit plan offered is other than a catastrophic health plan as defined in RCW 48.43.005, any person enrolled in a pool plan pursuant to subsection (1)(a)~~((iii))~~ (i) of this section in that county shall no longer be eligible for coverage under that plan pursuant to subsection (1)(a)~~((iii))~~ (i) of this section ~~(, but may~~

~~continue to be eligible for pool coverage based upon the results of the standard health questionnaire designated by the board and administered by the pool administrator. The pool administrator shall offer to administer the questionnaire to each person no longer eligible for coverage under subsection (1)(a)(iii) of this section within thirty days of determining that he or she is no longer eligible;~~  
~~(b) Losing eligibility for pool coverage under this subsection (3) does not affect a person's eligibility for pool coverage under subsection (1)(a)(i), (ii), or (iv) of this section); and~~

~~((e))~~ (b) The pool administrator shall provide written notice to any person who is no longer eligible for coverage under a pool plan under this subsection (3) within thirty days of the administrator's determination that the person is no longer eligible. The notice shall: (i) Indicate that coverage under the plan will cease ninety days from the date that the notice is dated; (ii) describe any other coverage options, either in or outside of the pool, available to the person; and (iii) describe the ~~((procedures for the administration of the standard health questionnaire to determine the person's continued eligibility for coverage under subsection (1)(a)(ii) of this section; and (iv) describe the))~~ enrollment process for the available options outside of the pool.

~~((4) The board shall ensure that an independent analysis of the eligibility standards for the pool coverage is conducted, including examining the eight percent eligibility threshold, eligibility for medicare enrollees and other publicly sponsored enrollees, and the impacts on the pool and the state budget. The board shall report the findings to the legislature by December 1, 2007.)~~

**Sec. 4.** RCW 48.41.160 and 2007 c 259 s 27 are each amended to read as follows:

(1) On or before December 31, 2007, the pool shall cancel all existing pool policies and replace them with policies that are identical to the existing policies except for the inclusion of a provision providing for a guarantee of the continuity of coverage consistent with this section. As a means to minimize the number of policy changes for enrollees, replacement policies provided under this subsection also may include the plan modifications authorized in RCW 48.41.100, 48.41.110, and 48.41.120.

(2) A pool policy shall contain a guarantee of the individual's right to continued coverage, subject to the provisions of subsections (4) ~~((and)), (5), (7), and (8)~~ of this section.

(3) The guarantee of continuity of coverage required by this section shall not prevent the pool from canceling or nonrenewing a policy for:

(a) Nonpayment of premium;  
 (b) Violation of published policies of the pool;  
 (c) Failure of a covered person who becomes eligible for medicare benefits by reason of age to apply for a pool medical supplement plan, or a medicare supplement plan or other similar plan offered by a carrier pursuant to federal laws and regulations;  
 (d) Failure of a covered person to pay any deductible or copayment amount owed to the pool and not the provider of health care services;

(e) Covered persons committing fraudulent acts as to the pool;  
 (f) Covered persons materially breaching the pool policy; or  
 (g) Changes adopted to federal or state laws when such changes no longer permit the continued offering of such coverage.

(4)(a) The guarantee of continuity of coverage provided by this section requires that if the pool replaces a plan, it must make the replacement plan available to all individuals in the plan being replaced. The replacement plan must include all of the services covered under the replaced plan, and must not significantly limit access to the kind of services covered under the replacement plan through unreasonable cost-sharing requirements or otherwise. The pool may also allow individuals who are covered by a plan that is being replaced an unrestricted right to transfer to a fully comparable plan.



(b) The guarantee of continuity of coverage provided by this section requires that if the pool discontinues offering a plan: (i) The pool must provide notice to each individual of the discontinuation at least ninety days prior to the date of the discontinuation; (ii) the pool must offer to each individual provided coverage under the discontinued plan the option to enroll in any other plan currently offered by the pool for which the individual is otherwise eligible; and (iii) in exercising the option to discontinue a plan and in offering the option of coverage under (b)(ii) of this subsection, the pool must act uniformly without regard to any health status-related factor of enrolled individuals or individuals who may become eligible for this coverage.

(c) The pool cannot replace or discontinue a plan under this subsection (4) until it has completed an evaluation of the impact of replacing the plan upon:

- (i) The cost and quality of care to pool enrollees;
- (ii) Pool financing and enrollment;
- (iii) The board's ability to offer comprehensive and other plans to its enrollees;
- (iv) Other items identified by the board.

In its evaluation, the board must request input from the constituents represented by the board members.

(d) The guarantee of continuity of coverage provided by this section does not apply if the pool has zero enrollment in a plan.

(5) The pool may not change the rates for pool policies except on a class basis, with a clear disclosure in the policy of the pool's right to do so.

(6) A pool policy offered under this chapter shall provide that, upon the death of the individual in whose name the policy is issued, every other individual then covered under the policy may elect, within a period specified in the policy, to continue coverage under the same or a different policy.

(7) All pool policies issued on or after January 1, 2014, must reflect the new eligibility requirements of RCW 48.41.100 and contain a statement of the intent to discontinue the pool coverage on December 31, 2017, under pool nonmedicare plans.

(8) Pool policies issued prior to January 1, 2014, shall be modified effective January 1, 2013, consistent with subsection (3)(g) of this section, and contain a statement of the intent to discontinue pool coverage on December 31, 2017, under pool nonmedicare plans.

(9) The pool shall discontinue all nonmedicare pool plans effective December 31, 2017.

**Sec. 5.** RCW 48.41.240 and 2012 c 87 s 17 are each amended to read as follows:

(1) The board shall review populations that may need ongoing access to coverage through the pool, with specific attention to those persons who may be excluded from or may receive inadequate coverage beginning January 1, 2014, such as persons with end-stage renal disease or HIV/AIDS, or persons not eligible for coverage in the exchange.

(2) If the review under subsection (1) of this section indicates a continued need for coverage through the pool after December 31, 2013, the board shall submit recommendations regarding any modifications to pool eligibility requirements for new and ongoing enrollment after December 31, 2013. The recommendations must address any needed modifications to the standard health questionnaire or other eligibility screening tool that could be used in a manner consistent with federal law to determine eligibility for enrollment in the pool.

(3) The board shall complete an analysis of current pool assessment requirements in relation to assessments that will fund the reinsurance program and recommend changes to pool assessments or any credits against assessments that may be considered for the reinsurance program. The analysis shall recommend whether the categories of members paying assessments should be adjusted to make the assessment fair and equitable among all payers.

(4) The board shall report its recommendations to the governor and the legislature by December 1, 2012.

(5) The board shall revisit the study of eligibility completed in 2012 with another review of the populations that may need ongoing access to coverage through the pool, to be submitted to the governor and legislature by November 1, 2015. The eligibility study shall include the nonmedicare populations scheduled to lose coverage and medicare populations, and consider whether the enrollees have access to comprehensive coverage alternatives that include appropriate pharmacy coverage. The study shall include recommendations to address any barriers in eligibility that remain in accessing other coverage such as medicare supplemental coverage or comprehensive pharmacy coverage, as well as suggestions for financing changes and recommendations on a future expiration of the pool.

NEW SECTION. Sec. 6. Sections 2 and 3 of this act take effect January 1, 2014."

Correct the title.

Signed by Representatives Cody, Chair; Jenkins, Vice Chair; Schmick, Ranking Minority Member; Angel; Clibborn; Green; Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross; Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

March 27, 2013

SB 5472 Prime Sponsor, Senator Bailey: Authorizing applied doctorate level degrees in audiology at Western Washington University. Reported by Committee on Appropriations Subcommittee on Education

MAJORITY recommendation: Do pass as amended by Committee on Higher Education. Signed by Representatives Haigh, Chair; Fagan, Ranking Minority Member; Dahlquist; Haler; Maxwell; Pettigrew; Seaquist and Sullivan.

Passed to Committee on Rules for second reading.

March 27, 2013

ESSB 5480 Prime Sponsor, Committee on Human Services & Corrections: Accelerating changes to mental health involuntary commitment laws. (REVISED FOR ENGROSSED: Concerning mental health involuntary commitment laws.) Reported by Committee on Judiciary

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** 2011 2nd sp.s. c 6 s 1 (uncodified) is amended to read as follows:

Sections 2 and 3 of this act take effect July 1, ~~((2015))~~ 2014.

**Sec. 2.** 2011 2nd sp.s. c 6 s 3 (uncodified) is amended to read as follows:

Section 2 of this act expires July 1, ~~((2015))~~ 2014."

Correct the title.

Signed by Representatives Pedersen, Chair; Hansen, Vice Chair; Rodne, Ranking Minority Member; O'Ban, Assistant Ranking Minority Member; Goodman; Hope; Jenkins; Kirby; Klippert; Nealey; Orwall; Roberts and Shea.

Referred to Committee on Appropriations.

March 26, 2013

SSB 5524 Prime Sponsor, Committee on Health Care: Authorizing Washington pharmacies to fill prescriptions written by physician assistants in other states. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Angel; Clibborn; Green; Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross; Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

March 26, 2013

2SSB 5540 Prime Sponsor, Committee on Ways & Means: Expanding opportunities to purchase health care coverage from out-of-state carriers. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

**NEW SECTION. Sec. 1.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise:

(1) "Qualifying reciprocal insurer" means a foreign insurer that:

(a) Meets the definition of "issuer" pursuant to P.L. 111-148 of 2010, as amended;

(b) Is authorized in a state that is a member of the consortium authorized in section 4 of this act;

(c) Proposes to sell in Washington only a qualifying reciprocal plan;

(d) Has and maintains total adjusted capital that is greater than three times its authorized control level risk-based capital; and

(e) To the extent required by the reciprocity agreement between the primary state of issue and the commissioner, complies with state laws applicable to issuers in the state of Washington.

(2) "Qualifying reciprocal plan" means a plan that:

(a) Contains an essential health benefits package that is substantially equal to the essential health benefit benchmark plan designated pursuant to RCW 48.43.715 and provides minimum essential coverage as required by P.L. 111-148 of 2010, as amended;

(b) Has been approved by a state regulator for a state with which the commissioner has a reciprocity agreement;

(c) Is not a health savings account or qualified high deductible health plan; and

(d) Complies with the market rules established in RCW 48.43.700 and 48.43.705.

**NEW SECTION. Sec. 2.** (1) Each qualifying reciprocal plan issued or renewed must contain the following declaration in bold face type at the beginning of the document:

"The benefits in this policy may not include each of the benefits required by the state of Washington. (Name of state) initially approved this policy for sale, and the benefit requirements of that state are reflected in the policy. The rates applied to calculate premium were not approved by the state of Washington, but by (Name of state). Those requirements may be different from the requirements for policies approved by Washington. Please consult your insurance agent or insurer to determine which health benefits are covered under the policy."

(2) Each qualifying reciprocal insurer offering a qualifying reciprocal plan must provide applicants with a written side by side comparison of health benefits under the plan, including differences in definition of each benefit between Washington law and the law of the

approving state, whether the benefit is required under Washington law, and the difference in the premium rate due to the difference in state laws. Where a producer is offering the plan to an applicant, the producer must provide the written comparison.

(3) A qualifying reciprocal insurer offering qualifying reciprocal plans must offer the plan through producers licensed under chapter 48.17 RCW. Electronic marketing and sales of out-of-state policies are permitted under this section.

**NEW SECTION. Sec. 3.** (1) A qualifying reciprocal plan must use a premium rate schedule approved by its state of issue for the plan, and apply the standards for calculating the premium required by the United States department of health and human services for out-of-state coverage.

(2) The premium rate schedule for a qualifying reciprocal plan may not be adjusted more frequently than once a year.

(3) A qualifying reciprocal plan may only be offered in the small group market in Washington.

(4) A qualifying reciprocal plan is not required to include health benefit mandates required under this title that are not included in the qualifying reciprocal plan.

(5) A qualifying reciprocal plan must be filed with the commissioner for approval prior to use pursuant to RCW 48.18.100. The commissioner shall approve the plan for use in Washington state if the plan meets the requirements of this chapter and shall disapprove it if it does not. When determining whether the qualifying reciprocal plan contains an essential health benefits package that is substantially equal to the essential health benefit benchmark plan designated pursuant to RCW 48.43.715, the commissioner shall utilize the same standards and procedures applicable to carriers licensed in Washington. The commissioner may not rely upon the determination of a member consortium state as to whether the qualifying reciprocal plan contains an essential health benefits package substantially equal to the essential health benefit benchmark plan designated pursuant to RCW 48.43.715.

(6) Except as provided in this section, RCW 48.18.110 may not be grounds for disapproval of a qualifying reciprocal plan.

(7) To the extent consistent with federal law, and except as provided in this chapter, the requirements of chapter 48.43 RCW do not apply to a qualifying reciprocal plan.

**NEW SECTION. Sec. 4.** (1) Beginning July 1, 2015, the commissioner is authorized to contract with other states to establish and operate a consortium formed through written agreement governing the sale to small groups of a qualifying reciprocal plan, by qualifying reciprocal insurers admitted in one of the states in the consortium. A reciprocity agreement must be executed between the commissioner and the appropriate entity in a participating state prior to the offer and issue of a qualifying reciprocal plan under this chapter. The consortium is not intended to operate as a compact.

(2) The commissioner may not enter into a reciprocity agreement until the commissioner has identified a minimum of five states whose regulatory requirements for the offer and issue of health benefit plans meets or exceeds those of Washington in the areas of network adequacy, consumer protection, marketing requirements, and claims adjudication and processing. The consortium may commence with a reciprocity agreement with just one of the states.

(3) A state may not join the consortium if it has admitted two or more issuers domiciled in Washington that offer health benefit plans, unless five or more other states have joined the consortium.

(4) The commissioner may enter into separate reciprocity agreements, or one uniform agreement. Each reciprocity agreement must establish rules for the management of consumer questions and complaints related to health benefit plans approved by one member state but sold in another. The commissioner may adopt rules to implement consortium rules as necessary to comply with the consortium agreement.

(5) Consortium member states must agree to provide the commissioner with a list of approved qualifying reciprocal plans that meet the standards under this chapter, and their premium rate schedules as they are approved. If a qualifying reciprocity plan is disapproved or otherwise removed from the market pursuant to regulatory action or order, the primary state of issue must notify the commissioner of this action.

(6) The reciprocity agreement must establish a mechanism for payment of premium tax pursuant to chapter 48.14 RCW, payment of regulatory surcharge pursuant to RCW 48.02.190, and collection of any reinsurance or risk adjustment assessments that would otherwise be applicable but for the domicile of the selling insurer.

(7) Qualifying reciprocal insurers must inform each consortium state in writing of the intent to offer a qualifying reciprocal policy in a state not less than sixty days prior to the first date of offer. Reciprocity consortium member states may establish additional requirements for notification and offer applicable to that state.

(8) The commissioner may enter into one or more personal services contracts with third-party contractors to provide services necessary to accomplish the commissioner's responsibilities under this act.

**NEW SECTION. Sec. 5.** A qualifying reciprocal plan may be certified as a qualified health plan through the exchange only if it, and its qualifying reciprocal insurer, meet the requirements of the exchange for certification as a qualified health plan, and if the plan follows the market rules established in RCW 48.43.700.

**NEW SECTION. Sec. 6.** (1) By January 1, 2015, the commissioner must report to the legislature which states have been identified under section 4(2) of this act, and include a plan for seeking a reciprocity agreement with at least one state.

(2) The commissioner must report to the legislature by December 1, 2016, and December 1st of each year following, the status of the reciprocity consortium's formation, membership, the number of qualifying reciprocal plans offered in Washington through the consortium, the effect on the marketplace in Washington, including the health benefits exchange, and must recommend whether continuing reciprocity sales serves the public health and welfare.

**Sec. 7.** RCW 48.05.070 and 1947 c 79 s .05.07 are each amended to read as follows:

To apply for an original certificate of authority an insurer shall:

(1) File with the commissioner its request therefor showing:

(a) Its name, home office location, type of insurer, organization date, and state or country of its domicile.

(b) The kinds of insurance it proposes to transact.

(c) Additional information as the commissioner may reasonably require.

(2) File with the commissioner:

(a) A copy of its charter as amended, certified, if a foreign or alien insurer, by the proper public officer of the state or country of domicile.

(b) A copy of its bylaws, certified by its proper officer.

(c) A statement of its financial condition, management, and affairs on a form satisfactory to or furnished by the commissioner.

(d) If a foreign or alien insurer, or a domestic reciprocal insurer, an appointment of the commissioner as its attorney to receive service of legal process.

(e) If an alien insurer, a copy of the appointment and authority of its United States manager, certified by its proper officer.

(f) If a foreign or alien insurer, a certificate from the proper public official of its state or country of domicile showing that it is duly organized and is authorized to transact the kinds of insurance proposed to be transacted.

(g) If a domestic reciprocal insurer, the declaration required by RCW 48.10.090 of this code.

(h) Other documents or stipulations as the commissioner may reasonably require to evidence compliance with the provisions of this code.

(3) A qualifying reciprocal insurer, as defined in section 1 of this act, is not required to comply with subsection (2)(a), (b), (c), (e), or (g) of this section.

(4) Deposit with the commissioner the fees required by this code to be paid for filing the accompanying documents, and for the certificate of authority, if granted.

**Sec. 8.** RCW 48.21.047 and 2010 c 292 s 8 are each amended to read as follows:

(1) An insurer may not offer any health benefit plan to any small employer without complying with RCW 48.21.045(3).

(2) Employers purchasing health plans provided through associations or through member-governed groups formed specifically for the purpose of purchasing health care are not small employers and the plans are not subject to RCW 48.21.045(3).

(3) A qualifying reciprocal plan as defined in section 1 of this act, is not subject to RCW 48.21.045.

(4) For purposes of this section, "health benefit plan," "health plan," and "small employer" mean the same as defined in RCW 48.43.005.

~~((4))~~ (5) For purposes of this section, "census date" has the same meaning as defined in RCW 48.44.010.

**NEW SECTION. Sec. 9.** Sections 1 through 6 of this act constitute a new chapter in Title 48 RCW.

**NEW SECTION. Sec. 10.** If specific funding for the purposes of section 6 of this act, referencing section 6 of this act by bill or chapter number and section number, is not provided by June 30, 2013, in the omnibus appropriations act, section 6 of this act is null and void."

Correct the title.

Signed by Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Angel; Clibborn; Green; Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross; Short; Tharinger and Van De Wege.

Referred to Committee on Appropriations Subcommittee on General Government.

March 26, 2013

ESSB 5681 Prime Sponsor, Committee on Human Services & Corrections: Facilitating treatment for persons with co-occurring disorders by requiring development of an integrated rule. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Angel; Clibborn; Green; Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross; Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

March 26, 2013

2SSB 5732 Prime Sponsor, Committee on Ways & Means: Concerning the adult behavioral health system in Washington state. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** A new section is added to chapter 43.20A RCW to read as follows:

(1) The systems responsible for financing, administration, and delivery of publicly funded mental health and chemical dependency services to adults must be designed and administered to achieve improved outcomes for adult clients served by those systems through increased use and development of evidence-based, research-based, and promising practices, as defined in RCW 71.24.025. For purposes of this section, client outcomes include: Improved health status; increased participation in employment and education; reduced involvement with the criminal justice system; enhanced safety and access to treatment for forensic patients; reduction in avoidable utilization of and costs associated with hospital, emergency room, and crisis services; increased housing stability; improved quality of life, including measures of recovery and resilience; and decreased population level disparities in access to treatment and treatment outcomes.

(2) To implement a strategy for the improvement of the adult behavioral health system:

(a) The department must establish a steering committee that includes at least the following members: Behavioral health service recipients and their families; local government; representatives of regional support networks; representatives of county coordinators; law enforcement; city and county jails; tribal representatives; behavioral health service providers, including at least one chemical dependency provider and at least one psychiatric advanced registered nurse practitioner; housing providers; medicaid managed care plan representatives; long-term care service providers; organizations representing health care professionals providing services in mental health settings; the Washington state hospital association; the Washington state medical association; individuals with expertise in evidence-based and research-based behavioral health service practices; and the health care authority.

(b) The adult behavioral health system improvement strategy must include:

(i) An assessment of the capacity of the current publicly funded behavioral health services system to provide evidence-based, research-based, and promising practices;

(ii) Identification, development, and increased use of evidence-based, research-based, and promising practices;

(iii) Design and implementation of a transparent quality management system, including analysis of current system capacity to implement outcomes reporting and development of baseline and improvement targets for each outcome measure provided in this section;

(iv) Identification of behavioral health services delivery and financing mechanisms that will best promote improvement of the behavioral health system described in this section; and

(v) Identification of effective methods for promoting workforce capacity, efficiency, and safety.

(c) The department must seek private foundation and federal grant funding to support the adult behavioral health system improvement strategy.

(d) By May 15, 2014, the Washington state institute for public policy, in consultation with the department, the University of Washington evidence-based practice institute, the University of Washington alcohol and drug abuse institute, and the Washington institute for mental health research and training, shall prepare an inventory of evidence-based, research-based, and promising practices for prevention and intervention services pursuant to subsection (1) of this section. The department shall use the inventory in preparing the behavioral health improvement strategy. The department shall provide the institute with data necessary to complete the inventory.

(e) By August 1, 2014, the department must report to the governor and the relevant fiscal and policy committees of the legislature on the status of implementation of the behavioral health

improvement strategy, including strategies developed or implemented to date, timelines, and costs to accomplish phased implementation of the adult behavioral health system improvement strategy.

(3) The department must contract for the services of an independent consultant to review the provision of forensic mental health services in Washington state and provide recommendations as to whether and how the state's forensic mental health system should be modified to provide an appropriate treatment environment for individuals with mental disorders who have been charged with a crime while enhancing the safety and security of the public and other patients and staff at forensic treatment facilities. By August 1, 2014, the department must submit a report regarding the recommendations of the independent consultant to the governor and the relevant fiscal and policy committees of the legislature.

**"NEW SECTION. Sec. 2.** A new section is added to chapter 70.97 RCW to read as follows:

To the extent that funds are specifically appropriated for this purpose, the department must issue a request for a proposal for enhanced services facility services by June 1, 2014, and complete the procurement process by January 1, 2015.

**"NEW SECTION. Sec. 3.** A new section is added to chapter 71.05 RCW to read as follows:

When a person has been involuntarily committed for treatment to a hospital for a period of ninety or one hundred eighty days, and the superintendent or professional person in charge of the hospital determines that the person no longer requires active psychiatric treatment at an inpatient level of care, the regional support network responsible for resource management services for the person must work with the hospital to develop an individualized discharge plan and arrange for a transition to the community in accordance with the person's individualized discharge plan within twenty-one days of the determination.

**Sec. 4.** RCW 71.24.025 and 2012 c 10 s 59 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Acutely mentally ill" means a condition which is limited to a short-term severe crisis episode of:

(a) A mental disorder as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020;

(b) Being gravely disabled as defined in RCW 71.05.020 or, in the case of a child, a gravely disabled minor as defined in RCW 71.34.020; or

(c) Presenting a likelihood of serious harm as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020.

(2) "Available resources" means funds appropriated for the purpose of providing community mental health programs, federal funds, except those provided according to Title XIX of the Social Security Act, and state funds appropriated under this chapter or chapter 71.05 RCW by the legislature during any biennium for the purpose of providing residential services, resource management services, community support services, and other mental health services. This does not include funds appropriated for the purpose of operating and administering the state psychiatric hospitals.

(3) "Child" means a person under the age of eighteen years.

(4) "Chronically mentally ill adult" or "adult who is chronically mentally ill" means an adult who has a mental disorder and meets at least one of the following criteria:

(a) Has undergone two or more episodes of hospital care for a mental disorder within the preceding two years; or

(b) Has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding year; or

(c) Has been unable to engage in any substantial gainful activity by reason of any mental disorder which has lasted for a continuous period of not less than twelve months. "Substantial gainful activity"

shall be defined by the department by rule consistent with Public Law 92-603, as amended.

(5) "Clubhouse" means a community-based program that provides rehabilitation services and is certified by the department of social and health services.

(6) "Community mental health program" means all mental health services, activities, or programs using available resources.

(7) "Community mental health service delivery system" means public or private agencies that provide services specifically to persons with mental disorders as defined under RCW 71.05.020 and receive funding from public sources.

(8) "Community support services" means services authorized, planned, and coordinated through resource management services including, at a minimum, assessment, diagnosis, emergency crisis intervention available twenty-four hours, seven days a week, prescreening determinations for persons who are mentally ill being considered for placement in nursing homes as required by federal law, screening for patients being considered for admission to residential services, diagnosis and treatment for children who are acutely mentally ill or severely emotionally disturbed discovered under screening through the federal Title XIX early and periodic screening, diagnosis, and treatment program, investigation, legal, and other nonresidential services under chapter 71.05 RCW, case management services, psychiatric treatment including medication supervision, counseling, psychotherapy, assuring transfer of relevant patient information between service providers, recovery services, and other services determined by regional support networks.

(9) "Consensus-based" means a program or practice that has general support among treatment providers and experts, based on experience or professional literature, and may have anecdotal or case study support, or that is agreed but not possible to perform studies with random assignment and controlled groups.

(10) "County authority" means the board of county commissioners, county council, or county executive having authority to establish a community mental health program, or two or more of the county authorities specified in this subsection which have entered into an agreement to provide a community mental health program.

(11) "Department" means the department of social and health services.

(12) "Designated mental health professional" means a mental health professional designated by the county or other authority authorized in rule to perform the duties specified in this chapter.

(13) "Emerging best practice" or "promising practice" means a ~~((practice that presents, based on preliminary information, potential for becoming a research-based or consensus-based practice))~~ program or practice that, based on statistical analyses or a well established theory of change, shows potential for meeting the evidence-based or research-based criteria, which may include the use of a program that is evidence-based for outcomes other than those listed in subsection (14) of this section.

(14) "Evidence-based" means a program or practice that has ~~((had multiple site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective for the population))~~ been tested in heterogeneous or intended populations with multiple randomized, or statistically controlled evaluations, or both; or one large multiple site randomized, or statistically controlled evaluation, or both, where the weight of the evidence from a systemic review demonstrates sustained improvements in at least one outcome. "Evidence-based" also means a program or practice that can be implemented with a set of procedures to allow successful replication in Washington and, when possible, is determined to be cost-beneficial.

(15) "Licensed service provider" means an entity licensed according to this chapter or chapter 71.05 RCW or an entity deemed to meet state minimum standards as a result of accreditation by a recognized behavioral health accrediting body recognized and having

a current agreement with the department, that meets state minimum standards or persons licensed under chapter 18.57, 18.71, 18.83, or 18.79 RCW, as it applies to registered nurses and advanced registered nurse practitioners.

(16) "Long-term inpatient care" means inpatient services for persons committed for, or voluntarily receiving intensive treatment for, periods of ninety days or greater under chapter 71.05 RCW. "Long-term inpatient care" as used in this chapter does not include: (a) Services for individuals committed under chapter 71.05 RCW who are receiving services pursuant to a conditional release or a court-ordered less restrictive alternative to detention; or (b) services for individuals voluntarily receiving less restrictive alternative treatment on the grounds of the state hospital.

(17) "Mental health services" means all services provided by regional support networks and other services provided by the state for persons who are mentally ill.

(18) "Mentally ill persons," "persons who are mentally ill," and "the mentally ill" mean persons and conditions defined in subsections (1), (4), (27), and (28) of this section.

(19) "Recovery" means the process in which people are able to live, work, learn, and participate fully in their communities.

(20) "Regional support network" means a county authority or group of county authorities or other entity recognized by the secretary in contract in a defined region.

(21) "Registration records" include all the records of the department, regional support networks, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify persons who are receiving or who at any time have received services for mental illness.

(22) "Research-based" means a program or practice that has ~~((some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices))~~ been tested with a single randomized, or statistically controlled evaluation, or both, demonstrating sustained desirable outcomes; or where the weight of the evidence from a systemic review supports sustained outcomes as described in subsection (14) of this section but does not meet the full criteria for evidence-based.

(23) "Residential services" means a complete range of residences and supports authorized by resource management services and which may involve a facility, a distinct part thereof, or services which support community living, for persons who are acutely mentally ill, adults who are chronically mentally ill, children who are severely emotionally disturbed, or adults who are seriously disturbed and determined by the regional support network to be at risk of becoming acutely or chronically mentally ill. The services shall include at least evaluation and treatment services as defined in chapter 71.05 RCW, acute crisis respite care, long-term adaptive and rehabilitative care, and supervised and supported living services, and shall also include any residential services developed to service persons who are mentally ill in nursing homes, assisted living facilities, and adult family homes, and may include outpatient services provided as an element in a package of services in a supported housing model. Residential services for children in out-of-home placements related to their mental disorder shall not include the costs of food and shelter, except for children's long-term residential facilities existing prior to January 1, 1991.

(24) "Resilience" means the personal and community qualities that enable individuals to rebound from adversity, trauma, tragedy, threats, or other stresses, and to live productive lives.

(25) "Resource management services" mean the planning, coordination, and authorization of residential services and community support services administered pursuant to an individual service plan for: (a) Adults and children who are acutely mentally ill; (b) adults who are chronically mentally ill; (c) children who are severely emotionally disturbed; or (d) adults who are seriously disturbed and determined solely by a regional support network to be at risk of

becoming acutely or chronically mentally ill. Such planning, coordination, and authorization shall include mental health screening for children eligible under the federal Title XIX early and periodic screening, diagnosis, and treatment program. Resource management services include seven day a week, twenty-four hour a day availability of information regarding enrollment of adults and children who are mentally ill in services and their individual service plan to designated mental health professionals, evaluation and treatment facilities, and others as determined by the regional support network.

(26) "Secretary" means the secretary of social and health services.

(27) "Seriously disturbed person" means a person who:

(a) Is gravely disabled or presents a likelihood of serious harm to himself or herself or others, or to the property of others, as a result of a mental disorder as defined in chapter 71.05 RCW;

(b) Has been on conditional release status, or under a less restrictive alternative order, at some time during the preceding two years from an evaluation and treatment facility or a state mental health hospital;

(c) Has a mental disorder which causes major impairment in several areas of daily living;

(d) Exhibits suicidal preoccupation or attempts; or

(e) Is a child diagnosed by a mental health professional, as defined in chapter 71.34 RCW, as experiencing a mental disorder which is clearly interfering with the child's functioning in family or school or with peers or is clearly interfering with the child's personality development and learning.

(28) "Severely emotionally disturbed child" or "child who is severely emotionally disturbed" means a child who has been determined by the regional support network to be experiencing a mental disorder as defined in chapter 71.34 RCW, including those mental disorders that result in a behavioral or conduct disorder, that is clearly interfering with the child's functioning in family or school or with peers and who meets at least one of the following criteria:

(a) Has undergone inpatient treatment or placement outside of the home related to a mental disorder within the last two years;

(b) Has undergone involuntary treatment under chapter 71.34 RCW within the last two years;

(c) Is currently served by at least one of the following child-serving systems: Juvenile justice, child-protection/welfare, special education, or developmental disabilities;

(d) Is at risk of escalating maladjustment due to:

(i) Chronic family dysfunction involving a caretaker who is mentally ill or inadequate;

(ii) Changes in custodial adult;

(iii) Going to, residing in, or returning from any placement outside of the home, for example, psychiatric hospital, short-term inpatient, residential treatment, group or foster home, or a correctional facility;

(iv) Subject to repeated physical abuse or neglect;

(v) Drug or alcohol abuse; or

(vi) Homelessness.

(29) "State minimum standards" means minimum requirements established by rules adopted by the secretary and necessary to implement this chapter for: (a) Delivery of mental health services; (b) licensed service providers for the provision of mental health services; (c) residential services; and (d) community support services and resource management services.

(30) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by regional support networks and their staffs, and by treatment facilities. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, regional support networks, or a treatment facility if the notes or records are not available to others.

(31) "Tribal authority," for the purposes of this section and RCW 71.24.300 only, means: The federally recognized Indian tribes and the major Indian organizations recognized by the secretary insofar as these organizations do not have a financial relationship with any regional support network that would present a conflict of interest.

**Sec. 5.** RCW 18.19.210 and 2008 c 135 s 9 are each amended to read as follows:

(1)(a) An applicant for registration as an agency affiliated counselor who applies to the department within seven days of employment by an agency may work as an agency affiliated counselor for up to sixty days while the application is processed. The applicant must stop working on the sixtieth day of employment if the registration has not been granted for any reason.

(b) The applicant may not provide unsupervised counseling prior to completion of a criminal background check performed by either the employer or the secretary. For purposes of this subsection, "unsupervised" means the supervisor is not physically present at the location where the counseling occurs.

(2) Agency affiliated counselors shall notify the department if they are either no longer employed by the agency identified on their application or are now employed with another agency, or both. Agency affiliated counselors may not engage in the practice of counseling unless they are currently affiliated with an agency.

**NEW SECTION. Sec. 6.** A new section is added to chapter 43.20A RCW to read as follows:

(1) By November 30, 2013, the department and the health care authority must report to the governor and the relevant fiscal and policy committees of the legislature, consistent with RCW 43.01.036, a plan that establishes a tribal-centric behavioral health system incorporating both mental health and chemical dependency services. The plan must assure that child, adult, and older adult American Indians and Alaskan Natives eligible for medicaid have increased access to culturally appropriate mental health and chemical dependency services. The plan must:

(a) Include implementation dates, major milestones, and fiscal estimates as needed;

(b) Emphasize the use of culturally appropriate evidence-based and promising practices;

(c) Address equitable access to crisis services, outpatient care, voluntary and involuntary hospitalization, and behavioral health care coordination;

(d) Identify statutory changes necessary to implement the tribal-centric behavioral health system; and

(e) Be developed with the department's Indian policy advisory committee and the American Indian health commission, in consultation with Washington's federally recognized tribes.

(2) The department shall enter into agreements with the tribes and urban Indian health programs and modify regional support network contracts as necessary to develop a tribal-centric behavioral health system that better serves the needs of the tribes.

**NEW SECTION. Sec. 7.** Section 3 of this act takes effect July 1, 2018."

Correct the title.

Signed by Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Angel; Clibborn; Green; Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross; Short; Tharinger and Van De Wege.

Referred to Committee on Appropriations.

March 26, 2013

**SB 5824**

Prime Sponsor, Senator Honeyford: Regarding the financing of irrigation district improvements. Reported by Committee on Local Government

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** A new section is added to chapter 87.03 RCW to read as follows:

Any local improvement district bonds, and interest thereon, issued against a bond redemption fund of a local improvement district pursuant to RCW 87.03.485 shall be a valid claim of the owner thereof only as against the local improvement guarantee fund, the local improvement district redemption fund, and the assessments or revenues pledged to such fund or funds and do not constitute a general indebtedness against the issuing irrigation district unless the board of directors by resolution expressly provides for a pledge of general indebtedness. Except where the board provides for a pledge of general indebtedness, each such bond must state upon its face that it is payable from the local improvement district redemption fund and the local improvement guarantee fund only.

**Sec. 2.** RCW 84.34.310 and 1999 c 153 s 71 are each amended to read as follows:

As used in RCW 84.34.300 through 84.34.380, unless a different meaning is required, the words defined in this section shall have the meanings indicated.

(1) "Farm and agricultural land" shall mean the same as defined in RCW 84.34.020(2).

(2) "Timber land" shall mean the same as defined in RCW 84.34.020(3).

(3) "Local government" shall mean any city, town, county, water-sewer district, public utility district, port district, ~~(irrigation district,)~~ flood control district, or any other municipal corporation, quasi-municipal corporation, or other political subdivision authorized to levy special benefit assessments for sanitary and/or storm sewerage systems, domestic water supply and/or distribution systems, or road construction or improvement purposes. "Local government" does not include an irrigation district with respect to any local improvement district created or local improvement assessment levied by that irrigation district.

(4) "Local improvement district" shall mean any local improvement district, utility local improvement district, local utility district, road improvement district, or any similar unit created by a local government for the purpose of levying special benefit assessments against property specially benefited by improvements relating to such districts.

(5) "Owner" shall mean the same as defined in RCW 84.34.020(5) or the applicable statutes relating to special benefit assessments.

(6) The term "average rate of inflation" shall mean the annual rate of inflation as determined by the department of revenue averaged over the period of time as provided in RCW 84.34.330 (1) and (2). Such determination shall be published not later than January 1 of each year for use in that assessment year.

(7) "Special benefit assessments" shall mean special assessments levied or capable of being levied in any local improvement district or otherwise levied or capable of being levied by a local government to pay for all or part of the costs of a local improvement and which may be levied only for the special benefits to be realized by property by reason of that local improvement.

**Sec. 3.** RCW 87.03.480 and 1959 c 75 s 9 are each amended to read as follows:

Any desired special construction, reconstruction, betterment or improvement or purchase or acquisition of improvements already constructed, for any authorized district service, including but not limited to the safeguarding of open canals or ditches for the protection of the public therefrom, which are for the special benefit of the lands tributary thereto and within an irrigation district may be constructed or acquired and provision made to meet the cost thereof as follows:

The holders of title or evidence of title to one-quarter of the acreage proposed to be assessed, may file with the district board their petition reciting the nature and general plan of the desired improvement and specifying the lands proposed to be specially assessed therefor. ~~((The petition shall be accompanied by a bond in the sum of one hundred dollars with surety to be approved by the board, conditioned that the petitioners will pay the cost of an investigation of the project and of the hearing thereon if it is not established. The board may at any time require a bond in an additional sum.))~~ A local improvement district may include adjoining, vicinal, or neighboring improvements even though the improvements and the properties benefited are not connected or continuous. Such improvements may be owned by the United States, the state of Washington, the irrigation district, or another local government. Upon approval of the board of an adjoining irrigation district, an irrigation district may form local improvement districts or utility local improvement districts that are composed entirely or in part of territory within that adjoining district. Upon the filing of the petition the board, with the assistance of a competent engineer, shall make an investigation of the feasibility, cost, and need of the proposed local improvement together with the ability of the lands to pay the cost, and if it appears feasible, they ~~((shall))~~ may elect to have plans and an estimate of the cost prepared. If a protest against the establishment of the proposed improvement signed by a majority of the holders of title in the proposed local district is presented at or before the hearing, or if the proposed improvement should be found not feasible, too expensive, or not in the best interest of the district, or the lands to be benefited insufficient security for the costs, they shall dismiss the petition ~~((at the expense of the petitioners)).~~

**Sec. 4.** RCW 87.03.485 and 1983 c 167 s 222 are each amended to read as follows:

In the event that the ~~((said))~~ board ~~((shall))~~ approves ((said)) the petition, the board shall fix a time and place for the hearing thereof and shall publish a notice once a week for two consecutive weeks preceding the date of such hearing and the last publication shall not be more than seven days before such date and shall mail such a notice on or before the second publication date by first-class mail, postage prepaid, to each owner or reputed owner of real property within the proposed local improvement district, as shown on the rolls of the county treasurer as of a date not more than twenty days immediately prior to the date such notice was mailed. Such notice must be published in a newspaper of general circulation in each county in which any portion of the land proposed to be included in such local improvement district lies. Such notice shall state that the lands within ~~((said))~~ the described boundaries are proposed to be organized as a local improvement district, stating generally the nature of the proposed improvement; that bonds for such local improvement district are proposed to be issued as the bonds of the irrigation district, or that a contract is proposed to be entered into between the district and the United States or the state of Washington, or both, that the lands within ~~((said))~~ the local improvement district are to be assessed for such improvement, that such bonds or contract will be ~~((a primary))~~ the obligation of such local improvement district ~~((and a general obligation of the irrigation district))~~ and stating a time and place of hearing thereon. At the time and place of hearing named in ~~((said))~~ the notice, all persons interested may appear before the board and show cause for or against the formation of the proposed improvement district and the issuance of bonds or the entering into of a contract as aforesaid. The board may designate a hearing officer to conduct the hearing, and the hearing officer shall report recommendations on the establishment of the local improvement district to the board for final action. Upon the hearing the board shall determine as to the establishment of the proposed local improvement district. Any landowner whose lands can be served or will be benefited by the proposed improvement, may make application to the board at the time of hearing to include such land and the board of

directors in such cases shall, at its discretion, include such lands within such district. The board of directors may exclude any land specified in ~~((said))~~ the notice from ~~((said))~~ the district provided, that in the judgment of the board, the inclusion thereof will not be practicable.

As an alternative plan and subject to all of the provisions of this chapter, the board of directors may initiate the organization of a local improvement district as herein provided. To so organize a local improvement district the board shall adopt and record in its minutes a resolution specifying the lands proposed to be included in such local improvement district or by describing the exterior boundaries of such proposed district or by both. ~~((Said))~~ The resolution shall state generally the plan, character and extent of the proposed improvements, that the land proposed to be included in such improvement district will be assessed for such improvements; and that local improvement district bonds of the irrigation district will be issued or a contract entered into as hereinabove in this section provided to meet the cost thereof and that such bonds or contract will be ~~((a primary))~~ the obligation of such local improvement district ~~((and a general obligation of the irrigation district))~~. ~~((Said))~~ The resolution shall fix a time and place of hearing thereon and shall state that unless a majority of the holders of title or of evidence of title to lands within the proposed local improvement district file their written protest at or before ~~((said))~~ the hearing, consent to the improvement will be implied.

A notice containing a copy of ~~((said))~~ the resolution must be published once a week for two consecutive weeks preceding the date of such hearing and the last publication shall not be more than seven days before such date, and shall be mailed on or before the second publication date by first-class mail, postage prepaid, to each owner or reputed owner of real property within the proposed local improvement district, as shown on the rolls of the county treasurer as of a date not more than twenty days immediately prior to the date such notice was mailed, and the hearing thereon shall not be held in less than twenty days from the adoption of such resolution. Such notice must be published in one newspaper, of general circulation, in each county in which any portion of the land proposed to be included in such local improvement district lies. ~~((Said))~~ The hearing shall be held and all subsequent proceedings conducted in accordance with the provisions of this act relating to the organization of local improvement districts initiated upon petition.

**Sec. 5.** RCW 87.03.490 and 2003 c 53 s 412 are each amended to read as follows:

(1) If decision shall be rendered in favor of the improvement, the board shall enter an order establishing the boundaries of the improvement district and shall adopt plans for the proposed improvement and determine the number of annual installments not exceeding fifty in which the cost of the improvement shall be paid. The cost of the improvement shall be provided for by the issuance of local improvement district bonds of the district from time to time, therefor, either directly for the payment of the labor and material or for the securing of funds for such purpose, or by the irrigation district entering into a contract with the United States or the state of Washington, or both, to repay the cost of the improvement. The bonds shall bear interest at a rate or rates determined by the board, payable semiannually, and shall state upon their face that they are issued as bonds of the irrigation district; that all lands within the local improvement district shall be ~~((primarily))~~ liable to assessment for the principal and interest of the local improvement district bonds ~~((and that the bonds are also a general obligation of the district))~~. The bonds may be in such denominations as the board of directors may in its discretion determine, except that bonds other than bond number one of any issue shall be in a denomination that is a multiple of one ~~((hundred))~~ thousand dollars ~~((and no bond shall be sold for less than par. Any contract entered into for the local improvement by the district with the United States or the state of Washington, or both~~

~~although all the lands within the local improvement district shall be primarily liable to assessment for the principal and interest thereon, shall be a general obligation of the irrigation district))~~. Such bonds may be in any form, including bearer bonds or registered bonds as provided in RCW 39.46.030.

(2) No election shall be necessary to authorize the issuance of such local improvement bonds or the entering into of such a contract. ~~((Such bonds, when issued, shall be signed by the president and secretary of the irrigation district with the seal of the district affixed. The printed, engraved, or lithographed facsimile signatures of the president and secretary of the district's board of directors shall be sufficient signatures on the bonds or any coupons: PROVIDED, That such facsimile signatures on the bonds may be used only after the filing, by the officer whose facsimile signature is to be used, with the secretary of state of his or her manual signature certified by him or her under oath, whereupon that officer's facsimile signature has the same legal effect as his or her manual signature: PROVIDED, FURTHER, That either the president of the board of directors' or the secretary's signature on the bonds shall be manually subscribed: AND PROVIDED FURTHER, That whenever such facsimile reproduction of the signature of any officer is used in place of the manual signature of such officer, the district's board of directors shall specify in a written order or requisition to the printer, engraver, or lithographer the number of bonds or any coupons upon which such facsimile signature is to be printed, engraved, or lithographed and the manner of numbering the bonds or any coupons upon which such signature shall be placed. Within ninety days after the completion of the printing, engraving, or lithographing of such bonds or any coupons, the plate or plates used for the purpose of affixing the facsimile signature shall be destroyed, and it shall be the duty of the district's board of directors, within ninety days after receipt of the completed bonds or any coupons, to ascertain that such plate or plates have been destroyed. Every printer, engraver, or lithographer who, with the intent to defraud, prints, engraves, or lithographs a facsimile signature upon any bond or coupon without written order of the district's board of directors, or fails to destroy such plate or plates containing the facsimile signature upon direction of such issuing authority, is guilty of a class B felony punishable according to chapter 9A.20 RCW.))~~

(3) The proceeds from the sale of such bonds shall be deposited with the treasurer of the district, who shall place them in a special fund designated "Construction fund of local improvement district number . . . . ."

(4) Whenever such improvement district has been organized, the ~~((boundaries thereof may be enlarged))~~ board may enlarge the boundaries of the improvement district to include other lands which can be served or will be benefited by the proposed improvement upon petition of the owners thereof and the consent of the United States or the state of Washington, or both, in the event the irrigation district has contracted with the United States or the state of Washington, or both, to repay the cost of the improvement: PROVIDED, That at such time the lands so included shall pay their equitable proportion upon the basis of benefits of the improvement theretofore made by the local improvement district and shall be liable for the indebtedness of the local improvement district in the same proportion and same manner and subject to assessment as if the lands had been incorporated in the improvement district at the beginning of its organization.

(5) Notwithstanding this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW.

**Sec. 6.** RCW 87.03.495 and 1988 c 127 s 45 are each amended to read as follows:

(1)(a) The cost of the improvement and of the operation and maintenance thereof, if any, shall be especially assessed against the lands within such local improvement district in proportion to the benefits accruing thereto, and shall be levied and collected in the



manner provided by law for the levy and collection of land assessments or toll assessments or both such form of assessments.

(b) The costs of the improvement must include, but not be limited to:

(i) The cost of all of the construction or improvement authorized for the district;

(ii) The estimated cost and expense of all engineering and surveying necessary for the improvement done under the supervision of the irrigation district engineer;

(iii) The estimated cost and expense of ascertaining the ownership of the lots or parcels of land included in the assessment district;

(iv) The estimated cost and expense of advertising, mailing, and publishing all necessary notices;

(v) The estimated cost and expense of accounting and clerical labor, and of books and blanks extended or used on the part of the irrigation district treasurer in connection with the improvement;

(vi) All cost of the acquisition of rights-of-way, property, easements, or other facilities or rights, including without limitation rights to use property, facilities, or other improvements appurtenant related to, or useful in connection with the local improvement, whether by eminent domain, purchase, gift, payment of connection charges, capacity charges, or other similar charges or in any other manner; and

(vii) The cost for legal, financial, and appraisal services and any other expenses incurred by the irrigation district for the district or in the formation thereof, or by irrigation district in connection with such construction or improvement and in the financing thereof, including the issuance of any bonds and the cost of providing for increases in the local improvement guaranty fund, or providing for a separate reserve fund or other security for the payment of principal of and interest on such bonds.

(c) Any of the costs set forth in this section may be excluded from the cost and expense to be assessed against the property in the local improvement district and may be paid from any other moneys available therefor if the board of directors so designates by resolution at any time.

(d) The board may give credit for all or any portion of any property or other donation against an assessment, charge, or other required financial contribution for improvements within a local improvement district.

(2) All provisions for the assessment, equalization, levy, and collection of assessments for irrigation district purposes shall be applicable to assessments for local improvements except that no election shall be required to authorize ~~((said))~~ the improvement or the expenditures therefor or the bonds issued to meet the cost thereof or the contract authorized in RCW 87.03.485 to repay the cost thereof. In addition or as an alternative, an irrigation district may elect to apply all or a portion of the provisions for the assessment, equalization, levy, and collection of assessments applicable to city or town local improvement districts; however any duties of the city or town treasurer shall be the duties of the treasurer of the county in which the office of the district is located or other treasurer of the district if appointed pursuant to RCW 87.03.440. In connection with a hearing on the assessment roll, the board may designate a hearing officer to conduct the hearing, and the hearing officer must report recommendations on the assessment roll to the board for final action. Assessments when collected by the county treasurer for the payment for the improvement of any local improvement district shall constitute a special fund to be called "bond redemption or contract repayment fund of local improvement district No. . . . ."

(3) Bonds issued under this chapter shall be eligible for disposal to and purchase by the director of ecology under the provisions of the state reclamation act.

(4) The cost or any unpaid portion thereof, of any such improvement, charged or to be charged or assessed against any tract of land may be paid in one payment under and pursuant to such rules as the board of directors may adopt, and all such amounts shall be paid over to the

county treasurer who shall place the same in the appropriate fund. No such payment shall thereby release such tract from liability to assessment for deficiencies or delinquencies of the levies in such improvement district until all of the bonds or the contract, both principal and interest, issued or entered into for such local improvement district have been paid in full. The receipt given for any such payment shall have the foregoing provision printed thereon. The amount so paid shall be included on the annual assessment roll for the current year, provided, such roll has not then been delivered to the treasurer, with an appropriate notation by the secretary that the amount has been paid. If the roll for that year has been delivered to the treasurer then the payment so made shall be added to the next annual assessment roll with appropriate notation that the amount has been paid.

**Sec. 7.** RCW 87.03.510 and 1983 c 167 s 224 are each amended to read as follows:

There is hereby established for each irrigation district in this state having local improvement districts therein a fund for the purpose of guaranteeing to the extent of such fund and in the manner herein provided, the payment of its local improvement bonds and warrants issued or contract entered into to pay for the improvements provided for in this act. Such fund shall be designated "local improvement guarantee fund" and for the purpose of maintaining the same, every irrigation district shall hereafter levy from time to time, as other assessments authorized by RCW 87.03.240 are levied, such sums as may be necessary to meet the financial requirements thereof: PROVIDED, That such sums so assessed pursuant to RCW 87.03.240 in any year shall not be more than sufficient to pay the outstanding warrants or contract indebtedness on ~~((said))~~ the fund and to establish therein a balance which shall not exceed ~~((five))~~ ten percent of the outstanding obligations thereby guaranteed. The balance may also be established from the deposit of prepaid local improvement assessments or proceeds of local improvement district bonds. Whenever any bond redemption payment, interest payment, or contract payment of any local improvement district shall become due and there is insufficient funds in the local improvement district fund for the payment thereof, there shall be paid from ~~((said))~~ the local improvement district guarantee fund, by warrant or by such other means as is called for in the contract, a sufficient amount, which together with the balance in the local improvement district fund shall be sufficient to redeem and pay ~~((said))~~ the bond or coupon or contract payment in full. ~~((said))~~ The warrants against ~~((said))~~ the guarantee fund shall draw interest at a rate determined by the board and ~~((said))~~ the bonds and interest payments shall be paid in their order of presentation or serial order. Whenever there shall be paid out of the guarantee fund any sum on account of principal or interest of a local improvement bond or warrant or contract the irrigation district, as trustee for the fund, shall be subrogated to all of the rights of the owner of the bond or contract amount so paid, and the proceeds thereof, or of the assessment underlying the same shall become part of the guarantee fund. There shall also be paid into such guarantee fund any interest received from bank deposits of the fund, as well as any surplus remaining in any local improvement district fund, after the payment of all of its outstanding bonds or warrants or contract indebtedness which are payable primarily out of such local improvement district fund.

**Sec. 8.** RCW 87.03.515 and 1983 c 167 s 225 are each amended to read as follows:

It shall be lawful for any irrigation district which has issued local improvement district bonds for ~~((said))~~ the improvements, as in this chapter provided, to issue in place thereof an amount of ~~((general))~~ local improvement district or revenue refunding bonds of the irrigation district ~~((not in excess of such issue of local improvement district bonds, and to sell the same, or any part thereof, or exchange the same, or any part thereof, with the owners of such previously issued local improvement district bonds for the purpose of redeeming~~

~~said bonds~~) in accordance with chapter 39.53 RCW: PROVIDED, HOWEVER, ~~((That all the provisions of this chapter regarding the authorization and issuing of bonds shall apply, and: PROVIDING, FURTHER,))~~ That the issuance of ~~((said))~~ the bonds shall not release the lands of the local improvement district or districts from liability for special assessments for the payment thereof: AND PROVIDED FURTHER, That the lien of any issue of bonds of the district prior in point of time to the issue of bonds or local improvement district bonds herein provided for~~((:))~~ shall be deemed a prior lien.

**Sec. 9.** RCW 87.03.527 and 1959 c 104 s 7 are each amended to read as follows:

Whenever ~~((a local improvement district is sought to be established within an irrigation))~~ the board establishes a local improvement district, in addition or as an alternative to the procedures provided in RCW 87.03.480 through 87.03.525, there may be employed any method authorized by law for the formation of ((districts or)) improvement districts ((so that when formed it will qualify under the provisions of chapter 89.16 RCW)) and the levying, collection, and enforcement by foreclosure of assessments therein, including without limitation the formation method employed by cities or towns.

**Sec. 10.** RCW 87.06.020 and 1988 c 134 s 2 are each amended to read as follows:

(1) After thirty-six calendar months from the month of the date of delinquency, or twenty-four months from the month of the date of delinquency with respect to any local improvement district assessment, the treasurer shall prepare certificates of delinquency on the property for the unpaid irrigation district assessments, and for costs and interest. An individual certificate of delinquency may be prepared for each property or the individual certificates may be compiled and issued in one general certificate including all delinquent properties. Each certificate shall contain the following information:

- (a) Description of the property assessed;
- (b) Street address of property, if available;
- (c) Years for which assessed;
- (d) Amount of delinquent assessments, costs, and interest;
- (e) Name appearing on the treasurer's most current assessment roll for the property; and

(f) A statement that interest will be charged on the amount listed in (d) of this subsection at a rate of twelve percent per year, computed monthly and without compounding, from the date of the issuance of the certificate and that additional costs, incurred as a result of the delinquency, will be imposed, including the costs of a title search~~((:))~~.

(2) The treasurer may provide for the posting of the certificates or other measures designed to advertise the certificates and encourage the payment of the amounts due.

**Sec. 11.** RCW 87.28.103 and 1979 ex.s. c 185 s 14 are each amended to read as follows:

When the directors of the district have decided to issue revenue bonds as herein provided, they shall call a special election in the irrigation district at which election shall be submitted to the electors thereof possessing the qualifications prescribed by law the question whether revenue bonds of the district in the amount and payable according to the plan of payment adopted by the board and for the purposes therein stated shall be issued. ~~((Said))~~ The election shall be called, noticed, conducted, and canvassed in the same manner as provided by law for irrigation district elections to authorize an original issue of bonds payable from revenues derived from annual assessments upon the real property in the district: PROVIDED, That the board of directors shall have full authority to issue revenue bonds as herein provided payable within a maximum period of forty years without a special election~~((:—AND PROVIDED, FURTHER, That any irrigation district indebted to the state of Washington shall get the written consent of the director of the department of ecology prior to the issuance of said revenue bonds))~~.

**Sec. 12.** RCW 87.28.200 and 1979 ex.s. c 185 s 19 are each amended to read as follows:

Any irrigation district shall have the power to establish utility local improvement districts within its territory and to levy special assessments within such utility local improvement districts in the same manner as provided for irrigation district local improvement districts: PROVIDED, That it must be specified in any petition for the establishment of a utility local improvement district that the sole purpose of the assessments levied against the real property located within the utility local improvement district shall be the payment of the proceeds of those assessments into ~~((the))~~ a revenue bond fund for the payment of revenue bonds, that no warrants or bonds shall be issued in any such utility local improvement district, and that the collection of interest and principal on all assessments in such utility local improvement district, when collected, shall be paid into ((the)) that revenue bond fund, except that special assessments paid before the issuance and sale of bonds may be deposited in a fund for the payment of costs of improvements in the utility local improvement district.

**Sec. 13.** RCW 89.12.050 and 2009 c 145 s 3 are each amended to read as follows:

(1) A district may enter into repayment and other contracts with the United States under the terms of the federal reclamation laws in matters relating to federal reclamation projects, and may with respect to lands within its boundaries include in the contract, among others, an agreement that:

(a) The district will not deliver water by means of the project works provided by the United States to or for excess lands not eligible therefor under applicable federal law.

(b) As a condition to receiving water by means of the project works, each excess landowner in the district, unless his excess lands are otherwise eligible to receive water under applicable federal law, shall be required to execute a recordable contract covering all of his excess lands within the district.

(c) All excess lands within the district not eligible to receive water by means of the project works shall be subject to assessment in the same manner and to the same extent as lands eligible to receive water, subject to such provisions as the secretary may prescribe for postponement in payment of all or part of the assessment but not beyond a date five years from the time water would have become available for such lands had they been eligible therefor.

(d) The secretary is authorized to amend any existing contract, deed, or other document to conform to the provisions of applicable federal law as it now exists. Any such amendment may be filed for record under RCW 89.12.080.

(2) A district may enter into a contract with the United States for the transfer of operations and maintenance of the works of a federal reclamation project, but the contract does not impute to the district negligence for design or construction defects or deficiencies of the transferred works. Any contract, covenant, promise, agreement, or understanding purporting to indemnify against liability for damages caused by or resulting from the negligent acts or omissions of the United States, its employees, or agents is not enforceable unless expressly authorized by state law.

NEW SECTION. Sec. 14. 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."

Correct the title.

Signed by Representatives Takko, Chair; Fitzgibbon, Vice Chair; Taylor, Ranking Minority Member; Kochmar, Assistant Ranking Minority Member; Buys; Liias; Springer and Upthegrove.

Referred to Committee on Finance.

March 26, 2013

ESSCR 8401 Prime Sponsor, Committee on Health Care:  
Creating a joint select committee on health care  
oversight. Reported by Committee on Health  
Care & Wellness

MAJORITY recommendation: Do pass as amended.

On page 2, line 25, after "savings;" strike "and"

On page 2, line 27, after "2017" insert "; and

BE IT FURTHER RESOLVED, That the joint select committee  
on health reform implementation created under Engrossed Substitute  
House Concurrent Resolution No. 4404 in 2011 is hereby abolished"

Signed by Representatives Cody, Chair; Jenkins, Vice Chair;  
Schmick, Ranking Minority Member; Angel; Clibborn; Green;  
Harris; Manweller; Moeller; Morrell; Riccelli; Rodne; Ross;  
Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

There being no objection, the bills and concurrent resolution  
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., April 1, 2013, the 78th Day of the Regular Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

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