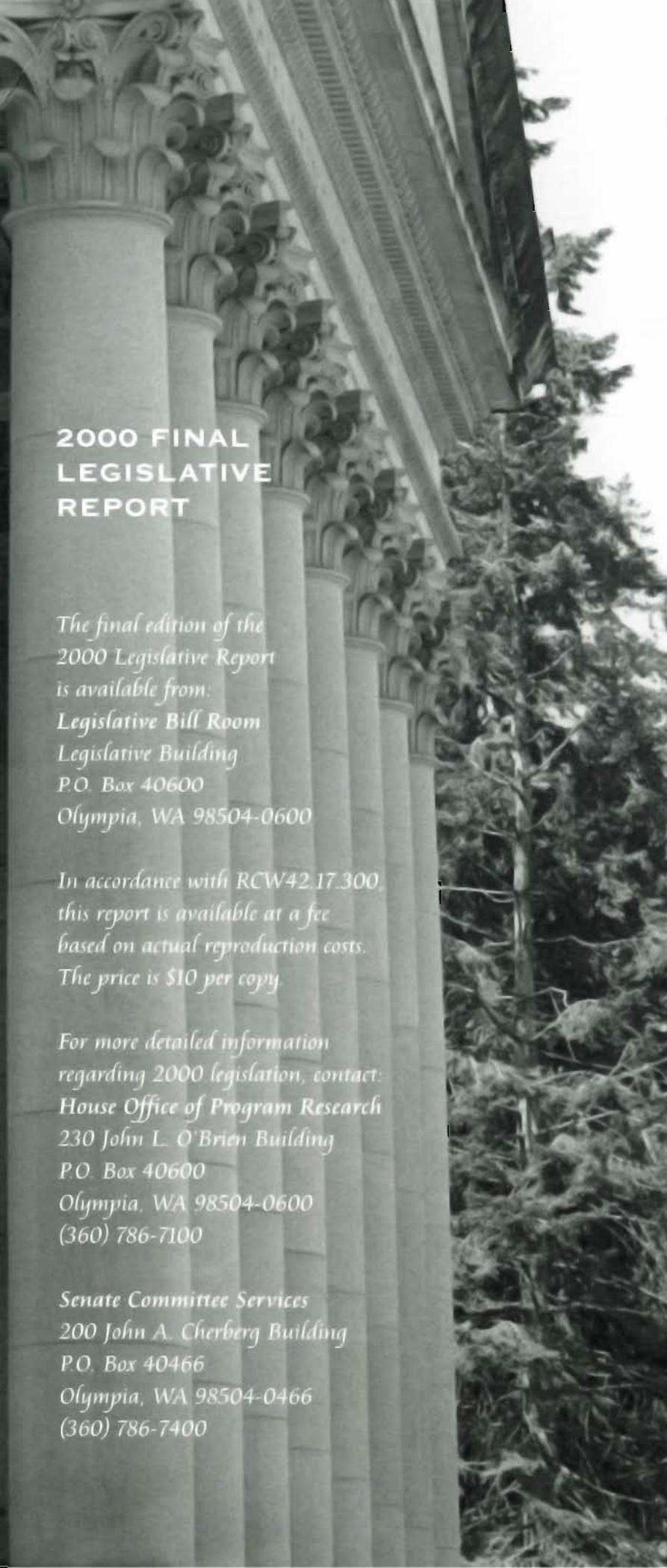


*Fifty-sixth
Washington
State Legislature*

*2000 Regular Session
2000 First Special Session
2000 Second Special Session*

2000 FINAL LEGISLATIVE REPORT



2000 FINAL LEGISLATIVE REPORT

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2000 Legislative Report
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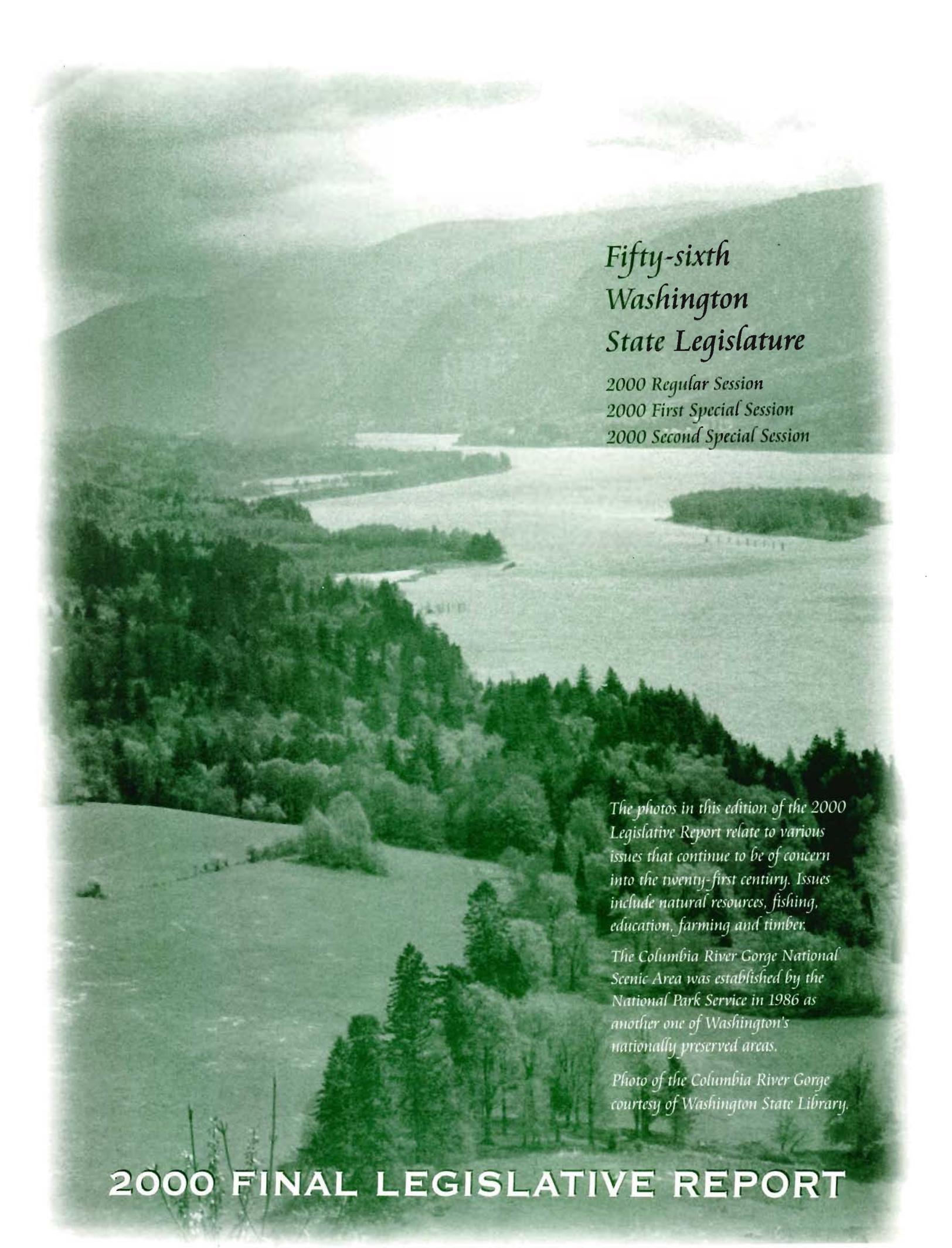
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*Cover photo: A view of the Columbia River
near Bingen and White Salmon, Washington.
Photo courtesy of Washington State Library.
Since 1899, when Mt. Rainier became the state's
first national park, and throughout the past
century, several national parks, monuments,
forests and reserves have also been established
within the state of Washington for our enjoyment.
This once wild river traveled by Lewis and Clark
in the early 1800s was established in 1986 as
the Columbia River Gorge National Scenic Area,
another of Washington State's nationally
preserved areas established by the National Park
Service. In addition to the recreational opportunities
provided in this national scenic area today, the
Columbia River also provides major sources of
hydro-electric power to the region and furnishes
water for irrigation, transportation, fish and wildlife.*

*Photo, left: Legislative Building Corinthian colonnade.
Photo courtesy of Washington State Senate.*



*Fifty-sixth
Washington
State Legislature*

*2000 Regular Session
2000 First Special Session
2000 Second Special Session*

The photos in this edition of the 2000 Legislative Report relate to various issues that continue to be of concern into the twenty-first century. Issues include natural resources, fishing, education, farming and timber.

The Columbia River Gorge National Scenic Area was established by the National Park Service in 1986 as another one of Washington's nationally preserved areas.

Photo of the Columbia River Gorge courtesy of Washington State Library.

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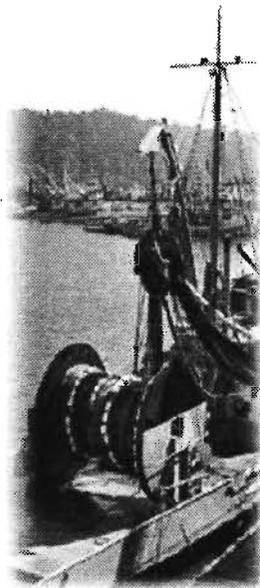
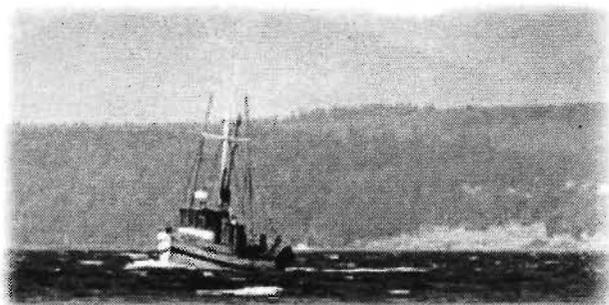


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Washington State continues to have concerns about protecting our streams and preserving our salmon to maintain our fishing industry. Photos courtesy of Washington State Senate.



Statistical Summary

2000 Regular Session of the 56th Legislature

2000 First Special Session of the 56th Legislature

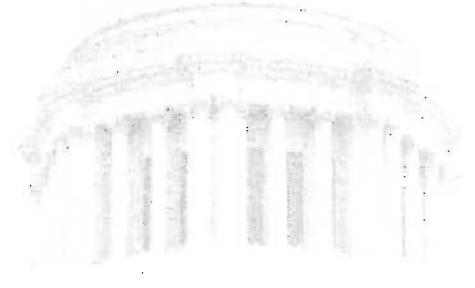
2000 Second Special Session of the 56th Legislature

Bills Before Legislature	Introduced	Passed Legislature	Vetoed	Partially Vetoed	Enacted
<i>2000 Regular Session (January 10 -March 9)</i>					
House	850	145	2	6	143
Senate	749	113	1	5	112
<i>2000 First Special Session (March 10 – April 7)</i>					
House	15	0	0	0	0
Senate	11	1	0	0	1
<i>2000 Second Special Session (April 24 – April 27)</i>					
House	1	3	0	1	3
Senate	3	3	0	2	3
TOTALS	1,629	265	3	14	262

Initiatives, Joint Memorials, Joint Resolutions and Concurrent Resolutions Before Legislature	Introduced	Filed with the Secretary of State
<i>2000 Regular Session (January 10 -March 9)</i>		
House	34	3
Senate	35	9
<i>2000 First Special Session (March 10 – April 7)</i>		
House	2	0
Senate	2	0
<i>2000 Second Special Session (April 24 – April 27)</i>		
House	0	0
Senate	1	0
TOTALS	74	12
Initiatives	2	1

Gubernatorial Appointments	Referred	Confirmed
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SECTION I *Legislation Passed*



Free education for every student in the state was a law Governor John R. Rogers established in the late 1890s. Lawmakers continued to work on education issues during the years they occupied the Old State Capitol Building, which is currently education headquarters for the Office of Superintendent of Public Instruction and the State Board of Education. Into the 21st century, a quality education in Washington's public schools continues to be of high importance. SPI Building photo courtesy of Washington State Historical Society.

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I 695
C 1 L 00

License tabs—tax limitations.

By People of the State of Washington.

Background: In November 1999, Washington voters approved Initiative Measure No. 695 (I-695). Prior to passage of I-695, original license registration fees for motor vehicles were \$27.75 and renewal fees were \$23.75.

In addition to the motor vehicle license and renewal fees, the state imposed an excise tax for using motor vehicles on state highways. The tax was levied annually at 2.2 percent of the value of the vehicle. For excise tax purposes, vehicle value was the first published manufacturer's suggested retail price before options. The value of the vehicle was reduced each year according to a statutory depreciation schedule. The revenues generated by the motor vehicle excise tax were deposited into various accounts for various purposes; approximately 47 percent of the excise tax supported state transportation programs, 29 percent supported local transit systems, and 24 percent supported city and county transportation programs.

A local motor vehicle excise tax was authorized for public transit districts in amount up to 0.725 percent of the value of the vehicle. The local tax was credited against the state motor vehicle excise tax and the value of the vehicle was determined using the motor vehicle excise tax depreciation schedule.

Additionally, the state imposed a tax on travel trailers and campers, levied annually at 1.1 percent of the value. The value was reduced each year according to a statutory schedule.

Prior to passage of I-695, Washington law did not universally require voter approval for an increase in taxes, fees, or monetary charges by government. Voter approval was only required to exceed the state expenditure limit and for certain types of local government taxes and fees.

Summary: The state motor vehicle and travel trailer and camper excise taxes are repealed and a base annual registration fee of \$30 is imposed.

Voter approval is required for any increase in a state or local tax, fee, or other monetary charge by government. The voter approval requirement does not apply to higher education tuition, civil and criminal fines, and restitution.

Effective: January 1, 2000

HB 1070
C 209 L 00

Authorizing the general contractor/construction manager contracting procedure for school district capital projects.

By Representatives Romero and D. Schmidt; by request of Alternative Public Works Methods Oversight Committee.

House Committee on State Government
Senate Committee on State & Local Government

Background: Several different state agencies and local governments have been authorized to use alternative public works contracting procedures to award contracts on certain public works contracts of very large dollar values. One alternative procedure is the design-build procedure. Another alternative procedure is the general contractor/construction manager procedure. Authority to use these alternative procedures terminates on July 1, 2001.

A temporary Independent Oversight Committee reviews these alternative bidding procedures and recommends changes in contracting laws to the Legislature.

The general contractor/construction manager procedure (GCCM) is a multi-step competitive process for awarding a contract for a single firm to provide services during the design phase, as well as acting as both the construction manager and general contractor during the construction phase, of a public works project with a relatively high cost. The general contractor guarantees the project budget under this procedure.

The GCCM procedure involves: (1) soliciting proposals; (2) using an evaluation committee to review proposals; (3) selecting three to five finalists to submit final proposals based upon various evaluation factors, including past performance, ability to meet time and budget requirements, work loads, and project concept; (4) scoring the final proposals by measuring quality and technical merits on a unit price basis; (5) selecting a finalist on the basis of responsiveness and lowest price from among the finalists who are able to produce plans and specifications meeting project requirements; and (6) directly negotiating a contract with the selected firm over the maximum allowable construction costs. Negotiations may be terminated with the selected firm if an agreement is not reached and opened with the next highest scored firm until an agreement is reached or the process terminated.

The Department of General Administration, University of Washington, Washington State University, every county with a population of greater than 450,000 (King, Pierce, and Snohomish counties), every city with a population in excess of 150,000 (Seattle, Tacoma, and Spokane), port districts with populations in excess of 500,000 (Port of Seattle, and Port of Tacoma), and a public facilities district constructing a baseball stadium may award contracts using the GCCM procedure on any project with an estimated cost of \$10 million or more. In addition, those entities may use the GCCM process on several demonstration

SHB 1218

projects of between \$3 million and \$10 million in estimated cost.

Summary: Four demonstration projects are authorized for school districts to award contracts for public works projects using the GCCM procedure. Two of these projects must be in excess of \$10 million. Two of these projects must be from \$5 million to \$10 million. Each project must be approved by the School District Project Review Board. A single school district may not be authorized to use this procedure on more than one project.

The School District Project Review Board is established to authorize four separate school districts to participate in these demonstration projects. The board consists of ten persons selected by the Independent Oversight Committee, including: (1) a representative from the Office of the Superintendent of Public Instruction; (2) a representative from the Office of Financial Management; (3) two representatives from the construction industry, one of whom works for a company with gross annual revenues of \$20 million or less; (4) a representative from the specialty contracting industry; (5) a representative from organized labor; (6) a representative from the design industry; (7) a representative from a public body that has used the alternative contracting procedures; and (8) two representatives from school districts, one of which has 10,000 or more annual average full-time equivalent students and the other which has less than 10,000 or more annual average full-time equivalent students.

A variety of factors are established for the School District Project Review Board to authorize school districts to use the GCCM procedure, including past construction activity and an explanation of why the use of this procedure is in the public interest. The School District Project Review Board must prepare a report reviewing school district use of this procedure.

A school district using the GCCM procedure may not consider whether a contractor has had prior experience in the GCCM procedure as part of its evaluation of bid proposals submitted by contractors.

Votes on Final Passage:

House	96	0	
Senate	39	5	(Senate amended)
House	80	1	(House concurred)

Effective: June 8, 2000

SHB 1218

C 95 L 00

Modifying provisions related to nurse delegation of tasks.

By House Committee on Health Care (originally sponsored by Representatives Cody and Parlette; by request of Department of Health).

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

Background: In 1995 the Legislature authorized nurses to delegate specific nursing tasks to nursing assistants for serving persons in three community settings. The Department of Health, in consultation with the Department of Social and Health Services and the Nursing Care Quality Assurance Commission, was required to monitor the implementation of the nurse delegation process and report to the Legislature with recommendations for improvements. As part of the monitoring process, the departments of Health and Social and Health Services, in consultation with the University of Washington School of Nursing, were directed to conduct a study of the nurse delegation process. A Joint Legislative Task Force on Nurse Delegation was established to oversee the implementation of the nurse delegation pilot program.

The nurse delegation process is regulated in the chapter of the code providing for the registration and certification of nursing assistants. Generally this law requires a nursing assistant to complete basic core training and meet any additional training requirements for delegating complex tasks as determined by the Nursing Quality Assurance Commission.

Community Care Settings. Nurse delegation is authorized in community residential programs for persons with developmental disabilities, adult family homes, and boarding homes contracting with the Department of Social and Health Services to provide assisted living services to clients.

Nursing Delegation Tasks. The nursing tasks that may be delegated are specified by law to include oral and topical medications; nose, ear, eye drops; dressing changes and catheterization; suppositories, enemas, ostomy care; blood glucose monitoring; and gastrostomy feedings.

Nurse Delegation Protocols. The nursing commission was directed to develop rules for nurse delegation protocols. These protocols are specified in law and include the following:

- The determination of the appropriateness of delegation is left to the discretion of the nurse;
- The status of the patient must be stable and predictable;
- The written informed consent of the patient is initially obtained by the nurse, and the elements of this informed consent are specified by law;
- A basic core training curriculum for providing care to developmentally disabled persons must be taken in addition to the training requirements, as defined in rule by the secretary of the Department of Social and Health Services; and
- The completion of basic core training by a nursing assistant is mandatory prior to delegation.

Summary: Generally the statutory provisions of the nurse delegation law in the chapter of the code relating to

nursing assistants are repealed and transferred to the Nurse Practice Act.

Community Care Settings. The delegation of nursing care tasks may only be made to nursing assistants in community-based care settings, except for simple tasks defined by the Nursing Care Quality Assurance Commission, such as blood pressure monitoring and personal care services. Community-based care settings include community residential programs for the developmentally disabled, adult family homes, and boarding homes, but hospitals and skilled nursing homes are excluded.

Nursing Delegation Tasks. The lawful delegation of nursing care tasks by a nurse is clarified. A nurse may delegate nursing care tasks to other individuals in the best interest of the patient. In such case, the nurse must determine the competency of the delegatee, evaluate the appropriateness of delegation, supervise the performance of the delegation, and only delegate tasks limited to the nursing scope of practice. A nurse may not delegate acts requiring substantial skill, the administration of medications, or piercing or severing of tissues except to nursing assistants providing care to individuals in community-based care settings. Acts requiring nursing judgment may not be delegated.

With respect to nurse delegation in community settings, the determination of the appropriateness of delegation is left to nurse discretion, but the administration of medications by injection, sterile procedures, and central line maintenance may never be delegated. The specified nursing tasks that can be delegated are repealed.

Nurse Delegation Protocols. On or before June 30, 2001, the nursing commission by rule shall make needed revisions in the nurse delegation protocols, including standards for informed consent. The specific requirements of the protocol are repealed.

The prohibitions against coercing nurses to delegate and employer reprisal, including the requirement of stable and predictable patient status, and the immunity of nurses from liability within the limits of the protocol, are transferred to the Nurse Practice Act.

The nurse is responsible for ensuring that the nursing assistant has completed core nurse delegation training.

The requirement that the departments of Health and Social and Health Services and the nursing commission clarify reimbursement policies and barriers to current delegation is repealed. Also repealed is the provision establishing a toll-free phone number for receiving complaints.

Votes on Final Passage:

House	96	0
Senate	44	0 (Senate amended)
House	81	0 (House concurred)

Effective: June 8, 2000

E2SHB 1572

C 210 L 00

Creating the Washington civil liberties public education program.

By House Committee on Education (originally sponsored by Representatives Wensman, Tokuda, Santos, Quall, Veloria, Schoesler, Conway, Murray, Constantine, Ogden, Rockefeller, Kenney, O'Brien, D. Schmidt and Haigh).

House Committee on Education
Senate Committee on Education

Background: On February 19, 1942, President Franklin Roosevelt signed Executive Order 9066, an order that authorized any military commander to exclude any person from any area. The order did not mention any specific group, nor did it provide for detention. However, there was an understanding among officials that the authorization was intended to be used to remove and detain Japanese Americans. In addition, Congress passed P.L. 77-503, which authorized a civil prison term and fine for civilians convicted of violating a military order.

General John DeWitt, military commander of the Western Defense Command, issued a series of 100 military orders that applied exclusively to civilians of Japanese ancestry living in the West Coast states. After encouraging affected civilians to voluntarily move inland, he ordered all persons of Japanese ancestry in California, Oregon, Washington, and parts of Arizona to turn themselves into temporary detention camps near their homes.

General Dewitt's detention orders were justified as necessary for the protection of the West Coast against sabotage and espionage. The order included babies, orphans, adopted children and the infirm and bedridden elderly as well as healthy adults. Anyone with more than 1/32 Japanese ancestry was included in the order, with the only exception made for those in prisons and asylums.

Japanese Americans relocated and detained under these orders were usually confined in one of ten camps located in Utah, Arizona, Colorado, Wyoming, California, Idaho, and Arkansas. Those camps contained 112,581 detainees. In addition, 26 smaller internment camps were located in 18 states. The last camp closed in October 1946.

Summary: The Legislature finds that:

- There must be strong educational resources aimed at teaching students and the public about the fragile nature of our constitutional rights;
- The federal Commission on Wartime Relocation and Internment of Civilians issued several reports describing the lessons learned from the decision to detain, relocate and imprison citizens and resident aliens of Japanese descent during World War II;
- The commission concluded that the decision was founded on racial prejudice, war hysteria, and a failure

of political leadership, not on military considerations; and

- The decision resulted in a grave injustice to American citizens and permanent residents of Japanese ancestry and caused them great suffering, enormous damages and incalculable losses.

The Washington Civil Liberties Public Education program is created. To the extent that funding from public or private sources is provided for this purpose, grants will be provided through the program to educate the public on the history and lessons of the internment of persons of Japanese ancestry during World War II. The grants may be used to develop and distribute educational materials, videos, plays, speakers, bureaus, and exhibitions for schools, colleges, and other interested parties.

The Superintendent of Public Instruction (SPI) will administer the program and select grant recipients. The selection criteria are described. The required components of each proposal include projects that link the detention experience with the civil rights guaranteed by the constitution so that the detention may be illuminated and understood. The required components also include projects that contribute to and expand upon existing educational and research materials on the detention experience. In addition to the six required criteria, the legislation includes a list of recommended components for each funded project, and gives the SPI permission to adopt additional criteria.

During the review process, the SPI will assign a priority to applicants based on the inclusion of different components within their applications. The SPI may accept private donations for the program. The office will report on the program to the Governor and legislative committees by January 1, 2002.

Votes on Final Passage:

House	96	0
Senate	43	1

Effective: June 8, 2000

EHB 1711

C 6 L 00

Concerning the public disclosure of department of health information received through the hospital licensing process.

By Representatives Campbell, Cody, Boldt and Parlette.

- House Committee on State Government
- House Committee on Health Care
- Senate Committee on Health & Long-Term Care

Background: The Department of Health is responsible for licensing hospitals, which includes setting and monitoring quality standards, conducting site visits, and investigating and responding to patient complaints.

The department may not release information about complaints, the results of site visits, or any other information about a hospital license, including the identity of the hospital or any individual, unless a formal administrative action is taken against the licensee. In practice, few administrative actions are ever initiated because the hospital is provided an opportunity to correct the problem resulting in the complaint. As a result, consumers and patients have no access to information about a hospital's record.

By law, hospitals are required to maintain quality improvement committees to improve the quality of patient services and prevent medical malpractice. These committees oversee and coordinate quality improvement and medical malpractice prevention programs to ensure that the information is used to review and revise hospital policies and procedures. This information includes negative health outcomes and injuries to patients, patient grievances, malpractice awards, and causes of malpractice claims. While this information is not subject to discovery and cannot be introduced into evidence in legal civil actions, it is unclear whether it may be disclosed to the department relative to its regulatory responsibilities.

Summary: Information received by the Department of Health about a hospital will be made available to the public under the Public Disclosure Act, the law that applies to the disclosure of information held by state agencies. Information pertaining to licensing inspections and complaint investigations may be disclosed three days after notifying the hospital of the results of the inspection or investigation. Information regarding administrative action against the hospital may be disclosed only after the hospital has received the documents initiating the administrative action. Disclosure may not include disclosure of individual names.

The department, including hospital accrediting organizations, may review and audit the records of hospital quality improvement committees and professional peer review committees in connection with inspections and reviews of hospitals. This information, however, is not subject to the discovery process and confidentiality must be respected. A hospital must produce and make accessible to the department appropriate records to facilitate the department's responsibility for review and audit.

Information about complaints that do not warrant an investigation may only be disclosed to the complainant and to the hospital investigated.

Any complaint against a hospital, including event notification, that concerns patient well-being must be investigated.

Hospitals must post notice of the department's hospital complaint telephone number.

The department may adopt rules to implement the act.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: June 8, 2000

E2SHB 1987

C 40 L 00

Providing tax exemptions and credits to encourage a reduction in agricultural burning of cereal grains and field and turf grass grown for seed.

By House Committee on Finance (originally sponsored by Representatives Schoesler, Grant and G. Chandler).

House Committee on Agriculture & Ecology

House Committee on Finance

Senate Committee on Ways & Means

Background: The Department of Ecology has phased out the ability of farmers to burn field and turf grass for seed in most instances because of concerns over the air emissions resulting from the burning. The department initially adopted a regulation which provided that, without regard to any previous burn history, each farmer in 1996 was limited to burning the greater of two-thirds of the acres burned under a permit issued in 1995 or two-thirds of the acres in grass seed production on May 1, 1996. Beginning in 1997 and until approved alternatives become available, each farmer was limited to burning no more than one-third of the acres in grass seed production on May 1, 1996. In May 1998, burning was no longer authorized for field and turf grass seed unless an exemption applied because the department concluded that mechanical residue management constitutes a practical alternative to burning. This process is reasonably available throughout the state wherever baling can be used.

Burning is still allowed, however, for cereal grains as a method to get rid of the straw. A memorandum of understanding has been signed by the Washington Association of Wheat Growers and the departments of Agriculture and Ecology to reduce emissions from agricultural burning by 50 percent over the next seven years. Tax incentives to encourage alternatives to this burning may result in further reductions in air emissions from burning cereal grains and field and turf grass grown for seed.

Summary: The retail sales tax does not apply to sales of machinery and equipment, or to services rendered in constructing structures, installing, constructing, repairing, cleaning, decorating, altering, or improving structures or eligible machinery or equipment, or to sales of personal property that is a component or ingredient of eligible structures, machinery or equipment that meets the criteria for reducing agricultural burning of cereal grains and field and turf grass grown for seed.

The use tax does not apply to the use of machinery and equipment, or personal property that becomes a component or ingredient of eligible machinery and equipment that meets the criteria for reducing agricultural burning of cereal grains and field and turf grass grown for seed.

The retail sales and use tax exemptions apply if the machinery, equipment, or structure is used more than half of the time for gathering, densifying, processing, handling,

storing, transporting, or incorporating straw or straw-based products that results in either less field burning of cereal grains and field and turf grass grown for seed or decreasing air emissions resulting from field burning of cereal grains and turf grass grown for seed.

To claim the retail sales and use tax exemptions, the person taking the exemption must keep records necessary for the Department of Revenue to verify eligibility. The Department of Agriculture and the Department of Ecology must consult with the Department of Revenue regarding the information necessary for administration of these exemptions. To claim the retail sales tax exemption, the buyer must provide the seller with an exemption certificate in a form and manner prescribed by the Department of Revenue. The seller must keep a copy of the certificate in the seller's files.

All personal property that is exempt from the retail sales and use taxes because it meets the criteria for reducing agricultural burning of cereal grains and field and turf grass grown for seed is also exempt from property taxes.

A person who is eligible for the retail sales or use tax exemption for purchasing eligible machinery and equipment or constructing eligible structures may take a credit against the business and occupation tax equal to 50 percent of the amount of costs expended for which an exemption was taken. An applicant is not eligible for tax credits in excess of the amount of tax that would otherwise be due, and approved credits may not be carried over to subsequent years or be exchanged for refunds. No application is necessary to obtain the business and occupation tax credit, but the person taking the credit must keep records necessary for the Department of Revenue to verify eligibility. No business and occupation tax credit may be claimed for expenditures that occurred before the effective date the act.

All tax incentives created to encourage alternatives to field burning of cereal grains and field and turf grass grown for seed expire on January 1, 2006, except that the personal property tax exemption expires on January 1, 2007.

Votes on Final Passage:

House	95	0
Senate	42	5

Effective: March 22, 2000

SHB 2022
C 159 L 00

Expanding the national guard scholarship program.

By House Committee on Higher Education (originally sponsored by Representatives Schindler, Sullivan, Bush, Lantz, Mielke, Lovick, Cairnes, Hurst, Kastama, McDonald, Esser, Conway, Campbell, Benson and D. Schmidt).

House Committee on Higher Education
Senate Committee on Higher Education

Background: The Legislature created the national guard scholarship program in 1994. Under this program, members of the Washington National Guard may receive a conditional scholarship up to the annual cost of undergraduate tuition and fees at the University of Washington, plus an allowance for books and supplies. The scholarship is dependent upon the recipient serving in the National Guard for one additional year for each year of conditional scholarship received. Failure to meet the service requirements results in an obligation to repay the conditional scholarship with interest.

An eligible student is defined as an enlisted member or an officer of the rank of captain or below in the Washington National Guard who is a resident student for the purposes of tuition, and who attends an institution of higher education in Washington that is accredited by the Northwest Association of Schools and Colleges.

This scholarship program is administered by the Office of the Adjutant General of the Military Department. The Legislature appropriated \$75,000 in FY 2000 and \$75,000 in FY 2001 from the general fund solely for implementation of the conditional scholarship program.

Summary: The eligibility requirements for the National Guard conditional scholarship program are modified to delete the requirement that the student be a resident student for purposes of tuition.

Votes on Final Passage:

House 95 0
Senate 43 0

Effective: June 8, 2000

HB 2031
C 7 L 00

Including midwives in women's health care services.

By Representatives Ruderman, Dunn, Dickerson, Fortunato, Conway, Boldt, Kessler, Murray, O'Brien, Romero, Cairnes, Ogden, Rockefeller, Linville, Kenney, Edmonds, Schual-Berke, Kagi, Tokuda, McIntire, Keiser, Cooper, Lantz, Santos and Miloscia.

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

Background: The practice of midwifery is regulated by the Department of Health as a health care profession, and a midwife must pass an examination and hold a license to practice or advertise as a midwife. However, the Nursing Care Quality Assurance Commission regulates the practice of nurse midwives.

The practice of midwifery includes the rendering of medical aid for a fee or compensation to a woman during the prenatal, intrapartum, and postpartum stages of child birth. It includes the acquisition and administration of prophylactic ophthalmic medication, postpartum oxytocic, vitamin K, Rho immune globulin (human), and local anesthetic, including other drugs or medications prescribed by a physician. Midwives must consult physicians whenever there are significant deviations from normal in either the mother or infant, and have a written plan for consultation and emergency transfer and transport of the infant to neonatal intensive care or the woman to obstetrical care.

Health carriers are required by law to ensure that enrolled female patients have direct access to timely and appropriate covered women's health care services from the health practitioner of their choice, without the necessity of prior approval. Carriers are not prevented, however, from restricting women patients to seeing only those health practitioners with whom they have participating agreements.

Health practitioners include, but need not be limited to, physicians and osteopathic physicians, physicians' and osteopathic physicians' assistants, and advanced registered nurse practitioner specialists.

Summary: Licensed midwives are included among the health practitioners to whom health carriers must provide direct access to maternity services for their enrollees.

Votes on Final Passage:

House 97 0
Senate 45 0

Effective: June 8, 2000

ESHB 2078

C 107 L 00

Concerning fish and wildlife statutes.

By House Committee on Natural Resources (originally sponsored by Representatives Buck, Regala, Eickmeyer and Anderson).

House Committee on Natural Resources
Senate Committee on Natural Resources, Parks & Recreation

Background: The Department of Fisheries and the Department of Wildlife were merged in 1993 into the Department of Fish and Wildlife. The laws generally governing food fish are contained in Title 75, and the laws generally governing game and game fish are contained in Title 77. Although legislation passed during the 1998 legislative session reconciled many of the laws concerning enforcement of these titles, they remain as separate titles.

The Fish and Wildlife Commission, the director of Fish and Wildlife, and the Department of Fish and Wildlife are all assigned various responsibilities under Titles 75 and 77. Both the commission and the director may adopt rules. The director is generally responsible for supervising the administration and operation of the department and performing duties delegated by the commission. The commission is responsible for establishing policies to preserve, protect, and perpetuate wildlife, fish, and their habitat. The commission is authorized to delegate any of its powers to the director. There is some inconsistency concerning the areas of responsibility that may be exercised by the commission, the director, and the department.

A number of sections in Titles 75 and 77 contain language which is obsolete, confusing, or conflicts with some other section of law. A single title of law to reflect the merger of the two agencies into the Department of Fish and Wildlife would add clarity to the statutes.

If a person, while hunting, shoots another person or domestic livestock as a result of criminal negligence or reckless or intentional conduct, the person's hunting privileges are suspended for 10 years, but the suspension may be continued if damages owed to the victim or livestock owner have not been paid. If an employee of the department is assaulted, however, there is no similar provision for the suspension to be continued until damages owed the victim are repaid. Although a fish and wildlife officer or other enforcement officer must have been on duty and enforcing the provisions of the law when the assault occurred, there is no similar requirement for other personnel of the department.

Searches of tents and camps may be conducted by fish and wildlife officers without a warrant under certain circumstances. A search warrant is not required even when property is used as a transitory residence in which a person has a reasonable expectation of privacy.

Proceeds from forfeited property, fines, the sale of property, rentals, and concessions are divided between the general fund and the wildlife fund, depending on how the property was used. The disposition of these proceeds is not standardized.

The pilot program for the Lower Columbia Steelhead Conservation Initiative is not currently required to issue a report at the completion of the pilot.

Summary: Changes in statutory responsibility for carrying out provisions under current law are made to reflect the Fish and Wildlife Commission's overall responsibility to establish policy and set seasons for hunting, fishing, and trapping. Other changes in responsibility are made to reflect the director's responsibility to supervise the administration and operation of the Department of Fish and Wildlife, including the management of real and personal property held by the department, and the authority to issue and revoke licenses.

The commission is provided specific authority to: jointly establish with tribes the wild salmonid policy; develop guidelines for providing funding to regional fisheries enhancement groups; develop rules to reduce to private ownership fish and game raised in cooperative projects; protect grizzly bears and develop management plans for them; and establish a season or bag limit on Canadian geese.

The director is specifically authorized to: accept property or money in settlement of claims for damages to food fish and shell fish resources; acquire lands where improvements are being carried on by the federal government; keep inventories of oyster reserves and manage each category of oyster reserve land; establish dike cultivation of Olympia oysters; prohibit a person from taking geoducks, and to regulate the gear type; conserve, and protect reserves and beds on state lands; waive the license requirement if there is no commercial fishing during a calendar year; increase the number of alternate operators for a commercial fishery license, delivery license, or charter license; evaluate the salmon fishery management strategies and gear types for salmon; waive landing or poundage requirements if no harvest opportunity occurs; order relief after an informal hearing before a review board; authorize the total number of anglers; issue additional herring licenses; suspend or revoke a geoduck fishery license; and revoke a trapper's license.

If a person assaults an employee of the department, including fish and wildlife officers, all hunting, fishing, or other licenses are revoked, and all privileges suspended for a 10-year period. This 10-year period may be extended if damages to the victim have not been paid by the suspended person. The department employee must have been on duty carrying out the provisions of the law at the time of the assault.

Fish and wildlife officers may not search without a warrant property used exclusively as a private domicile or

E2SHB 2109

transitory residences in which a person has a reasonable expectation of privacy.

Proceeds from fines, forfeitures, the sale of property, rentals, and concessions, gifts, and from damages to department property are deposited into the wildlife fund. Proceeds from the sale of commercial licenses and moneys received from damages to food fish or shellfish continue to be deposited into the general fund.

The pilot program authorized for the habitat portion of the Lower Columbia Steelhead Conservation Initiative must prepare a final report at the conclusion of the pilot program on July 1, 2000, and submit it to the appropriate legislative committees, participating counties, and the state natural resource-related agencies.

Disability benefits available to fisheries patrol officers are made applicable to all fish and wildlife officers.

Conflicting requirements under the law are reconciled. Obsolete language is deleted. The provisions of Title 75 are recodified into Title 77.

Votes on Final Passage:

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

Effective: June 8, 2000

E2SHB 2109

C 187 L 00

Authorizing tax, levy, and execution exemptions for properties of Indian housing authorities designated for low-income housing program uses.

By House Committee on Finance (originally sponsored by Representatives Van Loven, Thomas, Dunshee, Pennington, Dunn, Cairnes, Veloria, Buck, G. Chandler and Haigh).

House Committee on Economic Development, Housing & Trade

House Committee on Finance

Senate Committee on Ways & Means

Background: All real property in Washington is subject to property tax each year based on the property's value, unless specifically exempted by law. Real property owned by the United States, the state, its counties, school districts, and other municipal corporations is exempt from tax by the state constitution, as is land held in trust by the United States for Indian tribes. The state constitution also permits the Legislature to exempt other property from taxation.

The Legislature has exempted the property of housing authorities from state and local taxes and special assessments. A housing authority may, however, agree to reimburse a governing authority for improvements, services, and facilities furnished by the authority for the benefit of the housing authority. The payments may not

exceed the amount of the property tax that had been levied on the property prior to its acquisition by the housing authority. The real property of a housing authority is exempt from levy of execution and, generally, no lien can be placed upon its real property.

The federal Native American Housing Assistance and Self-Determination Act of 1996 provides grants on behalf of Indian tribes to carry out affordable housing activities. In addition to other grant eligibility requirements, the affordable housing assisted with the grant moneys must be exempt from all real and personal property taxes imposed by a state, tribe, or local government, and the tribe must pay user fees to compensate the local governing body for the cost of providing government services, such as police and fire protection, roads, and water, sewerage, and utilities systems, unless the local governing body agrees to waive the user fees or payments in lieu of taxes. A grant recipient that does not meet this tax exempt requirement may still be eligible for a grant under the act, but only if the local governing body in which the affordable housing development is located contributes, in the form of cash or tax remission, the amount by which the taxes paid with respect to the development exceed the user fees.

Summary: The real property of tribal housing authorities and inter-tribal housing authorities is exempt from all state and local taxes and special assessments. The property must be used for housing for persons of low income and senior citizens for and on behalf of the federally recognized Indian tribe.

The tribal housing authority or inter-tribal housing authority may agree to make a payment to a city, county, or other political subdivision for improvements, services, or facilities that are furnished for the benefit of a tribal housing project. The payment must be based on the fair share of the costs of the services. Reimbursements may not exceed the amount of tax imposed upon the property prior to its acquisition by the tribal housing authority or inter-tribal housing authority or payments made by other low-income users for the same services.

Votes on Final Passage:

House	96	0
Senate	43	0

Effective: July 1, 2000

SHB 2320

C 167 L 00

Authorizing and applying electronic notice and proxies.

By House Committee on Judiciary (originally sponsored by Representatives Lantz, Esser and Constantine).

House Committee on Judiciary
Senate Committee on Judiciary

Background: A business that is operated for a nonprofit purpose may organize under the Nonprofit Miscellaneous and Mutual Corporations Act. This act sets forth the powers, duties, rights, and obligations of both the corporation and members or shareholders of the corporation.

The corporation is required to notify members of annual and special meetings and matters that the members or shareholders will be voting on, such as amendments to the articles of incorporation, merger plans, sale of corporation property, or dissolution of the corporation. Any notice sent by the corporation must be in writing.

Members and shareholders are generally entitled to vote on corporation matters at annual and special meetings. A person may vote in person, by mail, or by proxy. Proxy is the practice of appointing another person to vote or otherwise act for a shareholder or a member at a meeting. A proxy appointment must be in writing and executed by the shareholder or member, or by his or her attorney.

Summary: The Nonprofit Miscellaneous and Mutual Corporations Act is amended to authorize notice and proxy appointments by electronic transmission and to authorize shareholders or members to vote by electronic transmission.

Notices that the corporation must send to shareholders and members may be given by electronic transmission if the corporation's bylaws or articles of incorporation permit notice by electronic transmission.

A shareholder or member may vote on a corporate matter by electronic transmission. A person voting by electronic transmission is deemed present for purposes of quorum.

A written proxy appointment may be made by a member or shareholder, or his or her agent, by affixing his or her signature to the appointment by any reasonable means, including facsimile signature.

A shareholder or member may make a proxy appointment by transmitting or authorizing the transmission of an electronic transmission to the person who will hold the proxy. A corporation that determines that an electronic proxy appointment is valid must state the information used to make that determination. A corporation must require a person who holds a proxy received by electronic transmission to provide a copy of the transmission to the corporation. The corporation must retain the copy for a reasonable period of time after the election.

"Electronic transmission" is defined to include any form of electronic communication that does not directly involve the transfer of paper and that is able to be retained, retrieved, and reproduced by the recipient, as long as the transmission includes information that shows that the transmission was authorized by the shareholder, corporation, or member.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: June 8, 2000

SHB 2321

C 168 L 00

Authorizing the transmission of electronic proxy appointments.

By House Committee on Judiciary (originally sponsored by Representatives Esser, Lantz and Constantine).

House Committee on Judiciary
Senate Committee on Judiciary

Background: Under the Corporations Act, shareholders of a corporation are generally entitled to vote on corporate matters at annual and special meetings. A shareholder may vote either in person or by proxy. Proxy is the practice of a shareholder authorizing another person to vote or act for the shareholder at a meeting.

To appoint a proxy, a shareholder, or the shareholder's attorney or agent, must sign a written appointment form. The appointment is effective when received by the corporate agent authorized to tabulate votes.

Summary: The Corporations Act is amended to authorize proxy appointments by electronic transmission. A proxy appointment that is made by electronic transmission must set forth or be submitted with information that shows that the shareholder authorized the electronic transmission.

A corporation that determines that an electronic proxy appointment is valid must state the information on which it relied to make that determination. A corporation must require a person who holds a proxy received by electronic transmission to provide a copy of the electronic transmission to the corporation, and the corporation must retain the copy of the transmission for a reasonable period of time after the election, but no less than 60 days.

"Electronic transmission" is defined to include any form of electronic communication that does not directly involve the transfer of paper and that is able to be retained, retrieved and reproduced by the recipient. "Signature" is defined to include a manual, facsimile, conformed, or electronic signature.

EHB 2322

Votes on Final Passage:

House	97	0
Senate	43	0

Effective: June 8, 2000

EHB 2322

C 169 L 00

Amending the partnership and limited liability company acts.

By Representatives Esser, Lantz and Constantine.

House Committee on Judiciary
Senate Committee on Judiciary

Background: A business entity has a variety of organizational forms to choose from, including limited liability company (LLC) and limited partnership (LP). Both LLCs and LPs offer some limitation on the liability of the persons or entities that are members, managers, or partners in the entity.

An LLC is a noncorporate entity with a flexible management structure. An LLC may be managed by its members, or by one or more managers appointed by the members.

An LP is a form of business organization that consists of limited partners and at least one general partner. General partners run the business and are personally liable for the debts and obligations of the limited partnership. Limited partners are liable for the partnership's debts and obligations only to the extent of their contributions, as long as they do not participate in control of the business.

An LLC and an LP may set a specific date of dissolution of the entity in their respective LLC agreements and certificates of limited partnership. If no dissolution date is specified, the default period is 30 years, unless an event of dissolution occurs.

Dissolution of an LLC occurs upon the dissociation of a member, unless within 90 days all remaining members agree to continue the LLC. Dissolution of an LP occurs upon the withdrawal of a general partner unless within 90 days all partners agree to continue the LP.

A general partner may be admitted to an LP only with the consent of all partners, both general and limited.

Summary: Various amendments are made to the Limited Liability Company (LLC) Act and the Limited Partnership (LP) Act relating to length of existence of the entities; withdrawal of members, managers, and partners; dissolution of the entities; and technical and clarifying corrections.

If a member of an LLC or a general partner of an LP ceases to be a member or general partner, those persons attain the status of assignees of the interests in the LLC and LP.

Both LLCs and LPs have perpetual existence unless a dissolution date is specified in the certificate of formation

or certificate of limited partnership, respectively, or an event of dissolution occurs. An LLC is dissolved 90 days after the dissociation of the last remaining member unless the assignees of the LLC rights have voted to admit one or more new members. An LP is dissolved 90 days following the withdrawal of the last remaining limited partner or the last remaining general partner, unless one or more new limited or new general partners are admitted. New limited partners may be admitted with the majority vote of all general partners. New general partners may be admitted with a two-thirds vote of the voting power of all limited partners.

A clarification is made that an LLC can be composed of just one member, and the LLC agreement can be the statement of the sole member.

If the sole remaining manager of an LLC dies, resigns, is removed or otherwise dissociated from the LLC, the LLC becomes member-managed unless new managers are appointed by a majority of the members within 90 days.

A new general partner of an LP may be admitted with the consent of all general partners and two-thirds of the voting power of the limited partners.

Cross-reference corrections are made.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: June 8, 2000

HB 2328

C 9 L 00

Decreasing filing fees for petition for unlawful harassment.

By Representatives Lantz, Constantine, Ogden, Edmonds, Stensen, Regala, O'Brien, Kagi, Dickerson, Cody, Keiser, Kessler, Schual-Berke, Hurst, Santos and Kenney.

House Committee on Judiciary
Senate Committee on Judiciary

Background: A person who is being unlawfully harassed may petition the court for an anti-harassment order against the harasser.

District courts have jurisdiction over anti-harassment order petitions. Superior courts have concurrent jurisdiction to receive transfer of anti-harassment order petitions where the district court finds there are good reasons for the transfer. If the alleged harasser is under the age of 18, the district court must transfer the case to superior court.

The district court filing fee for a petition for an anti-harassment order is \$31 plus an optional county surcharge of up to \$10. If the petition is filed in superior court, the filing fee is \$110.

The district and superior court filing fees are subject to division with the public safety and education account and the county or regional law library fund. The county trea-

suror must transmit \$12 of the superior court filing fee and \$6 of the district court filing fee to the law library fund. In addition, 46 percent of the superior court filing fee and 32 percent of the district court filing fee are remitted to the state public safety and education account fund.

Summary: The superior court filing fee for a petition for unlawful harassment is reduced from \$110 to \$41.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: June 8, 2000

HB 2329

C 41 L 00

Changing descriptions in judgments involving real property.

By Representatives McDonald, Lantz and Constantine.

House Committee on Judiciary
Senate Committee on Judiciary

Background: When a judgment is entered in a court case, the clerk of the court is responsible for processing certain paperwork associated with the judgment. Included in these responsibilities is entering the judgment in the court execution docket, which allows a record to be kept of the parties' compliance with the requirements of the judgment. Each judgment for the payment of money must have a summary page that succinctly summarizes information about the judgment creditor and debtor, the amount of the judgment and any interest owed, and the total of costs and attorney fees owed.

In 1999, legislation was enacted requiring that a judgment summary include specific information about real estate that is affected by the judgment. If the judgment involves an award of any interest in real property, the summary page must include both an abbreviated legal description of the property and the assessor's tax parcel or account number. In some instances, use of both real property identifiers makes it impossible to confine a summary to one page.

Summary: The description of real property on a judgment summary may be either an abbreviated legal description of the property or the assessor's tax parcel or account number.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: June 8, 2000

HB 2330

C 192 L 00

Allowing liquor revolving fund disbursements to the death investigations account.

By Representatives McMorris and Scott.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The state toxicology laboratory performs all necessary toxicological procedures requested by coroners, medical examiners, and prosecuting attorneys. Legislation enacted during the 1999 session transferred the state toxicology lab function from the University of Washington's School of Medicine to the Washington State Patrol.

Funding for the state toxicology lab comes from the liquor revolving fund. Each biennium, the Liquor Control Board must disburse \$300,000 from the liquor revolving fund to the Washington State Patrol for the state toxicology lab. However, the legislation that transferred the lab to the Washington State Patrol did not specify into which account these liquor revolving fund moneys were to be deposited. As a result, the moneys were not directed into an account from which the Washington State Patrol is authorized to make expenditures.

The death investigations account is an appropriated account that funds various programs, including the state toxicology lab.

Summary: The biennial transfers to the Washington State Patrol from the liquor revolving fund for the state toxicology laboratory are deposited into the death investigations account.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: June 8, 2000

SHB 2332

C 157 L 00

Authorizing student groups to conduct charitable fund-raising.

By Representatives Schual-Berke, Edmonds, Dickerson, Keiser, Carlson, Hurst, Lantz and Stensen.

House Committee on Education
Senate Committee on Education

Background: An "associated student body" is a formal organization of students regulated by the school district. Associated student bodies, among other things, provide optional non-credit extracurricular activities of a cultural, social, recreational, or athletic nature. Associated student

body activities generally are funded by fees or student fundraisers.

Donations may be used by the associated student body for scholarship, student exchange, and charitable and other purposes. Donations typically mean gifts made without receiving any compensation. However, many student fundraisers, such as car washes and bake sales, provide a service or product to the person making the "donation."

Students may raise private funds, called nonassociated student body program funds, for private purposes that can be held in trust in an associated student body program fund. The school district must be compensated for the cost of administering the separate private account or accounts.

The Washington Constitution's lending of credit provisions prohibit local public agencies, such as school districts, from making gifts of public funds except to aid the poor or infirm.

Summary: Specific authorization for the associated student body program fund to use donations for scholarship, student exchange, charitable, and other purposes is removed.

Subject to school board policy, student groups are authorized to conduct fund-raising activities as a private group to generate nonassociated student body funds. These nonassociated student body funds may be used for scholarship, student exchange, and charitable purposes; they cannot be used for political purposes. Nonassociated student body program funds are not public funds for purposes of the state Constitution's lending of credit provisions. The student group raising the funds determines how the funds are used. These nonassociated student body funds must be held in trust in an associated student body program fund in separate accounts, and the school district must be reimbursed for the direct expenses of maintaining these separate accounts.

Votes on Final Passage:

House	95	0
Senate	45	0 (Senate amended)
House	96	0 (House concurred)

Effective: June 8, 2000

HB 2333

C 85 L 00

Clarifying rights and responsibilities of bicyclists.

By Representatives Schual-Berke, Dickerson, Carlson, Hurst and D. Sommers.

House Committee on Transportation
Senate Committee on Transportation

Background: No statute identifies the legal status of bicyclists when they are on a sidewalk or in a crosswalk. In June 1999, the Washington Supreme Court found that the

protection afforded pedestrians in crosswalks, marked or unmarked, was extended to bicyclists when they are within a crosswalk. There is also no law that provides guidance to law enforcement when confronting a bicycle rider who is impaired by alcohol or drugs.

Summary: The rights and duties of bicyclists are affected in two ways. First, the holding in the 1999 Washington State Supreme Court case is codified. Bicyclists in a crosswalk have all the rights and duties of pedestrians; drivers of vehicles must yield the right-of-way. Bicyclists also have all the rights and duties of pedestrians on sidewalks. However, bicyclists must yield the right-of-way to pedestrians when they are in crosswalks or on sidewalks.

Second, law enforcement officers may transport bicyclists impaired by alcohol or any drug to a safe place or release the rider to a competent person. If assistance is refused by the rider, no lawsuit may later be brought against a governmental agency for acts resulting from the refusal. Procedures are established under which an officer may impound an impaired rider's bicycle.

Votes on Final Passage:

House	92	5
Senate	39	6

Effective: June 8, 2000

EHB 2334

C 158 L 00

Modifying electric utility net-metering systems.

By Representatives Gombosky, DeBolt and Poulsen.

House Committee on Technology, Telecommunications & Energy

Senate Committee on Energy, Technology & Telecommunications

Background: Net metering is the practice of using a single meter to measure the difference between the total generation and total consumption of electricity by customers with small generating facilities.

Under the net metering law enacted in 1988, electricity customers are permitted to offset the cost and consumption of utility-provided electricity with electricity generated by their own small-scale generation system. Under net metering, the customer's small generation system is connected to the utility grid, and electricity produced by the customer's system flows onto the utility grid, spinning a bi-directional electricity meter backwards. Utilities must offer net metering until the cumulative generating capacity of all systems equals 0.1 percent of the utility's 1996 peak demand.

A fuel cell is an electrochemical device in which hydrogen and oxygen combine in a controlled manner (in contrast to combustion or explosion) to directly produce an electric current and heat.

Summary: The statutory definition of net metering systems is amended to include systems generated by fuel cells.

A portion of the cumulative generating capacity is set aside for meeting net metering systems that use solar, wind, or hydropower.

Electric utilities are not liable for allowing the attachment of a net metering system, or the acts or omissions of a customer-generator, that causes injury, loss or death to a third party.

If a customer-generator complies with all the safety and interconnection requirements of the appropriate governing body, the customer is not required to purchase additional liability insurance or pay for additional tests of his or her equipment.

Votes on Final Passage:

House	95	2
Senate	45	0

Effective: June 8, 2000

ESHB 2337

C 3 L 00

Ordering implementation of a state-wide city and county jail booking and reporting system.

By House Committee on Criminal Justice & Corrections (originally sponsored by Representatives Ballasiotes, O'Brien, Cairnes, Kagi, B. Chandler, Lovick, Delvin, Carlson and Conway).

House Committee on Criminal Justice & Corrections
Senate Committee on Judiciary

Background: The Washington Association of Sheriffs and Police Chiefs (WASPC) is considered a combination of units of local government. It is responsible for, upon the request of a particular county, assisting that county in helping to develop and implement its local law and justice plan. The association also maintains a central repository for the collection of all malicious harassment type crimes and, on occasion, is responsible for working with other state and local agencies in conducting crime-related studies.

The Washington Justice Information Network, operated by the Department of Information Services, is a computerized network system that transports criminal justice information to various counties throughout the state. The system, located in every county except Asotin and Pend Oreille, allows criminal records regarding a particular offender being charged. The system is not located in every city and county jail and does not contain jail booking and capacity information. Jail booking systems are operated independently in each individual county.

Summary: The WASPC must implement and operate a statewide central booking and reporting system by De-

ember 31, 2001. At a minimum the system must contain the following items:

- each offense for which an arrested individual is being charged;
- descriptive information about each offender such as the offender's name, vital statistics, address, and mug-shot;
- any information about the offender while in jail that could be used to protect criminal justice officials who have future contact with the offender, such as medical conditions and behavior problems; and
- statistical data indicating the current capacity of each jail and the quantity and category of offenses charged.

The system must be placed on the Washington Justice Information Network and be capable of communicating electronically with every city and county jail and with all state criminal justice agencies located in Washington.

After the WASPC has implemented the electronic jail booking system, if a city or county jail or law enforcement agency receives state or federal funding to cover the cost of implementing or reconfiguring an electronic jail booking system, the city or county jail or law enforcement agency must reconfigure its electronic jail booking system so that it is in compliance with the WASPC's jail booking system.

A city or county jail or law enforcement agency that operates an electronic jail booking system, but choose not to accept state or federal money to implement or reconfigure its electronic jail booking system, must electronically forward its jail booking information to the WASPC. The electronic format that is sent may be at the discretion of that city or county jail or law enforcement agency, but must include at a minimum the name of the offender, any vital statistics, the date of arrest, the charge, and if available, the mug shot.

The WASPC must appoint and convene a statewide Jail Booking and Reporting System Standards Committee comprised of representatives from the WASPC, the Information Service Board's Justice Information Committee, the Judicial Information System of the Office of the Administrator for the Courts, at least two individuals who serve as jailers in a city or county jail, and any other individuals that the WASPC chooses to place on the committee. The committee is authorized to develop and amend as needed the operational standards for the statewide jail booking and reporting system, as well as the standards to be used for allocating grants to a particular city and county jail or law enforcement agency that will be implementing or reconfiguring its electronic jail booking system.

All operational standards and the standards developed for allocating grants to city and county jails and law enforcement agencies, for the purpose of implementing the central electronic jail booking system, must be placed in a report. The report must be provided, by January 1, 2001, to all city and county jails, all criminal justice agencies,

SHB 2338

the WASPC, the chair of the Senate Human Services and Corrections Committee, and the chair of the House of Representatives Criminal Justice and Corrections Committee.

The WASPC is also responsible for pursuing federal funding to pay for the costs of implementing the central jail booking system. All federal or state money collected to offset the costs associated with the jail booking and reporting system must be deposited and processed through a local jail booking system grant fund to be established and managed by the WASPC. The statewide Jail Booking and Reporting System Standards Committee is responsible for distributing the grants in accordance with the standards it develops.

The act is null and void if the Washington Association of Sheriffs and Police Chiefs does not receive federal funding for the purposes of the act by December 31, 2000.

Votes on Final Passage:

House	95	0
Senate	47	0

Effective: June 8, 2000

SHB 2338

C 42 L 00

Allowing the parks and recreation commission to dispose of certain real property without an auction.

By House Committee on Natural Resources (originally sponsored by Representatives Alexander, Regala, Haigh, Ruderman and Parlette; by request of Parks and Recreation Commission).

House Committee on Natural Resources
Senate Committee on Natural Resources, Parks & Recreation

Background: There are two methods for the disposal of surplus park lands. The Parks and Recreation Commission may either sell property to the highest bidder or exchange the land for another parcel. There is no expedited method for the disposal of property in order to resolve property disputes.

The option of selling property requires a sealed bidding process. Bids must be solicited through a newspaper advertisement at least 20 days in advance of the sale. If the commission feels that none of the bids reflect the fair value of the land, it may reject the bids and call for new bids. Sale of land requires the unanimous consent of the commission. Proceeds from the sale of such lands are deposited into the park land acquisition account, which funds the purchase of replacement land.

In order to exchange property, the commission must determine whether the land being offered for exchange is adaptable to park usage and whether the parcels are of equal value. The parcels must be appraised in order to ensure that they are of equal value. Prior to exchanging

land, the commission must hold a public hearing on the proposed exchange. A land exchange may be challenged in court if the established notice and hearing procedures are not followed. Land exchanges also must be approved with the unanimous consent of the commission.

Summary: The Parks and Recreation Commission is authorized to dispose of up to ten contiguous acres of land without an auction in order to resolve trespass property ownership disputes and boundary adjustments with adjacent private property owners. Such disposal may only occur after an appraisal, for at least fair market value, when disposal is in the best interest of the state, and with the unanimous consent of the commission. The determination of fair market value may include the use of separate appraisals.

The commission must cooperate with potential purchasers to find a mutually agreeable sales price. Proceeds from such disposals must be deposited into the park land acquisition account.

Public notice and a hearing procedure must be followed prior to the disposal of property. These requirements are similar to the procedures required for land exchanges. A land disposal that does not comply with these requirements may be declared invalid by a court.

Votes on Final Passage:

House	95	0
Senate	43	0 (Senate amended)
House	81	0 (House concurred)

Effective: June 8, 2000

HB 2339

FULL VETO

Ranking the penalty for foreign protection order violations.

By Representatives O'Brien, Ballasiotes and Hurst; by request of Sentencing Guidelines Commission.

House Committee on Criminal Justice & Corrections
Senate Committee on Judiciary

Background: Foreign Protection Orders. In 1999 the Legislature created a statutory procedure for the filing and enforcement of foreign protection orders, i.e., orders related to domestic or family violence, harassment, sexual abuse, or stalking issued by a court of another state, a United States territory or possession, a U.S. military tribunal, or a tribal court. As with a violation of an order issued by a court of this state, a violation of a foreign protection order is generally a gross misdemeanor, but becomes a class C felony in the following three circumstances: (1) the violation is an assault that does not amount to assault in the first- or second-degree; (2) the violation involved conduct that is reckless and creates a substantial risk of death or serious physical injury to an

other person; or (3) the offender has at least two prior convictions for violating the provisions of a no-contact order, a domestic violence protection order, or a comparable federal or out-of-state order.

This felony violation of a foreign protection order was not ranked (assigned a seriousness level) for the purposes of the Sentencing Reform Act. It is the seriousness level of the crime that, when combined with the offender score, generally determines the sentence the offender will receive. The maximum term of confinement for an unranked felony is 12 months, unless the court finds that there are substantial and compelling reasons for imposing an exceptional sentence.

In 1999 the Legislature ranked a number of felony offenses that were previously unranked, including felony violations of domestic violence no-contact and protection orders issued by Washington courts.

Crimes Against Persons. Crimes are categorized for prosecution standard purposes as crimes against persons, crimes against property/other crimes, and unclassified. Beginning with crimes committed after July 1, 2000, crimes against persons require a mandatory term of community custody. Felony violations of domestic violence no-contact and protection orders issued by Washington courts are categorized as crimes against persons.

Summary: Foreign Protection Orders. Felony violations of foreign protection orders are ranked at seriousness level V for the purposes of the Sentencing Reform Act. A level V crime has a presumptive sentence range of six to 12 months for an offender with no prior criminal history.

Crimes Against Persons. Felony violations of foreign protection orders are categorized as crimes against persons.

Votes on Final Passage:

House	95	0
Senate	48	0

VETO MESSAGE ON HB 2339

March 29, 2000

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, House Bill No. 2339 entitled:

“AN ACT Relating to violation of foreign protection orders;”

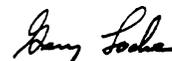
This bill was requested by the Sentencing Guidelines Commission. It would have made prison and jail terms for violating domestic violence protection orders issued by courts outside Washington the same as those for violating similar orders issued by courts in our state. It also would have provided that felony violators of these “foreign” protection orders be subject to community custody after release under the Offender Accountability Act. I strongly support these sentencing changes, and appreciate the Commission’s work.

However, the same provisions were also included in Engrossed Second Substitute Senate Bill No. 6400, based on the recommendations of the Governor’s Domestic Violence Action Group. The latter bill is more comprehensive and applies to additional types of court orders protecting domestic violence victims and vulnerable adults. While the intent of these bills is the same, allowing

both to become law would create confusion in our statutes because of subtle differences in drafting. But for this problem, I would gladly have signed House Bill No. 2339.

For these reasons I have vetoed House Bill No. 2339 in its entirety.

Respectfully submitted,



Gary Locke
Governor

EHB 2340

C 43 L 00

Providing for removal of offenders from the drug offender sentencing alternative who are subject to a deportation order.

By Representatives O’Brien, Ballasiotes, Carlson, Hurst and Talcott; by request of Sentencing Guidelines Commission.

House Committee on Criminal Justice & Corrections
Senate Committee on Judiciary

Background: The Drug Offender Sentencing Alternative (DOSA) allows a court to waive imposition of a drug offender’s sentence within the standard sentencing range. An offender with any prior or current convictions for a sex offense or violent felony offense is prohibited from participating in the program. In addition, an offender who has been found by the United States Attorney General to be subject to a deportation order or detainer is ineligible for the DOSA program.

Under the DOSA program the court imposes a sentence that includes confinement in a state facility for one-half of the midpoint of the standard sentencing range. While in confinement the offender must complete a substance abuse assessment and receive substance abuse treatment and counseling.

Following incarceration, the offender must spend the remainder of the midpoint of the standard sentencing range on community custody, which must also include crime-related prohibitions, drug testing, and some type of alcohol and substance abuse treatment. A court may also impose affirmative conditions as part of the offender’s sentence.

An offender violates or fails to complete the DOSA sentencing conditions will have a violation hearing held by the Department of Corrections (DOC). If the DOC finds that the conditions of the sentence have been willfully violated, the offender may be reclassified to serve the unexpired term of his or her sentence as ordered by the sentencing judge.

Summary: An offender who is found by the United States Attorney General to be subject to a deportation order after the offender has already begun his or her DOSA

SHB 2343

sentence will be subject to a violation hearing held by the DOC. At the violation hearing, if the offender is confirmed to be subject to a deportation order, the DOC may administratively terminate the offender from the program.

Any offender who fails to complete the DOSA program or who is administratively terminated from the program will be required to serve a period of community custody as well as be reclassified to serve the unexpired term of his or her sentence as ordered by the sentencing judge.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: June 8, 2000

SHB 2343

C 193 L 00

Modifying provisions on impounded vehicles.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Hatfield, Benson and Esser).

House Committee on Financial Institutions & Insurance
Senate Committee on Transportation

Background: Law enforcement officers are authorized to impound a vehicle in a variety of circumstances, such as when the officer arrests the driver, the person operating the vehicle does not have a valid driver's license, or the person operating the vehicle is driving with a suspended or revoked license. A vehicle impounded by a law enforcement officer may be redeemed only by the owner of the vehicle or a person who has the permission of the owner, upon payment of all costs associated with the impound using commercially reasonable tender. Commercially reasonable tender includes cash, major bank credit cards, and personal checks drawn on in-state banks if accompanied by two pieces of valid identification.

The sale of unclaimed impounded vehicles is allowed under certain circumstances. Storage charges may be imposed for specified costs related to the impound. A towing firm must accept a check it cannot verify to be a bad check.

Summary: For purposes of redeeming an impounded vehicle, commercially reasonable tender is modified to include major bank credit cards issued by financial institutions and checks drawn on Washington branches of financial institutions. A towing firm may refuse to accept a check that the towing firm cannot verify to be a good check.

Provisions regarding the sale of impounded vehicles are modified to include vehicles impounded as a result of a suspended license. Storage charges that stopped accruing because of an error in an abandoned vehicle report to

the Department of Licensing can be resumed when the error is corrected.

Votes on Final Passage:

House	97	0
Senate	45	0 (Senate amended)
House	96	1 (House concurred)

Effective: June 8, 2000

HB 2344

C 90 L 00

Authorizing the caseload forecast council to forecast community corrections caseloads.

By Representatives Huff, McIntire, Linville, Alexander, Kenney and Parlette; by request of Caseload Forecast Council.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The Caseload Forecast Council was created in 1997. The council consists of appointees from both the legislative and executive branches and employs a staff of five persons.

The council prepares caseload forecasts for a number of entitlement programs. The forecasts for which the council is responsible are set forth in statute and include public assistance programs, state correctional institutions, state institutions for juvenile offenders, the common school system, long-term care, medical assistance, foster care, and adoption support.

The forecast for the number of offenders supervised in the community by the Department of Corrections is prepared, on a biennial basis, by the Department of Corrections. The total appropriation for the community corrections program within the Department of Corrections in the 1999-2001 biennium is \$120.1 million.

Summary: The Caseload Forecast Council is responsible for preparing the state correctional noninstitutional community supervision forecast.

Votes on Final Passage:

House	97	0
Senate	45	0 (Senate amended)
House	98	0 (House concurred)

Effective: July 1, 2000

SHB 2345

C 44 L 00

Requiring the secretary of social and health services to adopt rules for oversight and operation of the sexually violent predator program.

By House Committee on Criminal Justice & Corrections (originally sponsored by Representatives O'Brien, Ballasiotes, Ruderman, Hurst and Lovick; by request of Department of Social and Health Services).

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

Background: A sexually violent predator may be civilly committed upon expiration of his or her criminal sentence. A sexually violent predator is a person who has either been convicted of a crime of sexual violence or been charged with such a crime and found not guilty by reason of insanity or found to be incompetent to stand trial, and who suffers from a mental abnormality or personality disorder that makes the person likely to engage in predatory acts of sexual violence if not confined to a secure facility. A sexually violent predator is committed to the custody of the Department of Social and Health Services (DSHS) for control, care, and treatment until the person's mental disorder has so changed that he or she is safe either to be released or to be transferred to a less restrictive alternative. Sexually violent predators are currently housed at the Special Commitment Center on the grounds of the McNeil Island Corrections Center.

The secretary of the DSHS is authorized to promulgate rules regarding specific aspects of the sexually violent predator system, such as rules establishing the professional qualifications necessary for persons conducting evaluations of whether an offender is a sexually violent predator and rules regarding escorted leave. The secretary may not adopt rules without specific statutory authority.

Summary: The secretary of the DSHS is required to adopt rules under the Administrative Procedure Act for the oversight and operation of the sexually violent predator commitment law. The rules must include provisions for an annual inspection of the Special Commitment Center and requirements for treatment plans and the retention of records.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: March 22, 2000

SHB 2348

C 45 L 00

Authorizing treasurer services for conservation districts.

By House Committee on Agriculture & Ecology (originally sponsored by Representatives G Chandler and Linville; by request of Conservation Commission).

House Committee on Agriculture & Ecology
Senate Committee on Agriculture & Rural Economic
Development

Background: The county treasurer invests the funds of any municipal corporation in the county upon the authorization of the municipal corporation's governing body. Some units of local government are expressly authorized to make the county treasurer the ex officio treasurer of the local government and may also designate a different person to act as the treasurer for the local government.

Conservation districts are authorized to employ a secretary and other technical experts, but are not expressly authorized to hire someone to act as the treasurer for the district.

Summary: The county treasurer acts as the ex officio treasurer of the conservation district located in the county. The board of supervisors of a conservation district may designate a person other than the county treasurer to act as the treasurer of the district. The person designated as the treasurer of the conservation district must have experience in financial or fiscal matters.

If the board of supervisors designates a person to act as treasurer of the conservation district, the board must require a bond from a surety company to protect the district from loss. The district must pay the premium on the surety bond. The district may require a reasonable bond of any other person handling moneys or securities of the district, but the district must pay the premium.

If the county treasurer acts as the treasurer for the conservation district, the district funds must be deposited with the county depositories under the same provisions that apply for county depositories. If someone other than the county treasurer acts as the treasurer for the conservation district, all district funds must be deposited in a bank or banks authorized to do business in the state, as designated by the board of supervisors.

The treasurer must establish a conservation district fund into which all district funds are paid. The board of supervisors may create special funds for the placement of money as it directs. All conservation district funds must be paid to the treasurer and may be disbursed only upon warrants issued by an auditor appointed by the board of supervisors.

Votes on Final Passage:

House	95	0
Senate	45	0

Effective: June 8, 2000

HB 2353

C 46 L 00

Allowing criminal history records to be sent to the Washington state gambling commission.

By Representatives Wood, Carrell and Hurst; by request of Gambling Commission.

House Committee on Judiciary
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: The Washington State Gambling Commission regulates gambling activities and restrains criminal activities associated with unlawful gambling. As part of its duties, the commission licenses individuals and entities who engage in gambling activities, such as bingo managers and distributors of gaming products.

Before issuing a license, the commission must check the criminal background of each applicant. The commission may deny, revoke, or suspend a license for any reason it deems to be in the public interest. For the purposes of licensing, the commission may consider any prior criminal conduct of the applicant or licensee.

The commission obtains conviction-related information since criminal justice agencies may disseminate conviction records without restriction. However, criminal justice agencies may only disseminate nonconviction related information under limited circumstances.

The circumstances under which a criminal justice agency may release nonconviction related data include: (1) releasing the data to another criminal justice agency; (2) releasing the data pursuant to a statute, ordinance, executive order, or court rule; (3) releasing the data to an individual or agency pursuant to a contract to provide services related to the administration of criminal justice; and (4) releasing the data to an individual or agency for research, evaluative, or statistical activities.

Summary: Criminal justice agencies may release nonconviction related data to the Washington State Gambling Commission for purposes related to the commission's investigation and licensing responsibilities. Nonconviction data obtained by the commission may only be released to other criminal justice agencies.

Votes on Final Passage:

House	97	0	
Senate	37	9	(Senate amended)
House			(House refused to concur)
Senate	37	7	(Senate receded)

Effective: June 8, 2000

SHB 2358

C 178 L 00

Allowing charitable organizations to hire vendors to conduct fund raising events.

By House Committee on Commerce & Labor (originally sponsored by Representatives Wood, McMorris, Clements, Conway and Radcliff).

House Committee on Commerce & Labor
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Nonprofit or charitable organizations may conduct fund-raising events that include gambling activities such as bingo, casino-style games, amusement games, and raffles. Wagers are made in these gambling activities using money. The number of events an organization may hold each year is limited to an extended event once a year lasting up to three days or two one-day events twice a year.

The total annual profit from fund-raising events may not exceed \$10,000 for any individual organization. Organizations may join together to sponsor an event. The total profit from a joint event may not exceed \$10,000. In calculating the \$10,000 limit, an organization reduces the amount of gross wagers by the amount paid out as winnings and the cost of prizes given as winnings.

These events may be conducted only as prescribed by the gambling laws. For example, only members of the organization may participate in the management or operation of the activities. All income, less prizes and expenses, must be devoted solely to the lawful purposes of the organization, and local law enforcement must be notified of the time and place of the event.

This method of raising money by nonprofit and charitable organizations has become less popular, and revenue from this type of event has declined.

Summary: Another method is established for conducting fund-raising events by charitable and nonprofit organizations.

Organizations may hire a person or a vendor who is licensed by the Gambling Commission to conduct a fund-raising event on behalf of the organization under the following conditions:

- (1) all wagers must be made with chips or scrip having no cash value that can be redeemed for prizes;
- (2) the value of all purchased prizes may not exceed 10 percent of the gross revenue from the event;
- (3) the person or vendor conducting the event may provide the equipment and the personnel to operate the equipment but may not provide the facility;
- (4) the person or vendor may receive a fixed fee determined prior to the event and may not share in the proceeds of the event; and
- (5) only members and guests may participate in the event.

These fund-raising events remain subject to all other provisions of the gambling laws.

Votes on Final Passage:

House	76	21
Senate	27	17

Effective: June 8, 2000

SHB 2367

C 10 L 00

Including higher education programs in the work activity definition.

By House Committee on Children & Family Services (originally sponsored by Representatives Kenney, Carlson, Tokuda, Edmonds, Lovick, Stensen, Lantz, Veloria, Doumit, Dickerson, Kagi, Murray, Wolfe, Ogden, Schual-Berke, Kessler, Regala and Santos).

House Committee on Children & Family Services
Senate Committee on Higher Education

Background: Under the WorkFirst program, recipients of temporary assistance for needy families (TANF) must engage in work activities. Work-related activities that fulfill this requirement include subsidized paid employment, on-the-job training, and some vocational education.

Work-study is a need-based financial aid program that subsidizes the wages of students employed through the program. Under the state program, employers who hire work-study participants get partially reimbursed by the state for the students' wages. If it is an on-campus employer, the employer gets reimbursed up to 80 percent of the wages paid if it is an off-campus employer, the employer gets reimbursed up to 65 percent of the wages paid. Employers are prohibited from displacing existing employees in order to employ a work-study student and receive the subsidy.

Internships and practicums are supervised practical training. In vocational programs most degree and certificate programs require some form of an internship or practicum. The terms of the internship and practicum, including the hours, the length, and whether it is paid or unpaid, are up to the individual institutions of higher education.

Summary: The types of activities that fulfill the work requirement under TANF are expanded. On-the-job training has been further defined to include some internships and practicums. To qualify, the internship or practicum must be a requirement of completing a course of vocational training or obtaining a license or certificate in a high demand field. The Employment Security Department must define what constitutes a "high demand" field. The internship or practicum may not exceed 12 months in duration. Also, state and federal work-study will fulfill

the work requirement; however, such work study is limited to a maximum of 24 months.

Votes on Final Passage:

House	97	0
Senate	32	13

Effective: June 8, 2000

SHB 2372

C 162 L 00

Regulating detention of children within secure facilities.

By House Committee on Children & Family Services (originally sponsored by Representatives Kagi, D. Sommers, Carrell, Cody, Edwards, Kenney, Wolfe, Lovick and Schual-Berke).

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

Background: If a child has run away from home or alternative placement, has acted out in some manner that endangers the child or others, or has a substance abuse problem, petitions may be filed in juvenile court seeking court for assessment, treatment, and placement services with the goal of reconciling the family.

An At-Risk Youth (ARY) petition may be filed only by a parent. The petition must demonstrate that: (1) the child has been absent from the home for at least 72 hours without parental consent; and (2) that the child is engaging in behaviors beyond the control of the parent that endanger the child or others.

A Child in Need of Services (CHINS) petition may be filed by the child, parent, or the Department of Social and Health Services. This petition must demonstrate either: (1) that the child has been absent from the home, crisis residential center, out of home placement, or court ordered placement for at least 24 hours on two or more separate occasions, and that the child is engaging in behaviors beyond the control of the parent that endanger the child or others; or (2) that the child needs food, shelter, health care, or other necessities but lacks access to or has declined services, and that the child's parents have been unsuccessful, unable, or unwilling to continue efforts to maintain the family structure.

If a child is truant from school a prescribed number of times the school district must file a petition with the juvenile court seeking court assistance in getting the child to attend school. If the school district fails to act after a prescribed number of unexcused absences, the parent may file a petition. The court may enter an order establishing requirements most likely to cause the juvenile to return to, and remain in, school.

A child subject to a court order resulting from an ARY, CHINS, or truancy petition, is found to be in civil contempt of a court order, may be taken into custody by a law enforcement officer if so ordered by the court. As a sanc-

tion for the failure to comply, the court may order that the child be confined. Confinement must occur in a secure juvenile detention facility operated by a county and may be for a period of up to seven days.

A child may be removed from his or her home and temporarily placed elsewhere based on allegations of child abuse or neglect. The Department of Social and Health Services (DSHS) investigates allegations of abuse or neglect including such allegations regarding state employees.

After investigating, the department may determine that the allegations are unfounded. However, the allegations are not removed from the DSHS records, but remain as "unfounded allegations." There are circumstances in which the DSHS must respond to request for such records containing information of unfounded allegations.

Summary: Until July 1, 2002, the juvenile court may order confinement of a child for contempt in either (1) a secure facility which is a separate section of a juvenile detention facility; or (2) a juvenile detention facility. Secure facility beds are prioritized for runaways; no more than 50 percent of secure facility beds may be devoted to youth held in contempt.

No unfounded allegation of child abuse or neglect may be disclosed to a child-placing agency, private adoption agency, or any other licensed provider.

Votes on Final Passage:

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

Effective: June 8, 2000
July 1, 2002 (Sections 11-17)

HB 2375
C 166 L 00

Addressing information technology literacy at baccalaureate institutions of higher education.

By Representatives Lantz, Esser, Carlson, Kenney, Dunn, O'Brien and Haigh.

House Committee on Higher Education
Senate Committee on Higher Education

Background: Washington first began to focus on accountability in higher education with the 1986 Higher Education Coordinating Board (HECB) master plan. The 1997-99 budget established performance goals and targets for the institutions of higher education, which were tied to the baccalaureate's non-instructional funding. The performance goals included an undergraduate graduation efficiency index, an undergraduate student retention rate, a five-year graduation rate, and faculty productivity measures. The 1999-2001 budget required the baccalaureate institutions to continue to report progress on the performance goals, but did not have any funds tied to the

performance. The budget also authorized the State Board for Community and Technical Colleges (SBCTC) to adopt mission-based accountability measures.

In 1999 accountability forums were co-sponsored by the HECB, the SBCTC and the Council of Presidents. The baccalaureate institutions began to examine performance measures that would represent the "value-added" of a higher education. Their focus was on writing, critical thinking, information and technology literacy, and quantitative and symbolic reasoning.

Summary: Representatives from the public baccalaureate institutions, the SBCTC, and the HECB must form a work group to develop a plan to improve student information and technology literacy. This includes developing a definition, standards, and a financial assessment of implementation. If the Legislature determines that implementation is feasible, a pilot program will occur during the 2003-2004 academic year. If the pilot program is successful, system-wide implementation will begin in the 2004-2005 academic year. The baccalaureate institutions and the HECB must deliver several reports to the Legislature.

Votes on Final Passage:

House 96 1
Senate 42 0

Effective: June 8, 2000

SHB 2377
C 99 L 00

Regulating custom meat slaughter and preparation.

By House Committee on Agriculture & Ecology (originally sponsored by Representatives G. Chandler, Linville, Pennington and Haigh; by request of Department of Agriculture).

House Committee on Agriculture & Ecology
Senate Committee on Agriculture & Rural Economic Development

Background: In general, the custom meat laws regulate persons who slaughter and prepare uninspected meat for the owners of the meat. These laws are administered by the Department of Agriculture. Custom farm slaughterers, custom slaughtering establishments, and custom meat facilities must be licensed under these laws. A custom farm slaughterer is a person who may slaughter meat food animals only for the consumption of the owner of the animals through the use of an approved mobile unit. A custom slaughtering establishment is a fixed facility for such operations. A custom meat facility is a facility operated by a person licensed to prepare uninspected meat for the sole consumption of the owner of the uninspected meat. Operators of custom meat facilities also may prepare and sell prepared inspected meat to household users only. They

also may sell prepackaged inspected meat to any person; however, the prepackaged inspected meat cannot be prepared in any manner or opened or altered by these operators. The meat regulated by these laws is meat from cattle, swine, sheep, or goats.

Although custom meat facilities must be licensed under the custom meat laws, these laws do not supersede or restrict the authority of a county or city to adopt ordinances which are more restrictive for the handling of meat by custom meat facilities.

Summary: The custom meat laws are amended, and a general statement of the purpose of these laws is provided.

Penalties. Violations of the provisions of these laws or the rules adopted under them are no longer gross misdemeanors. However, it is unlawful, not simply a violation of these laws, to interfere with the performance of the Director of Agriculture's duties. Imposing both a civil penalty and a criminal penalty for a violation is no longer expressly prohibited.

Grounds for Losing a License. Refusing, neglecting, or failing to comply with the Uniform Washington Food, Drug, and Cosmetic Act or rules constitutes grounds for denying, suspending, or revoking a license under the custom meat laws. Refusing, neglecting, or failing to keep and maintain records required by the director by rule (rather than required directly by the custom meat laws) or failing to make these records available to the director is cause for denying, suspending, or revoking a license. The director no longer has the express authority to establish conditions of probation in lieu of such a denial, suspension, or revocation.

Authorized Activities. The uninspected meat prepared by a person licensed under the custom meat laws must still be for the owner of the meat but is no longer required to be for the sole consumption of the owner of the meat. These laws no longer prohibit the operator of a custom meat facility from being licensed to sell inspected meat that has been prepared at the facility to a person other than a household user.

Authority of the Director. The director is authorized to adopt rules setting requirements: for construction, equipment, cleaning, sanitation, and sanitary practices; for handling and storing meats and meat products; and for labeling meat and meat products. These authorities replace authorities for these rules that are stated more generally. The director is also authorized to adopt rules setting requirements for slaughtering and processing ratites such as ostriches, emus and rheas. Equipment used in preparing uninspected meat must be cleaned and sanitized before being used to prepare inspected meat. Packages of uninspected meat may not be stored in a retail counter. Specific instructions for tagging beef by custom slaughterers are provided. The tags may be provided only by the director at a cost currently set by rule.

The initial issuance of a license under the custom meat laws requires a pre-licensing inspection, and the license

may be issued only if the applicant is found to be in compliance with the requirements of these laws and the director's rules. An application for a license is expressly required to identify the physical location of each establishment or facility to be licensed. Licenses are not transferrable.

Local Ordinances. The express authority provided to cities or counties to adopt restrictions for the handling of meat by a custom meat facility that are more stringent than those of the state applies only to inspected meat, and, additionally, applies to the sale of such meat by the facility.

Repealed. Provisions of law are repealed that: require a person proposing to operate a custom slaughtering establishment first to establish the need for the establishment, provide related application information, and be issued a limited license; exempting Washington State University's meat laboratories from licensure for certain slaughtering operations; and exempt from the \$25 licensing renewal late fee those who certify that they have not conducted the licensed activity since their licenses expired.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: June 8, 2000

SHB 2378

C 96 L 00

Regulating structural pest inspections.

By House Committee on Agriculture & Ecology (originally sponsored by Representatives Linville, G. Chandler and Haigh; by request of Department of Agriculture).

House Committee on Agriculture & Ecology
Senate Committee on Agriculture & Rural Economic
Development

Background: The Washington Pesticide Control Act is administered by the Department of Agriculture. With certain exceptions, a person is prohibited from acting as a structural pest control inspector without obtaining a license from the department as a pest control consultant in the special category of structural pest control inspector. A structural pest control inspector is a person who inspects a building for wood destroying organisms, their damage, or conditions conducive to infestation by such organisms.

Commercial pesticide applicators are licensed under the Washington Pesticide Application Act. To secure and maintain such a license, the applicators must provide certain evidence of financial responsibility in the form of surety bonds or certain insurance. The amount of the bond or insurance policy must be not less than \$50,000 for both property damage and public liability insurance. The

property damage portion may be waived in certain circumstances.

Summary: The Washington Pesticide Control Act is amended. Structural pest control inspectors are now referred to as "structural pest inspectors" under the act.

Crimes. It is unlawful for a person to advertise that the person is a licensed structural pest inspector without having a valid pest control consultant's license in the category of structural pest inspector. It is unlawful for a person to issue one or more wood destroying organism inspection reports in conjunction with a transaction to transfer, exchange, or refinance a structure without recording a unique inspection control number on each of the reports. Such a report is a written document that reports or comments on the presence or absence of wood destroying organisms, damage by such organisms, or conditions conducive to establishing such organisms.

Financial Responsibility. The Director of Agriculture cannot issue a license to a person who intends to act as a structural pest inspector until the person has furnished evidence of financial responsibility. The evidence must consist of either a surety bond or an errors and omissions insurance policy or certification that protects persons who may suffer legal damages as a result of actions by the structural pest inspector. Such a bond or policy must be from an authorized insurer in this state.

The amount of the bond or policy must be not less than \$25,000 and \$50,000 respectively and the bond or policy cannot have a deductible of more than \$5,000. A deductible is not allowed if the applicant has not satisfied the amount of the deductible in a prior claim unless the deductible is itself covered by a bond or policy. An insurance policy must have a minimum three-year occurrence clause. The bond or policy must be maintained during the licensing period. The director must be notified before a reduction of policy coverage requested by the applicant and before cancellation of the bond or policy. If a licensee does not maintain these financial responsibility requirements, the director must immediately suspend the license until the requirements are again met.

Votes on Final Passage:

House	95	0	
Senate	47	1	(Senate amended)
House	98	0	(House concurred)

Effective: July 1, 2000

Clarifying the authority of the department of social and health services concerning boarding homes.

By House Committee on Health Care (originally sponsored by Representatives Cody, Parlette and Edwards; by request of Governor Locke).

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

Background: A series of reports by the Washington Long-term Care Ombudsman documented significant concerns with administrative oversight of the boarding home complaint investigation process. Based in part on these reports, the 1998 Legislature transferred responsibility for all boarding home quality assurance activities, including licensing, technical assistance, and complaint investigation/resolution, from the Department of Health (DOH) to the Department of Social and Health Services (DSHS). The transfer is set to expire on July 1, 2000, unless reauthorized by the Legislature.

The 1998 Legislature established a Joint Legislative and Executive Task Force on Long-term Care. One of the 12 specific duties of the task force was to evaluate the success of the boarding home program transfer from the DOH to the DSHS, and to determine whether additional changes should be made. The task force established a stakeholders subcommittee made up of consumers, advocates, providers, and technical experts with the DSHS. The task force recommended that the boarding home oversight program remain with the DSHS.

Summary: The authorization requiring the transfer of the authority to administer boarding homes back to the Department of Health (DOH) by July 1, 2000, is removed. The authority to administer boarding home quality assurance activities, including licensing, technical assistance, and complaint investigation/resolution is maintained within the Department of Social and Health Services (DSHS).

The DSHS is required to establish a boarding home advisory board for the purpose of seeking comments and recommendations prior to the adoption of boarding home rules and standards, implementation of programs, and the development of methods and rates of payments. The advisory board must also review the department's inspection and enforcement process and their quality improvement activities. Membership and a minimal meeting schedule are outlined.

Boarding home inspections are required to focus primarily on actual or potential resident outcomes.

Technical housekeeping changes are made.

Votes on Final Passage:

House	96	0	
Senate	45	0	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 1, 2000

SHB 2392

C 241 L 00

Creating the joint task force on local governments.

By House Committee on Local Government (originally sponsored by Representatives Doumit, Mulliken, Scott, Mielke, Miloscia, Hatfield, Fortunato, Fisher, Kenney, Edwards and Wolfe).

House Committee on Local Government

Senate Committee on State & Local Government

Background: Prior to the passage of Initiative 695, certain local governments received revenue in the form of sales tax equalization, which was funded through the motor vehicle excise tax (MVET) receipts. Following passage of the initiative, which repealed the MVET, these local government revenues were reduced.

Summary: A joint legislative task force is created to study the funding and delivery of local government services. The task force commences on July 1, 2000, and is to report interim findings and recommendations during the 2001 session, and have a final report and potential legislation prepared for the 2002 session. The task force is to complete a thorough study of the delivery of government services, the allotment of revenues, and collection and distribution of various fines and forfeitures.

The task force is made up of 17 members, four each from the House and Senate, four from the Association of Washington Cities, two from the Washington State Association of Counties, two from the Washington Association of County Officials, and a representative of the Governor. The task force may also appoint non-voting experts and advisors as necessary.

Votes on Final Passage:

House	96	0	
Senate	43	0	(Senate amended)
House			(House refused to concur)
Senate	45	0	(Senate amended)
House	98	0	(House concurred)

Effective: June 8, 2000

HB 2397

C 182 L 00

Revising provisions relating to local government fiscal notes.

By Representatives Scott, Mulliken, Doumit, Mielke, Fisher, Reardon, Edwards, Fortunato, Haigh, Wolfe and Ogden.

House Committee on Local Government

Senate Committee on State & Local Government

Background: A local government fiscal note is a report identifying how proposed legislation, if enacted, would directly or indirectly increase or decrease revenues or expenditures of affected local governments. When a local government fiscal note indicates that a bill or resolution would require a local government to expend funds, the Legislature is required by Initiative Measure 601 and other provisions to determine the state's fiscal responsibility and to make efforts to appropriate the funds or provide the revenue generating authority necessary to implement the legislation.

Any legislator may request a local government fiscal note for proposed legislation. The legislator also may request revision of a local government fiscal note to address proposed amendments or substitute bills.

The Office of Financial Management (OFM), or the Department of Community, Trade and Economic Development (DCTED), as OFM's designee, is required to complete the local government fiscal note within 72 hours unless the requesting legislator allows a longer time period. Neither the absence nor the inaccuracy of a local government fiscal note prevents the Legislature from acting upon proposed legislation or affects the validity of any legislation passed by the Legislature.

The OFM or DCTED is required to provide copies of the completed local government fiscal note to the requesting legislator and to:

- the chair of the committee which holds or has acted upon the bill (House or Senate);
- the chair of the local government committee (House or Senate);
- the chair of the ways and means committee and the Secretary of the Senate (Senate bills); and
- the chairs of the revenue and taxation and appropriations committees and the Chief Clerk (House bills).

The OFM or DCTED may provide additional copies of the local government fiscal note to other legislators or persons upon request.

Summary: The process for requesting and preparing local government fiscal notes is revised, and a process for reviewing the fiscal impact of enacted legislation is established. Legislative intent is specified to establish a process for more comprehensive fiscal impact reports and

SHB 2398

to recognize varying effects of legislation on local governments.

The initial fiscal note request is considered a continuing request on any substitutes or amendments. After a bill is altered, preparation of the fiscal note on the original version of the bill is halted unless the requesting legislator specifies otherwise or the altered version is adopted in the last week of the legislative session.

The time limit for completing fiscal note requests is expanded from 72 hours to one week of the request. The list of committees receiving copies of fiscal notes is revised to include:

- the chair of the committee which holds or has acted upon the bill (House or Senate);
- the chair of the local government committee or the equivalent committee considering local government matters (House or Senate);
- the chair of the ways and means committee or the equivalent committee with respect to jurisdiction and the Secretary of the Senate (Senate bills); and
- the chair of the ways and means committee or equivalent committees with respect to jurisdiction and the Chief Clerk (House bills).

Legislative authority to act upon legislation notwithstanding either the absence or inaccuracy of a local government fiscal note does not alter responsibilities imposed pursuant to Initiative Measure 601.

The OFM, in consultation with DCTED, is required to annually review and prepare a fiscal impact report on up to five laws enacted within the past five years. The laws are to be selected from a list submitted by the Legislature or chosen by the OFM if no list is submitted. Preparation of the fiscal impact reports is subject to available funding.

By December 31 of every even-numbered year, the OFM, in consultation with the DCTED, is also required to report to the Legislature on local government fiscal notes and fiscal impact reports prepared during the preceding two-year period.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 8, 2000

SHB 2398

C 103 L 00

Making technical corrections to tax statutes.

By House Committee on Judiciary (originally sponsored by Representatives Constantine, Esser and Lantz; by request of Office of the Code Reviser).

House Committee on Judiciary
Senate Committee on Ways & Means

Background: Inaccuracies in the Revised Code of Washington may occur in a variety of ways. Typographical, drafting, or grammatical errors may be made in bill drafts and floor amendments. Sections may be repealed, recodified, or amended in a way that changes their internal numbering, creating incorrect cross-references. A bill may change a particular term, or an entity may be renamed or abolished, and references to these terms or entities in other provisions of the code become inaccurate.

In a given legislative session, two or more bills may amend the same section of the code without reference to each other. This is called “double” or “multiple” amendments. Merging multiple amendments may sometimes require restructuring of a section for grammatical or other reasons.

Some provisions of the code become obsolete with the passage of time. The Legislature may create a program or impose a tax, for example, that operates only for a specified number of years or expires on a specified date.

Summary: Technical corrections are made to various provisions of Titles 82 and 84 RCW which relate to taxes.

The technical corrections include changes to correct: drafting errors; inaccurate references to terms that have been changed or entities that have been abolished or renamed; inaccurate cross-references resulting from amendments, vetoes, decodifications, or repealers; and references to expired or obsolete provisions. In addition, a section of the code is reenacted to merge a double amendment, and several obsolete sections of the code are repealed.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 8, 2000

SHB 2399

C 11 L 00

Making technical corrections to Titles 76, 78, 79, and 79A RCW.

By House Committee on Judiciary (originally sponsored by Representatives Constantine, Esser, Lantz, Barlean, Cairnes and Pflug; by request of Office of the Code Reviser).

House Committee on Judiciary
Senate Committee on Natural Resources, Parks & Recreation

Background: Inaccuracies in the Revised Code of Washington may occur in a variety of ways. Typographical, drafting, or grammatical errors may be made in bill drafts and floor amendments. A bill may change a particular term, or an entity may be renamed or abolished, and refer-

ences to these terms or entities in other provisions of the code become inaccurate.

In addition, sections may be repealed, recodified, or amended in a way that changes their internal numbering. References to these sections or subsections in other provisions of the code then become incorrect. In 1999, the Legislature recodified many chapters from various titles into a new title - Title 79A. Internal cross-references in these recodified sections were not updated so that Title 79A contains many inaccurate cross-references.

There are a number of decodified sections in the code. Decodification of a section occurs when the Legislature passes two bills affecting a section, one that amends the section, and the other that repeals that same section.

Summary: Technical corrections are made to various provisions of Titles 76, 78, 79, and 79A RCW, which relate to natural resources.

The technical corrections include changes to: correct grammatical, drafting, and typographical errors; correct inaccurate references to terms that have been changed or entities that have been abolished or renamed; remove obsolete language; alphabetize definitions; and correct inaccurate cross-references resulting from amendments, recodifications, vetoes, or repealers. In addition, several decodified and obsolete sections of the code are repealed.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: June 8, 2000

HB 2400

C 171 L 00

Making technical corrections to Titles 18 and 19 RCW.

By Representatives Constantine, Esser, Lantz, Barlean, Cairnes and Pflug; by request of Office of the Code Reviser.

House Committee on Judiciary
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Inaccuracies in the Revised Code of Washington may occur in a variety of ways. Typographical, drafting, or grammatical errors may be made in bill drafts and floor amendments. Sections may be repealed, recodified, or amended in a way that changes their internal numbering. References to these sections or subsections in other provisions of the code then become incorrect. A bill may change a particular term, or an entity may be renamed or abolished, and references to these terms or entities in other provisions of the code become inaccurate.

There are a number of decodified sections in the code. Decodification of a section occurs when the Legislature

passes two bills affecting a section, one that amends the section, and the other that repeals that same section.

The Board of Accountancy regulates certified public accountants (CPAs), setting the qualifications of CPAs, including licensing and continuing professional education requirements. The board may adopt continuing professional education standards that differ from those provided in statute if the new standards are consistent with the standards of other states.

Summary: Technical corrections are made to various provisions of Titles 18 and 19 RCW which relate to businesses and professions. The technical corrections include changes to correct: grammatical, drafting, and typographical errors; inaccurate references to terms that have been changed or entities that have been abolished or renamed; and inaccurate cross-references resulting from amendments, recodifications, or repealers. In addition, various decodified sections of the code are repealed.

A substantive change is made to the continuing professional education standards for certified public accountants. If the Board of Accountancy adopts continuing professional education standards that are different than those required under the statute, the standards must be at least as strict as those specified in the statute.

Votes on Final Passage:

House	97	0
Senate	48	0 (Senate amended)
House	97	1 (House concurred)

Effective: June 8, 2000

HB 2403

C 12 L 00

Creating the national World War II memorial account.

By Representatives Kastama, Parlette, Conway, Koster, Lantz, Doumit, Poulsen, Cox, Ruderman, Wood, Linville, Dickerson, Sullivan, Hatfield, O'Brien, Lovick, Constantine, Delvin, Wensman, Pennington, Mitchell, Keiser, Cody, Talcott, Dunn, Haigh, McDonald, Van Luven, Edmonds, Ogden and Esser.

House Committee on Appropriations
Senate Committee on State & Local Government

Background: In 1993 a federal law was enacted that authorizes the American Battle Monuments Commission (ABMC) to establish a World War II (WWII) memorial in Washington, D.C. The law also authorizes the establishment of a board to advise the ABMC on site selection and design and to promote and encourage donations for the building of the memorial.

The WWII Memorial is to be the first national monument dedicated to those who served during WWII. The goal of the ABMC is to break ground by Veterans' Day, 2000.

HB 2407

The cost of the WWII Memorial is estimated at \$100 million. The authorizing federal law requires funding to be raised via private (i.e., non-federal) donations. The campaign to raise funds includes an effort to encourage individual states to make donations toward the effort. As of January 31, 2000, twenty-six states had provided or pledged a total of \$10.3 million in funding for the campaign, and a total of \$70 million had been raised from all sources.

Summary: The National World War II Memorial Account is created in the custody of the State Treasurer. The account may be funded from appropriations or other sources. Expenditures from the account may be used only in support of the national WWII Memorial, and must be authorized by the director of the Department of Veterans Affairs.

Votes on Final Passage:

House	95	0
Senate	48	0

Effective: June 8, 2000

HB 2407

C 165 L 00

Authorizing judges pro tempore whenever a judge serves on a commission, board, or committee.

By Representatives Lantz, Esser and Haigh; by request of Board for Judicial Administration.

House Committee on Judiciary
Senate Committee on Judiciary

Background: The courts of the state are authorized to appoint judges pro tempore to temporarily serve in the absence of a regular judge, or if necessary for the administration of justice or to deal with an excess caseload. Judges pro tempore are usually attorneys or retired judges. Compensation for judges pro tempore appointed for the Supreme Court, Court of Appeals, and superior court is established in statute. Compensation for district and municipal court judges pro tempore is determined by the local legislative authority.

A district court is specifically authorized to appoint a judge pro tempore while a regular judge is serving on a judicial commission established by the Legislature or the Chief Justice of the Supreme Court. Each district court judge is authorized up to 15 days for service on such commissions without reduction in salary.

Summary: A judge pro tempore may be appointed when a court of appeals, superior court, or municipal court judge serves on a judicial commission, board, or committee established by the Legislature or the Chief Justice of the Supreme Court.

Votes on Final Passage:

House	96	0
Senate	44	1

Effective: June 8, 2000

SHB 2410

C 163 L 00

Protecting credit card users.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Lovick, Bush, McIntire, O'Brien, Keiser, Edwards, Reardon, Haigh, Schual-Berke, Scott, Stensen, Rockefeller, Kenney, Thomas, Morris, Wood, Regala, Hurst, Ogden, Ruderman and Kagi).

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

Background: Credit is regulated by both state and federal law. Except for the Retail Sales Installment Act, few state statutes specifically regulate credit cards. State statutes that regulate credit in general may apply to credit cards, such as consumer protection provisions.

Several federal laws regulate credit cards. For instance, federal law requires credit card lenders to provide certain disclosures to consumers and follow certain requirements when changing contract terms and provides protection for consumers whose cards are lost or stolen. The federal statutes on credit cards generally do not preempt state laws on credit cards unless the state laws provide less consumer protection or unless they specifically contradict federal law.

Summary: A merchant may not list more than the last five digits of the credit card account number or print the credit card expiration date on an electronically printed credit card receipt. Machines placed in service prior to July 1, 2001, have until July 1, 2004, to comply with this provision.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 1, 2001

SHB 2418

C 112 L 00

Establishing a World War II oral history project.

By House Committee on Education (originally sponsored by Representatives Woods, Conway, Talcott, D. Schmidt, Koster, Bush, Wensman, Carlson, Rockefeller, Kenney, Cody, Barlean, Schoesler, Sump, Cairnes, Thomas, Huff,

Haigh, Mastin, McDonald, Lantz, Santos, Skinner, Ogden and McIntire).

House Committee on Education
Senate Committee on Education

Background: About 250,000 Washingtonians served their country in the armed forces of the United States during World War II. Almost 6,000 of these residents lost their lives during the war. On Friday, May 28, 1999, Washington became one of the first states in the country to officially dedicate a memorial to World War II veterans. The memorial was designed by artist/sculptor Simon Kogan of Olympia, and features the names of Washington residents who lost their lives during the war. Veterans and other supporters raised almost \$800,000 to fund the memorial.

Veterans and other members of the World War II Memorial Committee convened an educational subcommittee to help develop an instructional guide on the memorial for use in Washington's schools. In 1998, members of the subcommittee decided to create an educational foundation to help provide an objective and accurate overview of the war for students, and help students understand and learn the lessons of the war. The subcommittee also recommended the creation of an oral history guide to supplement K-12 curriculum on World War II.

Summary: The World War II Oral History Project is established in the Office of the Superintendent of Public Instruction (OSPI). The program is intended to preserve, for the education of our state's children, the history and memories of the citizens who contributed to the state and country during World War II. The contributions may include service in the armed forces of the country or other forms of service to the nation or community. The history and memories will be preserved through audiotapes, videotapes, films, stories, digitally, and through other appropriate means. The materials prepared through the project are intended to help OSPI and teachers in the development of a curriculum for use in kindergarten through 12th grade.

The office shall convene an advisory committee to assist in the design and implementation of the project. The committee will include members of the World War II Memorial Educational Foundation, legislators, representatives of the Department of Veterans' Affairs and the Office of the Secretary of State, and others if the need arises. The office may contract with schools, the foundation, and filming and taping specialists. The office will also prepare requirements for instructional guides to help teachers use the material, and will report on the project by December 1, 2000, and every second year thereafter that the project is funded. Required elements of the first report are described.

Votes on Final Passage:

House	97	0
Senate	43	0 (Senate amended)
House	96	0 (House concurred)

Effective: June 8, 2000

E2SHB 2420

PARTIAL VETO

C 191 L 00

Providing for oil and gas pipeline safety.

By House Committee on Appropriations (originally sponsored by Representatives Linville, G. Chandler, Morris, Ericksen, Quall, Kastama, Santos, Grant, Stensen, Keiser, Poulsen, Wensman, Scott, Rockefeller, Reardon, Kenney, Cody, Lovick, Cooper, Koster, Haigh, McDonald, Van Luven, Lantz, Wood, Regala, Edmonds, Hurst, Dunshee, Constantine, Dickerson, Wolfe, Ogden, Ruderman and McIntire).

House Committee on Agriculture & Ecology
House Committee on Appropriations
Senate Committee on Environmental Quality & Water
Resources

Background: The Federal Pipeline Safety Act provides the statutory basis for the federal and state oil and gas pipeline safety programs. This law provides for exclusive federal authority over the regulation of interstate pipeline facilities and for federal delegation to the states of all or part of the responsibility for intrastate pipeline facilities under annual certification or agreement. The federal Office of Pipeline Safety (OPS) within the U.S. Department of Transportation is responsible for administering the act.

Washington is certified to assume safety responsibilities related to intrastate pipelines. The state's program is carried out within the Utilities and Transportation Commission.

The federal law and OPS have been criticized by government officials and others for providing inadequate protection of public and environmental safety. The chair of the National Traffic Safety Board (NTSB), the agency charged with investigating pipeline accidents, suggested in public remarks in December of 1999 that the OPS has ignored many of its longstanding recommendations, including requiring rapid shutdown of failed pipelines, periodic inspection or testing of old pipelines, and improved training of employees. The National Governors Association adopted a policy at its Winter 2000 meeting urging Congress to amend the federal Pipeline Safety Act to authorize states to establish safety standards that do not conflict with but may exceed federal standards. The policy also urges that Congress require OPS to strengthen rules, as appropriate, regarding pipeline operation, maintenance, and public reporting of spills and leaks. In

addition, state and local government officials and others have noted that the OPS has too few inspectors to adequately monitor the millions of miles of oil and gas pipeline throughout the nation.

On June 10, 1999, a 16-inch diameter pipeline owned by the Olympic Pipe Line Company ruptured and leaked approximately 277,000 gallons of gasoline into creeks in Whatcom Falls Park in Bellingham, Washington. The gasoline ignited and caused a fireball that traveled approximately 1.5 miles downstream from the pipeline failure location. As a result, three young people lost their lives. Significant property and environmental damage also occurred.

Since 1964 spills in Washington have totaled 905,000 gallons for pipelines, 1.3 million gallons for facilities such as refineries and terminals, and 4.6 million gallons for vessels.

As a result of the tragedy in Bellingham, the Governor convened a fuel accident prevention and response task force. The task force met six times between July and December 1999 and issued a set of recommendations. The Governor's principal priorities are to seek reauthorization of the Federal Pipeline Safety Act that provides additional authority to states for setting of safety standards, as well as additional funding for the state's pipeline safety activities.

Summary: Definitions are provided to clarify the distinctions between hazardous liquid and gas pipelines. A reportable release is defined as a release of more than 42 gallons of hazardous liquid.

A comprehensive program of hazardous liquid pipeline safety is authorized and is to be developed and implemented consistent with federal law. The Utilities and Transportation Commission (UTC) is charged with administering and enforcing all laws related to hazardous liquid pipeline safety, until federal preemption is eliminated or states are authorized to enforce safety requirements for interstate hazardous liquid pipelines. At that time, the hazardous liquid pipeline program may transfer to the Department of Ecology (DOE).

The UTC's responsibilities include adoption of rules requiring pipeline companies to: design, construct, operate, and maintain their pipeline facilities so that they are safe and efficient; rapidly locate and isolate reportable releases from pipelines; report emergency situations; have trained and certified personnel who operate the pipelines and associated systems; and submit operations safety plans to the UTC once every five years. The safety plans must include emergency response procedures. The UTC approves the plans when they are deemed fit for service for a particular pipeline system.

A hazardous liquid pipeline safety account is created. Federal funds received before June 30, 2001, are treated as unanticipated funds and may be expended without appropriation for the designated purposes.

The UTC is directed to develop a training curriculum aimed at the prevention of third-party damage to pipelines,

in consultation with pipeline companies and operators and excavation and construction industries. The UTC must also develop a plan for distributing the curriculum.

The UTC must require hazardous liquid pipeline companies to provide maps of the location and depth of their pipelines to specifications developed by the commission. The UTC also must evaluate the sufficiency of the maps and consolidate them into a statewide geographic information system (GIS). The UTC must assist local governments to obtain pipeline location information and maps, which are to be made available to the locator services designed to let excavators know the location of underground utilities. The mapping system must be completed by January 1, 2006. The UTC must develop a plan for funding the GIS and report its recommendations to the Legislature by December 15, 2000.

By June 30, 2001, the Municipal Research Council is directed to develop a model ordinance that establishes setback and depth requirements for new pipeline construction, and a model franchise agreement for jurisdictions through which a pipeline is located.

The UTC and the DOE are directed to apply for delegation of federal authority for purposes of enforcing federal hazardous liquid pipeline safety requirements. After Washington has received federal delegation of authority, the UTC is authorized to inspect pipelines periodically and to collect fees. The UTC is also directed to seek and accept delegation of federal authority for purposes of enforcing federal laws covering gas pipeline safety. The UTC may inspect any record and other appropriate information required to be kept by hazardous liquid or gas pipeline companies.

All powers, duties, and functions of the UTC pertaining to hazardous liquid pipeline safety may be transferred to the DOE upon the DOE's receipt of delegated federal authority over interstate hazardous liquid pipelines, or earlier, as the Office of Financial Management may determine, in the event that federal law is amended to remove the preemption of state regulation.

A citizen's committee on pipeline safety is established. The 13-member committee consists of nine voting members representing local government and the public, and four nonvoting members representing owners and operators of hazardous liquid and gas pipelines.

The UTC is directed to establish or cause to be established a single statewide telephone number to be used for referring excavators to the appropriate one-number locator service. One-number locator services must be operated by non-governmental entities. The UTC, in consultation with the Washington Utilities Coordinating Council, must establish minimum standards and best management practices for one-number services consistent with the recommendations in the Governor's accident prevention and response task force report. The UTC must provide its recommendations to the Legislature by December 31, 2000.

The director of fire protection within the Washington State Patrol is required to assess the preparedness and

needs of local emergency services organizations, develop training curricula for training local first responders, and address emergency management.

Before any excavation, excluding agricultural tilling less than twelve inches in depth, the excavator must notify pipeline companies of the scheduled excavation through a one-number locator service. If a pipeline company is notified that excavation work will occur near a pipeline, a representative of the company must consult with the excavator on-site prior to excavation. No damaged pipeline may be buried until it is repaired or relocated. Pipeline companies must take all appropriate steps to ensure public safety in the event of a release of hazardous liquid or gas.

Penalties are provided for:

- willful damage or removal of a permanent or temporary marking to identify underground facilities; and
- failure to notify the one-number locator service and causing damage to pipelines.

Penalties recovered related to damage of hazardous liquid pipelines are deposited into the hazardous liquid pipeline safety account, and penalties recovered related to gas pipelines are deposited in the general fund for the purpose of enforcing gas pipeline safety laws.

Pipelines wholly located on a person's property are exempt from the provisions of this act.

Votes on Final Passage:

House	95	0	
Senate	46	0	(Senate amended)
House			(House refused to concur)
Senate	47	0	(Senate amended)
House	98	0	(House concurred)

Effective: March 28, 2000

Partial Veto Summary: The Governor vetoed the section that would have exempted from inspection petroleum pipelines that are wholly owned by an individual and are wholly located on the individual's property.

VETO MESSAGE ON HB 2420-S2

March 28, 2000

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 25, Engrossed Second Substitute House Bill No. 2420 entitled:

"AN ACT Relating to oil and gas pipeline safety;"

This bill authorizes the state to strengthen its pipeline safety programs and to assume responsibility for inspection of interstate hazardous liquid and natural gas pipelines. The federal Office of Pipeline Safety (OPS) has a policy that such inspection should not be delegated to states and, in fact, has recently revoked delegations to other states. In spite of that policy, I have convinced OPS that the state of Washington can do a better job of making certain that these pipelines are safe, and that inspection authority should be delegated to the state.

Our state's ability to implement this bill will be affected by the delegation proposal from OPS. OPS has expressed strong reservations about its delegation if the pipeline safety program is divided between two different agencies. Parts of this bill could be read to transfer inspection authority of both intrastate and inter-

state hazardous liquid pipelines from the Utilities and Transportation Commission (UTC) to the Department of Ecology (DOE), while leaving authority for natural gas pipelines with UTC. It is essential that we not jeopardize our opportunity to assume oversight responsibility for interstate pipelines by ignoring OPS's concerns.

It is my legal interpretation that the bill does not mandate such a transfer to DOE if OPS delegates inspection authority to UTC. In signing this bill, I anticipate that UTC will regulate all pipelines – intrastate and interstate, hazardous liquid and natural gas – in Washington as an agent of OPS. If problems appear in our implementation of the law, or in our relationship with OPS because of provisions in the bill, the prime sponsors have committed to amending it in the next legislative session.

In order to assume delegation of inspection authority, we will need to hire highly qualified inspectors and provide them with the necessary equipment. I have asked the Legislature to grant a one-time appropriation in the 2000 supplemental budget to allow us to begin work as soon as possible. However, for the longer term we expect to pay for this program with a fee charged to pipeline operators. I expect to work with legislative leadership to address this funding issue.

Section 25 of the bill would have exempted from inspection petroleum pipelines that are wholly owned by an individual and are located wholly on the individual's property. Because the general public may visit such private property or other property in close proximity to such pipelines, section 25 may have allowed unsuspecting citizens to enter sites where hazardous liquid pipelines may be inadequately operated or maintained.

We have learned all too painfully the dangers that can result from a pipeline failure, and cannot allow such a prospect by precluding all government oversight of any pipeline in Washington.

For these reasons, I have vetoed section 25 of Engrossed Second Substitute House Bill No. 2420.

With the exception of section 25, Engrossed Second Substitute House Bill No. 2420 is approved.

Respectfully submitted,



Gary Locke
Governor

SHB 2423

C 13 L 00

Allowing for the disposal of Mt. St. Helens's dredge spoils from public or private lands.

By House Committee on Natural Resources (originally sponsored by Representatives Pennington, Hatfield, Boldt and Haigh).

House Committee on Natural Resources
Senate Committee on Natural Resources, Parks & Recreation

Background: Mount St. Helens Recovery Program. Following the eruption of Mount St. Helens in 1980, emergency dredging of the Cowlitz and Toutle Rivers was undertaken. Initially, the U.S. Army Corps of Engineers obtained sites from property owners who were willing to donate their land in order to get the sediment removed from the rivers. In 1982, the Legislature directed the De-

partment of Transportation to obtain additional lands for the disposal of dredge spoils.

In 1991, Washington conveyed two of these parcels to Cowlitz County under the Mount St. Helens Recovery Program. The conveyance required that funds derived from the sale of dredge spoils be reinvested into the two sites for recreational purposes. These funds could not be used for recreational activities elsewhere in Cowlitz County. In 1999, the Legislature required that the conveyance agreement be amended to allow the use of funds for recreational purposes throughout Cowlitz County.

Washington also conveyed one parcel under the Mount St. Helens Recovery Program to the city of Castle Rock in 1993. This conveyance agreement similarly restricted the use of funds derived from the sale of dredge spoils to activities on the subject site.

Dredge Spoil Royalties. Generally, any person may apply to remove valuable materials such as sand, rock, and gravel from state-owned beds of navigable waters. The Department of Natural Resources may approve such applications if it determines that the removal is in the best interest of the state. The removal is subject to a royalty, which is paid to the department. The department may determine the royalty by negotiation, sealed bid, or through public auction. However, the department must consider the flood protection value to the public when establishing a royalty.

When valuable materials are removed from aquatic lands by a public agency or under public contract for channel or harbor improvements, the department may authorize use of the materials for public purpose on public land. A royalty may not be required for the removal of these materials, unless they are subsequently sold. If it is necessary to dispose of such materials, the department may allow disposal without charge.

Dredge spoils that were removed from the beds of navigable waters following the eruption of Mt. St. Helens in 1981 and placed onto private lands are not subject to a royalty if sold by the private landowner. Dredge spoils placed onto public lands are subject to a royalty if the public landowner sells the dredge spoils.

Summary: The Department of Transportation must amend its agreement conveying a Mt. St. Helens Recovery Program site to the city of Castle Rock to require Castle Rock to dedicate the revenue generated from the sale of dredge spoils to recreational purposes. On properties owned by Castle Rock adjacent to the Cowlitz River.

Public landowners who sell dredge spoils that were deposited between 1980 and 1995 and removed from the beds and shores of the Toutle River, Coweeman River, and a portion of the Cowlitz River are exempt from the Department of Natural Resources' royalty on valuable materials.

Votes on Final Passage:

House	95	0
Senate	47	0

Effective: June 8, 2000

EHB 2424

C 91 L 00

Changing provisions to comply with federal standards for monitoring sex offenders.

By Representatives Ballasiotes and O'Brien; by request of Department of Community, Trade, and Economic Development and Department of Corrections.

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

Background: FEDERAL SEX OFFENDER REGISTRATION LAW

In 1994 Congress passed the Jacob Wetterling Act, 42 U.S.C. Section 14071. The act contains a financial incentive to encourage states to adopt registration procedures for all persons convicted of sex offenses and kidnaping offenses where the victim is a minor. The act has been amended several times, imposing new requirements relating to sex offender registration. Those requirements include the following:

- requiring all offenders classified as sexually violent predators to register for life;
- requiring sex offenders who are convicted of a sex offense involving sexual intercourse with a victim through the use of force or threat or serious violence to register for life;
- requiring sex offenders who are convicted of a crime involving sexual intercourse with a minor under 12 years of age to register for life;
- requiring sex offenders who have one prior conviction for a sex offense in their criminal history and who are currently being convicted again for a new offense, to register for life;
- requiring county sheriffs to verify sexually violent predators' registered address every 90 days; and
- requiring sex offenders who work or attend school in another state to also register in that new state as well as their state of residence.

Any time the sex offender registration requirements are changed, the state patrol is required to notify registered sex offenders who are currently living in the community of the changes in the law.

States are required to comply with the amended act by November 2000 or face an automatic 10 percent reduction in federal Byrne Formula Grant funding. Washington receives approximately \$10 million in Byrne grants per year. Each year the Byrne grant received by Washington helps to provide funding to a number of various criminal justice

programs throughout the state such as drug courts, narcotic task forces, and juvenile programs. A partial loss of funding, due to being out of compliance with the federal statute, could result in Washington losing \$1 million in funding this fiscal year.

WASHINGTON SEX OFFENDER REGISTRATION LAW

End of Duty to Register. A sex offender who has been convicted of a class A felony, committed as a sexually violent predator, or a person who has one or more prior convictions for a sex offense, may petition the court to be relieved of the duty to register if the person has spent 10 consecutive years in the community without being convicted of any new offenses. The petition must be made to the court in which the petitioner was convicted of the offense that subjects him or her to the duty to register, or, in the case of convictions that took place outside of Washington, the petition must be made to the court in Thurston county.

Address Verification. Each year the chief law enforcement officer of a city or county must attempt to verify the sex offender's registered address by mailing a non-forwarding verification form to the last registered address. The offender must sign, verify his or her address, and return the form within 10 days.

If the offender fails to return the verification form or the offender is not at the last registered address, the chief law enforcement officer must promptly forward this information to the county sheriff and the Washington State Patrol for inclusion in the central registry of sex offenders.

Offenders Working or Attending School in Another State. Any person required to register as a sex offender in Washington, who also works or attends school in another state, is only required to register in his or her state of residence.

Notice for Registration Procedures. Local jails must give notice to the county sheriff and police chief any time a person convicted of a sex offense is discharged or released if that person will reside in a county other than the county of conviction.

Summary: The sex offender registration conditions and address verification requirements are enhanced for certain sex offenders.

End of Duty to Register. The court may not relieve a person of the duty to register if the person has:

- been determined to be a sexually violent predator; or
- been convicted of a sex offense or kidnapping offense that is a class A felony and that was committed with forcible compulsion.

After 15 years, such an offender may petition the court to be exempted from any community notification requirements if he or she has lived in the community crime-free. The person will continue to register indefinitely but public notifications are not required.

Address Verification. The county sheriff must verify by mail the address of each sexually violent predator in his or her jurisdiction every 90 days.

Offenders Working or Attending School in Another State. A person required to register as a sex offender in Washington, who also works or attends school in another state, must register in both states (the state of residence as well as the state in which he or she is currently working or attending school). The offender must register his or her address, fingerprints, and a photograph with the new state within ten days of beginning school or employment in that state.

A person who moves to a new state must register a new address, fingerprints, and a photograph with the new state. The person must also send written notice to the county sheriff with whom the person last registered in Washington within ten days of moving to the new state or to a foreign country.

All registration materials submitted to the county sheriff must promptly be forwarded to the Washington State Patrol.

Any person who moves within the state without notifying the county sheriff is guilty of a class C felony.

Notice for Registration Procedures. Local jails must give notice to the county sheriff and police chief any time a person convicted of a kidnapping offense or a sex offense is discharged or released if that person will reside in a county other than the county of conviction.

Votes on Final Passage:

House	97	0
Senate	44	0 (Senate amended)
House	96	0 (House concurred)

Effective: June 8, 2000

SHB 2441

C 189 L 00

Increasing government accountability through the state sunset review process.

By House Committee on State Government (originally sponsored by Representatives Wensman, Ogden, Rockefeller, McMorris, Alexander, Regala, Mielke, Doumit, Thomas, Kessler, Hatfield, O'Brien, Lisk, McDonald, Carlson, Conway, Mulliken, Koster, Woods, Talcott, Huff, Radcliff, Wolfe, Ruderman, Edmonds, Pflug, Parlette, Esser, Hurst and Benson; by request of Joint Legislative Audit & Review Committee).

House Committee on State Government
Senate Committee on State & Local Government

Background: The Legislature may schedule a program or agency to be terminated under the sunset review process. The Joint Legislative Audit and Review Committee (JLARC) must conduct a program and fiscal review of the program or entity scheduled for termination and prepare a preliminary report of its review by June 30 of the year prior to the termination date. The factors the JLARC must use when conducting the review are specified by statute

and vary depending on whether the entity being terminated is a regulatory entity. After the JLARC completes the preliminary report, the Office of Financial Management may then conduct its own review by September 30 of the same year. The JLARC must transmit a copy of the final report to the Legislature, the Governor, the affected agency, and the State Library.

Subsequent to receipt of the final report, the appropriate standing committees of the House and Senate must hold hearings to consider the final report and any related data. Following the hearing, the committees may propose legislation reestablishing, modifying, or transferring the functions of the program or agency.

If an agency is terminated under the sunset process, it continues its existence until June 30 of the next succeeding year.

The sunset review process expires on June 30, 2000.

Summary: The sunset review process can be applied to any "entity," which includes state offices, boards, commissions, units or sub-units, and agencies. "Entity" also includes programs and activities involving less than the full responsibility of a state agency, and parts of the Revised Code of Washington.

Unless provided otherwise, the sunset review process must take at least seven years. An entity scheduled for sunset termination must develop performance measures and data collection plans subject to review and comment by the Joint Legislative Audit and Review Committee (JLARC). The entity bears the burden of demonstrating the extent to which performance results have been achieved.

The JLARC may complete its review of the entity at any time during the calendar year prior to the entity's termination. If the Office of Financial Management issues a response to the JLARC review, the response must be included in the JLARC's final report, along with any response by the affected entity. The factors that the JLARC must consider when reviewing an entity are changed, and no longer vary depending on whether the entity is a regulatory entity. The new factors the JLARC must consider include the extent to which the entity is meeting its performance measures and the possible impact of the termination or modification of the entity.

The requirement that the standing committees of the Legislature hold hearings after the final report is completed is eliminated.

The termination date for the sunset review process is extended until June 30, 2015.

Votes on Final Passage:

House 96 1
Senate 44 0 (Senate amended)
House 98 0 (House concurred)

Effective: June 8, 2000

Revising provisions relating to ethics board staff review of ethics complaints.

By Representatives Pennington, Constantine and Mitchell.

House Committee on State Government
Senate Committee on State & Local Government

Background: A variety of statutory provisions relating to ethics in public service were enacted in 1994, including restrictions on mailings by legislators and limitations on gifts for state officials and employees. The Legislative Ethics Board and the Executive Ethics Board enforce these provisions. After the filing of a complaint, the respective staffs of the ethics boards investigate and determine whether there is reasonable cause to believe that a violation has occurred. If either board determines that reasonable cause exists, it must conduct a public hearing on the merits of the complaint. If the board determines, by a preponderance of the evidence, that a violation has occurred, it may impose sanctions against the violator.

Summary: After the filing of a complaint and investigation of an ethics law violation, the staff of the Legislative Ethics Board and the Executive Ethics Board may either: (1) issue an order of dismissal; or (2) recommend to the appropriate board that there is reasonable cause to believe that a violation has occurred.

A staff member of the ethics boards may only issue an order of dismissal if he or she believes that:

- the violation is not within the jurisdiction of the board;
- the complaint is obviously unfounded or frivolous; or
- the violation was inadvertent and minor.

An order of dismissal may be appealed to the appropriate ethics board. After hearing such an appeal, the board must:

- affirm the dismissal;
- order further investigation; or
- issue a determination that there is reasonable cause to believe that a violation has occurred.

Votes on Final Passage:

House 97 0
Senate 46 0 (Senate amended)
House 80 1 (House concurred)

Effective: June 8, 2000

HB 2452

C 93 L 00

Making technical changes and corrections to department of health statutes.

By Representatives Cody, Parlette, Edwards and Hurst; by request of Department of Health.

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

Background: The Department of Health regulates over 50 health professions and 33 categories of health care facilities. A number of chapters contain outdated terminology, inaccuracies, and obsolete provisions.

Summary: Technical and housekeeping changes are made to the statutory chapters relating to the regulated health professions under the Department of Health. Terminology is updated and obsolete requirements are eliminated as follows:

Licensed hearing instrument fitters/dispensers, certified audiologists, and permit holders must sign an affidavit verifying compliance with the requirement to hold a surety bond, and the responsibility of the department to retain a copy of the licensee's surety bond is repealed. A cash deposit or negotiable security in a banking institution may be substituted for a bond. Up to 25 percent of practitioners may be randomly audited for the requirement of holding the surety bond or equivalent. Duplicate sections are repealed.

The requirement that adult family home providers must register separately for each home they operate is repealed. If the home is sold by the operator to another, the license lapses, and the buyer must apply for a separate license.

The authority of the Board of Nursing Home Administrators to address administrative requirements for nursing homes temporarily without administrators is repealed.

Reference to the Examining Board of Psychology as a committee is changed, and its sunset termination dates of June 30 of 2004 and 2005 are repealed.

Reference to "animal technician" is changed to "veterinary technician."

For emergency medical care, definitions of "ambulance operator," "ambulance director," "aid vehicle," and "aid director" are replaced with "ambulance service" and "aid service," respectively, and are conformed in the chapter. Variances in statutory requirements for paramedics and intermediate life support personnel are permissible.

Reference to "alcoholic" is changed to "chemically dependent person" in treatment establishments and institutions. Licensees are required to conform to rules adopted by the department, and the issuing of licenses is conditioned on an examination of all phases of its operation.

The term of "maternity home" is changed to "birthing center," and means a health facility that provides facilities and staff to support a birth service to low-risk maternity

clients. It replaces the definition as a place caring for up to four persons maintaining care during pregnancy and within 10 days after delivery. Definitions of "low-risk" and "person" are also added. The department must consult with the state midwives association in adopting rules on birthing centers.

The authority of osteopathic physicians' assistants to practice acupuncture is repealed, as persons practicing acupuncture are licensed as acupuncturists. Osteopathic physician assistants may continue practicing as long as the physician assistant license is maintained.

The practice of diagnostic and therapeutic radiologic technologists is clarified to include parenteral procedures related to radiologic technology when performed under the direct supervision of a physician.

Renewal of a license to practice respiratory care is conditioned upon taking 30 hours of continuing education approved by the secretary of the Department of Health every two years.

Votes on Final Passage:

House	96	0
Senate	45	0 (Senate amended)
House	97	0 (House concurred)

Effective: June 8, 2000
January 1, 2003 (Sections 2 and 4)

SHB 2454

C 207 L 00

Providing a program to support family and other unpaid long-term caregivers.

By House Committee on Appropriations (originally sponsored by Representatives Edmonds, Parlette, Cody, Kenney, Radcliff, Kagi, Edwards, Lantz, Hatfield, Ogden, Conway, Voloria, Lovick, Kessler, O'Brien, Regala, McDonald, Carlson, Tokuda, Cooper, Van Luven, Ruderman, Murray, Schual-Berke, Scott, Stensen, Keiser, Santos, Pflug, Rockefeller, Wood and McIntire).

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

Background: As the first wave of baby boomers enter their mid-50s, an increasing number of their parents are moving into the ranks of what is called the "old-old" where disability and the need for daily care become increasingly likely. Data indicate that one out of four persons over the age of 80 will require nursing home care. Before these seniors are admitted into a nursing home, however, family members usually have been providing daily care for some time. These unpaid family caregivers most often are females (72 percent).

Unpaid family caregivers are persons who provide unpaid help with personal needs or household chores to a

relative or a friend. It has been estimated that approximately 80 percent of all long-term care in this state is provided by unpaid family caregivers. In Washington, this translates to an estimated 504,272 caregivers.

A recent study by the American Society on Aging indicates that caregiving exacts an enormous emotional and physical toll including immense stress, high rates of depression, and feelings of anger and anxiety.

The state Respite Care Program provides unpaid family caregivers a limited range of care options to assist them with their caregiving activities. Services provided under the Respite Care Program include: respite assessment and care plan; hourly and daily respite care; care during planned and emergency episodes; and in-home and out-of-home service options. Levels of care include: supervision, personal care and nursing care; and services appropriate to persons with dementing illness; or a neurological disorder including traumatic brain injury.

The caregiver is the client in the Respite Care Program. The caregiver is a spouse, relative, or friend who provides care and/or supervision on a daily basis for an adult who is functionally disabled. The caregiver does not receive financial compensation for the care and must be assessed as being at risk of placing the person they are caring for in a long-term care facility if respite care and other support services are not available. The Area Agencies on Aging (AAA) receive funding from Aging and Adult Services to administer the Respite Care Program. Case managers from the AAA perform an assessment of both the caregiver and of the participant the adult who is functionally disabled. The Respite Care Program received general state funding beginning in 1989.

The department requires participants to pay part of the cost of the respite care services received. There is no charge to the participant if his or her income is at or below 40 percent of the state median income. If the participant's income is between 40 and 99 percent of the state median income, he or she is charged a percentage of the cost of respite care. This amount is calculated using a sliding fee schedule. If the participant's income is 100 percent or more of the state median income, he or she pays the full cost of the service. The cost of respite care is determined by the number of hours or days of respite care authorized and used. The caregiver is not means tested or required to pay for the care received.

Summary: Functionally disabled adults at risk of being institutionalized in a long-term care institution, if not for the help of unpaid family members or friends, are eligible for information and support services provided to relieve or assist their unpaid caregiver. The services and information that are available to unpaid caregivers by local Area Agencies on Aging are outlined.

This act is called the Fred Mills Act.

Votes on Final Passage:

House	96	0	
Senate	47	0	(Senate amended)
House	81	0	(House concurred)

Effective: June 8, 2000

HB 2459

C 48 L 00

Extending the tenure of the winter recreation advisory committee.

By Representatives Regala, Parlette and Lantz; by request of Parks and Recreation Commission.

House Committee on Natural Resources
Senate Committee on Natural Resources, Parks & Recreation

Background: The Winter Recreation Advisory Committee was created in 1975. The 12-member committee advises the Parks and Recreation Commission in the administration and development of non-motorized winter recreation facilities and programs. For example, the commission must consult the committee to set the fee for winter recreational area parking permits (Sno-Park permits). Six of the Winter Recreation Advisory Committee members represent non-snowmobiling interests from across the state, three represent snowmobilers, two represent the Departments of Fish and Wildlife and Natural Resources, and one represents the Washington State Association of Counties. According to statute, the committee is terminated on June 30, 2001.

Summary: The provision which would terminate the Winter Recreational Advisory Committee on June 30, 2001, is eliminated, allowing the committee to continue indefinitely. Statutory language is made gender neutral. Statutory references that have been recodified are corrected.

Votes on Final Passage:

House	97	0	
Senate	48	0	

Effective: June 8, 2000

SHB 2460
PARTIAL VETO
C 212 L 00

Addressing economic revitalization.

By House Committee on Appropriations (originally sponsored by Representatives Gombosky, D. Sommers, Veloria, Lovick, Kessler, Kenney, Conway, Ogden, Murray, Schual-Berke, Stensen, Edmonds, Santos, Lantz, Linville, Wood and Benson).

House Committee on Economic Development, Housing & Trade

House Committee on Appropriations

Senate Committee on Commerce, Trade, Housing & Financial Institutions

Senate Committee on Ways & Means

Background: The Community Empowerment Zone (CEZ) program was created in 1993 to encourage public and private reinvestment in geographic areas of a local government (city, town or county) that are considered economically distressed. The Department of Community, Trade, and Economic Development (DCTED) is responsible for the administration of the CEZ program.

The designation of a geographic area as a CEZ required that the area: (1) be designated by the local legislative authority to receive federal, state, and local financial and technical assistance designed to increase economic activity in the area; (2) have at least 51 percent of the households with incomes below 80 percent of the county median household income, adjusted for household size; (3) have an average unemployment rate 20 percent higher than the average unemployment rate of the county; and (5) have an approved five year community empowerment plan that describes a strategy to meet the housing, infrastructure, economic development, social service, and other public facilities needs of the area.

The DCTED, in consultation with the Department of Revenue, the Employment Security Department, and the Office of Financial Management, was authorized to designate up to six geographic areas by April 1, 1994, for participation in the CEZ program. Only five local governments submitted applications to participate in the CEZ program. The applications from the cities of Seattle, Tacoma, Bremerton, Yakima, and White Center in King County were approved.

Four tax incentives are targeted to firms that locate in a CEZ:

- a sales and use tax deferral/exemption for new or remodeled buildings used in manufacturing or research and development activities;
- a business and occupation (B&O) tax credit of \$2,000 or \$4,000 per new job created by manufacturing, research and development, and computer service firms;

- a B&O tax credit of 20 percent of the amount spent on job training, up to \$5,000 per firm on an annual basis, provided by the employer and designed to enhance job performance; and
- a B&O tax credit of \$3,000 per new job, for a five year period, created by firms that provide services on an international basis.

Summary: The Department of Community, Trade, and Economic Development (DCTED) is authorized to accept applications from local governments to designate an additional geographic area as a Community Empowerment Zone (CEZ). The total number of areas that can be state-designated CEZ's may not exceed six.

The DCTED is authorized to review and either approve or disapprove requests by a local government to alter the boundaries of a CEZ. The request to alter the boundaries of a CEZ must be approved or disapproved within 60 days. A request may not be approved if it does not conform with the requirements of the CEZ program.

The DCTED may terminate an area's designation as a CEZ if the department issues findings stating the reason for the termination, including but not limited to a lack of commitment of resources to the CEZ by the public, private, and community-based sectors. The local government may appeal the department's findings within 60 days of the notice to terminate the area's designation as a CEZ. The DCTED may request additional applications from local governments for designation of an area as a CEZ if an area's CEZ designation is terminated.

The DCTED is required to: (1) develop indicators to measure the performance and effectiveness of the CEZ program at the local government level; (2) monitor the implementation and evaluate the effectiveness of the CEZ program; (3) provide information and appropriate assistance to persons desiring to locate and operate a business in a CEZ; and (4) work with appropriate state agencies to coordinate the delivery of programs in a CEZ.

A local government is required to designate an officer or employee as the CEZ administrator to act as the liaison between the local government, the department, the business community, and labor and community-based organizations within the CEZ.

The tax incentives targeted to firms that locate in a CEZ that is approved after January 1, 2000, are limited to business and occupation tax credits for job creation in the area of manufacturing and research and development, employer-provided job training, and job creation in the area of international services.

Votes on Final Passage:

House	96	1	
Senate	45	2	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate amended)
House	94	4	(House concurred)

Effective: June 8, 2000

Partial Veto Summary: The Governor vetoed the section that prohibits businesses located in the newly created CEZ to receive a sales and use tax deferral/exemption on labor and materials used in the construction or expansion of manufacturing or research and development facilities.

VETO MESSAGE ON HB 2460-S

March, 30, 2000

To the Honorable Speakers and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 13, Substitute House Bill No. 2460 entitled:

“AN ACT Relating to community empowerment zones;”

This legislation will open the Community Empowerment Zone (CEZ) application process, so that a new zone may be designated. Businesses located in the zone will be eligible for tax exemptions, helping to strengthen the economy in a distressed area of our state.

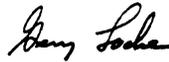
Section 13 of this bill would have amended the original law so that the new CEZ would be treated differently, and not be eligible to offer the sales and use tax exemptions available to all other CEZ's. The new zone would be able to provide only business and occupations tax exemptions, thereby greatly reducing its effectiveness.

I fully support the bill's provisions to open the application process, particularly now that we have renewed interest from the eastern part of our state. I want to give these communities a chance to apply for a CEZ designation that will be on an equal footing with the existing zones.

For these reasons, I have vetoed section 13 of Substitute House Bill No. 2460.

With the exception of section 13, Substitute House Bill No. 2460 is approved.

Respectfully submitted,



Gary Locke
Governor

SHB 2466
C 108 L 00

Creating a ballast water monitoring program.

By House Committee on Natural Resources (originally sponsored by Representatives Regala, Ericksen, Buck, Linville, Anderson, Barlean and Mitchell).

House Committee on Natural Resources
Senate Committee on Natural Resources, Parks & Recreation

Background: In 1998, the Zebra Mussel and European Green Crab Task Force presented recommendations regarding the introduction of aquatic nuisance species in Washington. The task force focused on four ways aquatic nuisance species may be introduced, including through ballast water. In its final report, the task force included recommendations addressing introduction of aquatic nuisance species through ballast water.

At the national level, a new U.S. Coast Guard interim rule relating to ballast water and aquatic nuisance species went into effect in 1999. The rule established voluntary ballast water management guidelines that apply to vessels with ballast tanks operating in all United States waters. Along with other voluntary provisions, vessels operating beyond the 200-mile-wide Exclusive Economic Zone (EEZ) are asked to use at least one of five ballast water management practices provided in the rule. An exemption is provided if there are concerns about the safety of the vessel, its crew, or its passengers.

The rule's mandatory reporting requirements apply to vessels carrying ballast water into U.S. waters after operating beyond the EEZ. Limited vessel exceptions are provided. The rule details the specific information vessels must submit and when it must be submitted.

To maintain nationwide consistency and avoid potential conflicts and duplication, the Coast Guard has asked any political entity looking at the ballast water issue to first consider the federal rule prior to taking action. However, this regulation is not intended to preempt any state, regional, or local efforts that exceed, but do not conflict, with the standards detailed in the rule.

Summary: Ballast water management and monitoring guidelines are established for vessels entering Washington waters. These guidelines apply to all vessels carrying ballast water into state waters except for:

- vessels traversing the internal waters of Washington in the Strait of Juan de Fuca, bound for a port in Canada, and not entering or departing a U.S. port;
- vessels discharging ballast water or sediments only at the location where the ballast water or sediments originated, so long as there is no mixture with ballast water or sediments from areas other than open sea waters;
- vessels not discharging ballast water in Washington waters;
- crude oil tankers' trade that do not exchange or discharge ballast water into Washington waters;
- military and Coast Guard vessels; or
- vessels on innocent passage. Innocent passage involves a foreign vessel traversing the territorial sea of the United States and not entering or departing a U.S. port, or not navigating the internal waters of the United States.

Discharge of ballast water into state waters is authorized if the nonexempt vessel has conducted an open sea exchange of its ballast. An open sea exchange means an exchange that occurs 50 or more nautical miles offshore. If the U.S. Coast Guard requires a vessel to conduct an exchange farther offshore, then that distance is the required distance for compliance. An exemption is provided if the vessel's master "reasonably determines" an exchange would threaten the safety of the vessel or its crew or is not feasible due to vessel design limitations or equipment failure. If a vessel relies on this exemption, then it may

discharge its ballast into state waters, subject to any treatment requirements.

After July 1, 2002, discharge of ballast into state waters is authorized only if there has been an open sea exchange or if the vessel has treated its ballast water to meet the standards set by the Department of Fish and Wildlife. When weather or extraordinary circumstances make access to treatment unsafe for the vessel and its crew, the master may delay compliance until it is safe to complete the treatment.

Neither the open sea exchange or treatment requirements apply to vessels discharging ballast water or sediments originating solely within the waters of Washington, the Columbia River system, or the internal waters of British Columbia.

All nonexempt vessels must report ballast water management information to the Department of Fish and Wildlife, using the U.S. Coast Guard's ballast water management forms. Vessels may rely on a recognized marine trade association (RMTA) to collect and forward this information to the department.

To monitor the effectiveness of national and international efforts to prevent the introduction of non-indigenous species, all nonexempt vessels must submit non-indigenous species ballast water monitoring data. Vessels may contract with an RMTA to randomly sample vessels within that association's membership and provide data to the department. Vessels that do not belong to an RMTA must submit individual ballast tank sample data to the department for each voyage.

Civil penalties are provided and may be imposed by the director of Fish and Wildlife or the director's designee. The penalties address violations relating to ballast water discharge, reporting, and monitoring requirements. The department, in cooperation with members of the U.S. Coast Guard, may enforce the requirements.

The department, public ports, and shipping industry must promote the creation of a pilot project. The focus of this project is to develop equipment or methods to treat ballast water and establish operational methods that do not increase the cost of ballast water treatment at smaller ports.

The department is given rulemaking authority to develop treated ballast water discharge standards, to establish the frequency, manner, and form for reporting ballast water information, and to develop ballast water monitoring, sampling, and testing protocols. These rules must be developed in consultation with advisors from regulated industries and potentially affected parties.

The Department of Fish and Wildlife is required to submit two reports to the Legislature summarizing results of the state's ballast water management program and making recommendations to improve it. The first report is due on or before December 1, 2001. This report must describe how the costs of the treatment will be "substantially equivalent" among ports where the treatment is required.

The second report must be submitted on or before December 1, 2004.

The departments of Fish and Wildlife and Ecology must invite representatives from the U.S. Department of Defense to discuss the Department of Defense's efforts regarding ballast water management. The state agencies must submit a report summarizing the results of these discussions to the Legislature by December 31, 2001.

The natural resources committees of the Legislature must review this program and its implementation by December 31, 2005. If needed, the committees are to make recommendations to the 2006 Legislature.

Votes on Final Passage:

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

Effective: June 8, 2000

EHB 2487
PARTIAL VETO
C 1 L 00 E2

Making supplemental operating appropriations.

By Representative H. Sommers; by request of Governor Locke.

Background: The state government operates on the basis of a fiscal biennium that begins on July 1 of each odd-numbered year. A biennial operating budget was enacted in the 1999 legislative session, appropriating \$20.6 billion from the state General Fund. A biennial capital budget was also enacted in the 1999 legislative session, appropriating \$2.3 billion for capital projects, of which \$987 million was from state bonds.

Summary: Appropriations are modified for the 1999-01 fiscal biennium. The total appropriation for the 1999-01 fiscal biennium was \$37.2 billion, of which \$20.6 billion was from the state General Fund.

The 2000 supplemental operating budget increases appropriations from the state General Fund by \$277 million. Total appropriations are increased by \$717 million.

The bonded portion of the 1999-2001 capital budget is reduced by \$150,000, and the non-bond funded portion of the budget is increased by \$115 million to reflect increased federal money and other dedicated revenue services.

For additional information, see "Statewide Summary & Agency Detail" published by the House Appropriations Committee and Senate Ways and Means Committee.

Votes on Final Passage:

House	86	12
Senate	33	13

Effective: May 2, 2000

Partial Veto Summary: The Governor vetoed provisions affecting eight state agencies: Joint Legislative Audit and Review Committee, Office of the Governor, Department of Personnel, Department of Retirement Systems, Liquor Control Board, Employment Security Department, Conservation Commission, and the Department of Natural Resources. The vetoes had the net impact of lowering the state general fund appropriation level by \$71,000 and increasing other fund appropriations by \$197,000. For more information, see "Legislative Budget Notes" published by the House Appropriations Committee and the Senate Ways & Means Committee.

VETO MESSAGE ON HB 2487

May 2, 2000

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 103(2); 109, lines 29 and 30; 109(1); 118(8); 119(11); 124(6); 222(4); 304, lines 33 and 34; 304(4); 304(5); 306, lines 7 and 8; 306(1); 306(14); and 1045, lines 21 through 36, Engrossed House Bill No. 2487 entitled:

"AN ACT Relating to fiscal matters;"

Section 103 (2), Page 7, Study of Bilingual Education (Joint Legislative Audit and Review Committee)

In place of this study, I request that the Office of the Superintendent of Public Instruction, within its available resources, conduct a study of K-12 programs that serve students with limited English proficiency and report findings to my office and the education and fiscal committees of the House of Representatives and the Senate no later than December 15, 2000. The study should review, at a minimum: (a) the impact of bilingual programs on improving student academic achievement; (b) updated information on the length of stay in bilingual programs and factors that influence length of stay; and (c) other research, reports and studies on transitional bilingual programs.

Sections 109, Page 12, lines 29-30; and 109(1), Page 13, Puget Sound Action Team (Office of the Governor)

These sections would have reduced the amount available for the Puget Sound Action Team's efforts under the Puget Sound Water Quality Work Plan by \$79,000. The reduction would have diminished the Action Team's ability to coordinate state, federal, and local efforts to protect and restore Puget Sound. It is unacceptable to scale back the Action Team's technical assistance to local governments when local government resources are declining. The protection of Puget Sound is critical given the listings of Puget Sound Chinook salmon as endangered under the Endangered Species Act.

Section 118(8), Page 35, Department of Personnel

Section 118(8) would have required the Department of Personnel to prepare a plan for providing space in one of its office buildings for the Citizens' Commission on Salaries for Elected Officials. While not a direct conflict of interest, co-location of these two agencies could easily present the appearance of a conflict of interest to our state's citizens. The voters created the independent Commission in 1986 to establish the salaries for all elected officials, including the governor. The Commission should not be dependent upon a member of my cabinet for physical space and administrative support. My staff is studying the feasibility of co-location for a number of small agencies, and the Commission is included in that effort.

Section 119(11), Pages 36-37, Retiree Return-to-Work Rules (Department of Retirement Systems)

Section 119 (11) would have required the Department of Retirement Systems to implement changes to the rules governing post-retirement employment in order to track these activities on

an hourly rather than monthly basis. However, the legislative budget does not include \$117,000 for the information system improvements necessary to accomplish this rule change. I have vetoed this unfunded requirement to prevent the Department from having to absorb the cost through service reductions in other areas. I am also directing the Department to re-submit this item in its 2001-03 budget request so that the change, which is supported by all system employers, can be realized at a later date.

Section 124(6), Pages 39-40, Liquor Agencies Advisory Committee (Liquor Control Board)

Section 124(6) would have created a Liquor Agencies Advisory Committee to evaluate the Liquor Control Board's liquor agencies' fees and commissions. The Liquor Control Board has already established regular meetings with liquor agencies to obtain their recommendations on the commissions and fee structure. In addition, the Governor's Retail Liquor Sales Task Force is reviewing the Board's retail operations, which includes the liquor agencies' fee and commission structure. I believe the creation of a new advisory committee is duplicative of existing efforts.

Section 222(4), Pages 107-108, Contracts with Community Organizations (Employment Security Department)

Section 222 (4) would have required the Employment Security Department to provide \$5 million through contracts with community-based organizations for family development or similar services. This proviso is unnecessary since contracts for these services already exceed \$5 million. Furthermore, the proviso conflicts with federal requirements by earmarking funding for services that are required to be provided through a competitive bidding process.

Sections 304, Page 119, lines 33 and 34; and 304(4) and 304(5), Page 120, Conservation Commission Activities

The legislative budget would have reduced Conservation Reserve Enhancement Program (CREP) administration funding by \$300,000, while adding \$267,000 for implementation and participation in the Agriculture, Fish, and Water (AFW) negotiation process. The net result would have been a \$33,000 reduction for the Conservation Commission to implement two important salmon recovery programs. By vetoing these changes, the existing General Fund appropriation level is restored to current funding. I am requesting the Conservation Commission to continue both efforts within existing resources.

Sections 306, Page 128, lines 7 and 8; and 306(1), Aquatic Lands Enhancement Account Reduction (Department of Natural Resources)

In order to maintain expenditures within available revenue, the Aquatic Lands Enhancement Account appropriation would have been reduced by \$300,000 in the operating budget. Operating appropriations are critical to the management of existing capital projects, spartina eradication, and management of our state's aquatic resources. Rather than mandating where reductions will occur, it is preferable to allow the Department to monitor revenue and make reductions to both capital and operating spending plans as necessary to stay within available funds. This veto restores the original funding levels, as well as the amounts for Puget Sound Plan activities. The Department will manage expenditures so that they do not exceed available revenues.

Section 306(14), Page 131, Independent Staff for the Board of Natural Resources (Department of Natural Resources)

This section would have added three new positions to independently staff the Board of Natural Resources. Independent staffing would require the Board to assume new personnel management and administrative functions in addition to its existing statutory responsibilities. The Board did not make this request and these additional burdens are unnecessary and overly cumbersome.

Section 1045, Page 282, lines 21 through 36, Alternative Financing Contracts

This language would have created an interim legislative workgroup to develop a policy for the uses of alternative financ-

ing contracts. The Office of Financial Management would be directed to incorporate this policy in assessing alternative financing projects, and would be restricted from forwarding any project request to the legislature that has not fulfilled stated information requirements. While I support the need for increased rigor in the analysis and evaluation of project costs and financing arrangements, this language is an infringement on executive prerogatives and powers. In recognition of these concerns, I am directing the Office of Financial Management to work with the legislature to agree, to the extent possible, on a common set of criterion and data requirements that can then be made part of the regular budget process.

For these reasons, I have vetoed sections 103(2); 109, lines 29 and 30; 109(1); 118(8); 119(11); 124(6); 222(4); 304, lines 33 and 34; 304(4); 304(5); 306, lines 7 and 8; 306(1); 306(14); and 1045, lines 21 through 36 of Engrossed House Bill No. 2487.

With the exception of sections 103(2); 109, lines 29 and 30; 109(1); 118(8); 119(11); 124(6); 222(4); 304, lines 33 and 34; 304(4); 304(5); 306, lines 7 and 8; 306(1); 306(14); and 1045, lines 21 through 36, Engrossed House Bill No. 2487 is approved.

Respectfully submitted,



Gary Locke
Governor

SHB 2491

C 92 L 00

Providing a procedure to conduct DNA testing of evidence for persons sentenced to death or life imprisonment.

By House Committee on Appropriations (originally sponsored by Representatives Schindler, Ballasiotes, Koster, Sullivan, Esser, Wood, Crouse, Cairnes, Rockefeller, Edmonds, Mulliken, Clements, Ruderman, McDonald and Dunn).

House Committee on Criminal Justice & Corrections
House Committee on Appropriations
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: DNA evidence was first introduced into evidence in a United States court in 1986 and, after numerous court challenges, is now admitted in all United States jurisdictions. It has rapidly become an important forensic technique both for identifying perpetrators and for eliminating suspects when biological tissues such as saliva, skin, blood, hair, or semen are left at a crime scene. Two states, New York and Illinois, specifically authorize postconviction DNA testing. These states permit an indigent inmate to obtain postconviction DNA testing at state expense when certain evidentiary thresholds are met.

In Washington, a convicted defendant who has exhausted the appeals process may challenge a conviction by collateral attack. One mechanism of collateral attack is the writ of habeas corpus which a defendant may pursue in court by filing a personal restraint petition (PRP).

Court rules establish the grounds for filing a PRP, including the following: (1) the convicting court lacked jurisdiction; (2) the conviction was obtained in violation of state law or the state or federal constitution; (3) material facts, not disclosed at trial, exist that in the interest of justice require the petitioner's release; (4) sufficient reasons exist to retroactively apply a post-conviction change in the law; (5) there are "other grounds" for a collateral attack on the conviction; (6) the conditions or manner of the petitioner's restraint violates the state or federal constitution; or (7) "other grounds" exist to challenge the legality of the confinement.

A prisoner under sentence of death who files a PRP is not entitled to discovery or investigative, expert, or other services as a matter of course, but must show good cause to believe that it will produce information that would support granting a PRP. Further, according to court rule, the Supreme Court may only grant a motion for investigative, expert, or other services if the Legislature has authorized and approved funding for such services.

Criminal charges are brought against a person by indictment or by the filing of an information. To be legally sufficient, an indictment or information must name the defendant or, if his or her name is unknown, describe the defendant by a fictitious name.

Summary: A person sentenced to death or to life without the possibility of release may, on or before December 31, 2002, submit a request for postconviction DNA testing to the prosecutor of the county where the conviction was obtained. The request may only be made if the DNA evidence was not admitted in court because it did not meet acceptable scientific standards or the testing technology was not sufficiently developed to test the DNA evidence in the case. After January 1, 2003, DNA issues must be raised at trial or on appeal. The prosecutor must review requests for DNA testing based on the likelihood that the DNA evidence would demonstrate innocence on a more probable than not basis. If it is determined that testing should occur, and the evidence still exists, the prosecutor must request testing by the Washington State Patrol crime lab. A person denied a request for DNA testing may appeal the denial to the Office of the Attorney General.

The Office of Public Defense is required to prepare a report on the postconviction DNA testing process established under the act. The report must be completed by December 1, 2001, and must include a description of the number of requests approved, the number of requests denied and the basis for the denials, the number of appeals approved, the number of appeals denied and the basis for the denials, and a summary of the results of the tests conducted.

An indictment or information may describe the defendant by reference to the defendant's DNA if his or her name is unknown.

The act does not create a legal right or cause of action, nor does it deny or alter any existing legal right. The act

SHB 2493

may not be interpreted to deny requests made under existing law by persons who have been sentenced to terms less than death or life imprisonment without the possibility of release.

Votes on Final Passage:

House	96	0	
Senate	47	0	(Senate amended)
House			(House refused to concur)
Senate	44	0	(Senate amended)
House	98	0	(House concurred)

Effective: June 8, 2000

SHB 2493

C 104 L 00

Simplifying implementation of sales and use tax rate changes.

By House Committee on Finance (originally sponsored by Representatives Ruderman, Cox, Dunshee, Thomas and Kenney; by request of Department of Revenue).

House Committee on Finance
Senate Committee on Ways & Means

Background: The sales tax is imposed on retail sales of most items of tangible personal property and some services. Sales tax is paid by the purchaser and collected by the seller.

Use tax is imposed on the use of an item in this state when the acquisition of the item has not been subject to sales tax. Use tax applies to items purchased from sellers who do not collect sales tax, items acquired from out-of-state, and items produced by the person using the item. Use tax is equal to the sales tax rate multiplied by the value of the property used. Use tax is paid directly to the Department of Revenue (DOR).

The total retail sales and use tax rate ranges between 7.0 and 8.6 percent, depending on location. The total rate contains both state and local taxes. The state sales and use tax rate is 6.5 percent. In addition to the state rate, local governments impose up to a 1.0 percent sales and use tax for general fund purposes. Additionally, local governments may impose up to 1.8 percent in sales and use taxes for dedicated purposes such as transit, high capacity transit, criminal justice, or juvenile detention. However, no local government is using its full taxing authority for these dedicated purposes. The highest local rate in effect for dedicated purposes is 1.1 percent.

When the Legislature or a local government enacts a new sales and use tax or modifies an existing tax rate, the effective date is the date the Legislature or local government specifies. Similarly, if a local government annexes an area, the local government specifies the effective date for the annexation.

Retailers are responsible for collecting and remitting sales taxes to the DOR. To assist retailers and other busi-

nesses in preparing their tax returns, the DOR has been developing a geographic information system (GIS). Sales and use tax rate data in the GIS system cover all areas of the state. A taxpayer may access this GIS database on the DOR's website. For example, if a company wants to know what sales tax rates apply to a customer located at a particular address, the company may enter the address into the GIS database and find the applicable state and local sales tax rates for that address.

Summary: The Legislature intends to lessen the administrative burden on retail businesses by coordinating sales and use tax changes. All sales and use tax changes, including those resulting from an annexation or referendum, may only take effect on the first day of January, April, July, or October. Additionally, a local government must provide the DOR with at least 75 days advance notice of a local sales and use tax change before the change may take effect.

Retailers and other businesses that properly use technology provided by the DOR to calculate sales and use taxes are not liable for tax rate calculation errors. The DOR must waive any unpaid tax amounts, interest, and penalties that result from a tax rate calculation error.

Votes on Final Passage:

House	96	1	
Senate	46	0	

Effective: July 1, 2000

HB 2495

C 109 L 00

Allowing holders of big and small game hunting licenses to hunt unclassified wildlife.

By Representatives Pennington and Benson; by request of Department of Fish and Wildlife.

House Committee on Natural Resources
Senate Committee on Natural Resources, Parks & Recreation

Background: Unclassified wildlife includes, but is not limited to, animals such as: coyote, opossum, vole, and nonnative squirrel. Unclassified wildlife does not include any animal currently defined as a game animal or as protected wildlife.

Prior to the merger of the enforcement provisions of the fisheries code and the wildlife code, anyone possessing a hunting license could legally take unclassified wildlife. The merger of these provisions created separate small game and big game hunting licenses. Persons with a small game license are allowed to hunt unclassified wildlife, while holders of a big game license may not.

Summary: Persons holding a big game license may hunt unclassified wildlife.

Votes on Final Passage:

House 97 0
 Senate 35 12

Effective: June 8, 2000

HB 2496

C 179 L 00

Creating an exemption for out-of-state certificate of approval holders that furnish wine or beer to nonprofit charitable organizations.

By Representatives Delvin, Wood, Clements, Conway and B. Chandler.

House Committee on Commerce & Labor
 Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Liquor manufacturers and distributors may not give away liquor to any person except as allowed by law.

Exceptions to this prohibition are provided for specific purposes, such as allowing a manufacturer to negotiate a sale to the Liquor Control Board or a retail licensee. Other exceptions require that the liquor be consumed in a designated place by a limited group of people, such as during an educational presentation to an organization formed for the purpose of studying wine and wine making. Breweries and wineries may furnish tastings of beer or wine free of charge at the brewery or winery. There are a limited number of occasions when liquor may be furnished or donated for a specific event to a specific audience, such as delegates to an international trade fair conducted by a governmental entity.

In 1998 an exception was added allowing a domestic winery and a domestic brewery to furnish their products without charge to nonprofit charitable organizations for use consistent with the purpose of the organization. The organizations that qualify are those designated as exempt from taxation under section 501(c)(3) of the Internal Revenue Code. There is no similar exception allowing donations of beer or wine by out-of-state breweries and wineries.

Consistent with other exceptions for donating beer and wine, the donated beer and wine are subject to state beer and wine taxes.

Summary: Out-of-state breweries and wineries may donate beer or wine at no charge to charitable and nonprofit organizations for use consistent with the purpose of the organization.

Votes on Final Passage:

House 96 1
 Senate 45 0

Effective: June 8, 2000

HB 2505

C 242 L 00

Modifying the definition of "city" for the multiple-unit dwellings property tax exemption.

By Representatives Cairnes, Veloria, O'Brien, Morris, Radcliff, Scott, Barlean, Esser, Kagi, Keiser, Fortunato, Schual-Berke, Edwards and Miloscia.

House Committee on Finance
 Senate Committee on State & Local Government

Background: New, rehabilitated, or converted multiple-unit housing projects in targeted residential areas are eligible for a 10-year property tax exemption program. The property tax exemption applies to increases in the assessed valuation of the building made after the application for the tax exemption. The exemption does not apply to the land or the nonhousing related improvements.

The property tax exemption program is limited to cities with a population of at least 100,000, and the largest city or town within a county planning under the Growth Management Act. A targeted residential area must be located within an urban center, lack sufficient available, desirable, and convenient residential housing to meet public demand, and increase permanent residents in the area or achieve the planning goals of the Growth Management Act. The city is authorized to establish standards and guidelines for approving tax exemption applications by developers.

Summary: The population threshold for cities that are eligible for the 10-year property tax exemption program for new, rehabilitated, or converted multiple-unit housing is lowered from 100,000 to 50,000.

Votes on Final Passage:

House 88 8
 Senate 46 2

Effective: June 8, 2000

HB 2510

C 175 L 00

Modifying home health, home care, hospice, and in-home services.

By Representatives Edmonds, D. Schmidt, Hurst and Kenney; by request of Department of Health.

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

Background: The Department of Health (DOH) was directed by the Legislature to prepare a report for the Health Care Committees of the Legislature concerning changes needed to the home health, hospice, and home care licensing laws. The department established a working committee made up of industry representatives and techni-

cal experts with the departments of Social and Health Services and Health to develop recommendations and a report. This committee investigated: enhancing home health, hospice, and home care licensing laws to provide better protection for the public; developing compliance strategies for persons providing in-home services; and analyzing the effects of repealing specific home health license laws to achieve greater efficiency and effectiveness. The DOH secretary submitted the report to the Legislature in November 1999.

The DOH study identified that home health, home care, and hospice agencies each must undergo a separate licensing process to receive a license. There are three separate chapters of rules, and three separate systems for administering each set of rules. Agencies with more than one license type must deal with a separate system for each license type, and must also undergo a separate survey for each type of license. The study identified that the current system for licensing may be inefficient and recommended a single licensing type for all in-home agencies as well as clearer definitions of home health, hospice, and home care.

Summary: The three license categories of home health, home care, and hospice are combined into a single license category. The new license category is called the in-home services license. Agencies must continue to be called by the recognized industry names of home health, hospice, home care and their functions will not change.

A person providing nursing services may elect to be designated a home health agency for the purpose of licensure.

A new category under the hospice license is created called hospice care center. Hospice care centers are allowed to provide hospice care for the terminally ill in a home-like setting.

Violations of the licensing requirement are clarified. Operating without a license in violation of these requirements is actionable under the Consumer Protections Act.

The types of activities or businesses that are not considered in-home services are clarified.

Technical changes are made to remove unnecessary references, consolidate sections of the code, and clarifies definitions and terms.

Votes on Final Passage:

House	95	0	
Senate	45	0	(Senate amended)
House			(House refused to concur)
Senate	47	0	(Senate amended)
House	98	0	(House concurred)

Effective: January 1, 2002

HB 2515
C 105 L 00

Simplifying estate tax penalties.

By Representatives Stensen, Cox, Cooper, Thomas and Hurst; by request of Department of Revenue.

House Committee on Finance
Senate Committee on Ways & Means

Background: The state imposes a tax on the transfer of property at death. The tax is equal to the amount of tax authorized as a credit against the federal estate tax. As a result, the tax would be paid to the federal government, if the state did not impose it. Because the tax is tied to the federal credit, it only applies to estates valued at more than \$675,000. The state tax return is due when the federal tax return is due, which is usually nine months after the date of death.

The executor is required to file the state estate tax return along with a copy of the federal return and is subject to a penalty under state law for failure to file. The penalty is equal to 5 percent of tax due for each month that the return is late, not to exceed 25 percent of tax due. This penalty is in addition to interest charged on the amount of tax due.

The Department of Revenue waives penalties, if the reason for the late filing of an estate tax return is due to circumstances beyond the control of taxpayer.

Summary: A person who voluntarily files a late state estate tax return with the Department of Revenue owes no penalty. If a person files a late state estate tax return only after being contacted by the Department of Revenue, then penalty is owed. The penalty equals 5 percent of tax due for each month that the return is late, not to exceed the lesser of 25 percent of tax due or \$1,500.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 1, 2000

HB 2516
C 173 L 00

Regarding disclosure of information to persons against whom successor tax liability is asserted.

By Representatives Stensen, Cox, Cooper and Thomas; by request of Department of Revenue.

House Committee on Finance
Senate Committee on Ways & Means

Background: A taxpayer must remit any outstanding tax liability to the Department of Revenue within ten days of quitting business. If this tax is not paid by the taxpayer, a

successor to the taxpayer becomes liable for the outstanding tax.

A successor is a person who receives a major part of the materials, supplies, merchandise, inventory, fixtures, or equipment from a taxpayer who quits or goes out of business. However, receipt of materials or other items as a result of bankruptcy or other legal proceedings does not create successorship. Successorship is also not created if a person only acquires intangible assets such as copyrights or trademarks from another taxpayer.

Another type of successor is a person who has insured or guaranteed the performance of a contract. If a contractor defaults, the person who insured or guaranteed the work becomes the contractor's successor for tax liability purposes.

The Department of Revenue is generally prohibited from disclosing taxpayer information. There are some exceptions to the prohibition. The department may disclose information at the request of a taxpayer, as part of court proceedings, and under some other narrowly defined circumstances. No exception exists, however, for disclosing information to successors. Although a successor inherits responsibility for paying another taxpayer's tax liabilities, the department may not share the taxpayer's tax return or other tax information with the successor.

Summary: The Department of Revenue may disclose tax return or tax information pertaining to a taxpayer's specific business to a successor, if the successor has become responsible for that taxpayer's tax liability.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 1, 2000

HB 2519
PARTIAL VETO
C 106 L 00

Simplifying the excise tax code.

By Representatives Lovick, Fortunato, Dunshee, Thomas, Haigh and Kenney; by request of Department of Revenue.

House Committee on Finance
Senate Committee on Ways & Means

Background: Tax Information Disclosure. When real estate transactions occur, a title company searches records to determine whether there are any liens, judgments, or warrants for unpaid taxes filed against a property. A title company obtains this information from court documents and other legal records, because the Department of Revenue (DOR) is generally prohibited from disclosing information about taxpayers. Although the DOR may disclose the name of a taxpayer against whom a tax warrant

for more than \$5,000 has been filed, the DOR may not disclose the actual amount of tax owed.

State 911 Taxes. The state imposes a 20 cent per month tax on each telephone switched access line to help fund enhanced 911 emergency services. Telephone companies collect these taxes for the state. The telephone companies must remit the tax revenues to the DOR by the last day of the following month.

Watercraft Excise Taxes. Owners of recreational boats pay a watercraft excise tax in lieu of property taxes. This tax is collected by the Department of Licensing. In 1999 the Legislature increased penalties on persons who avoid paying Washington taxes by registering their vehicles, aircraft, or watercraft in another state or nation. Although the Department of Licensing collects current taxes, the Department of Licensing does not collect back taxes. Prior to the 1999 legislation, the DOR was authorized to collect unpaid back taxes, penalties, and interest.

Distressed Areas Tax Incentives. Washington has developed various tax incentives designed to assist in job creation or retention in rural counties. A business that constructs a manufacturing or research and development facility in a rural county may defer sales and use taxes on materials and labor used in the construction. A business may also qualify for similar tax deferrals for facilities constructed in a community empowerment zone (CEZ) or a county containing a CEZ if the business hires residents of a CEZ to work at the new facility. A pro-rata share of the deferred taxes must be repaid if eligibility criteria are not met during an 8-year period following completion of a facility. After eight years, the deferred taxes are waived.

A manufacturing or research and development business that constructs a facility in a rural county, a CEZ, or a county containing a CEZ, may also qualify for business and occupation (B&O) tax credits. The amount of the credit depends on the amount of money invested in constructing a new facility, the number of jobs created, and the wages paid to new employees. For the purpose of administering these B&O tax credits, the Employment Security Department must certify wage and employment data to the DOR.

High Technology Tax Incentives. High technology tax incentives were enacted in 1994 to encourage the location, expansion, and development of "high-tech" research and development and pilot scale manufacturing businesses statewide. High-tech businesses that invest a certain amount of their gross receipts in research and development qualify for B&O tax credits. The high-tech businesses also may defer sales and use taxes associated with the acquisition of new machinery and equipment or the construction of new or expanded structures. A pro-rata share of the deferred taxes must be repaid if a portion of a facility is used for purposes other than qualified research and development or pilot scale manufacturing during the eight-year period following completion of a facility. After eight years, the deferred taxes are waived.

Tax Credits for Rural Help Desk/Software Businesses.

In 1999 the Legislature created B&O tax credits for businesses located in rural counties that provide information technology "help desk" services. The Legislature also established B&O tax credits for each software manufacturing or computer programming job created in a rural county.

Businesses claiming either "help desk" or software/programming B&O tax credits are required to file an annual report with the DOR.

Summary: Tax Information Disclosure. The DOR may disclose current amounts due the department for filed tax warrants, judgments, or liens against a property to financial institutions, escrow companies, or title companies, if the property is the subject of a real estate transaction.

State 911 Taxes. The deadlines for remitting state 911 taxes to the DOR are made the same as the deadlines for remitting sales taxes, B&O taxes, and other excise taxes. (For example, if a taxpayer files a quarterly tax return, then the taxpayer would remit state 911 taxes quarterly.)

Watercraft Excise Taxes. The DOR is allowed to assess and collect unpaid watercraft excise taxes, penalties, and interest.

Distressed Areas Tax Incentives. A change in ownership of a manufacturing or research and development facility does not affect the deferral of sales and use taxes, if the new owner continues to meet eligibility requirements for the tax deferrals or credits. With respect to the B&O tax credits, the Employment Security Department certifies wage and employment data for a facility only if a request is made by the DOR.

High Technology Tax Incentives. A business's insolvency or other failure does not extinguish the business's debt for any deferred taxes. Also, a change in ownership does not affect the deferral of sales and use taxes, if the new owner continues to meet eligibility requirements for the tax deferrals or credits.

Tax Credits for Rural Help Desk/Software Businesses. A "help desk" or software/programming business that fails to file an annual report with the DOR does not lose its eligibility for the B&O tax credits. However, the DOR will contact each business that fails to file a report to assist the business in filing a report so that data and information necessary to measure the tax credit program's effectiveness is maintained.

Votes on Final Passage:

House 97 0
Senate 45 0

Effective: July 1, 2000

Partial Veto Summary: The section allowing the Department of Revenue to assess and collect unpaid watercraft excise taxes, penalties, and interest is vetoed, since this section was duplicated by a similar provision in SSB 6467 enacted as C 229 L 00.

VETO MESSAGE ON HB 2519

March 24, 2000

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 4, House Bill No. 2519 entitled:

"AN ACT Relating to simplifying the excise tax code through revising terminology, correcting mistakes, streamlining procedures, and deleting obsolete provisions;"

Section 4 of this bill contained the same language as section 5 of Substitute Senate Bill No. 6467. Accordingly, I have vetoed section 4 to avoid double amendment of the statute.

For this reason, I have vetoed section 4 of House Bill No. 2519.

With the exception of section 4, House Bill No. 2519 is approved.

Respectfully submitted,



Gary Locke
Governor

HB 2520

C 94 L 00

Changing terminology in the release from commitment of persons in mental treatment facilities.

By Representatives Schual-Berke, Parlette and Cody; by request of Department of Social and Health Services.

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

Background: Individuals are committed to state mental hospitals through legal procedures in superior court. Once admitted, a physician is involved in medical decisions related to the care of the individual. Terms used in the legal system and the medical system are not consistently used.

Summary: The definitions and uses of legal and medical terms involving individuals served in state mental hospitals are made consistent. These terms include such terms as "admission," "discharge," "detention," "commitment," and "release."

Votes on Final Passage:

House 95 0
Senate 48 0 (Senate amended)
House 81 0 (House concurred)

Effective: June 8, 2000

HB 2522

C 49 L 00

Modifying court jurisdiction.

By Representatives Lantz, McDonald, Constantine, Lambert, Dickerson, Barlean, Hurst and Carrell.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Superior and district courts have concurrent jurisdiction over many kinds of civil cases. For these kinds of cases parties may choose which court to use.

The district court jurisdiction statute enumerates several classes of cases that may be heard in district court. However, all of these are limited to actions in which the amount in controversy does not exceed \$35,000.

This jurisdictional limit has been set over the past 40 years by the Legislature as follows:

- 1961 - \$500
- 1965 - \$1,000
- 1979 - \$3,000
- 1981 - \$7,500
- 1984 - \$10,000
- 1991 - \$25,000
- 1997 - \$35,000

Summary: The dollar limit on the jurisdiction of district courts is raised from \$35,000 to \$50,000.

Votes on Final Passage:

House	97	0
Senate	37	0

Effective: June 8, 2000

SHB 2528

C 161 L 00

Regulating capacity charges for sewage facilities by metropolitan municipal corporations.

By House Committee on Local Government (originally sponsored by Representatives Cairnes, Cooper, G. Chandler, Dunshee, Tokuda, Linville, Stensen, Lovick, Esser, Kenney, Barlean, Constantine, Murray and Keiser).

House Committee on Local Government
Senate Committee on State & Local Government

Background: A metropolitan municipal corporation that is engaged in the transmission, treatment, and disposal of sewage may impose a capacity charge on the users of the facility when the customer connects, reconnects or establishes new service. The capacity charge is based upon the cost of the sewer facility's excess capacity, and may be collected over a 15 year period.

Sewer capacity charges for a metropolitan municipal corporation are subject to a statutory maximum monthly rate and to annual review and approval by the legislative

authority. Sewer capacity charges for a building other than a single family residence are based on the projected number of residential customer equivalents to be represented by the building.

A metropolitan municipal corporation as a municipal corporation organized in an area containing two or more cities, of which at least one has a population of 10,000 or more, to perform certain functions, or a county that has, by ordinance or resolution, assumed the rights, powers and functions of a metropolitan municipal corporation.

Summary: The maximum monthly rates, the residential customer equivalent provisions, and the 15 year duration for sewer capacity charges are eliminated.

The sewer capacity charge is to be set by the legislative body based on a property owners' equitable share of the system's cost. The capacity charge is imposed monthly, approved annually, and considered revenue of the sewage facility.

The equitable share may include interest charges that are either applied from the date of construction of the sewage facility until the connection, or for a period not to exceed ten years.

The interest charges are set at a rate that is commensurate with the rate of interest applicable to the metropolitan municipal corporation, either (1) at the time of construction or major rehabilitation of the sewage facilities, or (2) at the time of installation of the sewer lines to which the property owner is seeking to connect. At no time may the interest charges exceed ten percent per year, provided that the aggregate amount of interest may not exceed the equitable share of the cost of the sewage facilities allocated to such property owners.

Votes on Final Passage:

House	88	8
Senate	41	3

Effective: June 8, 2000

HB 2531

C 84 L 00

Providing statutory support for career and technical student organizations.

By Representatives Doumit, Huff, Morris, Schoesler, Linville, Cox, Grant, Haigh, Anderson, McMorris, Quall, Mulliken, Murray, Talcott, Ruderman, Mastin, Schindler, Lambert, Reardon, Hatfield, Kenney, Carlson, Alexander, D. Schmidt, Lovick, Mitchell, Keiser, Stensen and Rockefeller.

House Committee on Education
Senate Committee on Education

Background: The fourth goal of the state's basic education act is that all students develop the knowledge and skills essential to an understanding of the importance of

work and how performance, effort, and decisions directly affect future career and educational opportunities.

The Office of the Superintendent of Public Instruction (OSPI) has published standards and indicators for vocational-technical education programs offered in the state's public schools. One of the standards challenges vocational-technical education programs to provide students with an opportunity to develop and demonstrate technical, academic, and work readiness competencies required in the workplace, community, family, and for continuing education. Two indicators that programs have met the standard references student participation in vocational student leadership organizations. Those indicators are:

- All vocational-technical programs provide the opportunity for students to participate in recognized program related state and national vocational student leadership organizations.
- Interpersonal and leadership development competencies are taught as an integral part of each approved program, in addition to state and national student leadership organizations.

Summary: The Superintendent of Public Instruction (SPI) will support, with at least one full-time equivalent program staff person, statewide coordination for career and technical student organizations. The SPI may provide additional support to the organizations and their members through contracts with independent coordinators. The criteria used to identify organizations eligible for assistance and support from the SPI are defined and a list of eligible organizations is included.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: June 8, 2000

HB 2532

C 176 L 00

Allowing the department of transportation to recognize volunteer pilots.

By Representatives Fisher, Mitchell, Cairnes, Ogden, Dunn and Hurst; by request of Department of Transportation.

House Committee on Transportation
Senate Committee on Transportation

Background: The Washington State Department of Transportation's (WSDOT) Aviation Division is mandated to provide aerial search and rescue and maintain and operate its 15 emergency/recreational airstrips. The division has historically relied heavily on volunteers in carrying out both of these mandates.

In showing its appreciation and support to its volunteers, the department has a longstanding practice of

recognizing and honoring those private individuals who have assisted the aviation division in meeting its legislative mandate. This recognition has historically been funded with state dollars. In a recent "purchasing" audit of the aviation division, the practice of using state funds to recognize private individuals and organizations was called into question.

Because these volunteers contribute a substantial amount of assistance and support to the department, at no additional cost to the state, the department is requesting statutory authority to continue its practice of recognizing and thanking its volunteers.

Summary: Pilot registration fee revenue is to be used, in addition to other activities, for volunteer recognition and support.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: June 8, 2000

HB 2535

C 185 L 00

Facilitating payments to subcontractors on design-build projects.

By Representatives Miloscia, D. Schmidt, Ogden, Veloria and Haigh.

House Committee on State Government
Senate Committee on State & Local Government

Background: Procedures for awarding public works contracts. Legislation enacted in 1994 authorizes several state agencies and local governments to use alternative public works contracting procedures to award contracts on certain public works contracts, generally of very large dollar values. Authority to use these alternative procedures terminates on July 1, 2001. A temporary Independent Oversight Committee reviews these alternative bidding procedures and recommends changes in contracting laws to the Legislature.

One of these alternative procedures is the general contractor/construction manager (GCCM) procedure. The GCCM procedure is a multi-step competitive process to award a contract for a single firm to provide services during the design phase, as well as acting as both the construction manager and general contractor during the construction phase, for a specific facility of a relatively high cost. The general contractor guarantees the project budget under this procedure.

This procedure involves: (1) soliciting proposals; (2) using an evaluation committee to review proposals; (3) selecting three to five finalists to submit final proposals; (4) scoring the final proposals by measuring quality and technical merits on a unit price basis; (5) selecting a finalist on

the basis of responsiveness and lowest price from among the finalists who are able to produce plans and specifications meeting project requirements; and (6) directly negotiating a contract with the selected firm over the maximum allowable construction costs. Negotiations may be terminated with the selected firm if an agreement is not reached and opened with the next highest scored firm until an agreement is reached or the process terminated.

The Department of General Administration, University of Washington, Washington State University, every county with a population of greater than 450,000 (King, Pierce, and Snohomish counties), every city with a population in excess of 150,000 (Seattle, Tacoma, and Spokane), port districts with populations in excess of 500,000 (Port of Seattle and Port of Tacoma), and a public facilities district constructing a baseball stadium may award contracts using the GCCM procedure on any project with an estimated cost of \$10 million or more. In addition, these entities may use the GCCM procedure on several demonstration projects of between \$3 million and \$10 million in estimated cost.

Retainage requirements on public works contracts.

Most public works contracts are subject to retainage requirements, where the public entity retains up to 5 percent of the contract amount from the general contractor for 45 days after completion of the project. The retained funds are used as a trust fund for the payment of laborers, subcontractors, material suppliers, and excise taxes that are imposed on the project.

Summary: Retainage requirements are altered for public works contracts that are awarded using the general contractor/construction manager alternative public works procedure.

The public body may accept subcontractor work that is completed during the first half of the time specified in the contract between the public entity and the general contractor for the general contractor to complete the project. The public body may release the portion of the overall retained funds that are associated with this accepted subcontractor work 45 days after providing notice of its acceptance.

Claims against the retained funds after this 45-day period are not valid.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: June 8, 2000

HB 2536

C 194 L 00

Concerning the general contractor/construction manager procedure of public works contracting.

By Representatives Miloscia, D. Schmidt and Haigh.

House Committee on State Government
Senate Committee on State & Local Government

Background: Legislation enacted in 1994 authorizes several state agencies and local governments to use contracting procedures to award contracts on certain public works contracts, generally of very large dollar values. Authority to use these alternative procedures terminates on July 1, 2001. A temporary Independent Oversight Committee reviews these alternative bidding procedures and recommends changes in contracting laws to the Legislature.

One of these alternative procedures is the general contractor/construction manager (GCCM) procedure. The GCCM procedure is a multi-step competitive process to award a contract for a single firm to provide services during the design phase, as well as acting as both the construction manager and general contractor during the construction phase, for a specific facility of a relatively high cost. The contractor guarantees the project budget under this procedure.

This procedure involves: (1) soliciting proposals; (2) using an evaluation committee to review proposals; (3) selecting three to five finalists to submit final proposals; (4) scoring the final proposals by measuring quality and technical merits on a unit price basis; (5) selecting a finalist on the basis of responsiveness and lowest price from among the finalists who are able to produce plans and specifications meeting project requirements; and (6) directly negotiating a contract with the selected firm over the maximum allowable construction costs. Negotiations may be terminated with the selected firm if an agreement is not reached and opened with the next highest scored firm until an agreement is reached or the process terminated.

The Department of General Administration, University of Washington, Washington State University, every county with a population of greater than 450,000 (King, Pierce, and Snohomish counties), every city with a population in excess of 150,000 (Seattle, Tacoma, and Spokane), port districts with populations in excess of 500,000 (Port of Seattle, and Port of Tacoma), and a public facilities district constructing a baseball stadium may award contracts using the GCCM procedure on any project with an estimated cost of \$10 million or more. In addition, these entities may use the GCCM procedure on several demonstration projects of between \$3 million and \$10 million in estimated cost.

A general contractor, or its subsidiaries, may bid on subcontract work on projects awarded contracts using the GCCM procedure that are valued over \$20 million if the

EHB 2559

work in the subcontract is customarily performed by the general contractor, a public bid opening is used to award the subcontract, and notices of the intention of the general contractor to bid is included in bid solicitations for the bid package. The general contractor's subcontract work may not exceed 20 percent of the negotiated maximum allowed construction cost.

Summary: The ability of a general contractor, or its subsidiaries, to perform subcontract work on a project awarded using the GCCM procedure is expanded.

Restrictions on the general contractor, or its subsidiaries, to perform subsidiary work are eased as follows: (1) the general contractor may perform subcontract work on project of any value, rather than only on projects with a value of over \$20 million; and (2) the maximum amount of subcontract work that the general contractor may perform is increased from 20 percent to 30 percent of the negotiated maximum allowable construction cost.

Factors that the evaluation committee may use to evaluate initial proposals submitted by general contractors under the GCCM procedure are expanded to include the scope of work that the GCCM proposes to self-perform and its ability to perform the work.

Votes on Final Passage:

House	96	0
Senate	45	2

Effective: June 8, 2000

EHB 2559

C 14 L 00

Changing advanced college tuition payment program provisions.

By Representatives Carlson, Kenney, Lantz and Radcliff; by request of Committee on Advanced College Tuition Payment, Higher Education Coordinating Board and State Treasurer.

House Committee on Higher Education
Senate Committee on Higher Education

Background: In 1997 the Legislature created the Washington advanced college tuition payment program. This program allows families to buy tuition units that are redeemable for future tuition at a Washington institution of higher education at no additional cost.

Summary: Several administrative issues relating to the Washington advanced college tuition payment program are clarified.

Committee Membership. The membership of the committee that administers the advanced college tuition payment program is expanded from three to five members. Two additional members are appointed by the Governor: one is a community member who represents program participants and one is a business person with

marketing or financial expertise. The definition of "governing board" is clarified to mean the committee that administers the program.

Board. References to the "board" and "governing body" are made consistent. "Board" refers to the Higher Education Coordinating Board while "governing body" refers to the committee that administers the program. The board determines salaries for employees. The board must also consult with the committee in decisions related to employment of the program director.

Tuition/Tuition Units. The definitions of "tuition and fees" and "unit purchase price" are clarified to mean undergraduate tuition. Tuition units for out-of-state or graduate tuition are redeemed at the rate for state public institutions.

Higher Education Institutions. The definition of "higher education institutions" is changed to mean those institutions that are recognized under the Internal Revenue Code as eligible for federal financial aid.

Refunds. Refunds may not exceed the current weighted average minus the penalty rate established by provisions of the Internal Revenue Code. Refunds are allowed after funds are held for two years.

Program Administration Expenditures. Money used for program administration is subject to the allotment of all expenditures.

Account Assets. The money in a guaranteed education tuition account is private money not considered state money or revenue to the state.

Votes on Final Passage:

House	95	0
Senate	46	0

Effective: June 8, 2000

EHB 2561

C 196 L 00

Authorizing the preservation and development of national historic towns outside of urban growth areas.

By Representatives Rockefeller, Woods, Mulliken, Scott, Lantz, Ogden, Constantine and Haigh.

House Committee on Local Government
Senate Committee on State & Local Government

Background: The Growth Management Act (GMA) requires a county and its cities to plan under its requirements if the county meets specified population and growth criteria. The GMA requires all counties and cities in the state to designate and protect critical areas and to designate natural resource lands. The GMA imposes additional requirements on counties and cities planning under RCW 36.70A.040 (GMA jurisdictions), including adoption of county-wide planning policies, designation of urban growth areas (UGAs), and adoption of comprehensive plans and implementing development regulations. "Urban

growth” is defined in the GMA to mean growth making intensive use of land to an extent creating incompatibility with natural resource uses.

According to the state Office of Archaeology and Historic Preservation, numerous sites, buildings and facilities in Washington are designated as national historic landmarks.

Summary: Counties planning under RCW 36.70A.040 (GMA counties) may authorize and designate national historic towns that may constitute urban growth outside urban growth areas (UGAs) if specified conditions are satisfied. A GMA county may allocate a portion of its 20-year population projection to the national historic town to correspond to the projected number of permanent town residents.

For purposes of this authority, an “existing national historic town” is defined as a town or district that has been designated a national historic landmark by the United States Secretary of the Interior based on its significant historic urban features and that historically contained a mix of residential, commercial, or industrial uses.

A GMA county may designate a national historic town to constitute urban growth outside UGAs only if:

- the GMA county’s comprehensive plan specifically identifies policies to guide the town’s preservation, redevelopment, infill, and development;
- the GMA county’s comprehensive plan and development regulations specify a mix of residential, commercial, industrial, tourism-recreation, waterfront, or other historical uses as well as infrastructure and services to promote the town’s historic character and economic sustainability;
- the town’s boundaries include all areas contained within the national historic landmark designation and limited areas determined by the GMA county as necessary for transitional uses and buffering;
- the GMA county’s comprehensive plan and development regulations preclude new urban or suburban land uses in the town’s vicinity, including the areas for transitional uses and buffering, in areas other than designated UGAs;
- the GMA county’s development regulations provide for architectural controls and review procedures applicable to rehabilitation, redevelopment, infill, or new development to promote the town’s historic character;
- the GMA county finds that the national historic town is consistent with critical areas regulations; and
- the on-site and off-site infrastructure impacts are fully considered and mitigated concurrent with development.

Provisions regarding additional limited areas for transitional uses and buffering must: (1) be compatible with the town’s historic character; and (2) protect existing natural and built environments under GMA requirements, including visual compatibility, within and beyond these areas.

The town may include the types of uses existing at times during its history; uses are not limited to those existing at the time of historic designation. Further, portions of the town may include urban densities if those densities reflect historical patterns.

Votes on Final Passage:

House	97	0	
Senate	46	1	(Senate amended)
House	96	0	(House concurred)

Effective: June 8, 2000

EHB 2565

C-213 L 00

Providing for disclosure to consumers regarding the characteristics associated with their electric energy product.

By Representatives Poulsen, Crouse, Morris, Cooper, Radcliff, Ruderman, Reardon, Linville, Conway, Schual-Berke, Kenney, Keiser, Santos and O’Brien.

House Committee on Technology, Telecommunications & Energy

Senate Committee on Energy, Technology & Telecommunications

Background: According to the Washington Electric Utility Service Quality, Reliability, Disclosure and Cost Report submitted to the Legislature by the Washington Utilities and Transportation Commission and the State Auditor in December 1998, the primary goal of electricity labeling or disclosure is to provide consumers information about price, environmental characteristics, and other attributes of their power.

Labels are essential to consumers faced with electricity choices, as labels allow consumers the ability to compare products and to make informed choices. Such labels may prepare customers for possible choices of electricity products and suppliers that may be available in the future.

Many utilities offer customers a choice of products, such as hydroelectric and wind products, known as “green” products. In light of increasing choices of power products and suppliers, regional efforts have been underway over the past two years to examine various issues relating to disclosure and environmental claims.

Summary: Beginning in 2001, retail suppliers of electricity are required to disclose the attributes of the fuel mix used to generate the electricity sold to consumers.

Intent. The Legislature finds that there is a need to disclose reliable, accurate, and timely information that identifies the fuel source(s) for all electricity products. Disclosure is clearly established in nutrition labels, uniform food prices (net weight shelf tags in grocery stores), truth in lending, and other consumer information programs.

Definitions. Numerous definitions are provided that include the following:

- “Bonneville power administration system mix” is the fuel generation mix sold by BPA.
- “Electricity information coordinator” is the coordinator of generation information for the Northwest power pool.
- “Electricity product” is the energy produced for sale to retail electric customers.
- “Fuel mix” is the source of electricity sold to retail electric customers expressed as a percentage.
- “Northwest power pool” means the generating resources in the Northwest.

Disclosure Label. The disclosure label will be accurate and simple to understand. The label will disclose the actual fuel mix used to generate the electricity sold to the consumer.

Retail suppliers of electricity will provide the fuel mix information in a label format at least semiannually. Small utilities and mutual cooperatives have reduced disclosure requirements.

Certain Attributions Prohibited. Retail suppliers are prohibited from making claims of environmental quality or from making environmental impact statements as to particular fuel sources.

Fuel Mix Disclosure requirements. The fuel mix must be attributed to either declared resources, or the net system power mix, or both. The disclosures must provide the percentage attributable to each generation source (coal, hydro, natural gas, nuclear, or other). If a source is categorized as “other” totals more than 2 percent of the total mix, it may be attributed to its source (biomass, geothermal, landfill gas, oil, solar, waste or wind).

If a retail supplier purchases an electricity product from the Bonneville power administration, the supplier may disclose the source as the Bonneville power system mix.

Retail suppliers may declare resources owned by contractual right or if the contracts are unavailable, by the net system power mix.

The Department of Community Trade and Economic Development (DCTED): Electricity Information Coordinator Selection. DCTED must form a work group of interested parties to select an electricity information coordinator. If a coordinator is not selected by November 1, 2000, DCTED must notify the energy committees of the House and Senate that it will serve as the coordinator. If DCTED serves as coordinator, DCTED must assign evaluation and reporting requirements to an independent third party.

The work group may suggest modifications to improve the content, readability, consumer understanding, and efficiency of the disclosure process. DCTED will report any suggested modifications to the disclosure requirements to the Legislature no later than December 1, 2003.

The electricity information coordinator is required to: compile actual generation in the Northwest power pool expressed in megawatt hours; calculate the quantity of declared resources; calculate the net system power mix; and coordinate with other comparable organizations in the western interconnection power grid.

Votes on Final Passage:

House	95	2
Senate	45	0

Effective: June 8, 2000

HB 2576

C 174 L 00

Modifying provisions concerning the registration of business trade names.

By Representatives D. Sommers and Veloria; by request of Department of Licensing.

House Committee on Commerce & Labor

Senate Committee on Judiciary

Background: A trade name is a name under which a person identifies his or her business or vocation. A trade name does not include the use of an individual’s surname, registered corporate or partnership name, or the name of a general partnership. If a person is conducting business under a trade name, he or she must register the trade name with the Department of Licensing.

The registration of a trade name must be made by specified individuals: the sole proprietor of a sole proprietorship, a general partner of a partnership, or the officer of a corporation. Such persons must “execute” the registration by signing in their official capacity and under penalty of perjury.

An executed document is also required in order to change a trade name or change the mailing address associated with a trade name. However, the amending document does not have to be executed by any specified individuals. Changes may be made by an agent or employee of the business.

The cancellation of a trade name does not require an executed document. Only notice must be provided to the Department of Licensing to cancel a trade name.

Summary: The registration of a trade name no longer must be made by specified persons. An executed document is not required for the registration of a trade name.

The changing of a trade name or associated address does not require an executed document. Changes may be made by filing a notice of change with the Department of Licensing.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: June 8, 2000

HB 2579

C 86 L 00

Making technical corrections to the implementation of the federal personal responsibility and work opportunity reconciliation act of 1996.

By Representatives Lambert and Dickerson; by request of Department of Social and Health Services.

House Committee on Children & Family Services
Senate Committee on Labor & Workforce Development

Background: As part of welfare reform, the federal Person Responsibility and Work Opportunity Act of 1996 (PWORA) made various changes in public assistance programs. It included provisions regarding enforcement of child support orders.

The PWORA requires that the states pass laws which allow for withholding, suspension, or restriction on the use of driver's, professional, occupational, or recreational licenses of delinquent obligors. When Washington's licensing statutes were amended in 1997 as part of the state's welfare reform, licenses granted under the Horse Racing Commission were overlooked.

The notice of payroll deduction, the order to withhold and deliver, and the notice of enrollment to enforce an order to provide health care coverage for a child have differing time frames and service requirements. The use of the uniform withholding form by a state is required by the PWORA; however, Washington does not require the use of the uniform form.

Washington's foster care payments law was also amended to conform with PWORA, but the subrogation and assignment rights of the state for such a payment were excluded.

The PWORA requires the states to give full faith and credit to liens filed by other states, and provides for high volume, automated enforcement of interstate cases.

Summary: Changes are made to conform Washington law to the federal requirements under the PWORA.

The notice of enrollment may be served on the obligor's employer or union by mail. The notice must be answered within 20 days, thereby making the answer period the same as the notice of payroll deduction and the order to withhold and deliver. An employer is no longer required to retain an order to withhold and deliver for a former employee-obligor.

Full faith and credit is accorded to liens filed by other states. The subrogation and assignment rights for child support are awarded to the Division of Child Support on behalf a foster child who receives public assistance under Title IV-E of the Social Security Act. The division may take enforcement action against the assets of a noncustodial parent located in Washington, regardless of the presence of the noncustodial parent. Washington may file a jeopardy lien against an obligor's property located

within the state, regardless of the presence or residence of the obligor.

The uniform interstate withholding form is adopted for use in Washington. A certification process is created to assist other states in high volume, automated enforcement of interstate child support cases.

A delinquent obligor's license granted by the Horse Racing Commission may be suspended.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: June 8, 2000

SHB 2587

C 197 L 00

Modifying ballot title laws.

By House Committee on State Government (originally sponsored by Representatives Kagi and Lambert; by request of Attorney General).

House Committee on State Government
Senate Committee on State & Local Government

Background: State law establishes ballot title requirements for various measures that are submitted to voters, including state initiatives and referenda, constitutional amendments, and local government ballot propositions.

The ballot title for a state initiative, referendum, or constitutional amendment includes a concise statement that is posed as a question not in excess of 25 words. However, the ballot title for a measure submitted to voters of a local government includes a concise statement that is posed as a question not in excess of 75 words.

The office of the Attorney General (AG) prepares the ballot title and a summary of a state initiative or referendum within seven days after receiving the initiative or referendum. However, the Legislature may prepare the ballot title for a referendum bill it submits to the voters. A person may challenge the ballot title or summary of a state initiative or referendum that was prepared by the AG within five days after the ballot title is filed with the Secretary of State. The person filing a constitutional amendment may challenge the ballot title for the constitutional amendment, but no provisions exist for anyone else to challenge these matters.

The city or town attorney prepares ballot titles for city or town ballot propositions. The county prosecutor prepares ballot titles for county and special district ballot propositions. The person filing a local ballot proposition may challenge the ballot title, but no provisions exist for anyone else to challenge the ballot title.

Summary: Requirements for ballot titles on state measures and local ballot measures are altered.

The ballot title of a state measure is divided into three distinct portions: (1) a statement of the subject of the measure that may not exceed 10 words; (2) a concise description of the measure that may not exceed 30 words; and (3) a question inquiring whether the measure should be approved or rejected. The display of the ballot title is shown for each of the various types of state measures that may be placed on the ballot.

Ballot titles for local measures must follow these same requirements, except that the concise description may not exceed 75 words.

The Legislature may provide all or part of the ballot title as part of a constitutional amendment, or as part of an alternative to an initiative to the Legislature, that it submits to voters. The office of the Attorney General (AG) completes any portion of the ballot title that the Legislature fails to provide as part of the measure that is submitted to voters. The number of days for the AG to prepare a ballot title for an initiative or referendum is five days, not including Saturdays, Sundays, or state holidays, rather than seven days, after the AG receives the measure.

Any person, including the Attorney General and either house of the Legislature, may challenge a ballot title on any state measure submitted to voters. Any person may challenge a ballot title on a local measure submitted to voters. The number of days allowed for challenges to ballot titles does not include Saturdays, Sundays, or legal holidays.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 8, 2000

E2SHB 2588

PARTIAL VETO

C 50 L 00

Creating domestic violence fatality review panels.

By House Committee on Appropriations (originally sponsored by Representatives Tokuda, D. Sommers, Kagi, Boldt, Kenney, Dickerson, Ogden, Veloria, Haigh, Santos, Romero, O'Brien, Edwards, Constantine, Rockefeller, Miloscia and McIntire).

House Committee on Children & Family Services
House Committee on Appropriations
Senate Committee on Judiciary

Background: Local Departments of Health are responsible for conducting child mortality reviews. The purpose of the review is to identify preventable causes of child mortality, including violence, so that these causes may be addressed.

A county coroner may hold an inquest if the coroner suspects that the death of a person was caused by unlawful means or suspicious or violent circumstances.

In 1997 Washington received grant funding from the federal Violence Against Women Act to create a model for a statewide domestic violence fatality review mechanism. Three pilot review panels covering five counties (Pierce, Spokane, Chelan, Douglas, and Okanogan) began reviewing deaths in 1998. A fourth panel was formed in Yakima/Kittitas Counties in 1999, and a fifth is being organized in King County. At least four other communities have requested help in forming review panels.

Summary: Subject to available funds, DSHS must contract with an entity with expertise in domestic violence to coordinate regional domestic violence fatality review panels. The contractor is given various responsibilities to convene, train, and gather information for the panels. The contractor is responsible for compiling information, issuing biennial reports with recommendations to improve the system of response to domestic violence, and identifying patterns in domestic violence fatalities. The reports must be submitted to the Governor, the House Children & Family Services and Criminal Justice & Corrections Committees, and the Senate Human Services & Corrections Committee and Judiciary Committee.

Private citizens may request a review of a particular death by submitting a written request to the entity within two years of the deaths. The appropriate regional review panel may review those cases that fit the criteria established. Representatives of the contracting entity and the regional panels are immune from civil liability for activities related to reviews of particular fatalities when acting in good faith, without malice, and within established protocols.

Votes on Final Passage:

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

Effective: June 8, 2000

Partial Veto Summary: The Governor vetoed a section that would have rendered the bill provisions null and void in the absence of specific funding in the operating budget.

VETO MESSAGE ON HB 2588-S2

March 22, 2000

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 10, Engrossed Second Substitute House Bill No. 2588 entitled:

"AN ACT Relating to domestic violence fatality reviews;"

This bill establishes a statewide domestic violence fatality review program, to coordinate multi-disciplinary local reviews of deaths involving domestic violence. The bill specifically provides that the program can operate only if funds are available to the Department of Social and Health Services for this purpose. Section 10 would have made the bill "null and void" unless spe-

cific funding for its purpose, referencing the bill, is provided in the supplemental budget.

As I act on this bill, the Legislature has not yet adopted a supplemental budget. I expect that budget, when adopted, will include funding to implement the fatality review program the bill establishes. However, some versions of the budget legislation do not reference this bill specifically, even though they include the necessary funding. To avoid the possibility of nullifying this important legislation through inadvertent failure to refer to it in the supplemental budget, I have vetoed section 10.

For these reasons, I have vetoed section 10 of Engrossed Second Substitute House Bill No. 2588.

With the exception of section 10, Engrossed Second Substitute House Bill No. 2588 is approved.

Respectfully submitted,



Gary Locke
Governor

ESHB 2589

C 15 L 00

Clarifying what projects are eligible for funding by the salmon recovery funding board.

By House Committee on Natural Resources (originally sponsored by Representatives Buck, Regala, Stensen, Anderson, Sump, G. Chandler, Pennington, Ericksen, Clements, Eickmeyer, Doumit, Alexander, Rockefeller and Dunn).

House Committee on Natural Resources
Senate Committee on Natural Resources, Parks & Recreation

Background: The Salmon Recovery Funding Board was created by the Legislature during the 1999 legislative session. The board is required to consider several factors specified in statute in evaluating, ranking and awarding funds for salmon recovery projects. The board is also prohibited from funding projects required solely as a mitigation or a condition of a permit. The statutes do not address whether other types of projects that may be required of a landowner under law, such as installing a fish screen next to a water diversion, are eligible for funding by the board.

Summary: The Salmon Recovery Funding Board may award a grant or loan for a salmon recovery project on public or private land to a landowner who has an obligation under federal, state, or local law to fund a salmon recovery project, when expedited action provides a clear benefit to salmon recovery and there will be harm to salmon recovery if the project is delayed. A legal obligation does not include a project required solely as a mitigation or condition of permitting.

The board may condition a grant or loan to prohibit the transfer of property to a federal agency unless the agency agrees to comply with all terms of the grant or loan. Prop-

erty that was improved because of a grant or loan by the board may be conveyed to a federal agency, but only if the agency agrees to comply with all conditions of the grant or loan.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 8, 2000

SHB 2590

C 16 L 00

Extending the expiration date on certain pollution liability insurance programs.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Benson and Hatfield; by request of Pollution Liability Insurance Agency).

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

Background: In 1989 the Legislature created the Pollution Liability Insurance Agency (PLIA) in response to the Environmental Protection Agency requirements that owners and operators of petroleum underground storage tanks demonstrate financial responsibility for the cleanup of contamination resulting from spills or releases of petroleum.

The PLIA underground storage tank program provides reinsurance to commercial insurance companies, which in turn provide pollution liability insurance to underground storage tank owners in Washington. This reinsurance program is meant to improve the availability and affordability of pollution liability insurance for owners and operators of underground storage tanks by selling reinsurance at a price significantly below the private market price for similar insurance. The discount is passed to owners and operators of underground storage tanks through reduced insurance premiums and increased availability of insurance.

In 1995 the Legislature directed the PLIA to develop and administer a program that provides pollution liability insurance for heating oil tanks. This program currently provides insurance coverage for the cost of cleanup of contamination resulting from leaks of active heating oil tanks. The program does not provide insurance for abandoned or inactive heating oil tanks. The insurance policy provides coverage of \$60,000 per occurrence for each site per year. Generally, the insurance policy covers the owner of the tank for cleanup, property damage, and bodily injury.

In 1997 the Legislature directed the PLIA to implement a program that provides advice and technical assistance to owners and operators of active and abandoned heating oil tanks. This technical assistance

HB 2595

program includes a public information program to provide information regarding liability, technical, and environmental issues associated with heating oil tanks.

All of the PLIA's programs expire on June 1, 2001.

Summary: The Pollution Liability Insurance Agency (PLIA) and its programs are extended until June 1, 2007.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: June 8, 2000

HB 2595

C 51 L 00

Authorizing entry of protection order information in the judicial information system.

By Representatives Ogden, Lovick, Hankins, Radcliff, Mitchell and Kagi.

House Committee on Judiciary
Senate Committee on Judiciary

Background: The Legislature created the Judicial Information System (JIS) to help provide courts with information for the issuance of protection orders and to help prevent the issuance of competing protection orders. The JIS must include all protection orders issued in proceedings involving: domestic violence protection orders, criminal no-contact orders, anti-harassment orders, dissolution of marriage, third-party custody actions, and paternity actions. The information must include the names of the parties, the cause number, the criminal histories of the parties, and any other relevant information necessary to assist courts.

There are procedures and remedies available for frail elder and vulnerable adults who may be suffering abuse or exploitation. A frail elder or vulnerable adult may file a petition with the court seeking a protection order against an abusive or exploitative person. The court may issue a protection order that restrains a person from abusing or exploiting the frail elder or vulnerable adult, excludes the person from the frail elder or vulnerable adult's residence, or prohibits the person from contacting the frail elder or vulnerable adult.

Summary: The Judicial Information System (JIS) must contain every frail elder or vulnerable adult protection order issued by the court. The clerk of the court must enter into the JIS any frail elder or vulnerable adult protection order issued by the court.

Votes on Final Passage:

House	93	0
Senate	46	0 (Senate amended)
House		(House refused to concur)
Senate	44	0 (Senate receded)

Effective: June 8, 2000

SHB 2599

C 198 L 00

Creating a training program for port district officials.

By House Committee on Local Government (originally sponsored by Representatives Doumit, Mulliken, Scott, Fisher and Alexander).

House Committee on Local Government
Senate Committee on Labor & Workforce Development

Background: The Washington Public Ports Association (WPPA) is empowered to perform certain duties as the coordinating agency for port district commissions throughout the state. Those duties include, among others, performing studies for development of business, establishing joint marketing bodies, exchanging information germane to ports around the state, encouraging port economic development, and acting as the liaison between the ports and the state.

Port districts that choose to be a part of the WPPA are authorized to pay dues from public port district funds not exceeding a specified amount.

A municipality (including a port district) may, by ordinance, create a public corporation for the purpose of facilitating economic development and employment opportunities through the financing of project costs of industrial development facilities. A municipality may not give or lend any money or property in aid of a public corporation. A public corporation may not issue revenue obligation bonds except with the approval of the municipality under which it was created, and of the city or county within whose planning jurisdiction the proposed industrial development facility lies.

Summary: The WPPA is authorized to establish a tax-exempt nonprofit corporation for the purpose of providing training, education and general improvement of port district public sector management skills to port district staff. Any nonprofit corporation that is created through the WPPA is deemed to be a private, nonprofit corporation contracting with a port district to provide services. The nonprofit corporation is expressly required to be audited by the state auditor to ensure compliance with the contract terms under which payments or reimbursements of public funds are received.

The nonprofit corporation is authorized to receive additional public or private contributions to the training fund.

Port districts are authorized to contribute monies to the nonprofit corporation through their industrial development corporations, which generates funds through the issuance of industrial development bonds.

Votes on Final Passage:

House 96 0
 Senate 47 0 (Senate amended)
 House 81 0 (House concurred)

Effective: June 8, 2000

HB 2600

C 214 L 00

Controlling domestic insurance companies.

By Representatives Santos, Bush and Tokuda.

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

Background: The Washington Insurance Code was amended in 1993 to conform to the National Association of Insurance Commissioner's recommended financial regulation standards. These changes included provisions regulating insurance holding companies, which are insurance companies and their affiliates. When a person is acquiring control of a Washington insurance company, that person must comply with the requirements of the Insurer Holding Company Act. Control includes owning 10 percent or more of the voting securities of the company. A person may disclaim control by filing a notice of disclaimer with the Insurance Commissioner.

Summary: The notice disclaiming control of an insurance company under the Insurer Holding Company Act must be filed with the applicable Washington insurance company in addition to filing the notice with the Insurance Commissioner.

Votes on Final Passage:

House 96 1
 Senate 44 0

Effective: June 8, 2000

SHB 2604

C 186 L 00

Creating additional options for payment of retirement allowances.

By House Committee on Appropriations (originally sponsored by Representatives Doumit, Alexander, Wolfe, Delvin, Conway, Carlson, H. Sommers, McDonald, Schoesler, Pflug, Talcott, Clements, Bush, Keiser, Haigh, Rockefeller, Kagi and Hurst; by request of Joint Committee on Pension Policy).

House Committee on Appropriations
 Senate Committee on Ways & Means

Background: Members of the Public Employees' Retirement System, the Teachers' Retirement Systems (TRS),

the School Employees' Retirement Systems, and the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System Plan 2 have the option of including joint and survivor coverage as part of their pension benefit. The monthly pension of a retiree who chooses a survivor benefit is reduced to pay for the survivor benefit. The designation of the retiree's beneficiary must be made at the time of retirement and cannot be modified even if the retiree's personal circumstances are changed by the death of a spouse, divorce, or marriage. The designated beneficiary may be someone other than a spouse.

The available survivor options include the following: (1) a joint and 100 percent option where the surviving beneficiary continues to receive the same retirement allowance that the retiree received; (2) a joint and two-thirds option where the survivor receives two-thirds of the allowance the retiree was receiving at death; and (3) a joint and 50 percent option where the survivor receives 50 percent of the allowance the retiree was receiving at death.

A joint and survivor benefit for qualified spouses is automatically included in the retirement allowance received by retirees of the LEOFF Plan 1 and the Washington State Patrol Retirement System.

Summary: The Department of Retirement Systems (DRS) must adopt rules by July 1, 2001, that provide two additional actuarially equivalent survivor benefit options. One option must allow a member who retired without designating a survivor beneficiary the option of designating the spouse from a post-retirement marriage as a survivor, provided that the retiree's monthly benefit is not subject to a property settlement agreement from a court decree of dissolution or legal separation. The second option must allow a retiree who chose a reduced retirement allowance and designated a non-spouse as a survivor beneficiary the option of removing the survivor designation and having the future benefit adjusted. The second option must be provided no later than July 1, 2000, to TRS Plan 1 retirees who are over age 90. The benefit received under the new survivor options must be actuarially equivalent to the benefit received with no survivor option. The DRS must develop the survivor options for members of the Public Employees' Retirement System Plans 1 and 2, the Teachers' Retirement System Plans 1, 2 and 3, the School Employees' Retirement System Plans 2 and 3 and the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2. The intent of a survivor option provision added to the Washington State Patrol Retirement System in 1999 is clarified.

Votes on Final Passage:

House 96 1
 Senate 43 0 (Senate amended)
 House 98 0 (House concurred)

Effective: June 8, 2000
 September 1, 2000 (Section 6)

HB 2607
C 17 L 00

Decreasing the employee contribution rate for the Washington state patrol retirement system.

By Representatives Delvin, H. Sommers, Lambert, Alexander, Doumit, Carlson, Schoesler, Pflug, Talcott, Clements, Ruderman, Wolfe, Bush, Morris and Rockefeller; by request of Joint Committee on Pension Policy.

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The Washington State Patrol Retirement System (WSPRS) is a defined benefit system for commissioned officers of the Washington State Patrol. The system provides a guaranteed life annuity to patrol members and their eligible survivors based on a formula that multiplies the members' years of service by their final average salary and 2 percent. The system is funded through member contributions, employer contributions, and earnings on the investment of those contributions.

The member contribution rate for the WSPRS is set in statute at 7 percent of monthly salary. The state, as the employer, is required to contribute whatever additional percent of pay is necessary to fully fund benefits. The state's contribution rate changes to reflect changes in investment earnings, other economic factors and demographic factors. Between 1977 and 1997, the state's rate fluctuated from a high of 24.12 percent in 1981 to a low of 11.05 percent in 1997. Beginning in July 1999, the state's contribution rate fell to zero percent.

The actuarial valuations completed in 1998, and used in setting the current state contribution rate, showed a surplus of \$144 million in the WSPRS. Since then, the surplus has grown to \$184 million, as determined by the valuation completed in 1999. The surplus was generated primarily by higher than expected investment earnings.

The 1999-2001 transportation budget directs the Joint Committee on Pension Policy (JCPP) to study the method for setting employer and employee contribution rates for the WSPRS. The JCPP studied the issue during the 1999 interim and recommended that the WSPRS member contribution rate be reduced to 3 percent from July 1, 2000, to June 30, 2001. The JCPP will study the WSPRS plan features during the 2000 interim.

Summary: The Washington State Patrol Retirement System member contribution rate is changed from 7 percent to 3 percent of monthly salary for the period July 1, 2000, to June 30, 2001.

Votes on Final Passage:

House 97 0
Senate 45 0

Effective: June 8, 2000

EHB 2609
C 215 L 00

Allowing agents to give notice of dishonored checks.

By Representatives Carrell, Constantine, Mulliken and G. Chandler.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Article 3 of the Uniform Commercial Code (UCC) applies to negotiable instruments. A check is a negotiable instrument and is defined as a draft payable on demand and drawn on a bank, a cashier's check, or a teller's check.

If a check is dishonored due to nonpayment or nonacceptance, only the payee and the holder of the check are expressly given remedies under Article 3. The payee or the holder of a dishonored check is entitled to collect a reasonable handling fee. The holder of a dishonored check is also entitled to additional remedies if a notice of dishonor is sent to the drawer of the check and an affidavit of service is retained. These remedies include the cost of collection, interest, attorney fees, and damages of \$300 or three times the face amount of the check, whichever is less.

The holder of a dishonored check must execute an affidavit indicating that the notice of dishonor has been sent and must retain the affidavit along with the check in order to seek enforcement of the check in court. A holder of a dishonored check forfeits the right to remedies other than the handling fee if the holder makes unauthorized demands for interest, costs or fees.

Under the UCC, a "person entitled to enforce" a check includes both a holder of a check and also a nonholder who has possession of a check and the rights of a holder.

Collection agencies often send notices of dishonor on behalf of their clients and also collect the applicable fees. This practice has been challenged in a number of lawsuits, on the ground that a collection agency is not a "holder" of the check.

The remedies in Article 3 are not limited to checks written for any particular purpose or to any particular payee.

Summary: Generally, a "person entitled to enforce" a check is given the rights and responsibilities of a holder with respect to enforcing a dishonored check.

A person entitled to enforce a check, and that person's agent, are given express authority to send a notice of dishonor.

A person entitled to enforce a check may also collect the reasonable handling fee and is entitled to the other Article 3 remedies of recovering the costs of collection, interest, attorney's fees, and damages of \$300 or three times the face amount of the check, whichever is less.

Any person enforcing a check is responsible for retaining the check and the required affidavit. Any person

otherwise entitled to the Article 3 remedies for a dishonored check is barred from those remedies if the person makes unauthorized demands for interest, costs or fees.

A new section is added to the child support laws expressly providing that if a check for child support has been paid to the state child support registry and is dishonored, the fees and costs provisions of Article 3 apply. The Department of Social and Health Services is authorized to adopt rules to enforce this new provision.

Votes on Final Passage:

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

Effective: June 8, 2000

HB 2612

C 52 L 00

Clarifying when a defendant must appear.

By Representatives McDonald, Constantine and Hurst.

House Committee on Judiciary
Senate Committee on Judiciary

Background: As part of extensive revisions to the state's drunk driving laws in 1998, the Legislature required that within one judicial day after an arrest for DUI, the defendant must be brought before a magistrate. The purpose of the appearance is to consider the need to impose conditions on pretrial release. Under a 1999 amendment, a local court may waive the requirement that a DUI defendant appear before a judge within one judicial day of arrest. The local waiver must provide for appearance of the defendant at the earliest practicable day as defined by local court rule.

Lack of consistency in terms in this law has caused some confusion. Every person "arrested" for DUI who is served with a citation or complaint at the time of arrest is to appear before a "magistrate," while a person who is "charged" with DUI but is not arrested is to appear within 14 days of the issuance of a citation or the filing of a complaint.

A "magistrate" is any judge or "municipal officer with the power of a district court judge." A "judicial officer" is a person authorized to act as a judge. Most modern statutes use the term "judicial officer" to cover judges and court commissioners.

Summary: Language in the law requiring prompt court appearance in DUI cases is clarified and made more consistent. Every person "charged" with DUI who is served with a citation or complaint at the time of arrest must appear before a judicial officer within one judicial day. Every person who is "charged" with DUI but is not served with a citation or complaint at the time of the incident must appear within 14 days.

Votes on Final Passage:

House	97	0
Senate	42	0

Effective: June 8, 2000

ESHB 2617

C 53 L 00

Extending regulation of excursion cruise services.

By House Committee on Transportation (originally sponsored by Representatives Radcliff and Morris).

House Committee on Transportation
Senate Committee on Transportation

Background: In 1995 the Legislature passed a law that enacted a limited prohibition against any vessel owner providing excursion service in Washington unless the owner had obtained a certificate of public convenience and necessity from the Utilities and Transportation Commission. The 1995 law was set to expire on January 1, 2001.

Summary: The current limited prohibition on excursion service is extended until July 1, 2002. The Legislative Transportation Committee must review the legal restrictions on excursion service as part of the task force on the utilities and transportation committee. The committee is directed to seek input from interested parties.

Votes on Final Passage:

House	91	0
Senate	43	0

Effective: June 8, 2000

SHB 2628

C 97 L 00

Modifying prohibitions on colostrum milk.

By House Committee on Agriculture & Ecology (originally sponsored by Representatives Linville and G. Chandler).

House Committee on Agriculture & Ecology
Senate Committee on Agriculture & Rural Economic Development

Background: It is unlawful to sell or deliver colostrum milk for consumption by humans. However, an exemption from this prohibition is provided for colostrum milk from cows made available to persons with multiple sclerosis. Colostrum milk may be sold or delivered for this purpose if the initial sale is accompanied by a form signed by a physician certifying that the intended user has multiple sclerosis and that the user releases the provider of the milk from liability resulting from the consumption of the milk. The colostrum milk provided for this purpose is ex-

empt from meeting the standards for grade A raw milk but must be from a cow that was tested for brucellosis within 60 days of calving.

Summary: Colostrum milk may be sold or delivered for processing by a licensed food processor or a milk processing plant as a nutritional supplement in accordance with the federal Dietary Supplement Health and Education Act, and the product of the processing also may be sold. The colostrum milk used for this purpose is exempt from meeting standards for grade A raw milk but must be pasteurized or otherwise treated to kill harmful organisms.

Colostrum milk used for multiple sclerosis need no longer come from brucellosis-tested cows, but the colostrum milk used for either multiple sclerosis or for processing as a nutritional supplement must come from a licensed dairy producer.

Votes on Final Passage:

House 85 12
Senate 43 1

Effective: June 8, 2000

HB 2630

C 18 L 00

Changing warehouse receipts.

By Representatives Schoesler, Mastin, Linville and Anderson; by request of Commissioner of Public Lands.

House Committee on Natural Resources
Senate Committee on Natural Resources, Parks & Recreation

Background: The Commissioner of Public Lands is authorized to lease state lands on a share crop basis. In exchange for leasing the land, the state receives a percentage of the crop which is later sold by the state. A share crop lease may not exceed 10 years in duration.

When a lessee of state lands harvests the crops covered by the lease, the lessee must notify the commissioner that the crop is being harvested, and provide the name and address of the warehouse or elevator to which the crop is sold or will be stored. The lessee must also provide the owner of the warehouse or elevator a copy of the part of the lease indicating the percentage owned by the state and the percentage owned by the lessee.

The owner of the warehouse or elevator where the crop is stored or sold must make out two warehouse receipts for this crop. The owner of the warehouse or elevator must provide the state with a warehouse receipt that indicates the state's share of the crop and the lessee with a separate warehouse receipt indicating the lessee's share of the crop. The warehouse receipts covering these share crops are not negotiable.

Not all crops which can potentially be covered by a warehouse receipt are specified in statute.

Summary: The owner of a warehouse or elevator in which a crop that is subject to a share crop lease from the Commissioner of Public Lands is stored or sold is required to make out a single warehouse receipt indicating the percentage of crop owned by the state and the percentage of crop owned by the lessee. The warehouse receipt may be negotiable or non-negotiable, as directed by the state. All crops that are covered by a share crop lease may have a warehouse receipt issued for them.

Votes on Final Passage:

House 97 0
Senate 45 0

Effective: June 8, 2000

SHB 2633

C 172 L 00

Registering structural engineers.

By House Committee on Commerce & Labor (originally sponsored by Representatives B. Chandler, O'Brien, McMorris, Wood, Conway, Clements and Hurst).

House Committee on Commerce & Labor
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Structural engineering is the branch of engineering involved with the design, analysis, and construction of buildings and structures. Structural engineers are licensed by the Board of Registration for Professional Engineers and Land Surveyors.

Prior to 1997, applicants for a structural engineering license were first required to meet the requirements for a general engineering license, which was eight years of engineering experience and successful completion of two exams. Up to five years of education in engineering could be substituted for years of experience. In addition, applicants had to have two years of structural engineering experience and pass an additional exam on structural engineering.

In 1997 after a rules review process by the board, these rules were determined to be beyond the authority given by statute, and the rules for structural engineers were changed. The new rules require applicants to have eight years of progressive responsibility in structural engineering experience or equivalent education. Applicants may substitute one year of engineering education for each year of experience, up to four years. A fifth year may be substituted with structural engineering postgraduate work. Applicants must also pass two exams given at least six months apart. One exam is specific to structural engineering.

Summary: The requirements for registering as a structural engineer are changed. The pre-1997 standards are adopted. Structural engineering is recognized as a special-

ized branch of professional engineering. To become licensed as a structural engineer, an applicant must have eight years of general engineering experience plus two years of structural engineering experience and hold a license as a professional engineer. Course work can substitute for up to five years of experience, but not for the two years of structural engineering experience.

Applicants must also pass a specific structural engineering exam in addition to the two exams given for the general engineering license.

An applicant for a structural engineering license who receives approval of his or her application prior to July 1, 2001, need not meet the requirement of the additional two years of structural engineering experience if they complete the structural engineering exam prior to January 30, 2002.

Votes on Final Passage:

House	97	0
Senate	41	0

Effective: June 8, 2000

2SHB 2637
PARTIAL VETO

C 87 L 00

Requiring background checks on persons who will be in contact with vulnerable adults.

By House Committee on Appropriations (originally sponsored by Representatives Tokuda, Conway, Cody, Schual-Berke, McIntire, Campbell, Rockefeller, Kenney, Haigh, O'Brien, Kagi, Hurst, Anderson and Van Luven; by request of Department of Social and Health Services).

House Committee on Children & Family Services
House Committee on Appropriations
Senate Committee on Human Services & Corrections

Background: The Department of Social and Health Services investigates the background of most people coming in contact with vulnerable adults, children, and the developmentally disabled. Persons subject to background checks include those applying for a license to operate an agency that cares for, supervises, or treats vulnerable adults, children, or the developmentally disabled and applicants for employment with these agencies, who come in direct contact with children and the developmentally disabled. In addition, individuals or businesses that provide care, supervision, or treatment of vulnerable adults, children, and the developmentally disabled under a state contract, must undergo a background check.

The department conducts these background checks through the Washington State Patrol's database. The investigation examines the individual's history for convictions for offenses against children or other persons, convictions for crimes relating to the financial exploitation of a vulnerable adult, findings of child abuse in a civil ac-

tion, issuance of a protective order for a vulnerable adult, and disciplinary boards' final decisions.

The Washington State Patrol also performs background checks directly. It may disclose to any business, organization, or individual, who provides services to vulnerable adults and children, the relevant background of persons applying for employment.

Summary: Changes are made in the background check requirements for persons having access to children, vulnerable adults, the developmentally disabled, the mentally ill, and expectant mothers.

Applicants for state positions. Background checks are required of persons applying for state positions involving unsupervised access to vulnerable adults to perform assessments, eligibility determinations, licensing and certification, investigations, surveys, or case management. Persons being considered for state employment in a position that is directly responsible for the supervision, care, or treatment of vulnerable adults must also undergo a background check. Background checks will also be conducted for such positions when required by federal law.

Contracting for case management. When the state enters into a contract with a business, individual, or organization for case management, the state must conduct a background check.

Payment for in-home care. A criminal history check is required when the state issues payment to the individual provider or home care agency for in-home care involving unsupervised access to persons with physical, mental, or developmental disabilities, or mental illness, or to a vulnerable adult. An individual provider or home care agency provider that has been in Washington less than three years is required to be fingerprinted for the state and federal criminal history check. If the in-home service is funded by the medicaid personal care program, the community options program entry system waiver services, or chore services, the providers must not have a conviction of a crime against children or other persons, a crime relating to drugs or a crime relating to financial exploitation, or an adverse disciplinary board final decision.

Timing. All state background checks must be completed within one month. If the federal bureau of investigation check is also required, provisional approval to hire pending the results of the federal check may be given for up to 180 days based on an applicant's state background check.

State registry. The state registry for personal aides against whom there have been substantial findings of abuse, neglect, financial exploitation or abandonment of a vulnerable adult providing long-term care under the long-term care options statutes is eliminated.

Votes on Final Passage:

House	97	0
Senate	43	0 (Senate amended)
House	98	0 (House concurred)

Effective: June 8, 2000

Partial Veto Summary: The state registry for personal aides against whom there have been substantiated findings of abuse, neglect, financial exploitation or abandonment of a vulnerable adult is reinstated.

VETO MESSAGE ON HB 2637-S2

March 24, 2000

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 3, Second Substitute House Bill No. 2637 entitled:

“AN ACT Relating to background checks on persons in contact with vulnerable adults;”

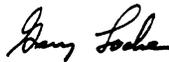
This bill expands the requirements for criminal background checks for people who provide care or have unsupervised access to vulnerable adults. This bill gives the Department of Social and Health Services some additional tools to ensure the safety of some of our most vulnerable citizens.

Section 3 would have eliminated a current requirement that DSHS maintain a registry of personal care aides against whom there have been substantiated findings of abuse, neglect, financial exploitation, or abandonment of a vulnerable adult. This registry was established only last year, and its elimination would be a step backwards in assuring quality care and safety for people with disabilities.

For these reasons, I have vetoed section 3 of Second Substitute House Bill No. 2637.

With the exception of section 3, Second Substitute House Bill No. 2637 is approved.

Respectfully submitted,



Gary Locke
Governor

SHB 2644

C 243 L 00

Restoring unfinished nuclear power sites.

By House Committee on Agriculture & Ecology (originally sponsored by Representatives Delvin, Grant, Hankins, Linville and G. Chandler).

House Committee on Agriculture & Ecology
Senate Committee on Energy, Technology & Telecommunications

Background: The Energy Facility Site Evaluation Council developed recommendations for approving energy facility site certification agreements for several proposed nuclear reactor projects owned by the Washington Public Power Supply System during the 1970s. These agreements were subsequently approved. Once a site certification agreement is approved, any other provision of law regarding land use is preempted. Only one nuclear plant was completed.

In 1996, the Legislature authorized the transfer of site restoration responsibilities for unfinished nuclear reactor

sites from the Washington Public Power Supply System to a political subdivision or subdivisions of the state. This authority only extended to nuclear power projects that are not located on federal property.

When all or a portion of a site is transferred from a certificate holder to a political subdivision of the state, the site certification agreement must be amended to release those portions of the site that are transferred. If site restoration responsibility is transferred to a political subdivision, all responsibilities for maintaining the public welfare, including health and safety, are included as part of the transfer.

Summary: The restriction on transferring site restoration responsibilities for unfinished nuclear reactor sites located on federal property to a political subdivision of the state is removed.

If property is to be transferred to a political subdivision of the state, all portions of the site that are no longer intended for the development of an energy facility must be included in the transfer. For sites located on federal property, all responsibilities for maintaining the public welfare are transferred to the political subdivision when the site restoration responsibilities are transferred, regardless of whether all or a portion of the site is released from the site certification agreement.

A definition of “political subdivision of the state” is added to clarify that it means a city, town, county, public utility district, port district, or joint operating agency.

Votes on Final Passage:

House	97	0	
Senate	43	1	(Senate amended)
House	97	0	(House concurred)

Effective: June 8, 2000

ESHB 2647

C 239 L 00

Enhancing safety of flaggers.

By House Committee on Commerce & Labor (originally sponsored by Representatives Reardon, Scott, Cooper, Conway, Linville, Cairnes, Dunshee, Kagi, Campbell, Sullivan, Keiser, Kenney, Santos, Haigh and Hurst).

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

Background: Under the Washington Industrial Safety and Health Act (WISHA), the director of the Department of Labor and Industries adopts rules governing workplace safety for all workplaces, including construction sites. These rules require the use of flaggers or other appropriate traffic control systems if signs and barricades do not provide necessary protection on a highway or street. The state’s public highway laws have similar requirements

during construction on, or adjacent to, public thoroughfares when that work interferes with traffic.

The WISHA rules determine the color and types of protective clothing that flaggers wear and the size, color, and lettering of flaggers' signs. When signs are used in the dark, the rules specify that the signs must have reflective material in accordance with the Manual on Uniform Traffic Control Devices (MUTCD) as adopted by the Department of Transportation. Flaggers must be trained every three years in accordance with the MUTCD and must carry a valid certificate verifying the completion of training.

The Utilities and Transportation Commission also has rules governing signaling devices and flagging procedures. These rules establish certain minimum qualifications for flaggers, including that flaggers must be of at least average intelligence, be in good physical condition, and have a courteous but firm manner.

The WISHA rules require vehicles used in construction (other than passenger vehicles) to have a reverse signal alarm or have a signaler assigned to the truck. If an alarm is used, it must be audible above the surrounding noise level no fewer than 15 feet from the rear of the vehicle.

In October 1999, a flagger directing traffic was killed when struck by a dump truck backing up behind her. According to State Patrol officers investigating the accident, the dump truck's alarm was operating normally but was difficult to hear because of heavy winds.

Summary: The Department of Labor and Industries, the Transportation Commission, and the Utilities and Transportation Commission (UTC) must adopt emergency rules that revise the safety standards governing flaggers. These emergency rules must take effect by June 1, 2000, and remain in effect until March 1, 2001, or until permanent rules are adopted, whichever is earlier.

The permanent rules must take effect by March 1, 2001, and must address flagger safety, ensure that flaggers have visual warning of objects approaching from behind, and, with respect to the UTC rules, update employment qualifications for flaggers. The agencies must coordinate and make their permanent rules consistent to the extent possible.

By September 15, 2000, the agencies must report to specified legislative committees on the emergency rules, and must report to the committee on the permanent rules by April 22, 2001.

Technical amendments are made, including eliminating gender-specific references in statutes referring to flaggers.

The act is named the "Kim Vendl Worker Safety Act."

Votes on Final Passage:

House	92	5	
Senate	39	6	(Senate amended)
House			(House refused to concur)
Senate	41	3	(Senate amended)
House	98	0	(House concurred)

Effective: March 31, 2000 (Sections 1 and 2)
June 8, 2000

EHB 2648

C 216 L 00

Revising the Washington state quality award program.

By Representatives Miloscia, Romero and D. Schmidt; by request of Secretary of State.

House Committee on State Government
Senate Committee on State & Local Government

Background: The Washington Quality Award Council was organized by statute in 1994 as a private, nonprofit organization to oversee the Governor's Washington State Quality Achievement Award Program. The statutory authority for this council terminated on July 1, 1999.

The council consisted of the Governor and Secretary of State, or their designees, and 27 recognized professionals with experience in quality management and innovative labor-management experience. The Office of the Secretary of State provided staff assistance to the council, if the Legislature appropriated funds specifically designated for this purpose. \$120,000 was appropriated in the 1999-01 biennium for this purpose.

The council attempted to improve the overall competitiveness of the state's economy by stimulating industries, businesses, and organizations to bring about measurable success by setting standards of organization excellence, encouraging organizational self-assessment, identifying successful organizations, and promoting and strengthening a commitment to continuous quality improvement. These purposes were accomplished by: (1) compiling a list of resources available for organizations interested in productivity improvement, quality techniques, methods of work organization, and upgrading work force skills; (2) making achievement awards; and (3) reviewing related education, training, and research initiatives.

Summary: A number of changes are made to the Governor's Washington State Quality Achievement Award Program.

The Washington Quality Award Council is reestablished by replacing its July 1, 1999, termination date with a July 1, 2004, termination date.

The award program is renamed the Washington State Quality Award Program by dropping the word "Achievement" from its name.

Details about membership on the Washington Quality Award Council are eliminated, including the number of

SHB 2649

members on the council, the positions of the Governor and Secretary of State, or their designees, on the council, and how the remaining members on the council are appointed, with the sole exception that the Governor is allowed to appoint a single representative to the council.

The requirement is deleted that the Secretary of State provide administrative services for the council, if moneys are specifically appropriated for this purpose.

The Governor presents annual awards to organizations, as determined by the council in consultation with the Governor or the appointed representative.

The responsibility is eliminated for the council to: (1) compile a list of resources available for organizations interested in productivity improvement, quality techniques, methods of work organization, and upgrading workforce skills; and (2) review related education, training, and research initiatives.

Votes on Final Passage:

House	85	10	
Senate	45	1	(Senate amended)
House			(House refused to concur)
Senate	41	1	(Senate receded)

Effective: June 8, 2000

SHB 2649

C 180 L 00

Granting the department of information services the authority to provide services to nonprofit organizations.

By House Committee on Technology, Telecommunications & Energy (originally sponsored by Representatives Wolfe, Radcliff and Ruderman; by request of Department of Information Services).

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

Background: The Department of Information Services (DIS) manages the state's computing and telecommunications facilities. The DIS currently offers information technology services to state agencies and local governments. These services include selection of technologies (computer systems) and telecommunications services, equipment acquisition, facilities management, negotiation with cable companies, office automation services, and training.

Summary: Public benefit nonprofit corporations are expressly included as eligible recipients of the DIS services. Eligible public benefit nonprofit corporations are those that receive local, state, or federal funds.

Votes on Final Passage:

House	97	0
Senate	27	17

Effective: June 8, 2000

HB 2650

C 183 L 00

Simplifying agency to agency transfer of small amounts of personal property.

By Representatives Romero, McMorris, Campbell, Dunshee, Lambert, D. Schmidt, Kenney and Miloscia; by request of Department of General Administration.

House Committee on State Government
Senate Committee on State & Local Government

Background: The Division of Purchasing within the Department of General Administration is responsible for selling surplus personal property belonging to the state. Before such a sale, the division must determine whether other state agencies can in need of the property. An agency receiving transferred surplus personal property must pay fair market value for the property to the transferring agency. The Division of Purchasing must maintain records of disposed surplus property, including the date and method of disposal, identity of the recipient, and approximate value of the property.

Summary: State surplus property may be transferred between state agencies without the exchange of fair market value, so long as the fair market value of the property is less than \$500. State agencies must maintain adequate records of these transfers to comply with state inventory procedures and state audit requirements.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: June 8, 2000

HB 2657

C 177 L 00

Allowing a licensed distiller to hold a spirits, beer, and wine license.

By Representatives B. Chandler, Conway, Clements and Wood.

House Committee on Commerce & Labor
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Under Washington's "tied-house" law, certain financial "ties" or business relationships are prohibited between alcohol retailers and alcohol manufacturers or distributors.

The purposes of the tied-house prohibitions are to prevent manufacturers and distributors from engaging in practices that induce retailers to sell certain alcohol products and exclude others and to inappropriately increase consumption.

One type of business relationship prohibited by the tied-house law is allowing licensed liquor manufacturers and distributors to also hold a retail liquor license. However, the law does allow a brewery or a winery to hold a spirits, beer and wine restaurant license for operation of a restaurant on the site of the brewery or winery or on contiguous property.

A distiller manufactures spirituous liquor products and must be licensed under the liquor laws.

Summary: An exception to the tied-house law is created to allow a licensed distiller to hold a spirits, beer and wine restaurant license for the operation of a restaurant on the site of the distillery or on contiguous property. This exception is similar to that granted to breweries and wineries.

Votes on Final Passage:

House	97	0
Senate	44	2

Effective: June 8, 2000

HB 2660
C 188 L 00

Changing record checks for the state investment board.

By Representatives Huff, H. Sommers, Hatfield and Benson; by request of State Investment Board.

House Committee on Appropriations
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Legislation enacted in 1999 authorizes the State Investment Board (SIB) to have both state and national criminal history record checks conducted for applicants for positions that have authority for or access to SIB funds, data systems, or security systems. The new statute allows, but does not require, the SIB to have the criminal record checks conducted by the Washington State Patrol (WSP) and by the Federal Bureau of Investigation (FBI). After passage of the legislation, the FBI informed the SIB that it could conduct criminal background and fingerprint checks for state agencies only if state legislation makes such checks mandatory.

Summary: The SIB is required to request a criminal history record check through the WSP and through the FBI for certain job candidates. The SIB must request the record check on each finalist candidate for an exempt staff position or for any other position in which the employee will have access to SIB funds, data, or security systems.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: June 8, 2000

2SHB 2663
C 217 L 00

Creating a program to provide atypical antipsychotic medications to underserved populations.

By House Committee on Appropriations (originally sponsored by Representatives Alexander, Schual-Berke, Parlette, Cody, Reardon, Ericksen, Morris, Tokuda, Benson, Doumit, Pflug, Kessler, Ruderman, Rockefeller, Edmonds, Santos, O'Brien, Hurst and Esser).

House Committee on Health Care
House Committee on Appropriations
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: The Department of Social and Health Services provides funding to regional support networks, formed by counties or groups of counties, for offering mental health services in the community. The regional support networks contract with community mental health centers and other mental health providers, and serve some 105,000 outpatients in the community.

Approximately 30 percent of persons who suffer serious mental illness do not qualify for Medicaid assistance benefits, nor do they have resources to obtain needed antipsychotic medications, especially the newer atypical antipsychotic medications. Recent experience suggests that conventional antipsychotic medications are less effective, more expensive, and have more serious and irreversible side effects than newer atypical antipsychotic medications.

Summary: There is a declaration of legislative intent to promote access to atypical antipsychotic medications for those unable to access them and who present risks of harm to themselves and to the community.

To the extent funds are available, the Department of Social and Health Services is directed to establish a program to promote access to atypical antipsychotic medications for persons with schizophrenia or other psychiatric or neurological conditions, whose incomes are less than 200 percent of the federal poverty level, and who are not covered by insurance or other benefit.

Contracts must be awarded to contractors who have a cost effect distribution mechanism, target children and adults transitioning from corrections facilities or receiving mental health services under the state mental health treatment laws, and who propose a comprehensive treatment program designed to achieve an improved mental health status and stable living situation.

SHB 2670

Participating pharmaceutical companies must increase access to their products for the targeted population through intensive outreach to their respective indigent drug programs.

The Washington Institute for Public Policy is directed to conduct an evaluation of the program to determine patient outcomes, access to atypical antipsychotic medications, and the uniformity of prescriptions among the population, and report to the Legislature by June 30, 2002.

Votes on Final Passage:

House	96	1
Senate	48	0 (Senate amended)
House	96	2 (House concurred)

Effective: June 8, 2000

SHB 2670

PARTIAL VETO

C-114 L 00

Authorizing the department of ecology to waive the requirement for a reserve account for landfills.

By House Committee on Agriculture & Ecology (originally sponsored by Representatives Delvin, Linville, G Chandler and Hankins).

House Committee on Agriculture & Ecology
Senate Committee on Environmental Quality & Water
Resources

Background: State law requires the holder of or an applicant for a permit for a landfill disposal facility to establish a reserve account to cover the costs of closing the facility in accordance with state and federal law. Post-closure care of a landfill is generally required for a period of 30 years, but this length of time may be increased or decreased by the jurisdictional health department under certain conditions. The reserve account must be designed to ensure that there will be adequate revenue available by the projected date of closure.

A landfill disposal facility maintained on private property for the sole use of the entity owning the site, however, is not required to establish a reserve account if the entity provides another form of financial assurance to the satisfaction of the Department of Ecology that is adequate to comply with the closure requirements. An irrevocable letter of credit is an example of another form of financial assurance.

Summary: A landfill disposal facility operated and maintained by a government is not required to establish a reserve account to cover the costs of closing a facility if, to the satisfaction of the Department of Ecology, the permit holder or applicant provides another form of financial assurance adequate to comply with the closure require-

ments. The department is not required to adopt rules pertaining to other approved forms of financial assurance.

The state Solid Waste Advisory Committee is required to direct a study by the Department of Ecology on the adequacy of financing to assure landfill closure. The study must include a description of the financial assurance mechanisms currently authorized, a summary of the financial assurances currently in place for landfills in the state, and the effect of various financial assurance mechanisms on consumers' rates. The report is due by December 15, 2000.

Votes on Final Passage:

House	96	1
Senate	47	0 (Senate amended)
House	98	0 (House concurred)

Effective: June 8, 2000

Partial Veto Summary: The Governor vetoed the section which required the Solid Waste Advisory Committee (SWAC) to direct the Department of Ecology to study the adequacy of financing to ensure landfill closures. The veto message indicates that the study will be done by the department in consultation with the UTC and SWAC.

VETO MESSAGE ON HB 2670-S

March 24, 2000

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 2, Substitute House Bill No. 2670 entitled:

"AN ACT Relating to financial assurance requirements for landfill disposal facilities;"

This bill provides government with needed flexibility in allowing alternative forms of financial assurance that landfill closure requirements can be met. Section 2 of the bill would have required the Solid Waste Advisory Committee (SWAC) to direct a study by the Department of Ecology (DOE) on the adequacy of financing to ensure landfill closure, and to report its findings to the Legislature by December 15, 2000.

Having the necessary financial resources secured for post-closure landfill costs is essential for adequate public health and environmental protection and to ensure the general public is not required to pay cleanup or closure costs. However, the bill raises a concern by having SWAC direct DOE in the study. SWAC includes several members with a financial stake in the outcome of the study. To avoid any appearance of fairness issues, yet make certain that this important analysis is completed, I have vetoed section 2 and direct DOE to complete the study in consultation with the Utilities and Transportation Commission and SWAC. DOE will inform the relevant standing committees of the Legislature of its progress, shall address all the issues outlined in SHB 2670, and shall submit a report to the Legislature by December 15, 2000.

For these reasons, I have vetoed section 2 of Substitute House Bill No. 2670.

With the exception of section 2, Substitute House Bill No. 2670 is approved.

Respectfully submitted,



*Gary Locke
Governor*

ESHB 2675

C 190 L 00

Updating requirements for child passenger restraint systems.

By House Committee on Transportation (originally sponsored by Representatives Skinner, Schual-Berke, Mitchell, Fisher, McDonald, Ruderman, O'Brien and Hurst).

House Committee on Transportation
Senate Committee on Transportation

Background: Safety restraint laws have been in effect in Washington since the early 1980s and are directly linked to increased seatbelt and child car seat usage, as well as decreased fatalities and injuries resulting from car accidents.

In 1983 the Legislature enacted child passenger restraint laws with the following requirements: between birth and 3 years of age, a child must be restrained in a child safety seat; and between the ages of 3 years and 10 years, a child must be restrained in either a child safety seat or a seat belt. It is a traffic infraction for any person not complying with the requirements. However, if the person found to be in violation provides proof that he or she purchased an approved child passenger restraint system within seven days of receiving the infraction, the court must dismiss the notice of infraction.

In 1986 the Legislature enacted seat belt laws which require anyone who is operating a vehicle, or riding as a passenger in a vehicle, to wear a safety belt or be in a child safety seat. It is a traffic infraction for any person not to wear a seat belt or be in a child safety seat as required by law.

Law enforcement may not detain a driver just because the driver or passengers were not using seat belts or restraints. Washington's seatbelt and child safety seat laws may only be enforced as a secondary action when a driver has been stopped for a different traffic violation.

In looking for ways to improve upon current traffic safety practices, recent federal studies have produced new recommendations on restraint standards specifically relating to child restraint requirements. Based on a recent study, the National Highway Traffic Safety Administration found that 71 percent of deaths and 66 percent of injuries in car accidents could be eliminated if every child under the age of 15 used an appropriate restraint system. In light

of this finding, a Blue Ribbon Passenger Safety Panel, headed by the Secretary of the U.S. Department of Transportation, came out with the recommendation that to provide the utmost safety to children, those who weigh between 40 and 80 pounds should be placed in a booster seat when traveling in a vehicle.

Summary: New provisions are added to the child passenger restraint laws, and the enforcement provisions are amended.

Children under the age of 16 years must be restrained in a vehicle according to the following:

- 1 year of age or under or 20 pounds — a rear facing infant seat.
- Between 1 year of age or over 20 pounds and 4 years of age, or under 40 pounds — a forward facing child safety seat.
- Between 4 years of age or over 40 pounds and 6 years of age or under 60 pounds — a booster seat.
- 6 years of age and older — a seatbelt.

The penalty for violations of the new age/weight based child seat requirements is a traffic infraction. If the person found to be in violation provides proof that he or she purchased an approved child passenger restraint system within seven days of receiving the citation, the court must dismiss the notice of infraction.

The child restraint requirements are contingent on the vehicle having a safety belt system that allows for sufficient space for installation of the safety seat(s).

For vehicles equipped with passenger-side air bags and the air bag system is activated, children under the age of 6 or under 60 pounds must be transported in the back seat of the vehicle, when practical to do so.

School buses are exempt from these requirements.

Vehicles with only lap belt systems are exempt from the booster seat requirement.

A "child booster seat" is defined as a child passenger restraint system that meets the Federal Motor Vehicle Safety Standards set forth in federal regulations that is designed to elevate a child to properly sit in a federally approved lap/shoulder belt system.

The enforcement of child restraint usage is made a primary action, but seatbelt enforcement is left as a secondary action.

Law enforcement must do a visual inspection of the child restraint system in use to ensure that the system provides the maximum safety and security to each individual child. The enforcement requirement is to be applied in conjunction with the specific weight/age criteria.

The Washington Traffic Safety Commission is required to conduct an educational campaign on the use of child car seats, booster seats, and seat belt use.

HB 2684

Votes on Final Passage:

House	86	10	
Senate	35	8	(Senate amended)
House			(House refused to concur)
Senate	39	7	(Senate amended)
House	83	15	(House concurred)

Effective: July 1, 2002

HB 2684

C 88 L 00

Clarifying what records are available to the department of social and health services.

By Representatives D. Sommers and Tokuda; by request of Department of Social and Health Services.

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

Background: In a dependency proceeding, in a proceeding under the Family Reconciliation Act, or under a voluntary placement agreement, a child may be placed temporarily outside his or her home. If so placed, the Department of Social and Health Services must oversee the child's care and supervision.

The department must prepare a "passport" to be given to a foster parent, containing all known and available information concerning the mental, physical, health, and educational status of any child who has been in a foster home for at least 90 consecutive days.

Summary: The Department of Social and Health Services is given access to a child's educational records when the child is temporarily placed outside his or her home. The written consent of the parent or student must be obtained for the department to release the educational documents to an individual or entity, except if the individual or entity provides residential care for the child. The educational records are part of the child's "passport." The department must hold harmless the provider for any unauthorized disclosures caused by the department.

Votes on Final Passage:

House	94	3	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 8, 2000

HB 2686

C 218 L 00

Updating definitions of income and resources.

By Representatives Tokuda and D. Sommers; by request of Department of Social and Health Services.

House Committee on Children & Family Services
Senate Committee on Labor & Workforce Development

Background: Federal regulation of the Temporary Assistance to Needy Families (TANF) program permits states to set income and resource definitions for cash assistance. Under state law, and the federally approved Medicaid state plan, income and resource definitions for cash assistance are also applicable for medical assistance. The federal Food Stamps Program specifies certain definitions for income and resources. Washington income and resource definitions for TANF, medical assistance, and food stamps are inconsistent.

People leaving the TANF program are usually eligible to continue to receive medical assistance. However, for approximately 350 cases per year, assets exceed the current resource limit permissible under state law.

Summary: The Department of Social and Health Services (DSHS) may define resources to be considered in determining eligibility for cash, medical, and food assistance. The income definition is changed to exclude in-kind income as countable income for cash and medical assistance, consistent with federal food assistance regulations. In determining continuing eligibility for medical assistance for persons no longer receiving cash assistance, the person's resources may no longer be considered.

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House	98	0	(House concurred)

Effective: June 8, 2000

EHB 2713

C 170 L 00

Regarding mandatory arbitration fees.

By Representatives Constantine, Hurst, Haigh and Conway.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Arbitration is a nonjudicial method for resolving disputes in which a neutral party is given authority to decide the case. Arbitration is intended to be a less expensive and time-consuming way of settling problems than taking a dispute to court. Parties are generally free to agree between themselves to submit an issue to arbitration. In some cases, however, arbitration is mandatory.

A statute allows any superior court, by majority vote of its judges, to adopt mandatory arbitration in prescribed cases. In counties of 70,000 or more population, the county legislative authority may also impose this mandatory arbitration. This mandatory arbitration applies to cases in which the sole relief sought is a money judgment of \$15,000 or less. By a two-thirds vote, the judges of the superior court may raise this limit to \$35,000.

Under Initiative 695, any increase in a "tax" requires voter approval. For purposes of the initiative, the term "tax" includes taxes, fees, and "any monetary charge by government."

Summary: A county legislative authority may impose a filing fee of up to \$120 for a mandatory arbitration. If Initiative 695 is determined to apply, however, any such fee must be approved by a vote of the people. The fee is to be used solely for the support of the mandatory arbitration program in the county.

Votes on Final Passage:

House	79	17
Senate	32	12

Effective: June 8, 2000

SHB 2721

C 244 L 00

Changing provisions relating to venue of actions by or against counties.

By House Committee on Judiciary (originally sponsored by Representatives Morris, Schoesler, Grant, Mastin, Quall, Dunn and Anderson).

House Committee on Judiciary
Senate Committee on Judiciary

Background: Venue refers to the county within the state where a lawsuit may be brought or heard. The venue for a party suing a county is in the superior court of that county or the superior court of either of the two nearest counties. Counties have the option to sue in the defendant's home county or in either of the two counties nearest the county initiating the action.

"The nearest county" is measured by travel time between county seats using major surface routes as determined by the Office of the Administrator for the Courts (OAC). The OAC uses data from the Department of Transportation to determine the travel time between county seats using highways and car ferries.

Some superior court districts contain two or more counties, and, therefore, the counties share one judge. In some counties, one of the two nearest county seats is in the same court district, providing only one alternative venue outside the district.

Summary: The superior court venues available for an action involving a county as a party are changed from "the

two nearest counties" to "the two nearest judicial districts."

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 8, 2000

HB 2722

C 19 L 00

Excluding exempt positions from bargaining units of employees of institutions of higher education governed by chapter 41.56 RCW.

By Representatives Kenney, Carlson and Esser; by request of University of Washington.

House Committee on Higher Education
Senate Committee on Higher Education

Background: Under the state civil service system, certain employees have limited bargaining rights. This limited right means that bargaining units and institutions may only bargain over matters within an institution's discretionary authority. Certain positions in higher education are exempt from the civil service law, including all presidents, vice-presidents, their confidential secretaries, administrative and personal assistants, as well as deans and directors.

In 1993 the Legislature granted higher education institutions and the unions representing their employees the option to have full collective bargaining under the public employees' collective bargaining law. The bargaining units and the institutions may exercise this option and bargain over wages, hours, and working conditions, subject to the jurisdiction of the Public Employment Relations Commission.

The University of Washington and the Classified Staff Association (CSA), District 925 have exercised that option for several bargaining units. A dispute arose between the university and the CSA about whether the civil service exemptions were applied to the bargaining units that transferred to the jurisdiction of the public employees' collective bargaining law. The executive director of the Public Employment Commission ruled the exemption did not apply.

Summary: Exemptions from civil service apply to higher education bargaining units that have been transferred from the jurisdiction of the civil service law to the jurisdiction of the public employees' collective bargaining law.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: June 8, 2000

HB 2750

C 54 L 00

Including prevention for potential victims of sexual assault as a core treatment service for victims of sexual assault.

By Representatives D. Schmidt, Haigh and Romero; by request of Department of Community, Trade, and Economic Development.

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

Background: Communities throughout the state must provide appropriate services to sexual assault victims.

Mandated services are divided into two categories: core services and specialized services. Community sexual assault programs (CSAP) are required to provide all core services. Core services consist of information and referral, crisis intervention, legal and medical advocacy, general advocacy, and system coordination.

Providers who have been awarded bids, through a competitive regional bidding process, provide specialized services. Specialized services include support groups, therapy, medical examinations, and prevention education to potential victims of sexual assault. These services are provided as each region determines necessary.

Each region is guaranteed funding for both core and specialized services. Funding from various state sources is pooled and then divided among regions, according to a formula that accounts for individual community needs. Increased funding will be available to the program through allocations resulting from the federal Violence Against Women Act.

Summary: Prevention education is classified as a core required service, instead of as a specialized service.

Votes on Final Passage:

House 97 0
Senate 43 0

Effective: June 8, 2000

EHB 2755

C 245 L 00

Clarifying the taxation of electrical energy sales.

By Representatives Gombosky, Crouse, Wood, Poulsen, Bush, Reardon, Mielke, Grant, McDonald, Delvin and Mastin.

House Committee on Technology, Telecommunications & Energy

Senate Committee on Energy, Technology & Telecommunications

Senate Committee on Ways & Means

Background: The public utility tax (PUT) is applied to the gross revenues of a light and power business, which

includes both public and private electric utilities, for the privilege of operating within Washington. Seventy-eight businesses fall within the definition of a light and power business, and are thereby subject to the PUT. These businesses include such entities as investor-owned utilities, mutuals, cooperatives, municipally owned service providers, and public utility districts.

Light and power businesses have two exemptions from the PUT: (1) amounts derived from sales of electricity to another company in the same public service business for resale as such within the state, and (2) amounts derived from the production, sale, or transfer of electrical energy for resale or consumption outside the state. Entities that are not subject to the PUT for energy resales are then subject to the business and occupations tax (B&O).

Federal deregulation of the electricity wholesale market has created an active wholesale market in which electricity is traded by new entities such as "power marketers" and existing electricity service providers. Depending on the activity generating the income, gross receipts of regulated utilities are subject to either the B&O tax or the PUT. Some businesses (ports, water and irrigation districts) whose primary function is not to provide electricity service fall within the definition of a light and power business and are, therefore, subject to the PUT. Other businesses include power marketers, whose gross receipts are taxed under the B&O tax, but who are not subject to the PUT.

Exemptions from the PUT are only for light and power businesses. Neither the PUT nor the B&O tax provide an exemption for the sale of electricity by a light and power business to a non-light and power business for resale within Washington, regardless of whether that resale will be back to a light and power business or to an end user.

The Department of Revenue recently completed a study of electricity taxation in Washington. As a result of this study, the department determined that sales for resale by a utility to a non-utility in the state do not qualify for the exemption from the PUT (revenue from sales of electricity to another light and power business for resale as such within the state).

A light and power business is defined as the business of operating a plant or system for the generation, production, or distribution of electrical energy for hire or sale.

Summary: Public utility tax exemptions are expanded to apply to revenue earned by any entity involved in the production, sale, or transfer of electrical energy for resale either within or outside the state, or for resale for consumption outside the state.

Business and occupation tax exemptions are expanded to apply to revenues derived from the sale of electrical energy for resale within or outside the state.

The public utility tax exemptions take effect immediately and apply to amounts due before and after the effective date.

Votes on Final Passage:

House	96	0
Senate	40	0

Effective: June 8, 2000

March 31, 2000 (Section 1)

EHB 2760

C 39 L 00

Promoting standards for educator quality.

By Representatives Quall, Carlson, Lovick, Constantine, Regala, Haigh, Tokuda, Linville, Keiser, Stensen, Conway, Wood, Morris, Kenney and Ogden; by request of Governor Locke.

Senate Committee on Education

Background: By law, as part of its duties, the State Board of Education (SBE) sets requirements for teachers, administrators, and educational staff associates in four major areas: preparation, assessment, certification, and standards of practice. Since the early 1990's, the SBE has been moving toward a performance-based system for the preparation and certification of teachers. One foundation of the performance-based certification system envisioned by the board is the establishment of a series of assessments that will permit potential teachers to demonstrate their competency in three areas: basic skills, knowledge in the subjects they plan to teach, and pedagogy or teaching skills. The 1995 Legislature directed the board to study and report on some of the implementation issues associated with creating assessments for persons seeking initial or residency teaching certificates. The legislation required the board to report to the Legislature on the results of the study by January 1, 1997. The legislation also required the board to obtain legislative approval before implementation of any certification assessments. Every year since 1997, the SBE has requested legislative authorization to implement an assessment system for new teachers.

Since 1987, students who wish to become teachers have been required to demonstrate competency in certain basic skills before they are admitted to teacher preparation programs. These potential teachers must demonstrate competency in the basic skills of oral and written communication, reading, and computation. They may demonstrate that competency in a variety of ways, including successful completion of an examination of basic skills, completion of a baccalaureate or graduate degree program, completion of two years of college or by earning a combined score of more than the statewide median score of all persons taking the test in the prior school year.

Summary: The Professional Educator Standards Board (PESB) is created to serve as the sole advisory body to the SBE on issues related to educator certification and to develop and implement tests for newly certified educators.

The PESB is given rule making authority for its testing responsibilities.

The Professional Educator Standards Board includes 20 members representing different facets of the education profession. Of the 20 members, seven will be public school teachers, one will be a private school teacher, four will be administrators, two will be educational staff associates, three will represent teacher preparation programs, one will be a parent, and one will be a member of the public. The Superintendent of Public Instruction will serve as an ex-officio, nonvoting member of the board. The other nineteen members will be appointed by the Governor and confirmed by the Senate. Each of the four major caucuses of the Legislature are required to nominate one or more public school teachers to serve on the PESB. The governor is required to select one teacher from each of the four caucus lists. The nineteen members appointed by the governor will serve staggered terms of four years, not to exceed a total of two consecutive full terms. The requirements for the various positions are described.

The PESB will develop a basic skills test for persons entering teacher preparation programs and out-of-state teachers seeking initial or residency certification. The test will be mandatory for both categories of potential teachers beginning August 1, 2002. The PESB may accept an alternative basic skills test for out-of-state teachers and graduate students in masters degree level preparation programs.

The PESB will also develop subject matter tests for each endorsement area. The tests, which do not include teaching methodology, will be mandatory for those seeking either residency or professional certificates after September 1, 2003. The PESB, with the Office of the Superintendent of Public Instruction, may contract with a testing company for the development or purchase, and evaluation of the tests. Before the tests are implemented, the board will report on them to the legislative education committees for the committees' review and comment. Applicants for teacher certification and applicants to teacher preparation programs may be charged a fee for the tests. If a fee is charged, it will be paid directly to the contractor providing the test.

The PESB will advise the SBE and OSPI on issues concerning educator recruitment, hiring, preparation, certification, mentoring and support, professional growth, assessment, evaluation, retention, and governance. The PESB will report on these issues annually to the Governor, certain legislative committees, SBE and OSPI. The board must submit a separate report by December 1, 2000, recommending two or more high-quality alternate routes to certification.

The PESB may hire an executive director and assistant who, for administrative purposes only, will be housed in the OSPI.

By January 1, 2001, the Washington Institute for Public Policy will report to the Governor, legislative committees, and others with its findings and recommenda-

HB 2765

tions on the governance of educator certification, licensure and preparation and on the scope of authority of the PESB over these and other educator quality issues.

The current laws on basic skills tests are repealed on September 1, 2002.

Votes on Final Passage:

House 88 10
Senate 36 11

Effective: June 8, 2000

HB 2765

C 181 L 00

Authorizing delegation of authority regarding revenue bonds for port districts.

By Representatives McIntire, Mulliken, Wensman, Fisher, Ogden and Edwards.

House Committee on Local Government
Senate Committee on State & Local Government

Background: The port commission of a port district may contract indebtedness and issue revenue bonds to carry out the port districts purposes. The port district determines the form, conditions, and denominations of these bonds, and the maturity dates, and interest rates. Principal and interest on the bonds are payable as determined by the port commission. The bonds may contain provisions for ownership registration as to principal only or as to both principal and interest. The port commission determines the interest and amounts payable for the bonds. The commission may also provide for retirement of bonds issued at any time prior to their maturity, by resolution of the port commission.

Summary: A port commission may delegate to the port's chief executive officer authority to approve the interest rate or rates, maturity date or dates, redemption rights, interest payment dates, and principal maturities of bonds issued by the port commission. This authority must be exercised based on terms and conditions approved under a resolution by the port commission.

Votes on Final Passage:

House 91 6
Senate 42 3

Effective: June 8, 2000

SHB 2766

C 102 L 00

Adjusting RV size limits.

By House Committee on Transportation (originally sponsored by Representatives Cairnes and Hatfield).

House Committee on Transportation
Senate Committee on Transportation

Background: The legal length for a single-unit vehicle is 40 feet. Certain exceptions are provided, including for-hire, private carrier and school buses which may be 46 feet in length. Over-length permits may be issued by the Department of Transportation for over-legal length movements. Some states such as Oregon, Idaho, Montana, Nevada, Utah, Wyoming, and Colorado allow 46 foot motor homes.

Summary: Motor homes are added to the list of single-unit vehicles that may be 46 feet in length.

Votes on Final Passage:

House 91 6
Senate 34 14

Effective: June 8, 2000

HB 2774

C 55 L 00

Revising provisions for appointment of judges pro tempore.

By Representatives Carrell, Constantine, Esser, Fortunato, Dickerson, Mulliken and Edwards.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Municipal courts are courts of limited jurisdiction that hear cases involving violations of city ordinances. Municipal courts in cities with a population of more than 400,000 are organized under a different chapter than municipal courts in cities with a population of 400,000 or less.

The mayor of a city is authorized to appoint judges pro tempore to the municipal courts when necessary. Judges pro tempore are usually attorneys and must be qualified to hold the position of judge of the municipal court. Compensation for municipal court judges pro tempore is determined by the local legislative authority. Aside from these similarities, there are differences between the statutory provisions regarding appointment of judges pro tempore in the two municipal court chapters.

In municipal courts in cities of 400,000 or less, judges pro tempore may be appointed in the absence or disability of a regular judge or subsequent to the filing of an affidavit of prejudice. Judges pro tempore are appointed for a

specified term and in no case longer than the term of the appointing mayor.

In municipal courts in cities of more than 400,000, judges pro tempore may be appointed in the absence of a regular judge or in addition to the regular judges when necessary for the administration of justice or the accomplishment of the work of the court. A judge pro tempore must take the oath of office of a regular judge and has all the powers of a regular judge. The judges of the municipal court must adopt standards for the use of judges pro tempore, and the appointment of attorneys must be made from a list of attorneys provided by the judges.

Summary: Statutes governing the appointment of judges pro tempore of the municipal courts in cities greater than 400,000 and in cities of 400,000 or less are amended to provide consistent standards.

The statute governing appointment of judges pro tempore in municipal courts in cities of 400,000 or less is amended to specify that the presiding judge, rather than the mayor, makes the appointment and that a judge pro tempore may be appointed when necessary for the administration of justice and accomplishment of the work of the court. Judges pro tempore need not be residents of the city or county where the municipal court is located, and must take the same oath of office and have all the powers of an elected or duly appointed judge. The requirement is removed that the term of appointment of a judge pro tempore be specified in writing but in no case exceed the term of the appointing mayor.

The statute governing appointment of judges pro tempore in municipal courts in cities over 400,000 is amended to specify that the presiding judge, rather than the mayor, makes the appointment, and that the term of appointment must be specified in writing. The requirement is removed that the municipal court judges adopt standards for the use of judges pro tempore and that the appointment of attorneys be made from a list provided by the judges.

Votes on Final Passage:

House	97	0
Senate	44	2

Effective: June 8, 2000

HB 2775

C 164 L 00

Clarifying requirements for the transfer of cases from commissioners to judges.

By Representatives Lambert, Constantine, Carrell, Hurst, Lantz and Cox.

House Committee on Judiciary
Senate Committee on Judiciary

Background: District Court Commissioners. Judges of district courts are authorized to appoint one or more court

commissioners to assist in conducting judicial business. A district court commissioner must be a registered voter in the county and must have passed either the state bar exam or the qualifying exam for lay judges.

A district court commissioner has as much of a judge's authority as the appointing judge prescribes.

Transferring a Case from a Commissioner to a Judge.

When a case is being heard by a commissioner, any party may have the case transferred to a judge. There is no explicit limit on when a demand to transfer the case may be made.

Transferring a Case from one Judge to another Judge.

When a case is being heard by a judge, any party may have the case transferred by filing an affidavit of prejudice. However, the demand to transfer must be filed before the judge has made any order or ruling involving "discretion." There is no statutory definition of a "discretionary ruling," but many court decisions suggests that a ruling is discretionary if the judge has the authority to grant or deny a party's motion. Certain judicial actions are, however, specifically listed in the affidavit of prejudice statute as not being discretionary rulings. These listed rulings do not, therefore, cut off the right to demand a transfer to a different judge. The listed rulings that are not "discretionary" include:

- arrangement of the calendar;
- setting of an action, motion, or proceeding down for hearing or trial;
- arraignment of the accused in a criminal action; or
- fixing bail.

Summary: A motion to transfer a case from a district court commissioner to a judge must be filed before any discretionary ruling is made. The same rulings that are not considered discretionary for purposes of transferring a case from one judge to another are not considered discretionary for purposes of transferring a case from a commissioner to a judge.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: June 8, 2000

SHB 2776

C 110 L 00

Providing for deferred findings and collection of an administrative fee in an infraction case.

By House Committee on Judiciary (originally sponsored by Representatives Constantine, Carrell, Lantz and Hurst).

House Committee on Judiciary
Senate Committee on Judiciary

Background: When a person is issued a notice of traffic infraction, the notice represents a determination that the

infraction occurred. The person may either: (1) pay the fine through the mail; (2) set up a hearing to contest the notice of infraction; or (3) not contest the infraction, but set up a hearing to explain mitigating circumstances.

In a hearing to contest the infraction, the court may consider any written report submitted by the officer and statements from any witnesses. If the court makes a finding that a traffic infraction was committed, the court must forward an abstract of the finding to the Department of Licensing (DOL). In a hearing to explain mitigating circumstances, the court enters an order that the infraction occurred, but it may reduce the fine based on the circumstances.

The DOL may, upon request, provide a certified abstract of a person's driving record to: (1) the individual named in the abstract; (2) an employer or prospective employer; (3) the insurance carrier of the individual; (4) an alcohol/drug assessment or treatment agency if the individual has applied or been assigned for evaluation or treatment; or (5) city or county prosecuting attorneys.

Summary: A court may defer findings regarding traffic infractions, or in a hearing to explain mitigating circumstances may defer entry of its order, for up to one year and impose conditions on the person who allegedly committed the infraction.

The court may impose on the person any costs appropriate for the administrative processing. After the end of the deferral period, the court may dismiss the infraction if the person has met all the conditions of deferral and the person has not committed another traffic infraction during the deferral period.

A person may not receive more than one deferral within a seven-year period for traffic infractions for moving violations and more than one deferral within a seven-year period for traffic infractions for nonmoving violations.

Votes on Final Passage:

House	97	0
Senate	39	8 (Senate amended)
House	98	0 (House concurred)

Effective: June 8, 2000

EHB 2788

C 6 L 00 E2

Funding transportation projects.

By Representatives Fisher, Mitchell, Radcliff, Scott and Hurst; by request of Transportation Improvement Board.

House Committee on Transportation

Background: The Transportation Improvement Board (TIB) provides grants for transportation projects in urban areas and rural cities through its transportation improvement account and urban arterial trust account. These

grants, funded by a share of the state gas tax, support projects which relieve congestion caused by economic growth, strengthen structural carrying capacity, improve traffic management, and improve safety conditions.

During the 1993 session, legislation was passed authorizing the issue and sale of \$50 million in general obligation bonds in order to meet urgent construction needs of state, county, and city transportation projects within urban areas. The Transportation Commission, on behalf of the TIB, was authorized to make requests to the State Finance Committee for the issuance, sale, and retirement of the bonds.

The statute was modified in 1994, allowing the TIB to make requests directly to the State Finance Committee to issue, sell, or retire bonds and required the TIB to notify the Transportation Commission of all bond sale requests.

Summary: The amount of bonds authorized for issuance is increased from \$50 million to \$100 million.

The reporting requirement of notifying the Transportation Commission of bond sale requests is repealed.

Votes on Final Passage:

First Special Session

House	98	0
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Second Special Session

House	98	0
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Senate	45	1
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Effective: July 28, 2000

SHB 2792

C 56 L 00

Protecting personal financial information.

By House Committee on State Government (originally sponsored by Representatives Haigh, D. Schmidt, Romero, McDonald, Rockefeller and Hurst; by request of Governor Locke).

House Committee on State Government
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Initiative 276, approved by the voters in 1972, requires state agencies to make public records available for public inspection and copying unless they fall within certain statutory exemptions. The provisions requiring public records disclosure must be interpreted liberally and the exemptions must be interpreted narrowly in order to effectuate a general policy favoring disclosure.

Examples of statutory exemptions to the public records disclosure law include: (1) personal information in agency files, the disclosure of which would violate an individual's right to privacy; (2) financial and commercial information supplied by individuals applying for various programs; and (3) residential addresses and telephone numbers of state agency employees.

Summary: Credit card numbers, debit card numbers, electronic check numbers, card expiration dates, or bank or other financial account numbers supplied to an agency for the purpose of the electronic transfer of funds are exempt from public inspection and copying, except when the disclosure is required by law.

Financial information related to an application for a liquor, gambling, or lottery retail license is also exempt from public inspection and copying.

Votes on Final Passage:

House	97	0
Senate	42	0

Effective: June 8, 2000

ESHB 2798

C 8 L 00

Requiring legible prescriptions.

By House Committee on Health Care (originally sponsored by Representatives Lambert, Campbell, Cody, Parlette, Kagi, Benson and Haigh).

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

Background: There are expressed concerns about the legibility of prescriptions issued by some prescribing health care practitioners that can lead to errors in filling prescriptions. These errors can, and have, resulted in risks to the health and safety of patients.

There is no law requiring prescriptions to be legible.

Summary: There is a legislative finding that illegibly written drug orders are factors in medical mistakes, and account for over 100,000 deaths annually in the nation. Data suggests that over 25 percent of medical errors result from mistakes in writing prescriptions.

A prescription for a legend drug must be legible. A legible prescription means a prescription or medical order issued by a practitioner that is capable of being read and understood by the pharmacist filling the prescription or the nurse or other practitioner implementing the medication order.

The Department of Health is directed to develop recommendations on methods for reducing medication errors, including legibility, prescription drug labeling, medication error reporting, the use of automated drug-ordering systems, and increasing patient awareness. Recommendations must be submitted to the Legislature by December 31, 2000.

Votes on Final Passage:

House	78	19
Senate	43	4

Effective: June 8, 2000

SHB 2799

C 111 L 00

Granting state-wide warrant jurisdiction to courts of limited jurisdiction.

By House Committee on Judiciary (originally sponsored by Representatives Lambert, Hurst, Kagi, Benson, Lovick and Pflug).

House Committee on Judiciary
Senate Committee on Judiciary

Background: District and municipal courts are courts of limited jurisdiction. In criminal matters, district courts have jurisdiction over misdemeanor and gross misdemeanor offenses committed within the county and over violations of city ordinances. Municipal courts also have jurisdiction over violations of city ordinances and share jurisdiction with district courts over misdemeanor and gross misdemeanor offenses.

Warrants issued by a court of limited jurisdiction are enforceable within the jurisdiction of the issuing court.

Summary: The Office of the Administrator for the Courts (OAC) must establish a pilot program for the state-wide processing of warrants issued by courts of limited jurisdiction. The OAC must establish procedures and criteria for courts of limited jurisdiction to enter into agreements with other courts of limited jurisdiction in the state to process each other's warrants when the defendant is within the processing court's jurisdiction. The OAC must establish a formula for allocating between the court that processed the warrant and the court that issued the warrant. The OAC must report to the Legislature by June 1, 2003 regarding the effectiveness and costs of the pilot program.

Votes on Final Passage:

House	97	0
Senate	45	0 (Senate amended)
House	98	0 (House concurred)

Effective: June 8, 2000

HB 2807

C 219 L 00

Authorizing blended funding projects for youth.

By Representatives Kagi, Boldt, Wolfe, Ruderman, D. Sommers, Tokuda, Lovick, Kenney and Santos.

House Committee on Children & Family Services
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: Serving children with serious emotional disturbances, who require intensive services from multiple service systems, has typically been accomplished by each service system funding and providing services separately,

SHB 2846

with little or no coordination or collaboration with the other service systems. The service systems usually involved with these children are education, child welfare, mental health, alcohol and drug, and juvenile rehabilitation.

This approach results in parents, guardians, or custodians of the child trying to understand multiple funding streams, eligibility requirements and program limitations, and managing relationships with multiple entities.

Pilot programs are underway in some states to address the complex needs of these children through blended funding. Under this approach, each service system for which the child is eligible contributes funding to the care of the child. The total funding is managed by an administrative services entity that works with each service system's administrative requirements.

Summary: The Department of Social and Health Services (DSHS) must authorize and facilitate blended funding projects for children who receive services from two or more DSHS divisions addressing behavioral, mental, emotional or substance abuse issues. The secretary of the DSHS must transfer appropriated funds to support blended funding projects subject to any current or future federal foster care and adoption assistance waiver. The community public health and safety networks must give input to projects and make recommendations about projects to the Family Policy Council. The DSHS must report to the Legislature annually on blended funding projects, beginning in December 2000.

Votes on Final Passage:

House	97	0
Senate	45	0 (Senate amended)
House		(House refused to concur)
Senate	42	0 (Senate amended)
House	98	0 (House concurred)

Effective: July 1, 2000

SHB 2846

C 220 L 00

Providing certain notices to agents or brokers.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Benson, Hatfield, Sullivan, DeBolt, Barlean, Cairnes, Quall, McIntire and Delvin).

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

Background: Whenever a cancellation notice or a notice regarding the renewal or non-renewal of an insurance policy is provided to an insured person, a copy of the notice must be provided at the same time to the agent or broker.

Summary: The copy of the notice that must be provided to the agent or broker regarding cancellation, renewal, or non-renewal of an insurance policy must be sent within five days of the notice being furnished to the policyholder and may be sent electronically.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 8, 2000

HB 2848

C 221 L 00

Safeguarding securities.

By Representatives Hatfield, Benson and Keiser; by request of Insurance Commissioner.

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

Background: The Office of the Insurance Commissioner oversees the financial activities of insurance companies. All companies authorized to conduct business in Washington must meet statutory requirements for capital, surplus capital, reserves, investments and other financial and operational considerations. Allowable investments of insurance companies are regulated by statute and by rule.

When an insurance company purchases securities as investments, typically through a broker/dealer, the securities may be held by the insurance company itself, by the broker/dealer, by a bank or trust company, or by a clearing corporation.

Summary: When a domestic insurance company buys securities, the securities may be held by the insurance company itself, a bank or trust company, or a clearing corporation. The securities may not be held by the broker/dealer for more than 72 hours after the purchase. The broker/dealer must provide the insurance company confirmation of the purchase within 24 hours, and the holder of the securities on behalf of the insurance company must send confirmation to the insurance company that it has received the securities.

If the Insurance Commissioner has reasonable cause to believe that the domestic insurance company's solvency is threatened or determines that irreparable loss will occur, the Insurance Commission may order the insurance company to transfer the securities to a custodian approved by the commissioner. This action by the commissioner is not subject to an automatic stay.

Votes on Final Passage:

House	94	1
Senate	44	0

Effective: June 8, 2000

SHB 2850
FULL VETO

Modifying the tax treatment of linen and uniform supply services.

By House Committee on Finance (originally sponsored by Representatives Reardon, Schoesler, Scott, D. Schmidt, Tokuda, Skinner, Thomas, Clements, Dunshee, McIntire and Pennington).

House Committee on Finance
Senate Committee on Ways & Means

Background: The sales tax is imposed on retail sales of most items of tangible personal property and some services. The state tax rate is 6.5 percent and is applied to the selling price of the article or service. In addition, local sales taxes apply. The total tax rate is between 7 percent and 8.6 percent, depending on location. Sales tax applies when items are purchased at retail in-state. Sales tax is paid by the purchaser and collected by the seller.

Sales tax also applies to some services. The cleaning of tangible personal property is a service subject to sales tax. Laundry services are subject to sales tax as cleaning activities.

According to the Department of Revenue's rules, the location of the laundering activity not the location of the customer determines whether linen and uniform supply services are subject to sales tax. Sales tax applies to linen and uniform supply services sold to residents and non-residents if the laundering activity takes place in Washington. In contrast, no sales tax is due when out-of-state businesses sell linen and uniform supply services to Washington residents, because the laundering activity takes place out-of-state.

Summary: Linen and uniform supply services are defined as the activity of providing customers with a supply of clean linen, towels, uniforms, gowns, protective apparel, clean room apparel, mats, rugs, and similar items.

The retail sale of linen and uniform supply services occurs at the place where delivery is made to the customer. As a result, all deliveries to customers located in Washington are subject to sales tax.

Votes on Final Passage:

House	96	0
Senate	45	2 (Senate amended)
House	98	0 (House concurred)

VETO MESSAGE ON HB 2850-S

March 29, 2000

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute House Bill No. 2850 entitled:

"AN ACT Relating to excise tax treatment of linen and uniform supply services;"

Substitute House Bill No. 2850 was intended to level the playing field between linen and uniform supply and cleaning services located in Washington and those located outside of our state. By defining a retail sale of linen and uniform supply services to occur at the place of delivery to the customer, the bill would have prevented out-of-state companies from avoiding sales tax collection obligations by picking up laundry in Washington, washing it in another state, and delivering it back to its Washington customers. Closing this tax loophole would have allowed Washington companies to compete on a level playing field with out-of-state businesses.

Unfortunately, after the bill passed the legislature, a drafting error was found that would have applied the sales tax to any item of tangible personal property purchased in Washington for delivery out of state. The bill also has a constitutional infirmity because it amends a chapter of the Revised Code of Washington by reference to its title, without setting out the revised sections at full length.

It is my understanding that the legislature is aware of these problems and is already in the process of introducing corrected legislation closing this unfair tax loophole. I urge the legislature to do so as soon as possible.

For these reasons I have vetoed Substitute House Bill No. 2850 in its entirety.

Respectfully submitted,



Gary Locke
Governor

HB 2851
C 20 L 00

Changing the state's funding limit for flood control maintenance projects.

By Representatives Reardon, G. Chandler, Linville, Grant, Stensen, Cooper and Haigh.

House Committee on Appropriations
Senate Committee on Natural Resources, Parks & Recreation

Background: The Flood Control Assistance Account Program (FCAAP) was established by the Washington Legislature in 1984 to develop a state and local flood control maintenance policy. The Department of Ecology administers and enforces laws relating to flood control.

The Flood Control Assistance Account, also established in 1984, receives \$4 million each biennium from the state general fund for state participation in flood control maintenance. Matching grants are available to counties, cities, towns and other special districts for comprehensive flood hazard management plans, specific projects or studies, and emergency flood-related activities. The state's share of funding for flood control projects may not exceed 50 percent, and the state's share of funding for flood control management plans may not exceed 75 percent. During the 1999-01 biennium, the Department of

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Ecology expects to spend FCAAP funds on administration of the flood control program, flood control planning and implementation, early warning systems, acquisition, and flood damage reduction projects.

Summary: The state's share of costs for flood control maintenance projects is increased from 50 percent to 75 percent of the total cost of the project.

Votes on Final Passage:

House	97	0
Senate	43	0

Effective: June 8, 2000

HB 2853

C 57 L 00

Conforming the advisory council for the blind with the federal rehabilitation act.

By Representatives Wolfe, D. Schmidt, Romero, Cairnes, Haigh and Cody; by request of Department of Services for the Blind.

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

Background: The Department of Services for the Blind operates a federal-state vocational rehabilitation program to assist people who are blind or visually impaired to become employed. The program is governed under both federal and state laws.

Prior to 1998, the state was required to have a Rehabilitation Advisory Council for the Blind. The duties of the council included delivering advice regarding the development and implementation of the state plan and strategic plan.

In 1998, as part of the federal Workforce Investment Act, the Congress amended the requirements for the state plans operating under this program. The council's name was changed in the federal legislation to the State Rehabilitation Council. In addition, the council's duties and composition were changed. The membership of the council was expanded to include at least one project director, at least one representative from the state educational agency, and at least one representative from the Workforce Investment Board. The representatives from the client assistance programs and the project directors are not limited to two consecutive terms.

Summary: As required by federal law, changes are made in the vocational rehabilitation program for the blind and visually impaired, including changing the name to the State Rehabilitation Council.

The Department of Services for the Blind may make future changes in the composition and duties of the council as mandated by federal law.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: June 8, 2000

E2SHB 2867

C 98 L 00

Providing for the issuance of reservoir permits to store and recover water in an underground geological formation.

By House Committee on Appropriations (originally sponsored by Representatives Linville, G. Chandler, Miloscia, Mitchell, Koster and Cooper).

House Committee on Agriculture & Ecology
House Committee on Appropriations
Senate Committee on Environmental Quality & Water Resources

Background: Under the groundwater code, the Department of Ecology (DOE) may limit withdrawal by appropriators of groundwater to maintain a safe sustaining yield of water from a groundwater source for senior appropriators. For this purpose, the DOE may designate groundwater areas or sub-areas and also may designate separate depth zones within such an area or sub-area to control the withdrawal. If the DOE makes such a designation, a person claiming to be the owner of artificially stored groundwater within such an area, sub-area, or zone must file a declaration to that effect with the DOE.

Applications for reservoir permits are filed under the surface water code with the DOE. A person wishing to use any water stored in a reservoir must file an application for a secondary permit and provide evidence that an agreement has been entered into with the owners of the reservoir for enough water for the secondary permit.

Summary: The "reservoirs" for which permits may be processed include natural underground formations which water may be stored and used as part of an underground artificial storage and recovery project. For such a project, the water may be stored by injection, surface spreading and infiltration, or other DOE-approved method. To qualify, the underground formation must meet standards for review and mitigation established by the DOE by rule. The issues to be addressed in this review and mitigation are: aquifer vulnerability and hydraulic continuity; potential impairment of existing water rights; geo-technical impacts; aquifer boundaries and characteristics; chemical compatibility of surface and ground waters; recharge and recovery treatment requirements; system operation; water rights; and environmental impacts.

Analysis of such a project and geological formation must be conducted through studies initiated by the applicant under the review of the DOE. The DOE must report to the Legislature by December 31, 2001, on its standards

for review and mitigation and on the status of any applications that have been filed for such projects.

An underground artificial storage and recovery project does not apply to irrigation operational and seepage losses, irrigations return flows, water artificially stored due to irrigation district projects, reclaimed water, or artificially stored water that may be claimed when a groundwater sub-area is established. Requirements of existing law governing the issuance of permits to appropriate or withdraw waters are not altered.

Votes on Final Passage:

House	97	0
Senate	46	0 (Senate amended)
House	98	0 (House concurred)

Effective: June 8, 2000

HB 2868

C 58 L 00

Allowing electronic warehouse receipts.

By Representatives Ericksen and Linville.

House Committee on Agriculture & Ecology
Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Article 7 of the Uniform Commercial Code governs warehouse receipts, bills of lading, and other documents of title. A warehouseman is a person who stores goods for hire and is authorized to issue warehouse receipts. Warehouse receipts are generally negotiable.

A warehouse receipt is not required to be in any particular form. There is a requirement, however, for a warehouse receipt to contain certain terms in written or printed form for a warehouseman to avoid liability to a person injured by the omission of the terms. Some of these terms include the location of the warehouse where the goods are stored, the date of issue of the receipt, and a description of the goods. The Uniform Commercial Code does not authorize electronic warehouse receipts.

Summary: Warehouse receipts, as defined in Article 7 of the Uniform Commercial Code, may be issued in an electronic form.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: June 8, 2000

EHB 2881

C 82 L 00

Allowing new forms of regulation of telecommunications companies.

By Representatives Crouse, Poulsen and Eickmeyer; by request of Governor Locke.

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

Background: Alternative Form of Regulation. The Washington Utilities and Transportation Commission regulates incumbent local exchange carriers (ILECS) under rate of return regulation. Under this form of regulation, a company is permitted to charge rates that cover the costs of providing services, plus an opportunity to make a profit. Since 1989, ILECS have had the option to request regulation under a negotiated alternative to traditional rate of return regulation called an alternative form of regulation (AFOR). The UTC is authorized to employ an alternative form of regulation if the alternative is better suited to accomplish the telecommunications policy goals of the state.

The UTC may authorize an AFOR on its own motion or petition by a company. Before approving an AFOR plan, the UTC must adopt written findings of fact that address a number of policy goals and other criteria. The UTC may modify a proposed plan, and it may waive certain regulatory requirements under a proposed plan.

After the UTC approves an AFOR plan, a company has 60 days to withdraw from the approved plan.

The UTC may rescind an AFOR plan on its own motion or at the request of any person.

Competitive Classification. In addition to the option of an AFOR, a company may petition the UTC to classify it as a competitive telecommunications company. A company may also seek to have any of its services classified as a competitive telecommunications service. Competitively classified companies and services are not subject to rate of return regulation.

Summary: The requirement that the UTC make certain findings of fact before ruling on an AFOR are deleted. Policy goals analyzed prior to approval of a proposed AFOR plan are revised.

Policy Goals. The following revised policy goals must be met when evaluating a proposed AFOR plan. The UTC must consider whether the plan will:

- facilitate the broad deployment of advanced services to underserved areas or customer classes;
- improve the efficiency of the regulatory process;
- preserve or enhance competition and protect against the exercise of market power;
- preserve or enhance service quality;

- provide rates that are fair, just, reasonable, sufficient and not unduly discriminatory or preferential; and
- not cause undue disadvantage or unreasonable prejudice to any particular customer class.

The Proposed Plan. A company that seeks an alternative form of regulation must submit a plan for transition to the new form of regulation and the proposed duration of the new regulation. In addition, the proposed plan must contain:

- adequate carrier to carrier service quality standards;
- performance measures for interconnection; and
- enforcement provisions.

The UTC procedures. The UTC must accept, modify, or reject the plan within nine months after submission of the petition. The UTC must order implementation of the plan unless it finds that the AFOR plan fails to meet the revised policy goals.

The UTC may rescind or modify the proposed plan on petition by the company subject to the alternative regulation, in the manner requested by that company.

The UTC may not waive any legal right granted to any person, but may waive regulatory requirements for companies or services if in the public interest.

The UTC or any person may file a complaint that alleges non-compliance with the terms and conditions of the company’s plan for the alternative form of regulation. The complainant bears the burden of proof.

Votes on Final Passage:

House	94	1
Senate	46	0

Effective: June 8, 2000

ESHB 2884
C 21 L 00

Providing notice requirements for parents subject to court orders and standards regarding residential time or visitation.

By House Committee on Judiciary (originally sponsored by Representatives Constantine, Carlson, Grant, Radcliff, Kastama, Mastin, Keiser, Ruderman, Kessler, Dickerson, Tokuda, D. Sommers and Stensen).

House Committee on Judiciary
Senate Committee on Judiciary

Background: Whether a parent may relocate a child away from the other parent who is entitled to residential or visitation time is an issue that has been heavily litigated in recent years. Washington’s laws do not explicitly address when a parent may or may not relocate a child and whether the parent must notify the other parent before relocation occurs.

In a 1997 case, *In re the Marriage of Littlefield*, the state Supreme Court held that Washington’s statutes do

not give courts the authority to impose geographical restrictions on a parent when entering an initial parenting plan unless relocation would harm the child. The harm to the child must be more than the normal distress suffered by a child because of travel, infrequent contact with a parent, or other hardships normally associated with dissolution.

In December 1999, the state Supreme Court issued its opinion in *In re the Marriage of Pape*, in which it held that a parent may modify the residential schedule of a parenting plan under the “minor modification” statute.

The minor modification statute allows for “adjustments” to the parenting plan if: (1) there has been a substantial change in circumstances of either parent or the child; (2) the proposed modification is only a minor modification in the residential schedule that does not change the residence the child is scheduled to reside in the majority of the time; and (3) the proposed modification is based on a change of residence or an involuntary change in work schedule by a parent that makes the residential schedule impractical to follow.

The court reasoned that the child’s best interests were considered when the court made the initial residential placement of the child. Therefore, in a subsequent modification action there is a presumption that the best interests of the child require the primary placement of the child to remain intact.

Under *Pape*, the relocating parent must demonstrate a bona fide reason for the relocation. The other parent may object to the move by showing that either no bona fide reasons exist or the move will be detrimental to the child using the *Littlefield* standard of detriment.

Summary: The Legislature intends to supersede *In re the Marriage of Littlefield* and *In re the Marriage of Pape*. Notice requirements and other procedures are created to determine relocation cases.

A. Notice. The person with whom the child resides a majority of the time must notify every other person entitled to residential time or visitation with the child when the person intends to relocate.

Notice must be given by personal service or any form of mailing requiring a return receipt no less than 60 days before the intended relocation. Notice must contain certain information, including an address where service of process may be accomplished, the reasons for the intended relocation, and a notice to the non-relocating party that an objection to the intended relocation of the child must be filed with the court within 30 days or the relocation will be permitted.

The notice must also contain, when available, information such as the new mailing address and phone number, the address of the child’s new school or day care, and a proposal in the form of a proposed parenting plan for a revised schedule of residential time or visitation.

If the intended relocation will be within the same school district in which the child currently resides the ma-

jority of the time, the person intending to relocate need only provide actual notice by any reasonable means.

B. Limitation of Notices. The time frames for notice and the requirements of the notice may vary under limited circumstances. If a person is entering a domestic violence shelter or is relocating to avoid a clear, immediate, and unreasonable risk to his or her health or safety, or the child's health or safety, notice may be delayed for 21 days.

If the person believes that his or her health or safety would be at risk by disclosure of some information in the notice, the person may obtain an ex parte court order to have some or all of the notice requirements waived.

Failure to give notice may result in sanctions and a finding of contempt, if applicable.

C. Objection. A party objecting to the intended relocation of the child or to the proposed revised residential schedule must file an objection with the court and serve the objection on the relocating party and all other persons entitled to notice.

The objection must be filed and served within 30 days of receipt of the notice of intended relocation. The objection must be in the form of a petition for modification of the parenting plan or other court proceeding adequate to provide grounds for relief.

The person intending to relocate the child may not, without a court order, change the child's principal residence during the 30-day objection period. If the objecting party notes a hearing for a date not more than 15 days following timely service of the objection, the party intending to relocate may not change the child's principal residence pending the hearing unless special circumstances apply.

D. Failure to Object. If a person does not object within 30 days, the relocation will be permitted and the non-objecting person is entitled to the residential time or visitation specified in the proposed revised residential schedule that was included in the notice of intended relocation.

Any party entitled to court-ordered residential time or visitation with the child may, after the 30-day objection period has passed, obtain an ex parte order modifying the residential schedule in conformity with the proposed revised residential schedule specified. A party may obtain such an order before the 30-day objection period elapses if the party presents proof that no objection will be filed.

E. Temporary Orders. A court may grant a temporary order restraining relocation of a child, or ordering the return of a child who has already been relocated, if the court finds that:

- (1) the required notice was not provided and the non-relocating party was substantially prejudiced;
- (2) the relocation has occurred without agreement of the parties, court order, or notice; or
- (3) after examining evidence presented at a hearing, there is a likelihood that on final hearing the court will not approve the intended relocation, or no circumstances exist to warrant a relocation prior to final determination at trial.

The court may grant a temporary order permitting the relocation of a child if the relocating party complied or substantially complied with the notice requirements, and the court determines that there is a likelihood on final hearing that it will approve the relocation.

F. Presumption and Standard. The person intending to relocate with the child must give his or her reasons for the intended relocation. There is a rebuttable presumption that the intended relocation will be permitted. The objecting party may rebut the presumption by demonstrating that the detrimental effect of the relocation outweighs the benefit of the change to the child and the relocating person. Whether the detrimental effect outweighs the benefit must be based on the following factors:

- (1) the relative strength, nature, quality, extent of involvement, and stability of the child's relationship with the person proposing to relocate and with the non-relocating person, siblings, and other significant persons in the child's life;
- (2) prior agreements between the parties;
- (3) whether disrupting the contact between the child and the person with whom the child primarily resides would be more detrimental to the child than disrupting contact between the child and the person objecting;
- (4) whether either parent or a person entitled to residential time with the child is subject to limitations based on the person's conduct;
- (5) the reasons of each person for seeking or opposing relocation and the good faith of each party;
- (6) the age, developmental stage, and needs of the child, and the likely impact the relocation or its prevention will have on the child's physical, educational, and emotional development;
- (7) the quality of life, resources, and opportunities available to the child and to the relocating party in the current and proposed geographical locations;
- (8) the availability of alternative arrangements to foster and continue the child's relationship with and access to the other parent;
- (9) the alternatives to relocation and whether it is feasible and desirable for the other party to relocate also;
- (10) the financial impact and logistics of the relocation or its prevention; and
- (11) for issuing a temporary order, the amount of time before a final decision can be made at trial.

The factors are not weighted, and no inference may be drawn from the order in which the factors are listed. The court may not consider as a factor whether the person intending to relocate will forego his or her relocation if the child's relocation is prohibited, or whether the opposing party will relocate if the child's relocation is permitted.

Once the court determines whether to permit or restrain the relocation of the child, the court must determine what modification should be made, if any, to the parenting plan.

G. Objections By Third Parties. A court may not restrict the child's relocation when the sole objection to the

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relocation is from a third party, unless the third party is entitled to court-ordered residential time or visitation time and has served as the primary residential care provider to the child for a substantial period of time during the 36 consecutive months preceding the intended relocation.

H. Sanctions. The court may sanction a party if his or her proposal to relocate or objection to relocation was made to harass a person, delay or increase the cost of litigation, or to interfere in bad faith with the other person's relationship with the child.

I. Minor Modification. The existing minor modification statute applies when a parent with whom the child does not reside the majority of the time has a change in residence that makes the residential schedule impractical to follow.

Votes on Final Passage:

House	91	4
Senate	43	0

Effective: June 8, 2000

SHB 2886

C 208 L 00

Making regulation of service contracts applicable to service contracts on consumer purchases only.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Barlean, Keiser, Benson and Hatfield).

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

Background: Many retailers and others sell service contracts covering the personal property being sold. Service contracts are agreements to repair, replace, or maintain the products for a given period of time. Service contracts offer protections in addition to any guarantees that are offered under the warranties provided by the manufacturers, importers, or sellers of the products.

In 1999 a law was enacted regulating service contracts. Persons selling service contracts in Washington are required to first register with the Insurance Commissioner. Service contract providers must give consumers a written receipt and a copy of the service contract. The service contract must be written in plain language, must contain certain disclosures, must describe the process for obtaining service and filing a claim, and must state the consumer's duties under the contract. The contract may not require out-of-state adjudication.

Summary: The laws regulating service contracts apply to service contracts on consumer purchases only. A consumer is an individual purchasing a product primarily for personal, household, or family use.

Votes on Final Passage:

House	94	1
Senate	48	0

Effective: June 8, 2000

SHB 2899

C 22 L 00

Developing a workplace safety plan for state hospitals.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Clements, Cody, Cooper and Keiser; by request of Department of Social and Health Services).

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

Background: Most employers in Washington are required to have written accident prevention plans under the Washington Industrial Safety and Health Act (WISHA). These plans must include a safety orientation program for employees, with information about how and when to report injuries and unsafe working conditions. In 1998 the Department of Labor and Industries published a non-mandatory guide on workplace violence prevention that included a sample violence prevention program for employers to use in creating a workplace violence prevention program or incorporating such a program into their accident prevention plans.

Legislation enacted in 1999 requires certain hospitals and other health care settings to develop and implement workplace violence prevention plans by July 1, 2000. As enacted, this legislation would have applied to the two state hospitals for the mentally ill, but the provision was voided when funding was not provided in the biennial budget.

According to a Department of Labor and Industries report published in 1997, data from 1992 to 1995 show that social services and health services accounted for 51 percent of assault-related claims in the workplace. Psychiatric hospitals had the highest rate of assault of any industry, averaging 90 injuries per 1,000 workers over the four-year period.

Summary: State hospitals for the care of the mentally ill must develop and implement plans and training programs to prevent workplace violence. The departments of Labor and Industries, Health, and Social and Health Services must collaborate with the state hospitals to develop technical assistance and training seminars on plan development and implementation.

Plans for preventing workplace violence. By November 1, 2000, each state hospital must develop for implementation by January 1, 2001, a plan to reasonably prevent and protect its employees from workplace violence. The plan must be developed with input from the

hospital's safety committee. The plan must address security considerations related to:

- the state hospital's physical attributes;
- staffing, including security staffing;
- personnel policies;
- first aid and emergency procedures;
- procedures for reporting and responding to violent acts;
- criteria for determining and reporting verbal threats;
- employee education and training; and
- clinical and patient policies.

Before developing the plan, each state hospital must conduct a security and safety assessment, including an analysis of workers' compensation data, to identify existing or potential hazards for violence and determine appropriate preventive action.

In developing the plan, the state hospital may consider any relevant guidelines issued by government agencies or state hospital accrediting organizations. The state hospital must update the plan at least annually.

Violence prevention training. By January 2001, and at least annually thereafter, each state hospital must provide violence prevention training to its affected employees. Initial training must occur before assignment to a patient unit and must be in addition to ongoing training as determined under the Violence Prevention Plan. The training must address specific topics, as appropriate to the particular workplace setting and the duties of the employees being trained, including following general and personal safety procedures, dealing with violent behavior, documenting and reporting incidents, and using intershift reporting procedures to communicate about patients between shifts. The form of the training may vary and may include classes, videotapes, brochures, and instruction.

Recordkeeping. Beginning no later than July 2000, each state hospital must keep records of any violent acts committed against employees or patients occurring at the hospital, including specified minimum information. The records must be preserved for at least five years and must be made available to the Department of Labor and Industries upon request.

Enforcement. State hospitals failing to comply with these Violence Prevention Plan requirements are subject to citation under WISHA.

Reports. The Department of Social and Health Services must report to the Legislature on the progress of plan development by July 1, 2000, and to provide a copy of the completed plan by November 1, 2000. Thereafter, by September 1 each year, the Department of Social and Health Services must report on its efforts to reduce violence in state hospitals.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: June 8, 2000

SHB 2903

C 195 L 00

Authorizing sound recordings without prior consent that correspond to video recordings from cameras mounted in law enforcement vehicles.

By House Committee on Judiciary (originally sponsored by Representatives Delvin, Lovick, B. Chandler, Grant, Hankins, Lisk, Buck, Ballasiotes, O'Brien, Hurst, Talcott and Fortunato).

House Committee on Judiciary
Senate Committee on Judiciary

Background: The state's Privacy Act generally prohibits the interception or recording of any private communication or conversation without the consent of all parties to the communication or conversation. There are several exceptions to this general prohibition, including exceptions allowing one-party consent in a variety of cases, and conditions under which a court may authorize the interception or recording.

In addition, there are many exceptions from the Privacy Act's provisions, including certain common carrier services; 911 services; police, fire, emergency medical service and poison centers when recording incoming calls; the Department of Corrections recording of inmate conversations; and video and sound recordings of arrested persons by police officers responsible for making arrests.

Communications or conversations that are intercepted or recorded without the consent of all parties are generally not admissible in court, except in limited circumstances.

Summary: The Privacy Act's provisions prohibiting the interception or recording of a private communication or conversation without the consent of all parties do not apply to sound recordings that correspond to video images recorded by video cameras mounted in law enforcement vehicles, as long as the following conditions are met:

- the officer wearing the recording device must be in uniform;
- the recording device may only be operated simultaneously with the video camera;
- the recording device may not be turned off by the officer during the operation of the video camera;
- any sound or video recording may not be duplicated and made available to the public until final disposition of criminal or civil litigation arising from the incident recorded;
- the sound recording may not be divulged or used by law enforcement for commercial purposes;
- the officer must inform the person being recorded that a sound recording is being made, unless the person is being recorded under exigent circumstances, and the statement informing the person must be included in the recording. The officer is not required to inform the person of a video recording.

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Any person who knowingly alters, erases, or wrongfully discloses any recording in violation of the above restrictions is guilty of a gross misdemeanor. Sound recordings made under this provision are not inadmissible in court under the Privacy Act.

Votes on Final Passage:

House	97	0	
Senate	46	1	(Senate amended)
House			(House refused to concur)
Senate	44	2	(Senate amended)
House	96	2	(House concurred)

Effective: June 8, 2000

HB 2904

C 160 L 00

Expanding geographic eligibility for the border county higher education opportunity pilot project.

By Representatives Carlson and Kenney.

House Committee on Higher Education
Senate Committee on Higher Education

Background: In 1999 the border county higher education opportunity pilot project was created. Under the pilot project, residents of Oregon who have resided in Columbia, Multnomah, Clatsop, or Washington counties for at least 90 days are eligible to pay resident tuition rates if they enroll in community college programs located in the Washington counties of Clark, Cowlitz, Wahkiakum or Pacific. Residents of the four Oregon counties that enroll in courses at the Vancouver branch of Washington State University for eight credits or less may do so at the resident tuition rates. Participating Washington institutions are required to give priority program enrollment to Washington residents.

The pilot project is administered by the Higher Education Coordinating Board (HECB). By November 30, 2001, the HECB must report to the Governor and the Legislature the results of the pilot project and make recommendations on the extent to which the border county tuition policies should be revised or expanded. For each participating institution, the HECB is required to analyze, by program, the impact of the pilot program on: enrollment levels, distribution of students by residency, and enrollment capacity. The pilot project terminates June 30, 2002.

The Portland metropolitan area is comprised of three counties: Multnomah, Washington, and Clackamas. Only Multnomah and Washington county residents are eligible for the resident tuition rate.

Summary: The border county higher education opportunity pilot project is expanded to include residents of Clackamas County, Oregon.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 8, 2000

SHB 2912

C 89 L 00

Requiring a report concerning children in out-of-home care who received certain medications.

By House Committee on Children & Family Services (originally sponsored by Representatives Boldt and Clements).

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

Background: Children with emotional and behavioral problems are often treated with psychotropic medications. There is little information on the level of use of psychotropic medications or how such use is related to psychiatric disorders.

Summary: By December 15, 2000, the Department of Social and Health Services must report to the Legislature regarding the prescription of psychotropic or other psychiatric medications for children in out-of-home placements. This report must focus on children in out-of-home care who remained in such out-of-home care for more than 90 days for at least one placement episode and received "fee for service" medical assistance during fiscal year 1999. The report must include: the number of children who were prescribed the medication during an out-of-home placement; the medical diagnosis of the children prescribed the medication; the number, type, and frequency of the medications prescribed; the number of children receiving multiple medications; the number of children prescribed Ritalin; and both the total number of children in out-of-home placements exceeding 90 days and the number of those children receiving medication.

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House			(House refused to concur)
Senate	43	0	(Senate amended)
House	98	0	(House concurred)

Effective: June 8, 2000

HB 2926

C 4 L 00

Repealing certain coal tax exemptions.

By Representatives DeBolt, Crouse, Alexander, Thomas, Kessler, Murray, Bush and Wolfe.

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

Background: The Centralia Steam Plant is a thermal electric generating facility located in Lewis County approximately five miles northeast of Centralia. The steam plant is the sole customer of the adjacent Centralia Coal Mine, which is operated by the Centralia Mining Company, a wholly owned subsidiary of PacifiCorp. Together, the steam plant and coal mine employ approximately 670 people.

A tax incentive, enacted in 1997, provides specific sales and use tax exemptions for certain thermal electric generating facilities. However, the facility will forfeit these exemptions if less than 70 percent of the coal consumed at the facility the previous calendar year was from a coal mine in Lewis County or a contiguous county.

Sales tax of 6.5 percent is imposed on retail sales of most items of tangible personal property and on some services. In addition, local sales taxes apply, making the total sales tax rate between 7 percent and 8.6 percent, depending on location. Use tax is imposed on the use of an item in the state, when the acquisition of the item has not been subject to sales tax. The use tax rate is equal to the sales tax rate.

Summary: The sales and use tax exemption for thermal electric generating facilities is amended by repealing the requirement for a facility to forfeit sales and use tax exemptions if less than 70 percent of the coal consumed at the facility the previous calendar year was from a coal mine in Lewis County or a contiguous county.

Votes on Final Passage:

House	96	1
Senate	47	1

Effective: June 8, 2000

ESHB 2934

C 222 L 00

Making changes to flood plain construction limitations.

By Representative Koster.

House Committee on Local Government
Senate Committee on State & Local Government

Background: The Department of Ecology (DOE) coordinates the flood plain management regulation elements of

the national flood insurance program (NFIP) in Washington. Local flood plain management regulations for construction activities which might affect the security of life, health and property must comply with the NFIP and state requirements for flood plain management.

State and local flood plain management regulations are based on designated special flood hazard areas on Federal Emergency Management Agency (FEMA) maps. The DOE establishes minimum state requirements and has authority to approve or reject designs and plans for structures or works constructed across the floodway of any stream or water body in the state. The DOE also may disapprove such designs and plans if the local flood plain management ordinance or amendment does not restrict land uses within designated floodways, including prohibiting construction or reconstruction of residential structures except:

- repairs, reconstruction or improvements not increasing ground floor area; and
- repairs, reconstruction or improvements, the cost of which does not exceed 50 percent of the structure's market value either before the repair started or before the damage occurred.

Work done to comply with local health, sanitary, or safety codes is exempt from the 50 percent determination regarding market value for purposes of the floodway prohibition. Historic structures are also exempt from the 50 percent determination.

Legislation enacted in 1999 exempted existing farmhouses in designated floodways from the general floodway prohibition against substantial repair or reconstruction provided certain conditions are satisfied. The 1999 legislation also allowed the DOE to consider recommending repair or replacement of residential structures other than farmhouses and required the DOE to adopt rules by December 31, 1999, related to the new authority.

Summary: The exemption from the 50 percent determination related to floodway construction for work done to comply with local health, sanitary or safety codes is amended. Projects to correct local health, sanitary, or safety code violations identified by a local code or building enforcement official are exempt from the 50 percent determination if they are the minimum necessary to ensure safe living conditions.

The exemption from the 50 percent determination related to floodway construction for structures identified as historic places is replaced with an exemption from the floodway prohibition for historic structures.

Substantially damaged residential structures, other than farmhouses, located in designated floodways may also be exempt from the floodway prohibition under certain circumstances. Upon request of a local government, the DOE may recommend repair, replacement or relocation of substantially damaged residential structures other than farmhouses. The DOE must assess the risk of harm to life and property posed by floodway conditions and base its

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recommendation on scientific analysis of depth, velocity and flood-related erosion. The DOE's recommendation, with the local government's concurrence, to allow repair or replacement of such a substantially damaged residential structure is a waiver of the floodway prohibition.

The deadline for the DOE to develop rules related to the assessment procedures and criteria for repair, replacement or relocation of residential structures other than farmhouses is extended to December 31, 2000.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: June 8, 2000

EHB 2952

C 113 L 00

Requiring a study of distance education.

By Representatives Edmonds, Kenney, Gombosky, Esser, Lantz, Pflug, Veloria, Edwards and Santos.

House Committee on Higher Education
Senate Committee on Higher Education

Background: According to the Higher Education Coordinating Board's 2000 Master Plan, Washington's system of higher education needs to provide opportunities for approximately 70,000 additional full-time enrollments by 2010. One strategy to meet this significant growth is to expand distance education opportunities. Distance education can provide new ways to learn and may conserve space in the long run. However, faculty and staff need training in using these new technologies and infrastructure and equipment must be installed and maintained.

Summary: The Higher Education Coordinating Board, State Board for Community and Technical Colleges, the Office of Financial Management, and the state institutions of higher education, working collaboratively, must conduct a study regarding distance education and report to the Legislature no later than January 2001. The study must address the following elements related to distance education:

- definitions for the different modes of distance education;
- the impacts on capital needs and facility utilization;
- the impacts on instruction and faculty, as well as student, technological, and administrative support services;
- the obstacles in providing instruction via distance delivery;
- the cost factors associated with different distance delivery modes;
- the role of the K-20 network;

- strategies to create efficiencies through partnerships and collaborations; and
- the implications on access to higher education.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: June 8, 2000

HB 2993

C 199 L 00

Setting fires for fire fighter instruction.

By Representatives G Chandler and Cooper.

House Committee on Local Government
Senate Committee on State & Local Government

Background: Fire protection district fire fighters may, for instruction in methods of fire fighting, set fire to structures without a permit. These structures must be located outside the urban growth areas in counties that plan under the Growth Management Act, and outside any city with a population of 10,000 or more in all other counties. Fires may be set without a permit if:

- the fire conforms with any other permits, licenses, or approvals required;
- the fire is not located in an area that is declared to be in an air pollution episode or any stage of an impaired air quality;
- nuisance laws are applicable to the fire;
- notice of the fire is provided to owners of property adjoining the property on which the fire will occur, and any other persons who will potentially be impacted by the fire, or any additional persons as specifically requested by the local air pollution control agency or the Department of Ecology;
- each structure proposed to be set on fire is identified as one to be set on fire; and
- a good faith inspection is conducted to determine if materials containing asbestos are present, the inspection is documented in writing to the appropriate local air authority or the Department of Ecology, and any asbestos found is removed as required by law.

Summary: The conditions that must be met by a fire protection district to set a training fire without a permit are clarified to require that:

- the district consider prevailing air patterns, to ensure that the fire is unlikely to cause air pollution in sensitive areas downwind; and
- the good-faith inspection for asbestos required prior to setting a structure on fire be conducted by the fire agency or fire protection district conducting the training fire.

Votes on Final Passage:

House 97 0
 Senate 46 0 (Senate amended)
 House 98 0 (House concurred)

Effective: June 8, 2000

EHB 2995

C 100 L 00

Modifying provisions concerning apiaries.

By Representatives G Chandler and Linville.

House Committee on Agriculture & Ecology
 Senate Committee on Agriculture & Rural Economic
 Development

Background: Through the Washington Department of Agriculture's industry apiary program, the director provides regulation and inspection services, assures the availability of bee colonies for pollination, facilitates the interstate movement of honey bees, promotes improved apicultural practices, combats bee pests that pose an economic threat to the industry, and provides education to promote the vitality of the apiary industry.

Registration. Persons owning one or more hives with bees, persons engaged in pollinating agricultural crops using hives owned by another person, and beekeepers from other states who operate hives in Washington must register on or before April 1 of each year. Registration fees are prescribed by rule. Those apiarists registered with the department are issued an apiarist identification number, which must be displayed on hives of an apiary.

Inspections. The department may provide inspection and certification services on a fee for service basis. Apiaries may be inspected for the presence of bee pests. Every person rearing queen bees for sale or use by another apiarist must have each queen rearing apiary inspected. Before bees or equipment are brought into the state for any purpose, a certificate of inspection must be secured from the state of origin's department of agriculture. New equipment without bees is not regulated.

Pollination Service Fee. A fee exists on the use, by agricultural crop growers, of bee pollination services provided by others. Revenues from these fees are used in providing services to the apiary industry that assist in ensuring the vitality and availability of bees for commercial pollination services for the agricultural industry.

Hive Impoundment. Hives may be impounded if they are abandoned, contain immovable combs or frames, are constructed in a way that impedes or hinders inspections, or constitute a threat of infestation or infection by a bee pest to bees.

Africanized Honey Bees. Certain conditions exist under which Africanized honey bees may be imported into the state. If Africanized bees or hybrids have been im-

ported into the state under circumstances other than those provided, these bees may be impounded and destroyed.

Apiary Coordinated Areas. The law allows counties to establish apiary coordinated areas. In these areas, counties set the maximum allowable number of hives per site, the minimum allowable distance between sites, and the minimum required setback from property lines.

Unlawful Acts. It is unlawful under the apiary statutes to willfully or maliciously kill or injure honey bees in an apiary, alter an official certificate or other inspection document, knowingly import Africanized honey bees, fail to take prompt or sufficient action to control regulated bee pests in excess of limits set by rule, resist, impede, or hinder the director in the discharge of the director's duties, abandon a hive, or maintain a hive with immovable combs or frames constructed in a way to impede or hinder inspection.

Penalties. A person who violates or fails to comply with the requirements of the apiary laws is guilty of a misdemeanor for the first offense and a gross misdemeanor for each subsequent offense. If a violation is not punished as a misdemeanor or gross misdemeanor, the director may impose and collect a civil penalty not to exceed \$1,000 for each violation.

Director's Authority. The director has rulemaking authority under the apiary laws. The director's powers include entering into compliance agreements with persons engaged in apiculture or handling, selling, or moving hives or beekeeping equipment. For any violation, the director may bring an action for injunctive relief in superior court in the county in which the violation occurs.

Apiary Advisory Committee. An apiary advisory committee advises the director. The committee, which includes up to 11 members, meets at least once a year, and members are reimbursed for travel expenses.

Other Provisions. Bees are also covered by inspections conducted under other laws dealing with insect pests and plant diseases.

Summary: The state apiary program is eliminated except for registration requirements, the apiary coordinated areas, and penalties.

Registration. The following must register: persons owning one or more hives with bees; persons engaged in pollinating agricultural crops for a fee using hives that are owned by another person; and apiarists from other states who operate hives in Washington.

The registration application must include the number of colonies of bees to be owned, brokered, or operated in Washington that year, a registration fee prescribed in rule, and any other information the Department of Agriculture requires by rule. The requirement to display the apiarist identification number on hives is removed.

Apiary Advisory Committee. The requirement for an apiary advisory committee becomes optional. Requirements regarding the size of the committee, number of

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meetings, and reimbursement of travel expenses are removed.

Other Provisions. In other laws addressing insect pests and plant diseases, the definition of "bee pests" is now expanded to include honey bees with undesirable behavioral characteristics such as found in Africanized honey bees.

Votes on Final Passage:

House	91	4
Senate	43	1 (Senate amended)
House	94	3 (House concurred)

Effective: June 30, 2001

HB 3005

C 59 L 00

Allowing for greater coronary health care in certain rural areas.

By Representatives Grant, Mastin, Keiser and Santos.

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

Background: The certificate of need (CON) program, within the Department of Health (DOH), reviews and authorizes a variety of new health care facilities such as hospitals, nursing homes, renal disease treatment centers, and Medicare certified home health and hospice agencies. The program also reviews and authorizes new bed additions to hospitals and nursing homes, additions of kidney dialysis stations, new tertiary services in hospitals, and nursing home capital expenditures. The program staff develop service specific planning and review criteria, coordinate planning and review activities with public and community organizations, provide technical information and assistance to applicants, and conduct public hearings as requested.

The Department of Health's CON program staff initiated a new review of the methodologies used to evaluate applications for specific projects and services.

Summary: The Department of Health is directed to review, revise, and develop a new methodology to be applied to certificate of need applications for specified cardiac tertiary health services. These tertiary health services are: 1) open heart surgery; 2) therapeutic cardiac catheterization; and 3) percutaneous transluminal coronary angioplasty. The new methodology must be adopted as rules, and be applied to new applications, replacing the current methodology.

The methodology for the cardiac services is scheduled for immediate review and revision, and incorporation into rule. The department's review and rulemaking process must involve a wide variety of stakeholders. These may include persons working in cardiac surgery programs, cardiac surgeons not directly affiliated with existing hospital programs, and representatives of medical education.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: March 22, 2000

SHB 3032

C 200 L 00

Extending annexation authority to certain port districts along the Interstate 90 corridor.

By House Committee on Local Government (originally sponsored by Representative Mulliken).

House Committee on Local Government
Senate Committee on State & Local Government

Background: A port district that is less than county-wide, located in a county with a population of fewer than 90,000, and located in the Interstate 5 corridor may petition for annexation of an area that is contiguous to its boundaries if that area is not contained within another port district's boundaries and if the area contains no registered voters.

The petition must be in writing, filed with the port commission, and signed by owners of at least 75 percent of the property value in the area to be annexed.

Summary: The authority for port districts to annex an area that is contiguous to its boundaries, and that contains no registered voters is extended to a port district that is less than county-wide, located in a county with a population of fewer than 90,000, and located in the Interstate 90 corridor.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: June 8, 2000

ESHB 3045

C 223 L 00

Clarifying the requirements for a class 1 racing license.

By House Committee on Commerce & Labor (originally sponsored by Representatives Wood and Clements).

House Committee on Commerce & Labor
Senate Committee on Commerce, Trade, Housing &
Financial Institutions

Background: A class 1 racing association is a racing association, licensed by the Horse Racing Commission, that conducts live racing for at least 40 days during a consecutive 4-month period in any 12-month period. The commission may increase the number of live racing days required to maintain an association's class 1 racing status.

Only class 1 racing associations may simulcast out-of-state horse races to an in-state facility. When a racing association is conducting a live race meet, it may simulcast a limited number of out-of-state races on live race days and on two non-live race days each week. When no live race meet is being conducted at a race track, the racing association may simulcast racing for up to 12 hours a day, five days a week. A class 1 racing association also may export the signal from its own live races to out-of-state locations.

A class 1 racing association generates revenue from parimutuel wagering on races conducted live at its own racing facility and from races run in other states and simulcasted to the live in-state race track facility.

Summary: A class 1 racing association is a horse racing licensee approved to conduct live racing at least 40 days during a 12-month period. The minimum 40-day requirement no longer must be consecutive days.

A racing association may simulcast races to the live track facility for up to 14 hours a day, five days a week during the non-race meet period when no live racing is being conducted.

If a live race is canceled due to acts of God, labor disruptions not involving the licensee or its employees, or other circumstances beyond the control of the class 1 racing association, the canceled day counts toward the 40-day requirement for class 1 racing association status.

Votes on Final Passage:

House	95	0
Senate	37	2

Effective: June 8, 2000

EHB 3068

C 246 L 00

Exempting personal property used in connection with privatization contracts for the treatment of radioactive waste and hazardous substances from property taxes.

By Representatives Kessler, Hankins, Delvin, Mastin, Grant, Linville and G. Chandler.

House Committee on Finance

Background: All property in Washington is subject to the property tax each year based on the property's value unless a specific exemption is provided by law. Property owned by governments is exempt from property tax. However, private property located on government owned property is not exempt from tax.

Summary: Starting in 2002, private personal property located on federal land at the Hanford reservation that is used exclusively in the performance of a contract with the federal government to pretreat, treat, vitrify, and immobilize tank waste is exempt from state property tax. To be exempt from state property tax for the years 2002 through

2005, the owner must comply with schedules for tank waste treatment start of construction, hot commissioning, tax waste pretreatment processing, and vitrification. The contractor must file progress reports with the Washington Department of Ecology in August of each year. Starting in 2006, the property is exempt from both state and local property taxes.

Votes on Final Passage:

House	98	0
Senate	44	2

Effective: January 1, 2001

SHB 3076

C 101 L 00

Convening a work group on streamlining project permit processes.

By House Committee on Transportation (originally sponsored by Representatives G. Chandler, Fisher, Mitchell, Cooper, Hankins, Skinner, Ericksen, McDonald, Radcliff, Mulliken and Pflug).

House Committee on Transportation
Senate Committee on Transportation

Background: State, federal, and local environmental regulations, several of which have their own permitting requirements, are administered by several different agencies. As a result, environmental permits can be delayed when review processes are done in sequence rather than concurrently. Congress recognized these process delays in the Transportation Equity Act of the 21st Century (TEA-21) where it required federal agencies to seek innovative ways to coordinate permit streamlining.

An example of permit streamlining involves the Department of Transportation's (WSDOT) Environmental Affairs Office working with the Federal Highway Administration (FHWA) to receive federal delegation of the biological assessment process associated with the Endangered Species Act (ESA). The WSDOT demonstrated a process acceptable to the federal agency responsible for ESA permitting and the federal agency delegated ESA permitting authority to the WSDOT. This eliminates at least one level of review and speeds up the permitting process without compromising the integrity of the process. The federal Department of Transportation and the FHWA become auditors of the program, thus enabling limited staff to focus on overall statewide compliance.

Summary: A work group is convened to evaluate the applicability of Federal Transportation Certification Acceptance Programs to environmental processes. The workshop includes the following partners: the WSDOT; the Department of Ecology; the Department of Fish and Wildlife; and representatives from cities and counties.

SHB 3077

The group is charged with presenting a report to the Legislature by December 1, 2000.

Votes on Final Passage:

House 95 0
Senate 47 0

Effective: June 8, 2000

SHB 3077

C 2 L 00

Modifying provisions on unemployment insurance.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Clements, Thomas, Wensman, Reardon, Radcliff, Cairnes, Morris, Constantine, Stensen, Wood, Schual-Berke, Cooper, Anderson, Santos, Lovick, Kenney, Regala, Keiser, Rockefeller, Dunn, Mulliken, Carlson, O'Brien, Gombosky, Grant, Eickmeyer, Kessler, Edwards, Edmonds, Miloscia, Fisher, Linville, Koster, Ballasiotes, Pflug, D. Sommers, Campbell, D. Schmidt, Murray, Hatfield, Ogden, Hurst, Dunshee, Haigh, Tokuda, Woods, Barlean, G. Chandler, Fortunato, Boldt, Mielke, McDonald, Cody, Veloria, Scott, McIntire, Esser, Alexander, Bush, Sullivan, Lantz, Ericksen, Talcott, Buck, Dickerson, Ruderman, Wolfe, Schoesler and Kagi).

House Committee on Commerce & Labor

Background: I. Unemployment Insurance Taxes

Washington's unemployment insurance system requires each covered employer to pay contributions on a percentage of his or her taxable payroll, except for certain employers that reimburse the Employment Security Department benefits the agency pays to these employers' former workers. The contribution of covered employers are held in trust to pay benefits to unemployed workers.

A. **Tax schedule and rates.** For qualified employers, contribution rates are determined by two factors: the employer's position in the tax array and the statutory tax schedule in effect. The employer's position in the tax array depends on the employer's layoff experience relative to other employers' experience. Based on this relationship, employers may be placed in any one of 20 tax rate classes.

The rates in these classes are determined by the tax schedule in effect. The statute establishes seven different tax schedules, AA through F. The tax schedule that will be in effect for any given calendar year depends on the fund balance ratio, which compares the unemployment insurance trust fund balance on June 30 of the previous year to the total payroll in covered employment in the state for the completed calendar year prior to that June 30.

When the reported fund balance ratio is greater than 2.9 percent, the lowest tax schedule, AA, will be in effect. If the fund balance ratio is less than 1 percent, the highest tax schedule, F, will be in effect. Tax schedules A through

E will be in effect as specified by the following fund balance ratio intervals:

<u>Tax schedule</u>	<u>Fund balance ratio interval</u>
AA	2.9 and above
A	2.5 to 2.89
B	2.1 to 2.49
C	1.7 to 2.09
D	1.4 to 1.69
E	1.0 to 1.39
F	below 1.0

Under this statute, the tax schedule in effect for 2000 is schedule B. In 1999, schedule A was in effect.

In 1985, an offset tax of 0.02 percent of the taxable wage base was established to fund employment services for claimants. This tax was offset by reducing the rates in all the tax schedules, except for rate class 20, by the amount of the offset tax.

B. **Taxable wage base.** The amount of tax that an employer pays is determined by multiplying the employer's tax rate times the employer's taxable wage base. The taxable wage base is the amount of each employee's wages subject to tax. This amount increases by 15 percent each year from the previous year's taxable wage base, with a cap of 80 percent of the state "average annual wage for contribution purposes." The taxable wage base for 2000 is \$26,500. In 1999, the taxable wage base was \$24,300.

II. Unemployment Insurance Benefits

A. **Regular unemployment insurance benefits.** To qualify for unemployment insurance benefits, a claimant must have worked at least 680 hours in his or her base year. (Generally, the base year is the first four of the last five calendar quarters completed before applying for benefits.) Once this work threshold is met, a weekly benefit amount is calculated for that individual using wage information provided by the person's employer. From that information, the individual's weekly benefit amount and the maximum number of weeks for which that individual may receive the benefit are determined.

Each June 30, the Employment Security Department determines the new maximum and minimum weekly benefit amounts for new claims filed in the following fiscal year. The maximum and minimum weekly benefit amounts for the period from July 1, 1999, to June 30, 2000, are \$441 and \$94 per week, respectively. The maximum number of weeks that any individual may receive benefits is set in statute at 30 weeks. Not all individuals qualify for the 30-week maximum.

To continue to receive regular benefits, a claimant must be able to work and must be actively searching for work. The requirement that the individual actively search for work may be excused if the commissioner of the Employment Security Department determines that the individual's long-term employment prospects will improve if the individual completes a training plan. The individual may enroll in training and continue to receive

his or her regular weekly benefit amount as long as the individual is making satisfactory progress toward completing the training plan.

Under both state and federal law, only those individuals who are legally eligible to work in the United States may receive unemployment insurance benefits.

B. Additional benefits programs. A dislocated worker is one who is unemployed, has exhausted his or her regular unemployment insurance benefits and is unlikely to return to previous employment because of a diminishing demand for his or her skills.

Since 1991, there have been additional benefits programs for dislocated workers in the timber industry who are in retraining. In 1995, the program was extended to dislocated fin fish workers. The eligibility requirements varied over the years. The most recent program was subject to termination under a sunset review. The program did sunset and no new applications for claims have been accepted since July 1, 1999.

Under these additional benefits programs, if a person was in training and was making satisfactory progress toward completion of his or her training plan, the person was eligible to receive additional unemployment insurance benefits after exhausting of their regular benefits. Under the various programs over the past 10 years, the maximum weeks of training benefits ranged from 52 weeks to 122 weeks, including up to 30 weeks of regular unemployment insurance benefits.

C. Requalification for UI benefits. An applicant for unemployment insurance benefits may be disqualified to receive benefits if the individual:

- voluntarily quit his or her employment without good cause;
- is discharged or suspended for work-related misconduct; or
- refuses to accept suitable work.

The disqualified individual may requalify for unemployment insurance benefits by allowing five weeks to elapse and earning five times the individual's weekly benefit amount.

If an individual can establish that he or she left employment for good cause, unemployment benefits are not denied. One of the circumstances considered good cause is leaving employment to relocate with a spouse whose change in employment is outside the existing labor market area.

III. Workforce Training

A. Federal National Reserve Grant. A federal National Reserve Grant may be awarded through the U.S. Department of Labor when there is a large industry or company layoff. The aerospace industry in this state has experienced layoffs in sufficient numbers to qualify for a National Reserve Grant. One of the benefits for which workers may qualify is income support or "needs-related payments." These payments are available to those who qualify within a particular time period, have exhausted

their regular unemployment insurance benefits, and who need this income support to participate in necessary retraining. Under the current grant, funds for these needs-related payments will cease to be available April 1, 2000. There were a number of aerospace workers who otherwise qualify but for whom funding is not available under the grant.

B. Local workforce investment councils. In August 1998, Congress enacted the Workforce Investment Act (WIA). The federal act repeals the Joint Training Partnership Act (JTPA) effective July 1, 2000, and amends other federal workforce development programs.

The act requires appointment of local workforce investment boards by local elected officials based on criteria set by the Governor and the state board. The local board is responsible for developing local plans and overseeing the local programs. The board recommends local providers of training services who must meet minimum criteria established by the Governor to be placed on an approved list of service providers. Training providers must meet certain performance criteria to maintain their eligibility as training providers. Local workforce investment boards must also assist in developing employment statistics.

Summary: I. Unemployment Insurance Taxes

A. Tax schedule determination. Effective beginning with 2000, the date for calculating the unemployment trust fund balance to use in determining the unemployment insurance tax schedule in the following rate year is changed from June 30 to September 30. In addition, the fund balance ratio intervals that will determine the tax schedule are changed as follows:

Tax Schedule	Fund balance ratio intervals	
	from	to
AA	2.9 and above	(no change)
A	2.5 to 2.89	2.1 to 2.89
B	2.1 to 2.49	1.7 to 2.09
C	1.7 to 2.09	1.4 to 1.69
D	1.3 to 1.69	1.0 to 1.39
E	1.1 to 1.29	0.7 to 0.99
F	under 1.0	0.7

Using this new method of calculation, schedule A remains in effect for 2000. (NOTE: The tax rates in the schedules are revised. See below.)

B. Tax rates. Effective beginning with 2000, the average tax rate in the various tax rate schedules is reduced by reducing the rates in classes four through 16. (For example: The rates in schedule A are reduced by approximately 5 percent. This change in the rates reduces the average tax rate for schedule A from 2.28 percent to 2.19 percent.) The rates in classes one through three and 17 through 20 are not changed.

The rates are further reduced to account for an offset tax established to fund the costs of administering a training benefits program. This tax is set at 0.01 percent of the taxable wage base, and is offset by reducing the rates in all the unemployment tax schedules, except for rate class

20, by the amount of the offset tax. This offset tax does not apply to employers in rate class 20 or to new employers not qualified to be in the tax array. The amount of the offset tax that exceeds the amount that would have been collected at a rate of 0.004 percent must be returned to the unemployment insurance trust fund.

C. Taxable wage base. For 2000, employers will pay unemployment taxes on the first \$24,300 of each employee's wages (the same as the wage base in 1999). For 2001 and beyond, the taxable wage base will be capped using an "average annual wage for contribution purposes" based on the average of the three previous years' wages.

D. Technical changes in the tax provisions. For 2000, the period of time for employers to file voluntary contributions is extended from February 15 to March 31. Other technical changes are made, including clarifying references to delinquent contributions and deleting obsolete provisions.

II. Unemployment Insurance Training Benefits Program

A training benefits program is established for dislocated workers who need retraining to reenter the job market. The program allows a qualified unemployed dislocated worker to receive additional unemployment insurance benefits while he or she is in retraining and making satisfactory progress toward completion of a training plan.

A. Eligibility requirements. Dislocated worker. To qualify, an unemployed individual must be a dislocated worker. A dislocated worker is someone who is unlikely to return to his or her previous employment because of a diminishing demand for his or her skills.

Work history. The individual must have worked in an occupation or with a particular set of skills for at least three of the last five years. This requirement does not apply to dislocated aerospace, timber, or fin fish workers until July 1, 2002.

Retraining necessary. The individual, through an assessment of his or her skills, must need job-related training to find suitable employment in his or her labor market. The assessment includes a determination that the individual's skills are not in demand in his or her labor market. Beginning July 1, 2001, this assessment must be substantially based on occupations and skills identified in local labor market areas by local workforce development councils in cooperation with the Employment Security Department.

Ineligibility. Individuals who are not eligible for training benefits include individuals on standby status who expect recall to their regular employer, individuals who have a definite recall date within six months of the date of layoff, and individuals unemployed due to regular seasonal layoffs.

Training plan. The individual must develop a training plan that is approved through the Employment Security Department and is submitted within 60 days of the individual's notification of the requirements of the training

benefits program. The individual must be enrolled in training on a full-time basis and must continue to make satisfactory progress toward completion of the training plan. The training must target skills in a high demand occupation and must include vocational training or courses needed as a prerequisite to that training. The training may not include courses primarily intended for completion of a baccalaureate degree.

B. Benefits. Duration of benefits. A qualified individual may receive up to 52 weeks of benefits that include any regular benefits to which he or she is entitled. Until July 1, 2002, aerospace, timber and fin fish workers may receive up to 74 weeks of benefits including their regular UI benefits. Any aerospace worker receiving needs-related payments under a National Reserve Grant may not receive training benefits until the needs-related payments terminate. The weekly benefit amount is the same as the amount the individual receives as regular UI benefits. An individual may qualify for this program only once every five years.

The Employment Security Department must verify that claimants for training benefits are eligible to work in the United States. By July 1, 2002, the department must develop and implement a method to determine eligibility to work in the United States for individuals seeking unemployment insurance benefits.

Limited to available funds. This program is subject to available funding. Funding is limited to \$60 million for the two fiscal years ending June 30, 2002, and the remainder of fiscal year 2000. Thereafter, the total amount that may be obligated from the Unemployment Insurance Trust Fund is \$20 million annually. Any unobligated amounts available in any given fiscal year may be carried over to the subsequent fiscal year and added to that year's \$20 million maximum. The Employment Security Department must develop a process to ensure that expenditures do not exceed available funds.

C. Study. The Workforce Training and Education Coordinating Board, in cooperation with the State Board for Community and Technical Colleges and the Employment Security Department, is directed to review the program and report to the Legislature by December 1, 2002. The review must include a demographic analysis of the participants, the duration of training benefits actually claimed per claimant, the type of training provided, each participant's subsequent employment and wage history, the impact of the program on employers' unemployment insurance contributions, and identification of administrative costs. The Employment Security Department must collect data on individuals who are disqualified and those who requalify for UI benefits. All demographic data is subject to the department's provisions regarding confidentiality.

D. Local workforce development councils. By July 1, 2001, local workforce development councils, in cooperation with the Employment Security Department, must identify occupations and skill that are declining and those

that are in high demand and update this identification regularly.

III. Requalification for Unemployment Insurance Benefits

Individuals who are disqualified from receiving unemployment insurance benefits for voluntarily quitting work without good cause, for being discharged for misconduct, or for refusing to accept suitable work may purge their disqualification by allowing a lapse of seven weeks, rather than five weeks, and by earning seven times his or her weekly benefit amount, rather than five times the weekly benefit amount.

Individuals who quit work to follow a spouse who changes employment to a different labor market area due to an employer-initiated mandatory transfer may establish this as a voluntary quit for good cause and may receive unemployment insurance benefits. If an individual quits work because of marital status or domestic responsibility, including quitting work to follow a spouse who voluntarily changes employment to a different labor market area, the individual is disqualified but may requalify by allowing a lapse of seven weeks, rather than five weeks, and by earning seven times his or her weekly benefit amount, rather than five times, or may report in person to a local job service office for 10 weeks that he or she is able to work and is seeking work.

IV. Legislative Task Force

A legislative task force of 15 members is established to review and recommend changes in the unemployment insurance system to the Legislature by December 1, 2000.

Votes on Final Passage:

House	96	1
Senate	48	0

Effective: February 7, 2000

SHB 3099

C 184 L 00

Concerning the issuance of state and local government bonds.

By House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Barlean, Murray, Reardon, Koster and Lovick).

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: Most of the construction or acquisition of capital facilities by state and local governments is financed by long-term debt instruments including revenue bonds, general obligation bonds, lease purchase agreements, and other contractual arrangements. All of these arrangements contain obligations to make payments on the amount borrowed plus interest. The interest rate, which is generally a fixed rate, is determined by the financial markets at the time the obligation is incurred.

In 1993 the Legislature authorized state and local governments with debt or annual revenues in excess of \$100 million to participate in swap agreements. Swaps are contracts in which the parties trade their respective interest payment obligations on a specified amount of debt for a specified period of time. The transactions virtually always involve trading a fixed rate obligation for a variable rate obligation. These swap agreements do not alter or impair the basic obligation to pay the bond holders. One party agrees to make the payments owed by the other party and vice versa for a given period of time. The advantages of such trades include long-term and short-term interest rate cost savings and stability of payment obligations.

The first authorization for swap agreements was limited to two years and expired in 1995. In 1995 the Legislature extended the authorization five additional years to June 30, 2000. Several local governments have used these agreements and have reported substantial savings to their debt management program.

Counties are authorized to create lake management districts for a period of up to ten years for the purpose of financing improvements and maintenance through special assessments. Any resolution or petition for the creation of a lake management district must include the proposed duration of the district.

Summary: The authority for state and local governments to use debt payment swap agreements is extended five years from June 30, 2000, to June 30, 2005. Debt payment agreements may continue to be used for restructuring government debt but may no longer be used for investing government funds.

The ten-year limit on the duration of lake management districts and the term of lake management district bonds is removed.

Votes on Final Passage:

House	96	0
Senate	44	0 (Senate amended)
House	98	0 (House concurred)

Effective: July 1, 2000

EHB 3105

C 240 L 00

Apportioning a sales and use tax for zoos, aquariums, wildlife preserves, and regional parks.

By Representatives McDonald, Lantz, Talcott, Bush, Campbell, Huff and Kastama.

House Committee on Finance

Background: In 1999 the Legislature authorized a county with a population between 500,000 and one million to submit to the voters a ballot proposition authorizing no more than a 1/10 of 1 percent local sales and use tax to generate revenues for zoo, aquarium, and

wildlife preservation and display facilities. A county may submit this proposition to voters only if the county receives a joint request for the ballot proposition from a metropolitan park district and a city with a population greater than 150,000.

If voters approve the ballot proposition authorizing the tax, the county is required to establish a zoo and aquarium advisory authority. In a manner consistent with any limitations in the local government agreement that initiates the tax, this authority expends revenues generated from the tax and may:

- acquire, construct, expand, improve, replace, repair, maintain and operate zoo, aquarium, and wildlife preservation and display facilities;
- participate in legal actions;
- contract with public or private facilities for such facilities or their operation; and
- fix rates and charges for use of such facilities.

Generally, the Department of Revenue deducts 1 percent of local sales and use taxes collected to cover the state's administrative costs. However, in the case of a local sales and use tax for zoo, aquarium, and wildlife preservation and display facilities, the Department of Revenue must collect the tax on a county's behalf at no cost to the county.

Summary: Upon the joint request of a metropolitan park district, a city with a population over 150,000, and the legislative authority of a county with a national park and a population between 500,000 and 1,500,000, a county must submit to the voters a ballot proposition authorizing no more than a 1/10 of 1 percent local sales and use tax. In a manner consistent with the joint request made, a ballot proposition must be worded to provide:

- 100 percent of the tax revenue for zoo, aquarium, and wildlife preservation and display facilities; or
- 50 percent of the tax revenue for zoo, aquarium, and wildlife preservation and display facilities and 50 percent of the tax revenue for parks located within the county.

If the option dividing the revenues into two 50 percent halves is chosen, then revenues from the first half are distributed to a zoo and aquarium advisory authority. Revenues from the second half dedicated to parks are distributed on a per capita basis to the following entities:

- the metropolitan park district (based on the of number of persons residing in the district);
- cities and towns not contained within the metropolitan park district (based on each city or town's respective population); and
- the county (based on the county's population in unincorporated areas, but excluding unincorporated areas located within the metropolitan park district).

Before expending any revenues received for parks, a county must establish a process to consider park needs throughout its unincorporated areas in consultation with

community advisory councils. A county cannot use any park revenues received to replace or supplant existing per capita funding. After December 31, 2005, the county and any city with a population over 80,000 must match every \$2 of park tax revenues received with a least \$1 from other sources.

Some park tax revenues also must be spent on properties (Fort Steilacoom) that are the subject of a memorandum of agreement between the Federal Bureau of Land Management, the Advisory Council on Historic Preservation, and the Washington State Historic Preservation Officer. Within the first four years of the tax, the county and the city in which the properties are located must spend at least \$100,000 of their park tax revenues on these properties. An additional \$50,000 from other revenue sources must also be spent on these properties. The total \$150,000 expenditure must be divided equally between the county and the city unless the county and city agree to other arrangements.

In lieu of a tax collection administrative fee, the Department of Revenue must deduct 1 percent of the tax revenues collected. This deduction must be made from the 50 percent half of revenues that are dedicated for parks. The deduction lasts for 12 years. The deducted revenues are to be transferred to the Department of Community, Trade and Economic Development (DCTED). The DCTED must use these revenues to provide community-based housing for persons who are mentally ill.

Votes on Final Passage:

House	93	3	
House	93	5	(House reconsidered)
Senate	36	10	

Effective: June 8, 2000

HB 3154

C 80 L 00

Modifying provisions concerning health insurance.

By Representatives Cody, Parlette, Conway, Clements, Campbell, Cairnes and Wood.

Background: Legislation passed during the 2000 legislative session modified standards governing health benefit plans, primarily in the individual market. Under this legislation, the Governor is authorized to appoint six of ten members of the Washington Health Insurance Pool Board. The Governor must select board members from a list of three names submitted by various statewide organizations.

The legislation permits health carriers to deny coverage for applicants based on a health questionnaire. Individuals who exhaust their health insurance coverage under the federal COBRA provisions are required to take this health questionnaire and be screened.

The basic health plan self-insurance reserve account is managed by the state investment board. The board is not

authorized to deduct investment and management fees from the account.

The federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 establishes standards insurance related to preexisting condition waiting periods. Each state insurance program and health insurance carrier must comply with these minimum federal standards.

Summary: In making appointments to the Washington Health Insurance Pool Board, if the Governor chooses not to select a name from the list submitted by the statewide organizations representing the members of the board, the Governor may request that the organizations submit additional names for the Governor's consideration.

Individuals exhausting their COBRA health coverage and applying for individual health insurance are not subject to a health questionnaire.

The state investment board may deduct investment and management fees from the basic health plan self-insurance reserve account.

Health carriers, the Washington State Health Insurance Pool, and the new product offered by the health care authority must all comply with HIPAA standards relating to preexisting conditions when serving consumers applying for health coverage.

Votes on Final Passage:

House	96	0
Senate	43	1

Effective: June 8, 2000

EHB 3169

C 2 L 00 E2

Strengthening the state expenditure limit and providing for timely deposits to the education construction fund.

By Representatives Barlean, Doumit, Huff, H. Sommers, D. Schmidt, Ruderman, Hankins, Edmonds, Alexander, Kenney, Schindler, Miloscia, Tokuda, Quall, Lantz, Linville, Fortunato, Boldt, Fisher, Edwards, Constantine, Romero, Scott, Keiser, Schual-Berke, McIntire, Kastama, Hatfield, Carlson, McDonald, Kessler, Ogden, Dunshee, Cooper, Wood, Regala, O'Brien, Stensen, Anderson, Wolfe, Morris, Veloria, Benson, Hurst, Rockefeller, Sullivan, Woods, Lisk, Parlette, Campbell, Talcott, Ballasiotes and Thomas.

House Committee on Appropriations

Background: Initiative 601, enacted by the voters in 1993, established a limitation on State General Fund expenditures. Adjustments to the limit may be made for several reasons. First, the limit increases each year by the fiscal growth factor, which is population growth added to inflation. Second, the initiative is also adjusted, or rebased, each year based on actual expenditures. In other words, if actual expenditures are less than the limit, the

amount of the expenditures, rather than the limit, is used to rebase the limit. Third, the limit may require adjustment if the moneys or programs are transferred from the general fund, or if the costs of a local government program are transferred to or from the state. In all cases, the adjustments are calculated by the Office of Financial Management (OFM), the Governor's budget agency. Each November, the OFM adjusts the expenditure limit and projects a new limit for the next two years.

I-601 requires that the expenditure limit be decreased if moneys are transferred from the State General Fund to another fund or account. The OFM has ruled that certain transactions constitute money transfers and thus require reduction to the general fund expenditure limit. For example, when the Legislature transferred \$29 million to the Flood Control Assistance Account in 1996, the expenditure limit was reduced.

On the other hand, some transactions have not been deemed to require a reduction of the expenditure limit. For example, when the state allowed local governments to take a credit against the state sales tax for the purpose of building baseball and football stadiums, the OFM concluded that the tax credits were not "money transfers" and did not require reduction of the limit.

Initiative 601's transfer provisions are a "one-way street." I-601 requires reduction of the state expenditure limit if moneys or programs are transferred *out* of the general fund, but it does not permit an increase of the limit if moneys or programs are transferred *into* the general fund.

The initiative also established the Emergency Reserve Fund, into which are deposited all State General Fund revenues that exceed the state expenditure limit. On a quarterly basis during each fiscal year, the State Treasurer deposits state revenues into the Emergency Reserve Fund based on the current state revenue projections.

If the amount in the Emergency Reserve Fund exceeds 5 percent of biennial general fund revenues, the excess amount is deposited in the Education Construction Fund, from which the Legislature may appropriate moneys for construction projects of the K-12 school system and higher education institutions. Moneys in the Education Construction Fund may be used for other purposes with a two-thirds vote of each house of the Legislature and voter approval.

Following the end of the fiscal year, if actual revenues are subsequently determined to differ from the projected revenues, the State Treasurer is not authorized to adjust deposits the amount in the Emergency Reserve Fund or the Education Construction Fund.

Summary: A newly established Expenditure Limit Committee, rather than the OFM, is responsible for making adjustments to the state expenditure limit. The committee consists of the director of the OFM, the State Attorney General, and the chairs of the Senate Ways & Means and the House Appropriations Committee. All actions of the committee require an affirmative vote of at least three

HJM 4022

members of the committee. If at least three members cannot agree, the State Attorney General makes the necessary adjustments and projections.

Transfers of money from the State General Fund are specifically defined to include legislative actions that have the effect of reducing revenues from a particular source that otherwise would have been deposited in the general fund while increasing the revenues from that source to another state or local government account. This change applies to state legislative actions taken after July 1, 2000.

The initiative's transfer language becomes a "two-way street." This permits upward as well as downward adjustments to the limit for money or program transfers. If the cost of a state program or function is shifted to the State General Fund, or if moneys are transferred to the general fund from another fund or account, then the limit must be increased.

The State Treasurer must make transfers between the State General Fund, the Emergency Reserve Fund, and the Education Construction Fund as necessary to reconcile actual state revenues and the state expenditure limit. This applies to deposits made in fiscal year 2000 and thereafter.

The Emergency Reserve Fund balance is limited to 5 percent of annual (instead of biennial) State General Fund revenues, which lowers the threshold at which moneys are deposited into the Education Construction Fund.

Votes on Final Passage:

First Special Session

House	95	3
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Second Special Session

House	88	9
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Senate	27	18
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Effective: July 1, 2000

HJM 4022

Requesting full funding for a vitrification treatment plant at the Hanford site.

By Representatives Delvin, Hankins, G. Chandler, B. Chandler, Mastin, Lisk, Grant, Linville and Mitchell.

House Committee on Agriculture & Ecology
Senate Committee on Energy, Technology & Telecommunications

Background: Sixty percent of the nation's nuclear waste is stored in aging tanks at the Hanford site, a 560-square mile area in southeastern Washington near Richland. The tank waste, which has been accumulating since 1944, is the result of producing plutonium for national defense. There are 177 underground storage tanks containing 54 million gallons of highly radioactive waste. Each tank is the size of a football field (300 feet by 160 feet) and 150 feet high.

On May 15, 1989, the U.S. Department of Energy, U.S. Environmental Protection Agency, and Washington Department of Ecology signed a comprehensive cleanup and compliance agreement for the cleanup of the Hanford site. The agreement was amended in October 1993 with a plan to use vitrification to solidify high-level and low-level waste stored in the tanks. Vitrification changes the form of waste from a leachable sludge into an immobile solid.

Facility construction for vitrification of low-activity waste was scheduled to begin in 1994, and facility construction for vitrification of high-level waste is scheduled to begin in 2002. The total cost of cleaning up the 177 underground storage tanks at Hanford is estimated at \$30.5 billion.

Summary: The President and Congress are asked to provide full funding as necessary to build the vitrification plant, retrieve waste from the tanks, feed waste into the plant, and dispose of the resulting glass logs.

Votes on Final Passage:

House	97	0
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Senate	47	0
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HJM 4026

Requesting a review of migratory bird predation on salmonid stocks.

By Representatives Doumit, Buck, Anderson, Sump, Eickmeyer, Hatfield and Schoesler.

House Committee on Natural Resources
Senate Committee on Natural Resources, Parks & Recreation

Background: The Migratory Bird Treaty Act of 1918 declares that all migratory birds and their parts are fully protected. The treaty is the domestic law that affirms or implements the United States' commitment to four international conventions (with Canada, Japan, Mexico, and Russia) for the protection of a shared migratory bird resource. The treaty has been amended many times. The Caspian tern is one of the migratory species protected under the treaty.

The largest colony of Caspian terns in the United States resides on an island formed by dredged spoils near Astoria, Oregon, called Rice Island. About 20,000 terns live on the two-mile long island. From this vantage point, the birds feast on young salmon migrating to the ocean. In 1998, the terns were thought to have eaten between 6 and 25 million salmon smolts, out of an estimated 100 million heading for the ocean. Scientists suggest that predation would not be a problem if salmon runs were stronger, but with listed species any stress can be serious.

Wildlife officials have been trying to relocate the birds by creating habitat on another island closer to the ocean. The effort seems to have had some success. Fifteen hundred terns have relocated from Rice Island to the other island. The goal is to relocate all of the terns. The initial project, which cost \$560,000, was paid for by the Bonneville Power Administration.

Summary: Washington is acknowledged as having invested a great deal of effort and funding to recover salmon populations. Predation by Caspian terns is viewed as a significant issue for recovery of listed fish species in Washington. The Migratory Bird Treaty Act of 1918 is viewed as ineffective in managing migratory bird predation on salmonids. Therefore, the President and Congress are asked to amend the Migratory Bird Treaty Act of 1918 to provide a more effective means to allow for the protection and restoration of salmonid populations.

Congress is also asked to fund joint federal and state research on migratory bird interactions with salmonids and to grant at least limited management authority for state and federal agencies to remove those migratory birds preying on listed fish stocks at areas of restricted fish passage. Congress is also urged to prohibit the relocation of predatory bird nesting areas that could result in shifting predation to salmonid stocks that need recovery in other areas.

Votes on Final Passage:

House	96	0
Senate	35	12 (Senate amended)
House	98	0 (House concurred)

The committee consists of 16 members, four members from each caucus in the House appointed by the Co-Speakers of the House, and four members from each caucus in the Senate appointed by the President of the Senate. The committee must be co-chaired by one member from the House and one from the Senate.

Votes on Final Passage:

House	98	0
Senate	47	0

SHCR 4428

Creating a joint select committee on veterans and military affairs.

By Representatives Conway, D. Schmidt, O'Brien, Campbell, Lovick, Miloscia, Talcott, Bush, Woods, Haigh, Radcliff, Kenney, Kessler, Rockefeller, Santos and Skinner.

House Committee on State Government

Background: A variety of military personnel reside in Washington including veterans, active military personnel, members of the National Guard, and members of the reserve. A variety of state agencies handle issues relating to military personnel including the Military Department and the Department of Veterans' Affairs.

Summary: The Joint Select Committee on Veterans and Military Affairs is created. The committee must examine and define issues and make recommendations to the Governor, the Legislature, and state agencies with respect to desirable changes in programs, laws, and administrative practices affecting veterans and military affairs before each legislative session.

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ESSB 5001

C 248 L 00

Authorizing hunting of cougar with the aid of dogs.

By Senate Committee on Natural Resources, Parks & Recreation (originally sponsored by Senators Morton, Deccio, Honeyford, T. Sheldon, Swecker, Hargrove, Rossi, Hochstatter, Oke and Rasmussen).

Senate Committee on Natural Resources, Parks & Recreation

House Committee on Natural Resources

Background: A prohibition on the hunting of cougar with dogs was approved by the voters with the passage of Initiative 655 on November 5, 1996. Currently, the Fish and Wildlife Commission is authorized to allow hunters to harvest cougar without the use of dogs.

Since the initiative was enacted, cougar populations, cougar sightings and incidents of cougar damage to livestock and pets have increased. Cougars have also attacked humans since the passage of the initiative.

Hunting cougar without the aid of dogs is difficult due to the cougar's secretive nature. Prior to the prohibition of cougar hunting with dogs, over 90 percent of the harvest of cougar was with the aid of dogs.

Summary: The provision of Initiative 655 that prohibits the hunting of cougar with dogs is repealed. The Fish and Wildlife Commission shall allow cougar hunting with dogs only if hunting is conducted within selected areas of game management units, no other practical alternative exists, specific public safety needs must be addressed, the department adopts rules regulating cougar hunting with dogs, and confirmed cougar/human safety incidents or depredations have occurred.

The director may not authorize removal of black bear, cougar, bobcat or lynx for scientific purposes. Cougar, black bear or bobcat may be killed in order to protect threatened or endangered species.

Votes on Final Passage:

Senate	31	13
House	62	36 (House amended)
Senate	35	10 (Senate concurred)

Effective: March 31, 2000

ESB 5152

C 23 L 00

Clarifying who are appointed personnel for the purpose of public employees' collective bargaining.

By Senators Kline, Fairley, Costa, Gardner and Goings.

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

Background: In 1999, deputy prosecutors were represented by collective bargaining units certified by the Public Employment Relations Commission (PERC) in six counties in Washington. The first union representation of deputy prosecutors began in 1982.

The state Supreme Court recently ruled that deputy prosecutors are appointed personnel and at-will employees who do not meet the definition of a public employee under the state's public employees' collective bargaining statute.

Summary: The definition of a public employee is changed in the public employees' collective bargaining statute to: (1) clarify that those appointed to office by a public employer are not public employees if their appointment is to a board, commission, or committee; and (2) specify that court commissioners or magistrates are not public employees. Elected prosecuting attorneys may not alter the at-will employment of deputies beyond the elected prosecutor's term of office.

Votes on Final Passage:

Senate	44	0
House	94	3

Effective: June 8, 2000

SSB 5330

C 117 L 00

Treating active duty military personnel as residents for purposes of higher education tuition.

By Senate Committee on Higher Education (originally sponsored by Senators Brown, Goings, Franklin, Patterson, Eide, B. Sheldon, Winsley, Costa, Oke, Bauer and Rasmussen).

Senate Committee on Higher Education
House Committee on Higher Education
House Committee on Appropriations

Background: The level of tuition required of active duty military personnel, their spouses, and their dependents has been debated in the Legislature a number of times. In 1971, the statutes defining resident and nonresident students were consolidated; the nonresident differential was waived for active duty military and other groups. In the early 1980s, the tuition waiver programs were reviewed to determine whether or not to continue those not based on financial need. In 1982, the waiver of the nonresident fee differential was repealed for the military as a means of generating additional general fund revenue. Projected revenue did not materialize, and in 1984, the waiver was reenacted.

Upon the recommendation of the Higher Education Coordinating Board, the 1992 Legislature made all tuition waiver programs permissive and variable. The community college system chose to grant partial waivers to all

students in all waiver categories. Each of the four-year institutions has developed its own methodology for granting the variable and permissive waivers.

In 1993, the Legislature included in the definition of "resident student" the spouses and dependents of active duty military personnel stationed in Washington—thus allowing them to pay tuition and fees at the resident student level. At that time, the active duty military personnel remained in the nonresident category and remained eligible for the permissive and variable waiver of the nonresident tuition differential.

Currently, active duty military who attend college are partially reimbursed by the armed forces. Each military branch reimburses its members for 75 percent of tuition, up to \$125 per quarter hour or \$187.50 per semester hour. There is a cap of \$3,500 per member, per year.

Summary: Active duty military personnel stationed in Washington are included in the definition of "resident student" and pay tuition and fees at the resident student level.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: June 8, 2000

June 30, 2002 (Section 2)

SSB 5366

C 140 L 00

Changing scoring criteria for veterans' employment examinations.

By Senate Committee on State & Local Government (originally sponsored by Senators Patterson, McCaslin, Oke, Horn, Goings and Bauer).

Senate Committee on State & Local Government
House Committee on State Government

Background: In all competitive examinations for state and local public employment, veterans are given a preference status by adding to the passing grade, based upon a rating of 100 points, the following: (1) 10 percent to a veteran who is not receiving any retirement payments; (2) 5 percent to a veteran who is receiving veterans retirement payments; and (3) 5 percent to a veteran who, after previous state or local public employment, is called or recalled to active military service for a period of at least one year during any period of war, for a first promotional examination only.

These examination preferences must be claimed by a veteran within eight years of the date of his or her release from active service.

Summary: In all competitive examinations for state and local public employment veterans, are given a scoring criteria to be added to a passing score, based on a rating of 100 points: (1) 10 percent to a veteran who served during

a period of war or in a hostile environment and who does not receive military retirement pay; (2) 5 percent to a veteran who did not serve during a war or in a hostile environment or is receiving military retirement pay; (3) 5 percent to a veteran who was called to active duty for one year or more from state or local public employment. This percentage is added to the first promotional exam only.

Veterans' scoring criteria must be claimed within 15 years of release from active service, unless a valid and extenuating reason arises including, but not limited to: (a) documented medical reasons beyond the control of the veteran; (b) any Veterans' Administration documented disabled veteran; or (c) any veteran who loses his job, without fault, and whose livelihood is adversely affected may seek preference employment consideration.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: June 8, 2000

SSB 5408

C 224 L 00

Creating a state medal of valor.

By Senate Committee on Ways & Means (originally sponsored by Senators Benton, Hale, Shin, Winsley, Patterson and Rossi).

Senate Committee on Ways & Means
House Committee on State Government

Background: In 1986, the state of Washington established a decoration of the State Medal of Merit with accompanying ribbons and appurtenances for award by the Governor, in the name of the state, to any person who has been distinguished by exceptionally meritorious conduct in performing outstanding services to the people and state of Washington, upon the nomination of the Governor's State Medal of Merit Committee.

No similar state decoration exists to reward one who has saved, or attempted to save, the life of another at the risk of serious injury or death to himself or herself.

Summary: The decoration of the State Medal of Valor is established. The medal may be awarded by the Governor, in the name of the state, to any person who saved, or attempted to save, the life of another at the risk of serious injury or death to himself or herself, upon the selection of the Governor's State Medal of Valor Committee.

A State Medal of Valor Committee is created for selecting honorees for the award of the State Medal of Valor. The committee membership consists of the Governor, President of the Senate, Speaker of the House of Representatives, and the Chief Justice of the Supreme Court, or their designees. The Secretary of State serves as a nonvoting ex-officio member and serves as the secretary to the

committee. Any individual may nominate any resident of this state for any act of valor.

The award is presented to the recipient only during a joint session of both houses of the Legislature. The State Medal of Valor may be awarded posthumously. The medal cannot be awarded to those acting as a result of service given by any branch of law enforcement, fire fighting, rescue, or other hazardous profession where the individual is employed by a government entity within the state of Washington.

The decoration of the State Medal of Valor and the certificate accompanying the medal are specified.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: June 8, 2000

SSB 5518

C 137 L 00

Establishing a youth athletic facility account to help fund community outdoor athletic facilities.

By Senate Committee on Natural Resources, Parks & Recreation (originally sponsored by Senators Jacobsen, Eide, Goings and Winsley).

Senate Committee on Natural Resources, Parks & Recreation

House Committee on Local Government

Background: Public outdoor athletic fields lack a central source of funding and support. The growth and urbanization Washington has been experiencing has put increased demands on the state's outdoor athletic fields. There is a perceived need for a permanent funding source and source of support to help communities better keep and build more outdoor athletic fields.

Summary: No or low interest loans, not just grants, are authorized to be made from the youth athletic facilities account for community outdoor athletic facilities.

Votes on Final Passage:

Senate	44	0
House	97	0 (House amended)
Senate	45	0 (Senate concurred)

Effective: June 8, 2000

SSB 5590

C 63 L 00

Expanding the health professionals who may request administration of oral medication at school.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Thibaudeau, Deccio,

Wojahn and Winsley; by request of Superintendent of Public Instruction).

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

Background: Public and private schools provide oral medications to students during the school day according to requirements set forth in federal and state law.

Schools administer oral medications to students upon the acquisition of such a request from parents, accompanied by instructions, with proper identification of the medication to be administered and a means for safekeeping the medication.

Under current state law, schools can only honor requests for oral medications if they come from a licensed physician or dentist.

There is an increasing number of school age children who receive prescriptions from physicians assistants and advanced registered nurse practitioners. Current law does not allow for prescriptions written by these practitioners to be accepted in schools for the purposes of administering oral medications to students.

Summary: Public and private schools may administer oral medications to students if the request for medication comes from any licensed health professional prescribing within the scope of their prescribing authority.

Votes on Final Passage:

Senate	44	0
House	98	0

Effective: June 8, 2000

2ESSB 5610

C 131 L 00

Authorizing the director of the department of licensing to impose a civil penalty for a violation of chapter 46.70 RCW.

By Senate Committee on Transportation (originally sponsored by Senators Prentice, Finkbeiner, T. Sheldon and Costa).

Senate Committee on Transportation
House Committee on Transportation

Background: Current Washington law requires vehicle dealers selling either new or used vehicles to obtain a dealer's license from the Department of Licensing (DOL). DOL is charged with the duty to regulate those vehicle dealers licensed in the state of Washington. As well, Washington law prohibits vehicle dealers from engaging in unlawful acts and practices, such as false or deceptive advertising, odometer fraud, and failure to comply with applicable warranties.

The director of DOL is authorized to issue a cease and desist order against those persons who have engaged, or are about to engage, in an act or practice violating Wash-

ington's vehicle dealer laws. Reasonable notice and an opportunity for a hearing are required.

A person or firm engaged in buying and offering for sale or buying and selling five or more vehicles in a 12-month period without a valid vehicle dealer license is guilty of a gross misdemeanor, subject to a fine of up to \$5,000 per violation and one year in jail. Such conduct is considered a deceptive practice and is a per se violation of the Consumer Protection Act.

Motor vehicle dealers who transact business by consignment must obtain a consignment contract to sell the vehicle. Once the vehicle's title has been delivered to the purchaser of the vehicle, the dealer must pay the amount due the consignor within 10 days of the sale. Currently, some contracts require payment within 15 days.

Summary: The director of DOL is authorized to issue a civil penalty, not to exceed \$1,000 for each violation, against those persons found by the director to be selling five or more vehicles within a year without a valid dealer's license. Reasonable notice and an opportunity for a hearing are required. The civil penalty is due 10 days after issuance of final order. The sale of farm vehicles or equipment, if used for farming purposes, and sold by a farmer, is not a violation under this bill. The sale of cars that are 30 years old or older are exempt from the definition of curbstoning.

Motor vehicle dealers who transact business by consignment must obtain a consignment contract to sell the vehicle. Once the vehicle's title has been delivered to the purchaser of the vehicle, the dealer must pay the amount due to the consignor within 20 days after the sale of the vehicle.

Votes on Final Passage:

Senate	47	1
House	90	8 (House amended)
Senate	42	1 (Senate concurred)

Effective: June 8, 2000

ESB 5667

C 151 L 00

Increasing the number of untaxed complimentary tickets available for boxing, kickboxing, martial arts, and wrestling.

By Senators West and Heavey.

Senate Committee on Commerce, Trade, Housing & Financial Institutions
House Committee on Commerce & Labor

Background: Promoters of sporting events such as wrestling, boxing, or martial arts must pay a 5 percent tax on the gross receipts of these events. These taxes are paid to the Department of Licensing and immediately deposited into the state general fund. Complimentary tickets are

subject to the 5 percent tax to the extent they exceed the limit for untaxed tickets. Untaxed complimentary tickets are limited to 5 percent of the total tickets sold per event, but not to exceed 300 tickets. Complimentary tickets may be given away to promote events through radio, television, and other promotional giveaways.

The department supervises and controls wrestling, boxing, or martial arts events to ensure the safety and welfare of the participants. For certain events, the department may deny, revoke, or suspend a license to promote, conduct or hold these events for cause.

Summary: The untaxed complimentary tickets for events such as wrestling, boxing, and martial arts are limited to 10 percent of the total tickets sold per event, but not to exceed 1,000 tickets. The term "for cause," for purposes of denying, revoking or suspending an event license, is modified to specifically include concern for the safety and welfare of the participants.

Votes on Final Passage:

Senate	45	0
House	80	17

Effective: June 8, 2000

SB 5739

C 133 L 00

Preparing certificates of death or fetal death.

By Senators Thibaudeau and Deccio.

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

Background: Currently the Washington Administrative Code authorizes physician's assistants to sign and attest to death certificates. The Administrative Code also gives an advanced registered nurse practitioner-certified midwife the authority to certify death or fetal death. These responsibilities, however, are not currently reflected in the Revised Code of Washington's provisions regarding death certificates.

Summary: A funeral director or person in charge of interment may present a certificate of death to a physician's assistant or an advanced registered nurse practitioner to certify death or fetal death when he or she is the last person in attendance of the deceased.

Votes on Final Passage:

Senate	44	0
House	98	0 (House amended)
Senate		(Amendment ruled beyond scope)
House	98	0 (House receded)

Effective: June 8, 2000

2SSB 5802
PARTIAL VETO
 C 238 L 00

Regulating telecommunications contractors and installations.

By Senate Committee on Ways & Means (originally sponsored by Senators Fairley, Hochstatter, Honeyford, Spanel and Franklin).

Senate Committee on Ways & Means

Background: Wires and equipment that use, conduct, or operate on electrical current must conform to the state's electrical code. The Department of Labor and Industries regulates electrical wires and equipment through a permitting and inspection process.

In 1998, the Governor vetoed legislation exempting noncomposite fiber optic cables and persons working with structured communications cabling. The Governor's veto expressed concerns about safety and the scope of the exemption. In response the department convened an advisory committee of stakeholders to develop a new approach.

Summary: A telecommunications contractor license is required to install or maintain a telecommunications system, with limited exceptions. A telecommunications contractor must appoint a certified telecommunications administrator to be responsible for compliance with installation codes, obtaining permits and scheduling inspections. A surety bond or a cash deposit filed with the department is also required in case the contractor fails to meet any obligations arising out of the contractor's installation or maintenance of telecommunication systems. A contractor is required to maintain insurance or file an assigned account to cover injury or damage to property or individuals.

Permits and inspections are required for most non-residential installations. The composition of the electrical board is changed to include telecommunications specialists. The board is authorized to settle disputes over methods of installation or maintenance of telecommunications materials and equipment. The board is also authorized to review and reverse any license or certificate suspensions or revocations, or penalties imposed by the department for violations of its telecommunications regulations.

Violations of the licensing and regulatory provisions of the bill may result in a minimum \$100 penalty and a maximum \$10,000 penalty. Noncompliance with requirements may result in the revocation or suspension of a contractor's license or administrator's certificate. Cities or towns may enact and enforce telecommunication standards that are equal to, higher than, or better than the department's and disputes with the department over such standards are subject to arbitration.

Votes on Final Passage:

Senate	38	10
House	98	0

Effective: June 8, 2000

Partial Veto Summary: The Governor vetoed section 203 which expressed the Legislature's intent that the department administer the act without expanding its oversight of telecommunications projects, through regulations, beyond the expressed authority granted by the act.

VETO MESSAGE ON SB 5802-S2

March 30, 2000

*To the Honorable President and Members,
 The Senate of the State of Washington*

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 203, Second Substitute Senate Bill No. 5802 entitled:

"AN ACT Relating to telecommunications contractors and installations;"

This bill requires that contractors and installers who work with fiber optic cables and other telecommunications cabling be licensed and bonded, and that their work be inspected.

Section 203 of the bill states that "[i]t is the further intent of the legislature that the delegation of authority to the director and the board under chapter ..., Laws of 2000 (this act) be strictly limited to the minimum delegation necessary to administer the clear and unambiguous directives under chapter ..., Laws of 2000 (this act)..." . This language is vague and ambiguous, and the bill provides no definition of "minimum delegation necessary."

I strongly believe that regulations should not be burdensome, and should be as minimal and as streamlined as possible. However, I have grave concerns about this language. The Department of Labor and Industries, which is charged with implementing this law, will need maximum flexibility to apply the law effectively in a rapidly changing industry. How section 203 would limit the department's authority is very unclear, and it could have led to unnecessary legal challenges.

For these reasons, I have vetoed section 203 of Second Substitute Senate Bill No. 5802.

With the exception of section 203, Second Substitute Senate Bill No. 5802 is approved.

Respectfully submitted,



Gary Locke
 Governor

SSB 5805

C 64 L 00

Completing the prescriptive authority of advanced registered nurse practitioners.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Thibaudeau, Prentice, Deccio, Kohl-Welles and Costa).

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

Background: Advanced registered nurse practitioners (ARNPs) are registered nurses with formal specialized training which qualifies them to function more independently than a registered nurse in a variety of health care specialities. ARNPs may have specialities in such areas as pediatrics, geriatrics, midwifery, anesthesiology, neonatology. They must maintain a current certification in their specialized field in order to practice independently.

ARNPs have authority to prescribe legend drugs and controlled substances contained in Schedule V of the Uniform Controlled Substances Act, Chapter 69.50 RCW. ARNPs are required to have 30 hours of education in pharmacotherapeutics related to their scope of specialized and advance practice. All ARNPs, except nurse anesthetists, are prohibited from prescribing schedules I through IV. Certified registered nurse anesthetists may prescribe schedule II through IV drugs limited to those drugs which are to be directly administered to patients who require anesthesia.

In 1991 legislation proposed expanding the authority of ARNPs to prescribe schedules II through IV. The Department of Health conducted a sunrise review to analyze issues of health and safety related to this request.

Summary: Advanced registered nurse practitioners are given expanded prescriptive authority to include schedules II through IV drugs of the Uniform Controlled Substances Act. ARNPs may order or prescribe these drugs under joint practice arrangements and collaboration with a physician or osteopathic physician.

The Medical Quality Assurance Commission, the Board of Osteopathic Medicine and Surgery, and the Nurse's Quality Assurance Commission are directed to jointly adopt a process and criteria to implement the joint practice arrangements.

The dispensing of schedules II through IV controlled substances is limited to a maximum of a 72-hour supply of the prescribed controlled substance.

Votes on Final Passage:

Senate	44	0
House	98	0

Effective: June 8, 2000
July 1, 2000 (Sections 1-3)

SSB 5924

C 249 L 00

Modifying real estate appraiser laws.

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Jacobsen, Honeyford and Gardner).

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

Background: All real estate appraisals for federally-related transactions must be performed by state-licensed or state-certified real estate appraisers. The Washington Certified Real Estate Appraiser Act, administered by the Department of Licensing, was enacted to allow Washington appraisers to perform appraisals for federally-related transactions. The Federal Financial Institutions Examination Appraisal Subcommittee closely monitors state appraiser certification and licensing agencies to ensure their compliance with federal laws.

In addition to federal requirements, Washington law allows only state-certified and state-licensed appraisers to appraise real estate in Washington for compensation. There are limited exceptions to this law. The levels of certification for Washington appraisers are state-certified general real estate appraisers, state-certified residential real estate appraisers, and state-licensed real estate appraisers.

A real estate advisory committee, appointed by the director of the department, gives certain advice and recommendations to the director.

Summary: A real estate appraiser commission is created to give advice and recommendations to the director and to approve rules. The Governor-appointed commission consists of members from the east and west of the Cascades, at least two certified general real estate appraisers, at least two certified residential real estate appraisers, at least one licensed real estate appraiser, at least one person engaged in mass appraisals for tax purposes, an employee of a financial institution, and a member of the general public. The members of the commission have the duty and responsibility to meet at the call of the director, the commission chair, or the majority of its members; to adopt a mission statement; to act as a liaison; and to study and recommend changes to the director or the Legislature.

Votes on Final Passage:

Senate	35	8
House	67	30 (House amended)
Senate	45	1 (Senate concurred)

Effective: June 8, 2000

SSB 5932

C 65 L 00

Changing provisions relating to bond debt service payments from the community and technical college capital projects account.

By Senate Committee on Ways & Means (originally sponsored by Senators Loveland, Bauer, Rossi, West, Hale and Rasmussen).

Senate Committee on Ways & Means
House Committee on Capital Budget

Background: Students at public institutions of higher education pay building fees as a part of their tuition and fees. Since academic year 1995-96, building fees have been a percentage, as calculated by the Higher Education Coordinating Board, of total tuition fees. These fees are used to finance capital construction projects either through direct expenditures of available funds or by pledging the ongoing revenue as security for general obligation bond indebtedness.

When building fees at community colleges failed to meet principal and interest payments on these bonds, the state general fund provided a loan to meet payment obligations with the statutory intention that the general fund be repaid when sufficient building fees revenue became available.

Community college building fees revenue is now available for several reasons: (1) there are more students in the system, thus more building fees revenue is available; and (2) since academic year 1995-96, building fees have been a percentage of total tuition fees and the building fee charge is increasing proportionately.

Summary: The provision that building fees repay the general fund for principal and interest for payment on general obligation bonds secured by building fees is repealed.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: March 22, 2000

SB 6010

C 152 L 00

Creating operating fees waivers not supported by state general fund appropriations.

By Senators West, Jacobsen and Sheahan.

Senate Committee on Higher Education
House Committee on Higher Education
House Committee on Appropriations

Background: Washington institutions of higher education are authorized to waive all or a portion of students' tuition, up to a limit specified in statute. The amount of

waived tuition, up to the fixed limit, will be reimbursed by the state general fund.

RCW 28B.15.910 lists the maximum percentage of total tuition revenue that may be waived for each public four-year institution and the community college system as a whole. Tuition that is waived up to these limits is reimbursed to the institutions from the state general fund. The following list outlines the maximum percentage of tuition that may be waived: University of Washington, 21 percent; Washington State University, 20 percent; Eastern Washington University, 11 percent; Western Washington University, 10 percent; Central Washington University, 8 percent; The Evergreen State College, 6 percent; the community colleges as a whole, 35 percent.

The recipients of these waivers are listed in statute, and include but are not limited to selected veterans and military employees, unemployed or underemployed persons, students demonstrating need, resident graduate service appointments, and residents of states with reciprocity agreements with Washington.

Summary: Institutions may offer additional waivers for any student. The authority to waive a portion or all of tuition for students above the established limits is created. There is no state general fund support for these additional waivers.

Waivers granted by a community college or a technical college will be in accordance with state board policy. The institutions must prepare a report on the costs and benefits of waivers granted under this act and submit it to the Legislature every two years.

Votes on Final Passage:

Senate	47	0
House	98	0 (House amended)
Senate	45	0 (Senate concurred)

Effective: June 8, 2000

SSB 6062FULL VETO

Providing a sales and use tax deferral for natural gas-fired energy generating facilities sited in rural areas.

By Senate Committee on Ways & Means (originally sponsored by Senators Gardner, Spanel, West and Oke).

Senate Committee on Ways & Means

Background: The sales tax is imposed on retail sales of most items of tangible personal property and some services. The state tax rate is 6.5 percent and is applied to the selling price of the article or service. In addition, local sales taxes apply. The total tax rate is between 7 percent and 8.6 percent, depending on location.

In 1999 the various categories of "distressed counties" were consolidated into a single category based on population density. Counties with 100 persons per square mile

E2SSB 6067

or less are now considered to be "rural." Businesses in these counties are eligible for sales tax and B&O tax incentives. In addition to the business tax incentives, rural counties are allowed to impose a 0.8 percent local sales tax credited against the state sales tax.

Summary: A sales and use tax deferral is provided for the plant and equipment expenditures of a natural gas fired electric generating facility. To be eligible, the facility must be located in a "rural" county and be at least 600 megawatts.

The deferral becomes an outright exemption if the facility stays in operation for at least eight years. (If the facility is in operation for less than eight years, then a sliding scale determines the amount of deferred taxes owed.) The deferral expires July 1, 2002.

Votes on Final Passage:

Senate	40	8
House	69	29
House	67	31 (House reconsidered)

First Special Session

Senate	36	5 (Senate overrode Governor's veto)
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VETO MESSAGE ON SB 6062-S

March 31, 2000

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6062 entitled:

"AN ACT Relating to sales and use tax deferral for natural gas-fired energy generating facilities sited in rural areas;"

Substitute Senate Bill No. 6062 would have provided a sales and use tax exemption on the construction of, and purchase of machinery and equipment for, natural gas-fired combined cycle electrical generating facilities of 600 megawatts or more. In particular, this bill was targeted toward the construction of a proposed power plant in Sumas.

The Energy Facility Site Evaluation Council (EFSEC) must approve any power plant that might have taken advantage of the tax incentives created by this bill, before it can be built. The EFSEC process requires that the governor make the final decision whether an energy facility may be built on the proposed site. It is important for me to emphasize that in vetoing this bill, I make no statements about the environmental impact or suitability of the proposed Sumas plant or any other power plant, currently proposed or to be proposed in the future. It would be inappropriate for me to prejudge any project.

If any decisions on power plant construction reach my desk through the EFSEC process, I will very carefully and fairly evaluate them on their merits, according to the standards required by the EFSEC statute, with the complete record before me. This bill is premature. If the Sumas power plant receives an EFSEC permit, there will be opportunities then to revisit the appropriateness of tax exemptions for its construction.

I strongly support the development of economic opportunities for rural areas and additional energy generating capacity for our state. However, the strategy employed by this bill was not the most effective or efficient use of tax dollars. If built, the proposed Sumas plant will create only 25 permanent jobs at a cost of approximately \$24 million in tax exemptions.

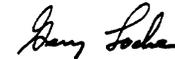
Tax exemptions should be used judiciously with the objective of attaining the greatest return on the state's investment. This entails targeting projects that provide a significant number of

jobs and stimulate economic activity in other sectors of our economy. Our existing sales tax exemption program for rural areas requires the creation of one new full-time job for every \$750,000 of capital investment. By applying this model to the proposed Sumas plant, for example, 467 new full-time jobs would have to be created, based upon the \$350 million estimated cost of the project.

Tax exemptions should continue to be used as a tool to encourage private sector investment in clean energy alternatives that may not yet be sufficiently profitable to attract private sector investment, and for other types of projects, including some natural gas power plants that will create large numbers of jobs and have substantial economic benefit.

For these reasons, I have vetoed Substitute Senate Bill No. 6062 in its entirety.

Respectfully submitted,



Gary Locke
Governor

E2SSB 6067

C 79 L 00

Modifying provisions concerning access to individual health insurance coverage.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senator Thibaudeau).

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

Background: As in other states, most people in Washington who receive their health insurance through the private market do so through their employer in what is referred to as the group market. However, those who are not provided coverage by their employer must get insurance in the individual market. Approximately 200,000 to 250,000 state residents are currently insured through the individual market. There are also approximately 600,000 people without health insurance in the state for whom the individual market could potentially be a source of insurance.

Health plans in the individual market are governed by a set of state standards, many of which have been placed in statute or adopted in administrative rule since 1992. Among these are laws which: (1) prohibit a person from being denied enrollment in any individual health plan, regardless of his or her health status; (2) allow no more than a three-month waiting period for the coverage of any pre-existing condition; (3) require that, under certain conditions, these waiting periods be waived for persons moving between plans; and (4) guarantee that once a person enrolls in a plan, that plan, or one with similar benefits, will be available to them on an ongoing basis.

Health carriers are also required by law to include certain benefits in any health plan that is sold. In general, maternity services and prescription drug benefits are not among those items which state law mandates be covered. However, any carrier which offers coverage in the individ-

ual market must offer at least one plan modeled after the state's Basic Health Plan. This plan does include maternity services and prescription drug benefits.

The premiums charged for individual health plans are also governed by state law. In general, it provides that "the benefits be reasonable in relation to the amount charged." In applying this standard to health maintenance organizations and health care service contractors, the Insurance Commissioner reviews requests for rate increases and disapproves those where the rate is based on a "loss ratio" (the percentage of premiums paid out in medical claims) of less than 80 percent. For disability insurers, the loss ratio standard is 60 percent. Rate denials may be appealed, but such appeals are handled through an internal appeals process, not by the Office of Administrative Hearings.

Between 1993 and 1995, enrollment in the individual market expanded by 40 percent. However, at the end of this period, carriers began reporting significant individual market losses, and rates began to increase. Within the past year, the three major carriers in the individual market, citing such losses, decided to no longer sell individual plans. Currently, commercial individual coverage is not available to new enrollees in 30 of the state's 39 counties.

The explanation for the market's behavior includes many complex factors. Some suggest that new enrollees entering the market under the existing standards tend to use more health care services, and claims submitted to carriers have increased. Generally, as rates increase without incentives for healthy people to maintain continuous coverage, the possibility exists that adverse selection will occur, where healthy people who least expect to need expensive care choose not to have health coverage, or choose to enter the market only when needing major medical care and dropping coverage after receiving medical treatment.

The Washington State Health Insurance Pool (WSHIP) was created in 1988 to provide a fee-for-service product at 150 percent of average rates for individuals who had been denied "substantially equivalent" coverage by a carrier, usually because of serious medical conditions. In 1997, WSHIP was directed to develop a managed care product to be available at 125 percent of the average. But because coverage could no longer be denied by carriers, WSHIP had been essentially dormant since 1993. In the summer of 1999, however, WSHIP eligibility was expanded to allow anyone residing in an area of the state without commercial individual coverage to enroll. It now provides coverage to approximately 1400 people. Any new entrants into the pool are subject to a three-month preexisting condition waiting period.

WSHIP is administered by a private insurer according to state specifications and is partially subsidized through an assessment on insurers. A board of directors, comprised mainly of insurance carriers, oversees its operation.

The Washington Basic Health Plan (BHP) is a state-sponsored health insurance program for any Wash-

ington resident who is not eligible for Medicare and not institutionalized at the time of enrollment. Every enrollee pays a monthly premium based on income, age, family size, and the health plan they choose. The state helps pay part of the premium for members who meet income guidelines.

The BHP is administered by the state Health Care Authority (HCA). It solicits bids from private health carriers to cover both subsidized and non-subsidized enrollees. Currently, there are about 128,500 persons whose enrollment in the BHP is subsidized, and 3,000 persons whose enrollment is not.

The enabling statute directs the BHP to provide coverage through contracts with "managed care health systems," defined to include organizations that provide health care services on a pre-paid capitated basis. The HCA is not authorized to self-insure the BHP.

It is becoming increasingly difficult for the HCA to provide BHP coverage in some areas of the state, particularly rural counties, and it is suggested that giving the HCA more flexibility in BHP program design may help alleviate this problem. In addition, there is concern that the problems in the state's individual market, which have dramatically affected the unsubsidized program, could also threaten the subsidized program since the two programs are bid together.

Summary: The standards governing health benefit plans, primarily in the individual market, are changed as follows:

Each year, carriers as a whole may deny enrollment to up to 8 percent of those who apply for individual health plan coverage. The denial must be based on the results of a standard health questionnaire developed by the board of the WSHIP. Anyone denied coverage by a carrier may enroll in the WSHIP.

New enrollees in individual health benefit plans, or group plans for 50 persons or less, may be subject to a preexisting condition waiting period of no more than nine months. Prenatal care may not be subject to any waiting period in the individual market. The preexisting condition waiting period for pregnancy in group plans must comply with the federal Health Insurance Portability and Accountability Act.

A person moving between individual plans will receive credit for any "time served" against any preexisting condition waiting period if the plan to which he or she is moving includes benefits which are equal to or greater than the plan from which he or she is moving. However, in most cases, the person can be required to take the health questionnaire and possibly be referred to WSHIP. Exceptions to this are provided for a person who moves, or who switches plans to follow his or her doctor.

Once enrolled in a health plan, a person must be allowed to renew coverage in that plan, or, if that plan is discontinued, in any other plan offered to individuals by his or her health carrier. In such cases, they may not be

required to take the health questionnaire. Carriers must give 90 days notice of the discontinuation of any plan.

The requirement that health carriers in the individual market offer the BHP model plan is removed. However, carriers are required to provide coverage of maternity services and at least a \$2,000 prescription drug benefit in any comprehensive individual policy.

For purposes of establishing rates, a loss ratio standard of 74 percent minus the premium tax percentage rate (currently 2 percent) is set in statute. Carriers are allowed to charge rates in the individual market as long as they are targeted to this loss ratio. If, in the following year, it is determined that the carrier's actual loss ratio was lower than the loss ratio standard, the carrier must remit the difference to WSHIP. Any appeals of rate review issues is presided over by an administrative law judge from the Office of Administrative Hearings.

The Washington State Health Insurance Pool is changed as follows: A person may receive coverage through the pool if: (1) he or she applied for individual coverage from a carrier, but did not get coverage as a result of the health questionnaire; (2) no private individual comprehensive plan is being marketed in his or her county, and he or she applies directly to the pool; or (3) he or she applied for Medicare supplemental coverage and was denied.

Premiums for pool coverage are set at 150 percent of the average market rate of comparable individual insurance for the fee-for-service plan, and 125 percent of that rate for a care management plan. Reduced premiums are provided for those who have been in a comprehensive plan for 18 months or more prior to their being screened into WSHIP. A tenure discount, and discounts for those aged 50-64 whose family income is below 301 percent of the federal poverty level, are provided. The latter discounts are dependent on state funding.

In addition to health carriers, stop loss insurers and the state Health Care Authority (only for purposes of the Uniform Medical Plan) are added as members of the pool against whom assessments are made to cover the pool's losses. Both, however, are assessed at a lower rate than other carriers. A fund is also established into which state dollars may be appropriated. The fund is drawn upon to cover pool losses only if the assessments required of pool members reach 70 percent per insured person per month.

The pool board of directors is reconfigured to include a total of 10 members, six of whom are appointed by the Governor and four of whom are appointed by the carriers. The Insurance Commissioner is a nonvoting member.

The preexisting condition waiting period in WSHIP is changed from three to six months.

To the extent state funds are specifically provided for this purpose, the Health Care Authority is directed to offer a catastrophic-type health plan. The plan is to be available to any person who resides in a county where no comprehensive private individual coverage is offered, until such coverage is offered.

The subsidized and the unsubsidized Basic Health Plan are "de-linked" through language which explicitly allows them to be bid separately by the health carriers.

In addition, the requirement that the BHP be delivered on a prepaid capitated basis is removed.

BHP benefits need not be the same, but must be actuarially equivalent, for similar enrollees.

The BHP administrator is authorized to negotiate additional contracts after the request for proposal process is completed if doing so is necessary to meet the access needs of BHP enrollees.

The Health Care Authority is explicitly authorized to self-insure the Basic Health Plan. Priority, however, should continue to be given to prepaid managed care as the preferred method of assuring access. The use of a self-insured, self-funded option is limited to the subsidized BHP enrollees and only if funding is available in the BHP self-insurance reserve account and specified conditions are met regarding price.

An executive/legislative task force is created to monitor the provisions of the act and its effect on carriers and consumers in the individual and small group markets, and on WSHIP and the BHP. The task force is also to study the feasibility of reinsurance as a method of health insurance market stability and, if appropriate, develop a reinsurance system implementation plan. It is to submit preliminary reports to the Governor and the Legislature each year, and a final report by December 2002.

Votes on Final Passage:

Senate	43	5
House	86	12

Effective: March 23, 2000
July 1, 2000 (Section 38)
September 1, 2000 (Section 39)

SSB 6071

C 66 L 00

Increasing penalties for hit and run where an injury or death occurs.

By Senate Committee on Judiciary (originally sponsored by Senators Rossi, Johnson, McCaslin, T. Sheldon and Oke).

Senate Committee on Judiciary
House Committee on Criminal Justice & Corrections
House Committee on Appropriations

Background: A vehicle operator involved in an accident is required to stop at the scene of the accident and remain there until the operator provides required information and renders reasonable assistance to injured persons. Failure to comply is a gross misdemeanor if the accident only resulted in damage to property. If a person is injured or killed, failure to stop is a class C felony ranked at level IV on the sentencing grid.

Summary: In the case of an accident resulting in death, the vehicle operator who does not remain at the scene to provide information and reasonable assistance is guilty of a class B felony ranked at level VIII on the sentencing grid. Juveniles who commit the offense are guilty of a B+ offense.

Votes on Final Passage:

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

Effective: June 8, 2000

SSB 6115

C 136 L 00

Reinstating the property tax exemption for motor vehicles, travel trailers, and campers.

By Senate Committee on Ways & Means (originally sponsored by Senators Loveland, Brown, Bauer, Snyder, Rasmussen, Haugen, B. Sheldon, Eide, Jacobsen, McAuliffe, Gardner, Heavey, Franklin, Patterson, Prentice, T. Sheldon, Costa, Goings, McCaslin, Swecker and Winsley; by request of Governor Locke).

Senate Committee on Ways & Means
House Committee on Finance

Background: The property tax is applied annually to the assessed value of all property except that which is specifically exempt by law. Taxable property includes both real property and personal property. Real property is land and the buildings, structures, or improvements that are affixed to the land. Personal property includes all other property.

Real property is assessed by the county assessor on its value on January 1 of the assessment year, except that new construction is assessed on its value on July 31 of the assessment year. Personal property is reported by April 30 of each year to the county assessor by persons with taxable personal property based on its value on January 1. These values are used to calculate taxes payable in the following year.

Initiative 695 repealed the exemption from state and local property taxation for motor vehicles, travel trailers, and campers, effective January 1, 2000. Because of this, motor vehicles, travel trailers, and campers are subject to state and local personal property taxes for taxes payable in 2001 based on the value of the vehicle on January 1, 2000.

Summary: The property tax exemption for motor vehicles, travel trailers, and campers as it existed before passage of Initiative 695 is restored. The act applies retroactively to January 1, 2000.

Votes on Final Passage:

Senate	48	0
House	96	2

Effective: March 27, 2000

SB 6121

C 67 L 00

Continuing the diabetes cost reduction act.

By Senators Wojahn, Deccio, Thibaudeau, Winsley, Fairley, Rasmussen, Patterson and Kohl-Welles.

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

Background: The Diabetes Cost Reduction Act was passed in 1997 and became effective January 1, 1998. It requires state purchased health care, and health carriers licensed by the state who provide health insurance coverage which includes pharmacy benefits, to provide specified coverage for diabetic persons. These provisions do not apply to the Basic Health Plan, or to the plans identical to the Basic Health Plan which insurers are required to offer.

The act was subject to sunset review and will terminate on June 30, 2001.

The recently completed sunset review by the Joint Legislative Audit and Review Committee (JLARC) recommended that "The 2000 Legislature should rescind sunset termination of the Diabetes Cost Reduction Act and direct the Washington State Department of Health to evaluate the impact of the act to present a final report by 2007 to JLARC."

Summary: The termination of the Diabetes Cost Reduction Act is repealed.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: June 8, 2000

SB 6123

C 201 L 00

Authorizing parking and business improvement areas to sponsor public events.

By Senators B. Sheldon, Wojahn, Swecker, Franklin and Kohl-Welles.

Senate Committee on State & Local Government
House Committee on Local Government

Background: The legislative authorities of all counties and incorporated cities and towns are authorized to establish by ordinance parking and business improvement areas. These are areas within the county, city or town that have the authority to levy special assessments on the businesses and multifamily residential or mixed-use projects within the area that are specially benefitted by the activities of the parking and business improvement area. The activities in which the parking and business improvement area may engage are six in number and involve provision of parking lots, decoration of and furnishing music in pub-

SB 6138

lic places, promotion of public events in the area, promotion and management of retail trade activities, and security and maintenance of the common public areas.

Summary: The sponsorship of public events is added to the permitted purpose of promotion of public events to be held in the public places in the area.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: June 8, 2000

SB 6138

C 24 L 00

Modifying disclaimer of interests under the probate and trust laws.

By Senators Johnson, Heavey and Gardner.

Senate Committee on Judiciary
House Committee on Judiciary

Background: Under current Washington law, a person who would otherwise be entitled to receive an interest in real or personal property through intestate succession, under a will or trust, community property agreement, employee benefit plan, insurance or annuity contract or other bequest or operation of law can refuse or renounce such interest by a simple writing specifying the interest being disclaimed and the extent to which it is renounced. Once this has been done, the interest passes to the next person in the line of succession as if the first beneficiary had died immediately before the transfer of the interest. This allows the passing of property from one beneficiary to the next without adverse tax consequences to the original beneficiary.

A beneficiary cannot disclaim an interest if he or she has accepted any benefit from the interest. A problem may arise because most Washington couples own property as community property. A surviving spouse could inadvertently waive the right to disclaim an interest in the deceased spouse's portion of a joint bank account by withdrawing any funds from the account.

Summary: A provision is added to the probate code to provide that a beneficiary's receipt of a benefit from property in which the beneficiary already owned an interest through joint tenancy or community property is presumed to be the use of the beneficiary's own portion of the property until that interest is exhausted. A survivor who withdraws funds from an account held jointly with a decedent can disclaim any interest in the decedent's portion of the funds as long as he or she did not access more than his or her share of the account.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: June 8, 2000

SB 6139

C 129 L 00

Modifying estate tax apportionment.

By Senators Johnson, Heavey and Gardner.

Senate Committee on Judiciary
House Committee on Judiciary

Background: The Washington estate tax apportionment statute provides that federal and state taxes due with respect to the value of an estate shall be divided proportionately among those with an interest in the estate. The statute currently includes several references to a section of the Internal Revenue Code which imposed an excise tax on distributions from retirement accounts. Congress recently repealed this tax, making references to it obsolete and confusing.

Exemptions, deductions and credits allowed by the law imposing a tax are considered in determining the proportionate share of the tax for each person with an interest in the estate. There is currently no specific provision concerning the deduction allowed under a newly enacted section of the Internal Revenue Code from the taxable value of an estate of up to \$675,000 of the value of a qualified family owned business.

The Washington State Bar Association recommends that all references to the repealed Internal Revenue Code section be removed from the Washington statute, and that sections be added to incorporate the Internal Revenue Code deduction relating to qualified family owned businesses.

Summary: References in the Washington estate tax apportionment statute to a repealed section of the Internal Revenue Code which imposed a federal excise tax on distributions from retirement accounts are deleted. A provision is added incorporating the Internal Revenue Code definition of "qualified family owned business interest." Other changes are made affecting the apportionment of estate tax liability among beneficiaries in cases involving qualified family owned businesses.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: June 8, 2000

SB 6140

C 130 L 00

Updating probate and trust laws.

By Senators Johnson, Heavey and Gardner.

Senate Committee on Judiciary

House Committee on Judiciary

Background: In 1998 Congress restructured the Internal Revenue Code and relocated some sections of the code, including an exclusion of up to \$675,000 of the value of a qualified family-owned business from the value of an estate for purposes of federal estate tax. The Washington probate code contains several references to this section of the Internal Revenue Code, as do many existing wills, trusts and other documents subject to the probate code. The Washington State Bar Association recommends a minor revision of the probate code to remove confusion.

Summary: Any references in wills, trusts or other documents governed by the probate code to a prior section of the Internal Revenue Code providing an exclusion of the value of a family-owned business from the value of an estate subject to estate tax are deemed to refer to the comparable provision of the restructured Internal Revenue Code. This applies retroactively to anyone dying after December 31, 1997.

Votes on Final Passage:

Senate	46	0
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House	97	0
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Effective: June 8, 2000

SSB 6147

C 25 L 00

Creating the Washington state parks gift foundation.

By Senate Committee on Natural Resources, Parks & Recreation (originally sponsored by Senators Jacobsen, Swecker, Thibaudeau, McAuliffe, Oke and Kohl-Welles).

Senate Committee on Natural Resources, Parks & Recreation

House Committee on Natural Resources

Background: An increase in population and recreational activity has put increased demands on the state's park system. As a result, state parks have suffered from insufficient funding to both maintain its facilities and expand the services it offers to the public.

Park systems in some cities and other states have created nonprofit organizations to gather contributions to help support their increased needs.

Summary: A nonprofit foundation is established by the Parks and Recreation Commission to receive support, cooperation, and donations from outside sources for the purposes of benefitting the state parks. The foundation is

governed by a board of 15 directors, initially appointed by the Governor and subsequently elected by the membership.

The foundation is to be organized so as to achieve federal tax-exempt status and solicit money from private sources. Funds may be used to create an endowment, distributed immediately, or both. Funds are awarded at least annually by a competitive grant process to projects suggested by the Parks and Recreation Commission.

Votes on Final Passage:

Senate	48	0
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House	87	10
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Effective: June 8, 2000

ESSB 6149

C 148 L 00

Allowing the disposition of state forest lands without public auction.

By Senate Committee on Natural Resources, Parks & Recreation (originally sponsored by Senators Jacobsen, T. Sheldon and Rasmussen; by request of Commissioner of Public Lands).

Senate Committee on Natural Resources, Parks & Recreation

House Committee on Natural Resources

Background: Methods currently exist to solve encroachment of landowners when they trespass on federally granted state trust land. The ownership dispute resolution methods used on granted land do not apply to the forest board lands, which were established by the Legislature, and a complex exchange and sale process must be used.

Summary: The Board of Natural Resources is given the authority to sell forest board lands to resolve trespass or condemnation. Up to ten contiguous acres of lands or lands having a value of \$25,000 or less are eligible. The lands must be sold at fair market value and the funds received are deposited in the park land trust revolving account to be used to purchase replacement lands in the same county as the property that was sold.

Votes on Final Passage:

Senate	44	0
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House	96	0
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Effective: June 8, 2000

SB 6154

C 202 L 00

Allowing county clerks to accept credit cards.

By Senators Costa, McCaslin, Patterson and Gardner.

Senate Committee on State & Local Government
House Committee on Local Government

Background: The office of county clerk is an elected office provided for in the Washington State Constitution as is a duty of the county clerk to be the clerk of the superior court.

County treasurers are authorized by statute to accept credit cards and similar noncurrency forms of payment for any kind of payment due the county. The payer must bear the cost of processing the transaction in an amount determined by the treasurer. In no event may that cost exceed the additional costs so incurred by the county. The county legislative authority may waive the transaction cost when waiver would be in the best interests of the county.

Summary: County clerks are authorized to accept payment by credit card and similar noncurrency forms of payment of all fees and moneys collected by the clerk that are due the court for various filings and for services performed by the clerk's office incident to matters on file as well as other charges required by specified statutes. Also included in this authorization are payments of court-ordered fines, restitution and other moneys owed by criminal defendants. The payer must bear the cost of processing the transaction.

Votes on Final Passage:

Senate	45	1
House	93	5 (House amended)
Senate	44	1 (Senate concurred)

Effective: June 8, 2000

SB 6160

C 153 L 00

Paying travel expenses for certain state investment board applicants.

By Senators Snyder, Loveland and Sellar.

Senate Committee on Commerce, Trade, Housing &
Financial Institutions
House Committee on Appropriations

Background: The State Investment Board (SIB) manages over \$52 billion of assets. The SIB investment portfolios are managed on a daily basis by SIB investment officers.

The pool of investment officer candidates comes from the centers of the financial industry across the nation, and sometimes even from around the world. The SIB attempts

to attract the most highly qualified candidates for these important portfolio management positions.

Currently, the SIB may pay the travel expenses of applicants interviewed for supervisory, senior, and executive level positions. The SIB may not pay the travel expenses of applicants for entry-level investment officer positions. The SIB may not be able to attract the most qualified candidates without paying the travel expenses, at normal state rates, of candidates for such positions. The SIB typically conducts between one and three entry-level investment officer recruitments per year.

Summary: The SIB may pay the travel expenses of candidates interviewing for all levels of investment officer positions.

Votes on Final Passage:

Senate	42	0
House	97	1

Effective: June 8, 2000

SB 6172

C 116 L 00

Allowing minors to donate bone marrow.

By Senators Fraser, Deccio, Thibaudeau, Prentice, T. Sheldon, Kohl-Welles, Fairley, McAuliffe and Oke.

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

Background: The National Marrow Donor Program does not permit testing people under the age of 18 to determine compatibility for bone marrow donation. The reason cited has been that minors are not competent to provide informed consent to the medical procedures. The age and maturity of the minor have not been sufficient exceptions to the policy, despite the fact that teenage minors can consent to certain kinds of medical care.

Attention was focused on this policy by the media when North Thurston High School sophomore Alden Tucker was refused testing to see if he was a bone marrow match for his friend Michael Penon. Through private efforts, testing was finally performed, but he was not a match. Michael Penon ultimately died of complications of leukemia.

Alden Tucker has not been listed on the national registry despite a recognized need for increased minority representation on the registry. The National Marrow Donor Program indicates that most minorities who search the Registry, with its current donor pool, are less likely to find a marrow match than Caucasians. Some estimate nearly a 40 percent difference.

Summary: A person's status as a minor cannot disqualify him or her from bone marrow donation.

Votes on Final Passage:

Senate	48	0
House	91	7

Effective: June 8, 2000

SSB 6182

C 26 L 00

Specifying the effect that changes in law will have on sentencing provisions.

By Senate Committee on Judiciary (originally sponsored by Senators McCaslin and Costa).

Senate Committee on Judiciary
House Committee on Criminal Justice & Corrections

Background: In 1990, the Sentencing Reform Act was amended to eliminate sex offenses from the washout provisions. In *State v. Cruz*, the Washington Supreme Court held that the 1990 amendment applies prospectively only. Previously washed out convictions were not revived by the amendment.

Summary: Any sentence imposed under the Sentencing Reform Act is determined using the law in effect when the current offense was committed.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: June 8, 2000

SSB 6186

C 250 L 00

Revising Article 9 of the Uniform Commercial Code.

By Senate Committee on Judiciary (originally sponsored by Senators Heavey, Johnson and Gardner).

Senate Committee on Judiciary
House Committee on Judiciary

Background: The Uniform Commercial Code (UCC) is a model code drafted by the National Conference of Commissioners on Uniform State Laws for the purpose of providing a consistent and integrated framework of rules to deal with all phases of a commercial sales transaction. All 50 states have now adopted the Uniform Commercial Code. In 1965, Washington adopted Article 9 of the Uniform Commercial Code, regulating the creation, operation and filing of security interests in all property other than land. There were major revisions in 1981, but no significant changes since then. The National Conference of Commissioners on Uniform State Laws has now proposed a revised Article 9 for adoption by the states. The intent is to modernize Article 9 with a major overhaul and expansion which better fits new developments in technology

and consumer finance, addresses issues not covered in the earlier version, and incorporates a major simplification of the filing system. The Washington State Bar Association has reviewed the official version of revised Article 9 and recommended its adoption with some changes to better conform it to other areas of Washington law.

Summary: Washington's current version of UCC Article 9 is repealed and replaced with the revised UCC Article 9, which incorporates a number of significant changes. The scope of Article 9 is expanded to include security interests in forms of property not covered in the previous version, including deposit accounts, health care insurance receivables, credit card receivables, promissory notes and commercial tort claims.

A simplified system of filing financing statements is provided, allowing all filing to be at the location of the debtor, replacing the prior rule requiring filing where the collateral is located. If the debtor is a corporation, filing is at the place of registration in the debtor's state of incorporation. A simplified national form of financing statement, which is set forth in the text of the act, must be used. In transactions other than consumer transactions, collateral can be described as "all property" of the debtor, rather than being specifically described. Documents previously required to be signed can now be "authenticated" or authorized electronically, which will facilitate electronic agreements.

Electronic filing is permitted. Filings must be indexed within two business days of receipt. Information requests regarding filings must also be answered within two business days of the request. The Department of Licensing is authorized to set filing fees and fees for responding to information requests.

In the case of a debtor's default, a sale of the collateral without a court order is allowed. The debtor and all other secured creditors must be notified of the sale at least ten days in advance of the sale in the case of default in a commercial transaction. If the debtor is a consumer, "reasonable" notice must be given. Whether notice is reasonable is a question of fact. The secured party has the burden of proving that any foreclosure sale was commercially reasonable and must explain to the debtor how a deficiency is calculated before recovering a deficiency in a consumer transaction.

Free assignability of contracts is ensured by prohibiting restrictions on assignment of payment rights of any kind.

Consumer transactions not exceeding \$40,000 for personal use are given protections not available for larger or strictly commercial transactions. Consumer checking accounts are excluded from coverage under Article 9. A \$500 penalty is imposed on any secured party who does not file a timely termination statement of a financing statement for both consumer and commercial transactions if the secured party fails to respond promptly after a request from a debtor.

SB 6190

Votes on Final Passage:

Senate 45 0
House 97 0

Effective: July 1, 2001

SB 6190

C 68 L 00

Promoting expeditious resolution of public use disputes in eminent domain proceedings.

By Senators Patterson, Horn, Haugen, Johnson, Costa, Goings, McCaslin and Winsley.

Senate Committee on Judiciary
House Committee on Judiciary

Background: Counties, like other state and municipal jurisdictions, have the authority to acquire land for public use through eminent domain or condemnation procedures. There is a two-step process involved in which issue of public use is initially determined by the superior court, and then a trial is held, with a jury if requested, on the issue of just compensation for the property. Because of court congestion, it is now very difficult to get a court date for the compensation trial, and county eminent domain proceedings often are delayed for up to three years, resulting in additional costs to the counties due to inflation and changing permit requirements.

The laws governing eminent domain proceedings for cities and for state highway purposes have long given precedence to these cases over other court cases not involving criminal prosecutions or other public interests.

Summary: County eminent domain proceedings are given precedence over all other court cases except criminal cases. A joint legislative study group is created, consisting of two members from each caucus of the Senate and House, to study the use of eminent domain and ways to expedite resolution of disputes in eminent domain proceedings. The authorization for the study group expires December 31, 2000.

Votes on Final Passage:

Senate 47 0
House 97 1 (House amended)
Senate 46 0 (Senate concurred)

Effective: June 8, 2000

SSB 6194

C 154 L 00

Attempting to limit the incidents of rural garbage dumping.

By Senate Committee on Natural Resources, Parks & Recreation (originally sponsored by Senators T. Sheldon,

Oke, Jacobsen, Stevens, Morton, Rasmussen, Gardner and Spanel).

Senate Committee on Natural Resources, Parks & Recreation

House Committee on Natural Resources

Background: Illegal garbage dumping on rural lands has been an increasing problem for several years. As the cost of proper disposal of hazardous materials continues to rise, private and public rural landowners have also seen an increase in the amount of hazardous material dumped. In 1998, the Legislature expanded the definition of littering to include solid waste that is illegally dumped.

Law enforcement agencies are often without adequate funds to focus intense efforts on patrols against dumping. Landowners are often forced to pay for cleaning up illegal dumps themselves. Some have reduced public access to their lands in an effort to curb dumping.

Summary: It is a misdemeanor to litter more than one cubic foot but less than one cubic yard in an unincorporated area. It is a gross misdemeanor for a person to litter in an amount of one cubic yard or more in an unincorporated area of a county. It is a gross misdemeanor for a person to abandon a junk vehicle in an unincorporated area.

In addition to criminal penalties, the litterer must also pay a litter cleanup restitution payment. In the case of between one cubic foot and one cubic yard of litter, the litterer must pay twice the actual cost of cleanup or \$50 per cubic foot of litter, whichever is greater. In the case of more than a cubic yard of litter, the litterer must pay twice the actual cost of cleanup or \$100 per cubic foot, whichever is greater. In the case of a junk vehicle, the vehicle's registered owner must pay a cleanup restitution payment equal to twice the cost for removal of the vehicle. A first time offender is allowed to avoid or pay a reduced restitution payment, at the judge's discretion, if the offender cleans up and properly disposes of the litter. The court may also order the person to pick up and remove the litter with the prior permission of the landowner.

The court must distribute one-half of the restitution payment to the landowner and the other one-half of the restitution payment to the law enforcement agency or jurisdictional health department investigating the incident.

Votes on Final Passage:

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

Effective: June 8, 2000

2SSB 6199

C 5 L 00

Adopting a patient bill of rights.

By Senate Committee on Ways & Means (originally sponsored by Senators Wojahn, Winsley, Thibaudeau, Snyder, Goings, Kohl-Welles, Jacobsen, Fraser, Prentice, Costa, Rasmussen, Bauer, Spanel, McAuliffe, Gardner, Franklin and Kline).

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

Background: "Health carriers" include disability insurers, health care service contractors, and health maintenance organizations. Current law imposes obligations on carriers regarding, among other things, required benefits, information disclosure, emergency care, and gag rules. As managed care emerges as the prevalent method of delivering health care services, concern exists that current requirements are insufficient to allow consumers to make informed decisions and to receive adequate health care treatment.

Summary: Numerous requirements are established regarding the structure and operation of health plans by health carriers.

Carriers as third-party payers cannot disclose an enrollee's health information except to the extent that health providers can under state law, and must adopt policies to protect an enrollee's right to privacy and confidentiality granted under federal and state law.

Upon request prior to selling any health plan, a carrier must provide the potential purchaser certain enumerated information. Among other things, this must include a listing of covered benefits, any coverage exclusions or limitations, and any coverage criteria which may be applied when determining what is a covered service.

Additional enumerated information describing the plan and its operations must be provided upon the request of any person at any time.

No carrier may advertise or market a plan to the public as a plan that prevents illness and promotes health unless it meets certain criteria set forth in the bill, including providing the same set of clinical prevention services provided through the Basic Health Plan. It must also make available its strategy for managing the most prevalent diseases within its enrolled population.

A carrier may not prevent its providers from informing a patient of the care he or she requires, nor penalize a provider for advocating on behalf of a patient with a carrier. No carrier may preclude or discourage patients from discussing the comparative merits of different health carriers with their providers.

A carrier must provide enrollees with an adequate choice among qualified providers, must have a process under which an enrollee whose medical condition war-

rants it can have a standing referral to a medical specialist, and must allow enrollees to obtain a second opinion on diagnosis or treatment.

Enrollees must also have direct access to covered chiropractic care, although carriers are not precluded from utilizing managed care and cost containment techniques and processes.

If a carrier terminates a provider contract without cause, a patient may continue seeing that provider for the longer of 60 days or, in group plans with an open enrollment period, until the end of the next open enrollment.

Carriers must maintain a documented utilization review program description and criteria based on reasonable medical evidence, including a method for updating the criteria. Carriers must also make available to requesting providers clinical protocols, medical management standards, and other review criteria.

A carrier must have a fully operational, comprehensive grievance process which meets standards established by the Insurance Commissioner. Among other issues, enrollees' complaints about the quality or availability of a health service must be processed as a grievance. The process must be prompt, fair and impartial, providing timely notice of its results to the enrollee together with notice of the right to independent third party review.

Carriers must supply regular reports on enrollee grievances and their resolution to the Insurance Commissioner.

An enrollee may seek review by a certified independent review organization of a carrier's decision to deny, reduce or terminate payment for a health care service. The results of this review are binding on the carrier. The Department of Health must adopt rules for the certification of independent organizations to perform these reviews. A rotational registry system must be used to assign an organization to each review.

Each carrier must designate a medical director who is a licensed physician in Washington State.

A health carrier is liable for any harm caused by its negligent denial or delay of a medically necessary health care service to an enrollee. However, an enrollee may not sue a carrier unless he or she has suffered substantial harm, and first sought review of the carrier's decision to deny or delay coverage from an independent review organization.

The act applies to health plans of carriers, the managed care portion of the state's medical assistance programs, the Basic Health Plan, and state employee health benefits, including the Uniform Medical Plan. It applies to all health plans offered or renewed after June 30, 2001.

Duplicate statutory sections are repealed.

SB 6206

Votes on Final Passage:

Senate	48	1	
House	98	0	(House amended)
Senate	45	1	(Senate concurred)

Effective: June 8, 2000
January 1, 2001 (Sections 13-16)
July 1, 2001 (Section 29)

SB 6206

C 27 L 00

Requiring that schools be notified of firearm violations by students.

By Senators Spanel, Gardner, Kohl-Welles, Jacobsen, Prentice, Fairley, Wojahn, Goings, Costa, McAuliffe, Haugen, Winsley and Kline.

Senate Committee on Education
House Committee on Education

Background: Current law requires that when a youth is convicted of certain offenses, the court must notify the youth's parents or guardians and the principal of the youth's school. Offenses requiring notification include violent offenses, sex offenses, inhaling toxic fumes, controlled substance violations, liquor violations, assault, kidnapping, harassment, arson, and malicious mischief.

The principal must provide the criminal history information to the student's teachers, supervisors, and other personnel that the principal feels should be aware of the student's record.

Summary: Firearm and dangerous weapon violations are added to the list of offenses that require parental and principal notification.

Votes on Final Passage:

Senate	47	1	
House	97	0	

Effective: June 8, 2000

SSB 6210

C 69 L 00

Making technical and clarifying amendments to oil spill prevention and response statutes.

By Senate Committee on Environmental Quality & Water Resources (originally sponsored by Senators Fraser, Morton, Eide, Jacobsen, Fairley, Prentice, McAuliffe, Winsley, Franklin, Kline, Spanel and Kohl-Welles).

Senate Committee on Environmental Quality & Water Resources

House Committee on Agriculture & Ecology

Background: The oil spill prevention and response statutes have not been updated since the early 1990s. Many

references contained in these statutes are inaccurate or outdated. For example, the Office of Marine Safety was transferred to the Department of Ecology in 1996 and the Department of Fisheries and the Department of Wildlife were combined into the Department of Fish and Wildlife in 1994.

Summary: Internal statutory references are corrected and updated. Old dates are removed from the statutes. References to the Office of Marine Safety are replaced with the Department of Ecology. The oil spill administration account name is changed to the oil spill prevention account.

The reference to the Department of Fisheries and Department of Wildlife is updated to the Department of Fish and Wildlife. The Emergency Management Division reference reflects the relocation of that office from the Department of Community, Trade, and Economic Development to the State Military Department. The reference to the director of the Washington Conservation Corps is eliminated, as that position no longer exists.

A subsection of a 1990 amendment declaring it to be prospective and a study provision on tug boat standards are decodified. Several outdated statutes are decodified or repealed.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: June 8, 2000

SSB 6213

C 70 L 00

Requiring guidelines for the response of emergency medical personnel to directives.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Deccio and Winsley).

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

Background: Emergency medical service technicians and paramedics are regulated professionals through the Department of Health. These professionals perform under the direction of a licensed physician. These professionals, in a very short time frame, must undertake care to a patient that is either full code or supportive care. Patients can direct whether they want code or supportive care if they require emergency services. Across the state, there are varying practices relative to the professionals recognizing an individual's direction regarding the kind of emergency care they would choose to receive. Apparently, the varying practices can be attributed to the fact that there is not in law a requirement that the individual's directive be in a specific form. The Department of Health,

pursuant to statute, developed guidelines concerning the delivery of emergency services and developed a form. The department's form was never put into rule or statute.

Summary: The Department of Health must develop a simple standardized form that emergency medical personnel recognize as prescriptive of the kind of care an individual must receive in an emergency situation that is recognized statewide.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: June 8, 2000

ESSB 6217

C 122 L 00

Changing provisions relating to dependent children.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Long, Costa and Winsley).

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

Background: The dependency statutes have been amended repeatedly over the years without consideration of the most appropriate placement of the language in the statute. This process has caused people difficulty in grasping the statutory requirements.

Summary: Technical and clarifying changes, not substantive, are made to the dependency and termination of parental rights statutes. Outdated information is deleted. Cross references are corrected. Substantive provisions in RCW 13.34.130 pertaining to termination of parental rights, review hearings and permanency planning are removed and each placed in a separate section. The predisposition report requirements are placed under the social study definition.

Votes on Final Passage:

Senate	47	0
House	97	0 (House amended)
Senate	44	0 (Senate concurred)

Effective: June 8, 2000

ESSB 6218

C 123 L 00

Making technical and clarifying amendments to the family reconciliation act.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Long and Costa).

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

Background: Since its creation, the out-of-home placement chapter has been amended a number of times, occasionally without reference to other affected statutes. The result of these amendments is to make the statute sometimes inconsistent or redundant and hard for practitioners to follow.

Summary: Technical and clarifying changes, not substantive, are made to the family reconciliation services statutes. Dated and outdated information is removed. Cross references are corrected and some substantive provisions moved into sections where they more appropriately belong.

Votes on Final Passage:

Senate	44	0
House	97	0 (House amended)
Senate	42	0 (Senate concurred)

Effective: June 8, 2000

ESSB 6220

C 203 L 00

Prohibiting unfair competition by motor vehicle dealers and manufacturers.

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Prentice, Winsley, Deccio and Rasmussen).

Senate Committee on Commerce, Trade, Housing & Financial Institutions
House Committee on Commerce & Labor

Background: There are approximately 350 new motor vehicle dealerships in the state of Washington. None of these dealerships are currently owned by manufacturers.

Recently, some motor vehicle manufacturers have indicated an interest in purchasing dealerships. There is concern that dealers who do not agree to sell their dealership to manufacturers may not be treated fairly, and that the increase in manufacturer-owned dealerships may result in decreased consumer choice.

Summary: A motor vehicle manufacturer, distributor, factory branch, factory representative or any person acting on behalf of these entities is prohibited from giving preferential treatment to any new motor vehicle dealers.

Preferential treatment is defined as: offering to sell vehicles, parts, or accessories at a lower price to one dealer than another; or having a different method or schedule of delivering vehicles, parts or accessories to one dealer than another. Preferential treatment does not include sales incentives, rebates, or fleet discounts.

Manufacturers, distributors, and factory branches or representatives are prohibited from owning, operating or controlling a new motor vehicle dealership with some exceptions. Exceptions include when the dealership is operated during the transition from one owner to the next or in conjunction with an independent person as part of a dealer development program. The terms "own," "operate" and "control" are specified.

A motor vehicle manufacturer, distributor, factory branch, or factory representative is prohibited from operating a service facility for repair or maintenance not covered under the manufacturer's new car warranty and extended warranty policies.

Manufacturers and other named entities are prohibited from using confidential information to unfairly compete with dealers. "Confidential information" is defined.

Votes on Final Passage:

Senate	48	0
House	96	1 (House amended)
Senate	45	0 (Senate concurred)

Effective: June 8, 2000

SB 6223

C 28 L 00

Reorganizing sentencing provisions.

By Senators Hargrove, Long, Costa and Kohl-Welles; by request of Sentencing Guidelines Commission.

Senate Committee on Judiciary
House Committee on Criminal Justice & Corrections

Background: The Sentencing Reform Act was enacted in 1981. The main sentencing provision has been amended 34 times and now contains 25 subsections spread over five pages of the code.

Summary: The Legislature intends to make the Sentencing Reform Act easier to use and understand. The "sentences" statute is divided into 42 separate sections. No provision of the act is meant to make, nor does any provision in fact make, a substantive change to the Sentencing Reform Act. It is clarified that persistent offenders are not eligible for extraordinary medical placement.

If any amendments are enacted during the 2000 legislative session that do not conform to these changes to the Sentencing Reform Act, the Code Reviser is directed to prepare a bill that incorporates those amendments for the 2001 legislative session.

Votes on Final Passage:

Senate	44	1
House	97	0

Effective: June 8, 2000
July 1, 2001 (Sections 1-42)

SSB 6233

C 120 L 00

Changing developmental disabilities endowment trust fund provisions.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Wojahn, McDonald, Loveland, Deccio, Snyder, Spanel, Winsley, Rasmussen, Gardner, Costa, Hale, McAuliffe and Kline).

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

Background: In 1999, legislation was passed establishing an endowment trust fund to support individuals with developmental disabilities through private contributions and public appropriations. The fund was set up as a resource to help families and others with long-range financial plans for their disabled dependents and loved ones.

A seven-member governing board was authorized to administer the endowment fund, and the Department of Community, Trade, and Economic Development was directed to provide staff and administrative support to the governing board.

The Legislature appropriated \$5 million to use as matching funds for contributions to the endowment fund.

The legislation did not address specific issues relating to the operation and investment potential of the fund.

Summary: A definition for developmental disabilities is provided. It is clarified that individual trust accounts are set up within the developmental disabilities endowment trust fund, and money in these accounts is held in trust and invested for specific named beneficiaries.

The developmental disabilities endowment governing board is directed to develop an operating plan for the endowment program. Basic elements to be considered in developing the plan are listed. The board is directed to explore ways to support individuals with developmental disabilities who do not have individual contributions made on their behalf and to establish policies for using any private donations.

All policies, except those investment policies set forth in the legislation, are established by the governing board. The Department of Community, Trade, and Economic Development is authorized to adopt rules for implementing such policies.

The State Investment Board is authorized to invest and manage funds in the developmental disabilities endowment trust fund.

Votes on Final Passage:

Senate 48 0
House 98 0

Effective: June 8, 2000

ESB 6236

C 134 L 00

Promoting efficiency with respect to employment and related services.

By Senator Fairley; by request of Employment Security Department.

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

Background: A government agency or private organization may request confidential information held by the Employment Security Department by submitting an application to the department. With some exceptions, the requesting party must also notify the individual or employer involved that information is being sought. When notification occurs, the Employment Security Department must consider an objection to the release of information before the information is released.

Thirteen one-stop WorkSource career development centers are currently operating throughout the state. The centers were created to provide all the job resources, technology and personal assistance that job seekers need in one place. Businesses can also recruit new employees through WorkSource centers.

There is concern that the process of requesting data limits the ability of the department and partner organizations to jointly track program outcomes of WorkSource career centers in a timely and efficient manner. In addition, WorkSource participants are sometimes required to submit duplicate information to different organizations due to the lack of data sharing between WorkSource partner organizations.

Currently, information provided by the Department of Employment Security to other agencies is not explicitly exempt from public disclosure.

Summary: The Commissioner of Employment Security may enter into data sharing contracts with agencies and organizations involved in one-stop WorkSource career centers. The commissioner may also enter into data sharing contracts with state agencies to facilitate operation and evaluation of state programs.

The contract takes the place of a formal agency request and the personal notification requirement is waived. Confidential information is to be exchanged only to the extent that the information is necessary for the operation or evaluation of state services and is not subject to public disclosure. A civil penalty of \$5,000 is created for the misuse or unauthorized release of information.

The confidential information provided by Employment Security to the Office of Financial Management and the Department of Social and Health Services for evaluation of the WorkFirst program is not subject to public disclosure. Individually identifiable information received by the Workforce Training and Education Coordinating Board is also made exempt from public inspection and copying.

The Employment Security Department must notify individuals who apply for services from one-stop career centers that information is being shared under data-sharing contracts with other one-stop partners. The notification must: (1) advise the individual that he or she may request that private and confidential information not be shared and that such a request will not affect his or her receipt of services; (2) describe the nature of the information being shared, the general use of the shared information, and those with whom the information will be shared; (3) inform the individual that information will be used only for purposes of delivering services and any other disclosure is prohibited; and (4) be provided in English and an alternate language selected by the one-stop center or job service center that is appropriate for the community where the center is located.

Votes on Final Passage:

Senate 45 0
House 98 0 (House amended)
Senate 48 0 (Senate concurred)

Effective: June 8, 2000

SB 6237

C 29 L 00

Modifying who may deduct processing fees for certain payroll deductions.

By Senator Fairley; by request of Employment Security Department.

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

Background: Washington State law allows for the collection and interception of child support by withholding of wages or unemployment insurance benefits. When payroll deduction or benefit intercept is used, the employer or the Employment Security Department is permitted, but not required, to also deduct a processing fee.

The U.S. Department of Labor has found Washington State to be potentially out of compliance with federal unemployment insurance law, which does not permit such a fee. In order to conform to federal requirements, the Employment Security Department is seeking to clarify that the department will not deduct a processing fee from unemployment insurance benefits.

Summary: The Employment Security Department is not permitted to deduct a processing fee when intercepting

SSB 6244

and deducting child support from an individual's unemployment insurance benefits.

Votes on Final Passage:

Senate 42 0
House 97 0

Effective: March 17, 2000

SSB 6244

C 71 L 00

Extending juvenile court jurisdiction for the purpose of enforcing penalty assessments.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Costa, McCaslin, Kline, Long, Prentice, Zarelli, Fairley, Gardner, Thibaudeau, Heavey, Goings, Kohl-Welles, McAuliffe and Winsley).

Senate Committee on Human Services & Corrections
House Committee on Criminal Justice & Corrections
House Committee on Appropriations

Background: On March 29, 1999, Division I of the Washington State Court of Appeals decided *State v. Y.I.* The court held that the victim penalty assessment, which the defendant in this case did not pay, was part of a disposition order. Because the state did not file a motion on violation of the disposition order before the expiration of the community supervision period, the court held the trial court had no jurisdiction to hear the matter. Furthermore, the court held that if the Legislature had intended that the court's jurisdiction extend past the expiration of the community supervision period, it would have specifically stated that as it did in RCW 13.40.190 with restitution orders. Since the Legislature was not specific, the trial court was without jurisdiction to hear the matter.

In *State v. Humphrey*, 139 Wn.2d 53 (1999), the Supreme Court held that the term "whenever," as used to designate the triggering event for assessing a victim penalty, does not specify a precise point in time. Therefore, it was not clear whether the triggering event for imposing the penalty assessment was the date of conviction or date of sentencing.

Summary: The legislative intent is to clarify the holding in *State v. Y.I.* to require juvenile offenders to satisfy penalty assessments. If a juvenile is required to pay a penalty assessment, he or she remains under the court's jurisdiction for 10 years after his or her 18th birthday. Before expiration of the 10-year period, the court may extend the judgment for payment of the penalty assessment for an additional 10 years.

A person's conviction is the triggering event for purposes of assessing a victim penalty assessment, thus clarifying the holding in *State v. Humphrey*.

Votes on Final Passage:

Senate 44 0
House 98 0 (House amended)
Senate 44 0 (Senate concurred)

Effective: March 22, 2000

SB 6251

C 144 L 00

Regulating horticultural plants and facilities.

By Senators Rasmussen, Morton, Swecker and Stevens; by request of Department of Agriculture.

Senate Committee on Agriculture & Rural Economic Development

House Committee on Agriculture & Ecology

Background: The horticultural plants inspection statutes were enacted in 1971. The Department of Agriculture must conduct inspections of horticultural plants to determine whether they are healthy and free of pests and diseases.

The program is funded by license fees paid by nursery dealers and from fees paid for requested inspections. Businesses that sell more than \$100 of plants annually are required to be licensed. These include commercial planting stock growers, garden centers, landscapers, greenhouse growers and others.

In addition to the responsibility to inspect horticultural plants for pests and diseases, there are a number of consumer protection functions listed in the statute, such as making false representations about the horticultural plant, including health, blooming time, planting instructions, normal appearance of plant, size of the root ball, and rareness of plant.

A second statute that addresses the control of pests that affect horticultural plants is the horticultural pest and disease board laws. This 1969 law provides for landowners to petition the county for the creation or abolishment of a horticultural pest and disease board. In existence are 13 boards covering 15 counties.

These boards have the following powers and duties in relation to horticultural pest and diseases: (a) to receive complaints; (b) to inspect parcels; (c) to order a landowner to control and prevent the spread of pests and diseases on his or her property; and (d) to control and prevent the spread and to charge the owner for the expense of such work.

Since 1915, counties have had authority to assess a "horticultural tax" on taxable property as part of the annual property tax collected by the county and to deposit the revenue in the county current expense fund.

Summary: In addition to inspecting horticultural plants to determine whether they contain pests that will harm that plant species, authority is provided to also inspect to see whether they contain pests that can harm other plant spe-

cies or the environment. Included in the definition of plant pest is any organism that threatens the diversity or abundance of native species.

Included in what is considered to be a horticultural facility is the area records required by this statute are stored. If access is denied to the horticultural facility, the department may request the court to issue a search warrant.

Deleted from the list of unlawful acts include making a number of false representations about the horticultural plant, including health, blooming time, planting instructions, normal appearance of plant, size of the root ball, and rareness of plant.

Turf is included as a horticultural product. The exemption for "olericultural" plants is replaced with an exemption for potatoes, onions, and garlic plants.

Authority is provided for the department to:

- (a) intercept and return to the consigner any horticultural plants entering the state through the mail that are not in compliance with state regulations;
- (b) sample nursery products, review records and gather information during inspections;
- (c) enter into compliance agreements with nursery dealers;
- (d) withhold services to persons who fail to pay tree fruit assessments or commodity commission assessments.

No state court shall allow recovery of damages from administrative action, hold order, or condemnation order if the court finds there was probable cause for the administrative action.

To horticultural pest and disease board, specific authority to levy an assessment on lands is provided in addition to current authority to fund board activities from the county general fund derived from the horticultural tax.

If an assessment on land is used as a means of generating revenue to fund board activities, the assessment must be based on a classification including orchard lands, range lands, dry lands, nonuse lands, forest lands and federal lands. The horticultural pest and disease board must forward to the board of county commissioners a proposal of the assessment level for each land class. The assessment rate must either be uniform per acre, a flat rate per parcel, or a flat rate per parcel plus a uniform rate per acre. If no benefits are found to accrue to a class of land, a zero assessment may be levied. After public hearing, the proposed assessment can be accepted by the board of county commissioners or referred back to the horticultural pest and disease board for reconsideration of all or any portion of the proposed assessment.

A horticultural pest and disease board may enter into contracts and agreements with federal, state and local governments, Indian tribes or other organizations to perform duties pursuant to the identification, detection, control, or eradication of horticultural pests and diseases.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: June 8, 2000

2SSB 6255

C 225 L 00

Prescribing penalties for unlawful possession and storage of anhydrous ammonia.

By Senate Committee on Judiciary (originally sponsored by Senators Rasmussen, Prentice, Morton, Franklin, Heavey, Brown and Goings).

Senate Committee on Agriculture & Rural Economic Development

Senate Committee on Judiciary

House Committee on Criminal Justice & Corrections

House Committee on Appropriations

Background: Anhydrous ammonia (NH₃) is a widely used nitrogen fertilizer and refrigerant. It is stored under high pressure and can cause burns and other injuries if mishandled. The United States Department of Transportation certifies containers as safe to hold anhydrous ammonia and several other state and federal agencies have regulations governing storage and handling of anhydrous ammonia.

Anhydrous ammonia is increasingly being used as an ingredient in the illegal production of methamphetamine, a controlled substance. Often, illegal drug manufacturers will store anhydrous ammonia in containers not designed to hold this corrosive chemical.

Summary: It is a crime to possess anhydrous ammonia with the intent to manufacture a controlled substance. It is a crime to possess anhydrous ammonia in a container not approved for that use or to otherwise improperly store or transport anhydrous ammonia. Theft of anhydrous ammonia is specifically made a crime. All crimes are class C felonies.

Those who unlawfully possess, store, or tamper with anhydrous ammonia or equipment are solely responsible for damage they cause. Lawful anhydrous ammonia manufacturers, sellers, possessors, and users are liable for their negligent misconduct to abide by the laws regarding anhydrous ammonia possession or storage.

Votes on Final Passage:

Senate	48	0
House	98	0 (House amended)
Senate		(Senate refused to concur)
House	98	0 (House amended)
Senate	47	0 (Senate concurred)

Effective: June 8, 2000

SSB 6260

C 132 L 00

Increasing penalties for manufacturing a controlled substance when children are present.

By Senate Committee on Judiciary (originally sponsored by Senators Rasmussen, Heavey, Haugen, Goings, Oke and Gardner).

Senate Committee on Judiciary
House Committee on Criminal Justice & Corrections
House Committee on Appropriations

Background: Possession of ephedrine or pseudoephedrine with intent to manufacture methamphetamine is a class B felony ranked at level VIII on the sentencing grid. Manufacture of methamphetamine is a class B felony ranked at level X on the sentencing grid. Current law provides for an additional 24-month sentence when certain controlled substances are manufactured, sold, delivered, or possessed in public areas such as at or near schools, parks, public transit, drug free zones, or civic centers.

Summary: A person convicted of manufacturing methamphetamine, or possession of ephedrine or pseudoephedrine with intent to manufacture methamphetamine receives a 24-month sentence enhancement in addition to the standard sentence if the underlying crime was committed when a person under the age of 18 was present in or upon the premises.

The prosecutor must plead the special allegation and prove it beyond a reasonable doubt. The judge or jury only consider the special allegation after the offender is convicted of the underlying crime.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: June 8, 2000

ESSB 6264

C 115 L 00

Establishing intermediate drivers' licenses.

By Senate Committee on Transportation (originally sponsored by Senators Eide, Costa, Swecker, Gardner, Kohl-Welles, Shin, Patterson, Brown, Haugen, Jacobsen, McAuliffe, Sheahan, Rasmussen, Fairley, Goings and Franklin).

Senate Committee on Transportation
House Committee on Transportation

Background: A Washington resident under the age of 18 is eligible for an unrestricted driver's license if the parent or guardian signs the application and the applicant has completed an approved driver's education course.

Graduated driver's licensing is a system of three phases of licensing that a driver under the age of 18 must progress through in order to qualify for a driver's license.

Currently, 34 states have adopted legislation that restricts teen driving and 22 states have adopted a full graduated driver's licensing system.

Summary: The Legislature recognizes the need to develop a graduated driver's licensing system.

An intermediate driver's license is established.

Intermediate License Requirements: An applicant for an intermediate driver's license must have possessed a learner's permit for six months, passed a road test, passed a driver's education course, and certified to the Department of Licensing (DOL) that the applicant has at least 50 hours of supervised driving experience and that ten of those hours were at night.

Intermediate License Restrictions: For the first six months after issuance of an intermediate license, the holder of the license may not have any passengers in the car under the age of 20, who are not members of the holder's immediate family. After the first six months, the holder may not have more than three passengers in the car under the age of 20, who are not members of the holder's immediate family.

The holder of an intermediate driver's license may not operate a vehicle between the hours of 1 a.m. and 5 a.m. except when the holder is accompanied by a parent or guardian or the holder is moving a vehicle for agricultural purposes. An intermediate licensee may drive without restrictions if the licensee does not have any accidents or traffic infractions for 12 months after issuance of the license.

Intermediate License Penalties: The first time a person issued an intermediate driver's license is convicted of or found to have committed a traffic offense, DOL must mail a letter to the person's parent or guardian indicating the potential future penalties. On a second conviction or finding, DOL must suspend the intermediate license for six months, and on a third conviction or finding, DOL must suspend the intermediate license until the person turns 18. Enforcement of intermediate violations may only be accomplished as a secondary action.

DOL must issue an instruction permit and an intermediate license in distinctive forms.

A driver's license issued to a person under the age of 18 is an intermediate license subject to the restrictions accompanying intermediate licenses.

The intermediate license program sunsets June 30, 2009.

Votes on Final Passage:

Senate	43	5
House	66	31 (House amended)
Senate	39	9 (Senate concurred)

Effective: June 8, 2000
July 1, 2001 (Sections 1-10)

SB 6275

C 30 L 00

Providing loans for certain public works projects.

By Senators McAuliffe and Zarelli; by request of Public Works Board.

Senate Committee on Ways & Means
House Committee on Capital Budget

Background: The public works assistance account, commonly known as the public works trust fund, was created by the Legislature in 1985 to provide a source of loan funds to assist local governments and special purpose districts with infrastructure projects. The Public Works Board, within the Department of Community, Trade, and Economic Development (CTED), is authorized to make low-interest or interest-free loans from the account to finance the repair, replacement, or improvement of the following public works systems: bridges, roads, water and sewage systems, and solid waste and recycling facilities. All local governments except port districts and school districts are eligible to receive loans.

The account receives dedicated revenue from: utility and sales taxes on water, sewer service, and garbage collection; a portion of the real estate excise tax; and loan repayments. Approximately \$212 million is expected to be generated by these sources during the 1999-01 biennium. The cash balance in the account has been steadily growing since 1985 because of the delay between project authorization and construction.

The public works assistance account appropriation is made in the capital budget, but the project list is submitted annually in separate legislation. CTED received an appropriation of about \$203 million from the public works assistance account in the 1999-01 capital budget: \$191 million for construction loans; \$10 million for pre-construction loans; and \$2 million for emergency loans. The funding is available for public works project loans in the 2000 and 2001 loan cycles.

Each year, the Public Works Board is required to submit a list of public works projects to the Legislature for approval. RCW 43.155.070 states: "The legislature may remove projects from the list recommended by the board." And continues to state, "The legislature shall not change the order of the priorities recommended for funding by the board." Legislative approval is not required for funds specifically appropriated for pre-construction activities or emergency loans.

Summary: As recommended by the Public Works Board, 63 public works project loans totaling \$123,524,762 are authorized for the 2000 loan cycle.

The 63 authorized projects fall into the following categories:

- (1) Twenty-six water projects totaling \$37,227,432;
- (2) Twenty-one sewer projects totaling \$32,982,676;
- (3) Ten road projects totaling \$21,630,310;

- (4) Two bridge projects totaling \$12,391,144;
- (5) Three storm projects totaling \$9,293,200; and
- (6) One solid waste project totaling \$10,000,000.

Votes on Final Passage:

Senate	40	0
House	97	0

Effective: March 17, 2000

SSB 6276

C 31 L 00

Authorizing inclusion of cities and towns within emergency medical service districts.

Senate Committee on State & Local Government
House Committee on Local Government

Background: The county legislative authority may create an emergency medical service district by ordinance. The district may include all or part of the unincorporated area of the county. The district is a quasi-municipal corporation with constitutional taxing authority to provide emergency medical services within the boundaries of the district.

The taxing authority of the district extends up to 50 cents per \$1,000 of assessed value of property in the district. The exercise of this taxing authority requires a majority vote of at least three-fifths of the registered voters of the district.

Summary: An emergency medical service district is permitted to include all or part of incorporated cities and towns located within the county. The governing body of the city or town must approve the inclusion by ordinance and the district's governance may be as provided by interlocal agreement. The registered voters of the district are the registered voters residing within the district.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: June 8, 2000

ESSB 6277

C 251 L 00

Authorizing cost-reimbursement agreements for leases and environmental permits.

By Senate Committee on Environmental Quality & Water Resources (originally sponsored by Senators B. Sheldon, Swecker, Jacobsen, Franklin, Morton, Costa, Fraser, Eide, Spanel, Thibaudeau and Kohl-Welles).

Senate Committee on Environmental Quality & Water
Resources

House Committee on Agriculture & Ecology

Background: State and local governments often lack the personnel and financial resources to conduct environmental reviews and process permit applications in a timely manner. This situation is compounded when agencies review permit applications for large and complex projects. Not only is the large project delayed, so too is the review and processing of permits for small projects.

Cost-reimbursement agreements are currently authorized for the coordination activities only as a part of the coordinated permit process of the permit assistance center. This authority expires in June, 2000.

Summary: Voluntary cost-reimbursement agreements may be negotiated between applicants for complex permits and the Departments of Ecology, Natural Resources, Health, and Fish and Wildlife, and local air pollution control authorities. The Department of Natural Resources may also use these agreements for any lease application except aquatic leases. A complex permit is a permit which requires an environmental impact statement (EIS).

Under a cost-reimbursement agreement, the applicant pays the reasonable costs incurred by the agency or local pollution control authority for permit coordination, environmental review, application review, technical studies, permit processing, and carrying out the requirements of other relevant laws.

The agency is required to contract with independent consultants to carry out the work covered by a cost-reimbursement agreement. The funds may also be used to assign current staff to review the consultants' work and to provide necessary technical assistance when an independent consultant with comparable technical skills is unavailable. The agency must make an estimate of the number of permanent staff hours needed to process permits, and is required to contract with independent consultants to replace the time and functions performed by these permanent staff which are committed to permits under the cost-reimbursement agreement. Necessary direct and indirect costs that arise from processing the permit may also be recovered from funds provided under the agreement. Final decisions involving policy matters are made by the agency rather than the consultant.

An agency may not use any funds provided under a cost-reimbursement agreement to supplant existing funding. The use of cost-reimbursement agreements may not result in reductions in the current level of staff available to work on permits not covered by these agreements.

The conflict of interest provisions provided under the Ethics in Public Service law apply to these agreements and to persons hired under these agreements. An air pollution control authority is considered to be a state agency for the sole purpose of applying this ethics law to cost-reimbursement agreements negotiated by the air pollution control authority.

No new cost-reimbursement agreement may be negotiated after July 1, 2005, but an adopted agreement on that date may be completed.

An applicant for a new water right or a change or transfer for a water right may initiate a cost-reimbursement agreement if the applicant agrees to pay for the processing of all permit applications affecting the same water source and ahead of the permit applicant, except that no EIS is required.

Votes on Final Passage:

Senate	46	0	
House	69	29	(House amended)
Senate			(Senate refused to concur)
House	91	7	(House amended)
Senate	31	16	(Senate concurred)

Effective: March 31, 2000

SB 6285

C 60 L 00

Establishing Pearl Harbor remembrance day.

By Senators Hargrove, Rasmussen, McAuliffe, Oke and Kohl-Welles.

Senate Committee on State & Local Government
House Committee on State Government

Background: January 26 is recognized as Washington Army and Air Guard Day. The ninth day of April is recognized as Former Prisoner of War Recognition Day. The 16th day of April is recognized as Mother Joseph Day. The seventh day of August is recognized as Purple Heart Recipient Recognition Day. The fourth day of September is Marcus Whitman Day. The 12th day of October is recognized as Columbus Day. The second Sunday of October is recognized as Washington State Children's Day.

Summary: The seventh day of December is recognized as Pearl Harbor Remembrance Day but is not considered a legal holiday for any purpose.

Votes on Final Passage:

Senate	45	0
House	95	0

Effective: June 8, 2000

SSB 6294

C 149 L 00

Creating the aquatic nuisance species committee.

By Senate Committee on Natural Resources, Parks & Recreation (originally sponsored by Senators Jacobsen, Haugen and Oke).

Senate Committee on Natural Resources, Parks & Recreation

House Committee on Natural Resources

Background: Population increases, more rapid means of transportation and other factors have contributed to a dramatic increase in the accidental introduction of nonnative species throughout the world. The introduction of new species can have unpredictable and often negative impacts. Aquatic plants and animals that are especially destructive when introduced into new areas are referred to as aquatic nuisance species.

Aquatic nuisance species, such as zebra mussels, European green crab, Chinese mitten crab, spartina, and hydrilla, can seriously threaten the ecological integrity of Washington's marine and freshwater resources. Aquatic nuisance species can have significant negative impacts on the economic, social, and public health conditions in the state. Often these species have few natural controls in their new habitat and can spread rapidly, destroying native plant and animal habitat and reducing recreational opportunities. Often the introduction of such species lowers property values, clogs waterways, and impacts both irrigation and power generation negatively.

Congress has authorized \$4 million annually to fund the implementation of state management plans to minimize the environmental and economic damage caused by aquatic nuisance species. In recent years, only a small portion of these funds, about \$200,000, has been made available to the states.

Summary: An Aquatic Nuisance Species Coordinating Committee is created consisting of representatives from the departments of Fish and Wildlife, Ecology, Agriculture, Health, and Natural Resources; the Puget Sound Water Quality Action Team; the State Patrol; the State Noxious Weed Control Board; the Washington Public Ports Association; and the Washington Sea Grant Program. The committee periodically revises the State Aquatic Nuisance Species Management Plan. The committee makes recommendations to the Legislature on statutory provisions for classification and regulation of aquatic nuisance species. The committee coordinates education, research, regulations, monitoring and control among the member agencies. The committee makes recommendations to the State Noxious Weed Control Board on the designation of aquatic nuisance species. The committee must prepare a report for the Legislature by December 1, 2001.

Votes on Final Passage:

Senate	47	0
House	96	1 (House amended)
House	97	0 (House reconsidered)
Senate	46	0 (Senate concurred)

Effective: June 8, 2000

ESSB 6295

C 72 L 00

Changing garnishment proceedings.

By Senate Committee on Judiciary (originally sponsored by Senators Heavey, McCaslin, Johnson, T. Sheldon, Swecker, Long and Deccio).

Senate Committee on Judiciary
House Committee on Judiciary

Background: The proponents of this bill believe there are problems across the state with the processing of writs of garnishment and that differences in form and procedure exist from court to court. In many parts of the state, garnished funds are remitted to the plaintiff through a "pay order," without reducing to judgment any of the garnishment costs incurred or funds withheld. The practice in other parts of the state is to reduce the withheld funds to judgment against the garnishee, reduce the amount of the costs incurred in the garnishment process to judgment against the defendant, and order the withheld amount paid to either the plaintiff or the court clerk, depending on the county. A recent Supreme Court opinion states that the garnished amounts must be reduced to judgment against the garnishee, and that requiring payment of costs or other garnished amounts without judgment violates the statute. In addition, the current statutes do not provide a mechanism for reducing incurred cost to judgment against the defendant.

Summary: Any fees legally chargeable to the plaintiff in the garnishment proceeding can be included in the amount garnished. The garnishee is informed in the writ form of the possibility that judgment may be taken against it even if the writ is answered properly and that a judgment for costs may be entered.

The court is authorized to order garnished amounts to be paid to the plaintiff or to the court. The garnishee is advised that failure to pay the withheld amounts could result in execution of the judgment against the garnishee. When a garnishee tenders funds to the plaintiff or to the court in lieu of answering and/or prior to any judgment on answer being entered, the court is allowed to treat such tenders as answers.

Payments in superior court are made through the court clerk while payments in district court are made directly to the plaintiff.

Judgment may be taken against the defendant for the taxable costs of the writ. However, if at the time the writ was issued, the defendant was not employed by the garnishee or did not have a bank account with the garnishee or the garnishee did not have in its possession any funds or property of the defendant, then no judgment for costs will be awarded. If a defendant or third party attempts to pay off a judgment during the pendency of a garnishment, the costs and attorney fees incurred in the garnishment

ESSB 6305

must also be paid. A standardized Judgment and Order to Pay form is created.

Votes on Final Passage:

Senate	46	0
House	97	1

Effective: June 8, 2000

ESSB 6305

C 124 L 00

Changing provisions relating to guardians ad litem.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Franklin and Kohl-Welles).

Senate Committee on Human Services & Corrections
House Committee on Judiciary

Background: In 1996, legislation passed making improvements to guardian ad litem (GAL) programs currently in place (ESSB 6257). GALs are appointed by the court to provide information to the court to aid the court in its decision making. GALs are appointed for minors or other incapacitated persons in probate cases, child custody cases, and child dependency cases. GALs serve for a short period of time, usually the course of the lawsuit. GALs can be distinguished from guardians appointed long-term in probate cases. A statewide curriculum was established for GALs and other language was included that was designed to improve GAL accountability. A steering committee was established to review Washington State courts' GAL systems. King County Superior Court Judge George Mattson agreed to chair the steering committee, which conducted a ten-month review and issued a final report dated August 1997 that included recommended statutory changes to the GAL provisions.

A bill addressing the recommendations passed through the Senate in 1998 and died in the House (SSB 6217), and again in 1999 (ESSB 5447).

Summary: Some statutory changes recommended in the August 1997 report are adopted:

Guardians ad litem in all types of actions must report their qualifications, including any removal from a case or court registry. Superior court must remove any guardian ad litem from the registry who misrepresents his or her qualifications.

None of the provisions affect personal injury settlement guardians ad litem.

Guardians ad litem may be allocated fees by the court in a probate proceeding.

Guardians ad litem and investigators appointed in any domestic proceeding must complete training requirements.

Courts must set guardian ad litem fees, except local courts may by rule specify court fees for certain types of

GALs. The intent is that fees are limited before incurred, preventing excessive fees.

Guardians ad litem must not have ex parte communications with the court which are not specifically authorized by law for purposes of ex parte motions.

Guardians ad litem in domestic cases must disclose their files to the parties pursuant to the rules of discovery, but must otherwise treat the files as confidential.

In dependency proceedings, the GAL's or CASA's report must be filed with the court and parties prior to the hearing and parties are allowed to file written responses prior to the hearing. The report must include a written list of persons interviewed and reports or documentation considered. The report must include specific information on which the GAL or CASA relied in making a particular recommendation. The court must consider responses to a GAL or CASA report.

In family law proceedings, parties are allowed to file written responses to the GAL's or investigator's report and the court must consider these responses.

Each superior court must adopt rules establishing procedures for filing, investigating and adjudicating grievances made by or against GALs.

The Department of Social and Health Services advisory group that develops model training for guardianship GALs must include representatives knowledgeable in domestic violence.

Votes on Final Passage:

Senate	45	0
House	97	0 (House amended)
Senate	44	0 (Senate concurred)

Effective: June 8, 2000

SB 6307

C 155 L 00

Changing provisions relating to county roads that cross county boundaries.

By Senators Morton, Haugen, Honeyford, T. Sheldon, Gardner, Sellar and Hochstatter.

Senate Committee on Transportation
House Committee on Transportation

Background: Washington law allows the board of any county to construct, maintain, and operate any county road which forms the boundary line between the county and another county in any other state if the road crosses and recrosses the county's boundary.

The board of a county may spend funds from the county road fund to construct, repair, or maintain a portion of a road outside the county if the county road recrosses the boundary of the county and again enters the county.

Summary: A county board may spend county road funds to operate a county road that crosses the boundary of the

county. The requirement that the road recross the boundary of the county is removed.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: June 8, 2000

SSB 6336

C 226 L 00

Eliminating retroactive tolling provisions for restitution/legal financial obligations and allowing tolling for other forms of supervision.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Long, Sheahan and Costa; by request of Department of Corrections).

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

Background: Recent changes have affected the tolling of community supervision and created the concern that offenders who abscond from supervision or who are reincarcerated might be subject to less community supervision than offenders who comply with the terms of their supervision and do not reoffend. The department must now request the court to toll the term of a person on one of these release statuses who is unavailable for supervision. In 1999 the court decided *In re Sappenfield*, 980 P.2d 1271 (1999), and held that the practice of tolling legal financial obligations was not authorized by the language of the statute. These results are not consistent with the policy stated by the Sentencing Reform Act.

Summary: Terms of community supervision, community placement, and community custody must toll when the offender absents himself or herself from supervision or is confined for any reason. The entity responsible for the confinement or supervision determines the date that the term begins to toll.

The Department of Corrections (DOC) must supervise an offender required to pay legal financial obligations for ten years following the judgment and sentence or the release from confinement, whichever is longer. For offenses committed after July 1, 2000, the court retains jurisdiction over the offender for purposes of the payment of legal financial obligations until the obligation is completely satisfied regardless of the statutory maximum sentence. DOC is not responsible for supervising offenders under the court's jurisdiction after the initial ten-year period.

Legal financial obligations may be enforced at any time during the ten years following entry of the judgment and sentence or release from confinement or at any time the offender remains under the court's jurisdiction for payment of the legal financial obligation.

A civil child support order for a child born as the result of a rape of a child and included as a legal financial obligation maybe enforced for the longer of the civil statute of limitations, or 25 years following entry of the judgment and sentence or release from confinement, whichever is longer.

Votes on Final Passage:

Senate	44	0
House	97	0 (House amended)
Senate		(Senate refused to concur)
House	98	0 (House receded)

Effective: March 30, 2000 (Section 5)
June 8, 2000.

ESSB 6347

C 138 L 00

Creating small works roster provisions to award public works contracts.

By Senate Committee on State & Local Government (originally sponsored by Senators Patterson, Winsley and Gardner).

Senate Committee on State & Local Government
House Committee on State Government

Background: There are many statutory provisions for the use of small works rosters by various units of government. The dollar thresholds for the use of the small works roster vary from \$10,000 for fire protection districts to \$200,000 for port districts. Most others are \$100,000.

Most units of government reference the use of the uniform small works procedure found in the public works chapter of the public contracts title of law. Higher education, housing authorities, irrigation districts, public utility districts and school districts are the exceptions.

This uniform procedure requires state agencies and local governments to solicit contractors to put their names on a general list or specialty list. This is required once per year for state agencies and twice per year for local governments.

Bids must be solicited from at least five contractors on the small works roster.

A list of the contracts awarded by use of the small works roster must be posted at least once every two months.

Summary: The threshold for use of the uniform small works roster process is \$200,000 for all units of state government and the following units of local government, except irrigation districts, which are not affected by the bill: Counties, cities, towns, community and technical colleges, county roads, fire protection districts, higher education, housing authorities, port districts, public hospital districts, public utility districts, school districts and water-sewer districts.

All included units of government must solicit contractors to put their names on a general list or specialty list at least once per year.

Bids must be solicited from at least five contractors or in a manner that will equitably distribute the opportunity among contractors with the capability of performing the work. If the estimated cost of the work falls between \$100,000 and \$200,000, the state agency or local government, except port districts, must notify the rest of the roster of the availability of work.

A list of contracts awarded by use of the small works roster must be posted at least once a year.

The Department of Community, Trade, and Economic Development or the Department of Community Development, if either SB 6396 or HB 2382 is enacted into law by June 30, 2000, must prepare a small works roster manual in cooperation with the Municipal Research and Services Center.

A report on the use of the small works roster must be submitted to the Alternative Public Works Construction Methods Oversight Committee before the 2003 legislative session.

Votes on Final Passage:

Senate 48 0
House 97 0

Effective: June 8, 2000

SSB 6349
PARTIAL VETO
C 32 L 00

Extending the expiration date of the water well delegation program.

By Senate Committee on Environmental Quality & Water Resources (originally sponsored by Senators Eide, Morton, Swecker, Prentice, Fraser, McAuliffe and Rasmussen).

Senate Committee on Environmental Quality & Water Resources

House Committee on Agriculture & Ecology

Background: Under existing law, the Department of Ecology may delegate some of its authority to regulate water well construction and decommissioning to local health districts or counties who request the delegation and have the capability to exercise the authority. The existing law was first enacted in 1992 and amended in 1993 and 1996. Delegation is accomplished through a memorandum of agreement and is limited to administration of well identification, sealing, and decommissioning requirements. Fees are shared.

Summary: The expiration date of the water well delegation program is extended from June 30, 2000 to June 30, 2006.

Votes on Final Passage:

Senate 48 1
House 97 0

Effective: June 8, 2000

Partial Veto Summary: The expiration date is vetoed, making the delegation program permanent, consistent with its proven success and cost-effectiveness.

VETO MESSAGE ON SB 6349-S

March 17, 2000

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 2, Substitute Senate Bill No. 6349 entitled:

"AN ACT Relating to extending the expiration date of the water well delegation program;"

This bill would have extended the authority of the Department of Ecology to delegate the administration and enforcement of tagging, sealing, and decommissioning of water wells to local health districts or counties until June 30, 2006. By vetoing section 2, the Department's authority will be made permanent.

Currently, delegation of authority is only provided to local governments that meet the strict requirements of the Department, as set forth in a memorandum of understanding for each delegation. This program has been in place since 1992 and has already received two sunset reviews. It is time to make the program permanent because it is cost effective, and has a proven success record that is resulting in enhanced public health and environmental protections.

For these reasons, I have vetoed section 2 of Substitute Senate Bill No. 6349.

With the exception of section 2, Substitute Senate Bill No. 6349 is approved.

Respectfully submitted,



Gary Locke
Governor

SSB 6351
C 73 L 00

Providing additional authority for superior court commissioners.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, McCaslin, Heavey, Long, Shin, Thibaudeau, Sheahan and Costa).

Senate Committee on Judiciary
House Committee on Judiciary

Background: The superior court judges in any county are authorized to appoint superior court commissioners to assist in handling the work of the court. Such commissioners are able to hear probate matters, supplemental proceedings, adoptions, involuntary mental illness commitments, ex parte and uncontested civil matters, juvenile

offender proceedings and enter default civil judgments. They are not now authorized to handle any phase of adult criminal cases.

Summary: The authority of superior court commissioners is expanded to allow commissioners to preside over a number of proceedings in adult criminal cases, including arraignments, preliminary appearances, probable cause determinations, appointment of counsel, review of conditions of release, waivers of speedy trial rights, continuances, and noncompliance proceedings.

Votes on Final Passage:

Senate	37	4
House	98	0

Effective: June 8, 2000

SSB 6357

C 227 L 00

Funding the municipal research council.

By Senate Committee on State & Local Government (originally sponsored by Senators Patterson, Horn, Haugen, Honeyford, Loveland, Winsley, Kline, McCaslin, Gardner and Spanel).

Senate Committee on State & Local Government
House Committee on Appropriations

Background: The Municipal Research Council is a state agency composed of 23 members who hold two-year terms of office. The council contracts to provide municipal research and services to cities, towns and counties.

The funding for services provided to cities is derived from the motor vehicle excise tax. The funding for services provided to counties is derived from the liquor excise tax fund.

Loss of funding from the motor vehicle excise tax, caused by the voters' approval of Initiative 695, results in approximately an 84 percent decrease in the budget of the agency as a whole.

Summary: An account in the state treasury is created to receive monies, transfers and appropriations for city and town research services. The funding for these services is derived from excess disbursements from the liquor revolving fund.

Votes on Final Passage:

Senate	43	1
House	98	0

Effective: July 1, 2000

SSB 6361

C 125 L 00

Protecting children at the state school for the deaf and the state school for the blind from abuse and neglect.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Zarelli, Hargrove, Hale, Honeyford, McCaslin, Hochstatter, Swecker, Johnson, Roach, Stevens, Oke, Benton and Kohl-Welles).

Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means
House Committee on Children & Family Services
House Committee on Appropriations

Background: Some of the parents whose children attend the Washington State School for the Deaf (WSD) have been concerned for their children's safety, particularly those whose children reside at the school during the school year. These concerns have been raised with both the Governor and some legislators.

Summary: The superintendents of both the WSD and the Washington State School for the Blind (WSB) are required to protect the children attending those schools from abuse or neglect, including the promotion and protection of student safety. If abuse or neglect occurs, the superintendents must report this fact to the Department of Social and Health Services, law enforcement and the child's parents.

The superintendents of both schools must maintain, in writing, and implement behavior management policies and procedures. The staff of both schools must receive 32 hours of job specific training within 90 days of employment. The superintendents of both schools must develop written procedures for the supervision of employees who are likely to have contact with students as well as for the protection of students when there is reason to believe a student has been abused or neglected.

Both schools must provide instruction to the students in how to protect themselves from abuse or neglect.

Both schools have discretion not to admit or retain a student who is an adjudicated sex offender. Neither school may admit or retain an adjudicated Level III sex offender.

Both schools must develop a process for assessing children's propensities of sexual aggressiveness and vulnerability and institute steps to protect the vulnerable children from the aggressive ones.

Votes on Final Passage:

Senate	42	0
House	98	0 (House amended)
Senate	46	0 (Senate concurred)

Effective: June 8, 2000

SB 6366
C 33 L 00

Prohibiting false advertising through electronic communication.

By Senators Brown, Hochstatter, Roach, Spanel, Shin, Prentice, Costa, Kohl-Welles, McAuliffe, Fraser, Thibaudeau, B. Sheldon, T. Sheldon, Bauer, Eide, Jacobsen, Gardner, Haugen, Patterson, Rasmussen, Winsley and Oke.

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

Background: False or misleading advertising by mail, telephone, or door-to-door contacts is a misdemeanor under state law.

Summary: False or misleading advertising by electronic communication is clarified as illegal.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: June 8, 2000

SSB 6373
C 228 L 00

Clarifying promotional contests of chance.

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Gardner, T. Sheldon, Prentice, Rasmussen, Winsley, Hale, Deccio and Shin).

Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: In 1973 the Legislature authorized promotional contests of chance. Businesses use promotional contests of chance to enhance sales of products and services. An example of a promotional contest of chance is when a restaurant gives a free lunch to someone who places his or her business card in a jar for a drawing.

The Gambling Commission monitors entry requirements for promotional contests of chance. Generally, businesses may not require a person to purchase anything in order to participate in a promotional contest of chance. The only exception is that businesses may ask customers to bring in a product container or only part of it, but only if the business accepts a plain piece of paper in its place. The law allows businesses to ask customers to engage in various activities in order to participate in a promotional contest of chance. For example, businesses may ask customers to fill out coupons and return them through the

mail or businesses may ask consumers to attend a demonstration or tour a facility.

Concerns exist that the current law regarding promotional contests of chance needs modernization because it does not permit persons to enter promotions electronically or participate in instant win games.

Summary: The statute regarding promotional contests of chance is repealed and replaced by a new statute. Promotional contests of chance are permitted as long as consideration or purchases are not required to participate. However, if a person makes a purchase, the business may give additional entries or chances as long as the business provides a free alternative method of entering the promotional contest. This exemption does not apply to direct mail solicitations. Consideration is defined as money paid in order to participate in a promotional contest of chance. Equipment or devices for use in gambling activities are prohibited for use in promotional contests of chance unless authorized by the Gambling Commission.

Votes on Final Passage:

Senate	43	3
House	98	0
House	97	1 (House reconsidered)

Effective: June 8, 2000

SSB 6375
C 74 L 00

Clarifying timelines, information sharing, and evidentiary standards in mental health competency procedures.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Long, Hargrove, Franklin, Stevens, Kohl-Welles, Winsley, Costa and McAuliffe).

Senate Committee on Human Services & Corrections
House Committee on Judiciary

Background: In 1998 the Legislature passed 2SSB 6214 which addressed issues related to mentally ill offenders and provided a competency restoration process for misdemeanor defendants. The portions of this act relating to competency evaluation and restoration took effect in March 1999. Since their implementation, some procedures and standards have demonstrated a need for refinement. Some practitioners have also requested clarification with regard to coordination between the civil commitment and competency restoration provisions of the code.

Summary: Procedural, technical, and clarifying amendments to the competency restoration provisions are made. Prior acquittals by reason of insanity or findings of incompetence under any equivalent out-of-state or federal statute also qualify an incompetent defendant to receive competency restoration treatment.

The competency evaluator must provide an opinion as to whether the defendant should be evaluated by a county designated mental health professional under the civil commitment chapter. The local correctional facility must inform the evaluator to which professional person the report must be submitted. If there is no professional person at the jail, the jail must designate a person or work with the Regional Support Network (RSN) to designate a professional person at the RSN to receive the report. The local correctional facility must notify the evaluator no later than the commencement of the defendant's evaluation.

The court calculates the time for restoration and the civil and criminal courts may share information for the purpose of preventing inconsistent evaluation and treatment orders.

A procedure is specified for determining whether a past conviction, guilty plea, or finding of not guilty by reason of insanity is for a violent act. The court may consider certain documentary evidence to establish the facts in these cases.

The detention for a 72-hour evaluation hold under the civil commitment statute begins on the next nonholiday weekday following the court order, does not include weekends or holidays, and continues through the end of the last nonholiday weekday in the period. The timing and procedure for a petition for civil commitment following competency evaluation and failed restoration conform to the civil commitment chapter and a civil commitment proceeding brought as a result of the competency process must be brought in the county in which the criminal charge was dismissed.

Votes on Final Passage:

Senate	42	0
House	97	0

Effective: June 8, 2000

SB 6378

C 34 L 00

Extending the tenure of the enhanced 911 advisory committee.

By Senators Fraser, Brown and Snyder; by request of Department of Emergency Management.

Senate Committee on Energy, Technology & Telecommunications

House Committee on Technology, Telecommunications & Energy

Background: Enhanced 911 (E911) automatically displays the caller's name, phone number, and location to a 911 operator. An E911 system was established in Washington by referendum in 1991.

The E911 coordinator is responsible for the implementation and operation of the E911 system. The coordinator

is assisted by the E911 advisory committee, appointed by the Adjutant General of the state Military Department, and representing fire, safety, utility, telecommunication, and local government officials. There are currently 27 members on the advisory committee. Terms of service are determined by each member organization. Committee members are eligible for travel reimbursement.

The E911 advisory committee will expire on December 31, 2000.

Summary: The Enhanced 911 advisory committee expires on December 31, 2006.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: June 8, 2000

SSB 6382

C 76 L 00

Protecting dependent persons.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Thibaudeau, McCaslin, Long, Costa, Winsley, Rasmussen, Kohl-Welles and McAuliffe; by request of Attorney General).

Senate Committee on Health & Long-Term Care
House Committee on Criminal Justice & Corrections
House Committee on Appropriations

Background: Recent published reports identified numerous occasions in the past several years where, without consequence to the perpetrator, an elderly or disabled person in this state was subject to abuse or neglect, sometimes over an extended period of time. Often the abuse or neglect occurred at the hands of someone paid by the state to provide these persons with care.

Blame for this, it is suggested, lies in part with existing criminal laws that fail to deter such acts, and make them difficult to prosecute when they occur. Among these are hearsay rules which limit the use of out-of-court statements to circumstances frequently not present in cases involving vulnerable adults; crimes defined in such a way that it is difficult to apply them to the circumstances in which these acts frequently occur; and sentences which do not take into account the vulnerable nature of the person against whom the crime was committed.

Summary: A new crime of criminal mistreatment in the third degree is created. This crime is committed when a person entrusted with the care of a dependent person or child, with criminal negligence creates a risk of substantial bodily harm by withholding the basic necessities of life, or with criminal negligence causes substantial bodily harm by withholding the basic necessities of life. Criminal mistreatment in the third degree is a gross misdemeanor.

ESSB 6389

It is clarified that the new crime does not apply in situations covered by the Natural Death Act.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: June 8, 2000

ESSB 6389

C 135 L 00

Extending juvenile court jurisdiction over permanency planning matters in dependency proceedings.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Stevens, Hargrove and Long).

Senate Committee on Human Services & Corrections
House Committee on Judiciary

Background: Several years ago, the Legislature added permanent legal custody orders (third party custody) under RCW 26.10 as a permitted permanency plan under the dependency statute. This change allowed a juvenile court to approve a permanent legal custody order entered by the superior court as a permanency plan and dismiss the dependency.

Permanent legal custody orders have not been utilized as a permanent plan as often as originally anticipated because obtaining a permanent custody order presents an additional step that can be costly.

Summary: The juvenile court hearing a dependency petition has concurrent jurisdiction to hear a permanent custody petition under RCW 26.10. The parents, guardians or legal custodians, with the court's approval, must agree to the entry of the permanent custody order. Other parties to the dependency may agree to the order. The petitioner in an RCW 26.10 action who is not a party to the dependency must agree to the entry of the custody order. In addition, the order must be in the best interests of the child.

If a custody order is entered under RCW 26.10 and the dependency dismissed, the Department of Social and Health Services shall not continue to supervise the placement.

Votes on Final Passage:

Senate	44	0
House	98	0

Effective: June 8, 2000

E2SSB 6400

PARTIAL VETO

C 119 L 00

Changing provisions relating to domestic violence.

By Senate Committee on Ways & Means (originally sponsored by Senators Wojahn, Costa, Kohl-Welles, Winsley, Rasmussen and McAuliffe; by request of Governor Locke).

Senate Committee on Judiciary
Senate Committee on Ways & Means
House Committee on Criminal Justice & Corrections
House Committee on Appropriations

Background: This bill is based on the recommendations of the Governor's Domestic Violence Action Group. It was formed to review the case of Linda David and recommend ways to improve the state's response to domestic violence.

Currently, penalties for violations of domestic violence court orders vary depending on whether the underlying case is criminal, civil, dissolution, custody or paternity. A violation of a criminal no-contact order or a domestic violence protection order is a gross misdemeanor. It is a felony if the violation involves an assault or act of reckless endangerment, or results in a third conviction for violating such an order. A violation of a restraining order issued in conjunction with a dissolution is always a simple misdemeanor. The proponents of this bill believe penalties for violating the restraint provisions of various types of orders should flow from the conduct violating the order rather than the type of order.

The Court of Appeals, Division II, recently held that a batterer who violates a prohibition in a court order against coming within a specified distance of a victim's house or other location is punishable with contempt of court. The violation however does not constitute a crime because such a prohibition is not a "restraint provision" within the meaning of RCW 26.50.110.

Courts may issue protective orders in cases of abuse, neglect, exploitation, or abandonment of vulnerable adults; however, violations of these orders are not defined as crimes. A "vulnerable adult" is defined in statute as including a person (1) 60 years or older who has the functional, mental, or physical inability to care for himself or herself; (2) has been found incapacitated by a superior court; (3) has a developmental disability as defined in statute; (4) is admitted to any "facility" as defined in law; (5) is receiving services from home health, hospice, a licensed home care agency, or a state-funded individual provider.

Summary: The Department of Social and Health Services (DSHS) is authorized to seek orders for protection under RCW 26.50 on behalf of and with the consent of vulnerable adults. Such protection orders may prohibit a person from coming within a specified distances of loca-

tions. Violation of the order is a criminal offense if the person to be restrained knows of the order.

Violations of restraint provisions of court orders related to domestic violence issued in all types of proceedings where authorized triggers arrest when a police officer has probable cause to believe an order was issued, the person restrained had knowledge of the order, and a violation has occurred. A prohibition against a person coming within a specified distance of a location is a restraint provision which, if violated, will lead to arrest. Courts are authorized to order parties not to come within specified distances of locations in the following proceedings: dissolution, paternity, nonparental actions for custody, and order for protection cases.

It is a class C felony to violate a no-contact order, a foreign protection order, or restraining order issued in a dissolution, paternity, or nonparental action for custody if the violation constituted an assault, not amounting to assault in the first or second degree, reckless endangerment, or the offender has two or more previous such convictions. A violation of a no-contact order, foreign protection order or restraining order that does not constitute a class C felony is a gross misdemeanor. Felony violations of domestic violence protection orders are assigned to a seriousness Level V.

Certificates of discharge received upon an offender's release from confinement must not terminate his or her duty to comply with a court order. Courts must also immediately notify the proper law enforcement agency any time a court order is modified or terminated. Upon receipt of an order that has been changed or terminated, the law enforcement agency must modify or remove the order from any computer-based system that is used to list outstanding warrants.

DSHS is directed to periodically evaluate domestic violence perpetrator programs previously approved for court referral to determine compliance with existing standards.

Foreign protection orders filed under RCW 26.52 and orders for protection of vulnerable adults must to be entered into the domestic violence database of the Judicial Information System.

DSHS is authorized to fund nonprofit organizations with expertise in the field of domestic violence to develop and provide advocacy, education, and specialized services to underserved victims of domestic violence.

The Office of the Administrator for the Courts must revise all informational brochures relating to court orders designed to assist petitioners, to specify the use of and process for obtaining, modifying, and terminating an order.

Votes on Final Passage:

Senate	37	7
House	98	0 (House amended)
Senate	46	0 (Senate concurred)

Effective: June 8, 2000
July 1, 2000 (Section 17)

Partial Veto Summary: The section which makes the act null and void if specific funding is not provided by June 30, 2000, is removed.

VETO MESSAGE ON SB 6400-S2

March 24, 2000

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 29, Engrossed Second Substitute Senate Bill No. 6400 entitled:

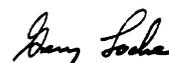
"AN ACT Relating to domestic violence;"

This bill improves and clarifies our laws dealing with domestic violence in numerous ways, without imposing costs on state or local government. However, section 29 would make the entire bill "null and void" unless referenced and funded in the budget. Because the bill imposes no costs and requires no funding or reference in the budget, I have vetoed section 29.

For these reasons, I have vetoed section 29 of Engrossed Second Substitute Senate Bill No. 6400.

With the exception of section 29, Engrossed Second Substitute Senate Bill No. 6400 is approved.

Respectfully submitted,



Gary Locke
Governor

SB 6429

C 139 L 00

Changing statutes that effect the productivity board.

By Senators Patterson and Horn; by request of Secretary of State.

Senate Committee on State & Local Government
House Committee on State Government

Background: The Productivity Board administers the Employee Suggestion Program and the Teamwork Incentive Program. The board is composed of: the Secretary of State, who is the Chair; the Director of Personnel; the Director of the Office of Financial Management; the Director of General Administration; three persons with experience in administering incentives, with the Governor, Lieutenant Governor, and the Speaker of the House of Representatives each approving one person. The Governor's appointee must be a representative of an employee organization, certified as an exclusive representative of at least one bargaining unit of classified employees; and one person representing state agencies and institutions with employees subject to state civil service law appointed by the Governor. No one organization may be represented for two consecutive terms.

Other than suggestion awards and incentive pay unit awards, agencies have the authority to recognize employees, either individually or as a class, for accomplishments including outstanding achievements, safety performance,

SB 6431

longevity, public service, or service as employee suggestion evaluators and implementors. Recognition awards may not exceed \$200 in value per award.

Summary: The Productivity Board may also be known as the Employee Involvement and Recognition Board.

The board membership is increased by two positions: a second person representing state agencies and institutions with employees subject to state civil service law; and one person representing those subject to state higher education personnel law.

An organization may be represented for more than one term.

Employees may be recognized for "outstanding" public service.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: June 8, 2000

SB 6431

C 204 L 00

Allowing for the dissemination of criminal history record information to the horse racing commission.

By Senators Heavey, West, Prentice, Hale, Winsley, Horn, Gardner and Roach; by request of Horse Racing Commission.

Senate Committee on Commerce, Trade, Housing & Financial Institutions
House Committee on Judiciary

Background: The Washington State Horse Racing Commission licenses, regulates, and supervises parimutuel horse racing in Washington State. The Horse Racing Commission has five commissioners and four ex-officio legislative members.

The commission requires licensure for all individuals who participate in racing at a race track. Examples of individuals licensed by the commission include jockeys, horse owners, trainers, veterinarians, horse grooms and exercise riders. The Horse Racing Commission also licenses racing associations.

During the licensing background investigation process, the commission considers the criminal background of each applicant. An applicant's criminal background may contain two types of data. Conviction data includes all arrests, detentions, or other formal charges and their disposition. In addition, conviction data includes arrests that are pending and less than one year old. Nonconviction data includes arrests, detentions, and formal criminal charges which have not led to convictions and which are not currently pending. Nonconviction data also includes arrests with no disposition that are over one year old.

Concerns exist that the Horse Racing Commission cannot adequately perform licensing background investigations without access to nonconviction data.

Summary: The Horse Racing Commission is authorized to receive criminal history record information that includes nonconviction data for use in determining suitability for involvement in horse racing activities. The Horse Racing Commission is prohibited from disseminating or using nonconviction data for purposes other than investigations. A termination date of June 30, 2003, is added.

Votes on Final Passage:

Senate	39	8
House	88	10 (House amended)
Senate	38	8 (Senate concurred)

Effective: June 8, 2000

SSB 6450

C 252 L 00

Clarifying the deposit and use of moneys for wildlife publications.

By Senate Committee on Natural Resources, Parks & Recreation (originally sponsored by Senator Jacobsen).

Senate Committee on Natural Resources, Parks & Recreation
House Committee on Natural Resources

Background: The Department of Fish and Wildlife receives money from the sale of interpretive, recreational, historical and informational literature and materials. In addition, advertisements in regulation pamphlets and enrollment in department-sponsored educational training events also generate moneys. All of these moneys are deposited in the wildlife account and may be utilized for a wide variety of department functions.

If the revenue from these activities could be utilized to further the production of informational materials, then the information and education functions would be enhanced.

Summary: Moneys received from the sale of interpretive, recreational, historical, educational and informational literature, including revenue from fisheries publications, are placed in the wildlife fund. Advertisement revenue from regulation pamphlets and enrollment fees from department-sponsored educational training events are also placed in the wildlife fund. The director may enter joint ventures with other agencies and organizations to generate revenue.

Moneys generated from the sale of informational materials may be used for developing, production, reprinting and distribution of informational and educational materials; producing regulation booklets; and training expenses.

Votes on Final Passage:

Senate	48	0
House	52	46 (House amended)
Senate	40	6 (Senate concurred)

Effective: June 8, 2000**SSB 6454**

C 150 L 00

Eliminating references to obsolete natural resources accounts.

By Senate Committee on Ways & Means (originally sponsored by Senators Loveland, Brown and Jacobsen).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: Dedicated accounts are created to fund specified agency programs. There are a number of natural resource accounts in statute that have never been used and a number of accounts created to fund programs that have since expired. The inactive accounts include the following:

1. The aquaculture disease control account was created in 1985. User fees for the aquaculture disease control program were never adopted and the account has never been used.
2. The Cedar River channel construction account was created in 1989. No funding was provided for channel construction, and the account has not been used.
3. The clean Washington account was created in 1991 to fund recycling market development activities of the Clean Washington Center. The center was terminated on June 30, 1997, and the account is no longer in use.
4. The environmental and forest restoration account was created in 1993 to fund water quality, habitat, and restoration projects. There was no fund source identified for the account. There has been no activity in the account since 1995.
5. The solid waste management account was created in 1989 to fund state and local solid waste management activities. The account was funded with a solid waste disposal tax that expired July 1, 1995. Final expenditures will be made from the account in the 1999-01 biennium.
6. The state and local improvements recreation revolving account was created in 1971 as part of a bond issue for recreation land management. All bond issues have been sold and there has been no activity in this account since 1995.
7. The state wildlife and recreation lands management account was created in 1992. There was no fund source identified for the account, and the account has not been used.
8. The underwater parks account was created in 1993 for the purposes of operating underwater parks. Underwa-

ter parks activities have been funded from the state general fund and the account has not been used.

9. The vehicle tire recycling account was created in 1985 to provide funding for the removal of unauthorized tire dump sites. The account was funded with a fee on used tires from 1989-1994. Final expenditures from the account will be made in the 99-01 biennium.
10. The wildlife conservation reward fund was created in 1987. No funding source was identified and the account has not been used.

Summary: The aquaculture disease control account, Cedar River channel construction account, and wildlife conservation reward account are abolished and any remaining balances are transferred to the state wildlife account.

The state wildlife and recreation lands management account, state and local improvements recreation revolving account, and underwater park account are abolished and any remaining balances transferred to the parks renewal and stewardship account.

The clean Washington account, vehicle tire recycling account, and solid waste management account are abolished and any remaining balances transferred to the state toxics control account.

The environmental and forest restoration account is abolished.

Votes on Final Passage:

Senate	48	0
House	98	0 (House amended)
Senate	46	0 (Senate concurred)

Effective: July 1, 2001**ESSB 6455**

C 253 L 00

Providing for the licensing of geologists.

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Gardner, Winsley, Fraser, Shin, Kohl-Welles, Brown, Costa, Fairley and Jacobsen).

Senate Committee on Commerce, Trade, Housing & Financial Institutions
House Committee on Commerce & Labor

Background: Twenty-seven states currently require geologists to be licensed. Concern exists that not licensing geologists may lead to a lack of standardization in the work these geologists provide.

Summary: It is unlawful for any person to practice or offer to practice geology in this state unless the person has been licensed, with limited exceptions.

A state Geologist Licensing Board is created. Requirements for becoming a licensed geologist are specified, and include educational requirements, five years of experience

SSB 6459

in geological work, and satisfactory completion of a licensing examination. An applicant who applies for licensing by July 1, 2001, is granted a license without written examination if the applicant meets specified criteria.

Acts which constitute grounds for suspension or revocation of a geologist license are specified. The director is authorized to investigate reports of unprofessional conduct, and may use the board to conduct hearings. Practicing or offering to practice geology without a license is considered a class one civil infraction.

A geologist's account is created in the custody of the State Treasurer. All fees and fines collected due pursuant to this act are deposited in this account.

In accordance with Initiative 695, the portion of the act pertaining to fees is referred to the people for their approval at the next general election.

Votes on Final Passage:

Senate	36	12
House	95	3 (House amended)
Senate	33	12 (Senate concurred)

Effective: June 8, 2000

July 1, 2001 (Sections 1-4, 6-21)

SSB 6459

C 77 L 00

Prohibiting the use of identifying information to solicit undesired mail.

By Senate Committee on Judiciary (originally sponsored by Senators Bauer and Rasmussen).

Senate Committee on Judiciary
House Committee on Judiciary

Background: It is possible for a person to cause unwanted magazine subscriptions, merchandise, or other mail to be delivered to another individual with the intent to harass the recipient. The credit record of the recipient of such undesired mail may be damaged and the victim may have to expend considerable effort to remedy the problems caused.

Summary: Use of any identifying information of another person to solicit undesired mail directed to that person is a misdemeanor. It is clarified that a person guilty of identity theft or solicitation of undesired mail is also liable for civil damages of the greater of actual damages or \$500 plus reasonable attorney's fees to be determined by the court.

Votes on Final Passage:

Senate	44	0
House	96	2 (House amended)
Senate	46	0 (Senate concurred)

Effective: June 8, 2000

SSB 6467

C 229 L 00

Reversing the 1999 license fraud law.

By Senate Committee on Transportation (originally sponsored by Senators Goings, Haugen, Eide, Sellar and Winsley).

Senate Committee on Transportation
House Committee on Transportation

Background: In 1999, the Legislature decriminalized license fraud and enacted civil penalties for intentionally licensing a vehicle in another state. Individuals who license vehicles in another state to avoid paying Washington taxes or fees are liable for a minimum monetary penalty of \$1,000 and a maximum penalty of \$10,000.

The Legislature also authorized the Washington State Patrol to use an administrative process to enforce the civil penalties established for license fraud. As a result of establishing this process, local law enforcement officials no longer had the authority to issue citations for license fraud.

Summary: The specific administrative process for the Washington State Patrol is eliminated. The criminal penalties for license fraud are reinstated. Intentionally registering a vehicle in another state to evade Washington taxes and fees constitutes a gross misdemeanor.

Votes on Final Passage:

Senate	44	0
House	97	0 (House amended)
Senate	45	0 (Senate concurred)

Effective: March 30, 2000

ESSB 6487

C 75 L 00

Providing for the release of mental health information under certain circumstances.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Long, Hargrove, Sheahan and Winsley; by request of Department of Social and Health Services and Department of Corrections).

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

Background: Current law mandates cooperation between the Department of Corrections (DOC) and state mental health service providers. Part of the cooperation, with regard to the supervision of offenders in the community, is the sharing of mental health information between the departments and those responsible for assisting mentally ill offenders in the community.

Summary: The Department of Social and Health Services Mental Health Division and mental health providers

are permitted to share relevant mental health records with DOC employees for whom the information is necessary to their employment duties. Information under this act may be provided only for completing pre-sentence investigations, risk assessment, supervising of incarcerated offenders, and planning for and supervising offenders in the community.

DOC may disclose mental health information to the Indeterminate Sentence Review Board, which is bound by DOC's provisions on redisclosure. DOC may disclose to state and local agencies as relevant to plan for and provide offenders transition, treatment, and supervision services, or as relevant and necessary to protect the public and counteract the danger presented by a particular offender. State and local agencies may redisclose the information only as permitted by chapters 70.02, 71.05, and 71.34 to the extent that the information is to counteract the danger presented by a particular offender. DOC may provide all relevant and necessary information to law enforcement agencies, on request, in a crisis or emergent situation that poses a public safety risk.

DOC may disclose mental health information to individuals as relevant and necessary for those individuals to take reasonable steps for self protection, but not to engage the public in a system of supervising, monitoring, and reporting offender behavior to DOC. Nothing prevents a member of the public from reporting behavior believed to create a public safety risk to either DOC or law enforcement.

In sentencing hearings or any other hearings in which DOC presents mental health information, the court may close those portions of the hearing that include disclosure of mental health information to the public, seal those portions of the record, or grant other relief to prevent the inappropriate disclosure of mental health information to the public. Sealing a record under this provision does not prevent the subsequent release of the information as authorized in the act.

Votes on Final Passage:

Senate	44	2	
House	98	0	(House amended)
Senate	39	4	(Senate concurred)

Effective: June 8, 2000

E2SSB 6499

PARTIAL VETO

C 3 L 00 E2

Funding transportation.

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Goings, Gardner and Patterson; by request of Governor Locke).

Senate Committee on Transportation
House Committee on Transportation

Background: The transportation budget provides appropriations to the major transportation agencies: the Department of Transportation (DOT), the Washington State Patrol (WSP), the Department of Licensing (DOL), the Transportation Improvement Board (TIB), and the County Road Administration Board (CRAB). It also provides appropriations out of transportation funds to many smaller transportation agencies and general government agencies.

Summary: The 1999-01 transportation budget totaled approximately \$4 billion. Subsequently, Initiative 695 passed in the November 1999 general election. The 2000 supplemental transportation budget reflects adjustments made as a result of the passage of Initiative 695.

For additional information, see the "2000 Supplemental Transportation Budget Highlights" and the "2000 Supplemental Budget Notes."

Appropriation: \$3.28 billion.

Votes on Final Passage:

Senate	42	6
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First Special Session

Senate	26	19
House	98	0 (House amended)

Second Special Session

Senate	45	1
House	96	2

Effective: May 2, 2000

Partial Veto Summary: The Governor vetoed a definition in the budget of "enacted in the form passed by the legislature." The definition defined "enacted in the form passed by the legislature" as a bill that passed without any provisions vetoed or with only ministerial changes resulting from a partial veto.

VETO MESSAGE ON SB 6499-S2

May 2, 2000

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 1, Engrossed Second Substitute Senate Bill No. 6499 entitled:

"AN ACT Relating to transportation funding and appropriations;"

The Constitution of the State of Washington, Article III, Section 12, makes clear that every act passed by the legislature shall be presented for consideration by the governor. That constitutional section further provides that the governor may veto less than an entire bill. The phrase "enacted in a form passed by the legislature" as defined in section 1 of E2SSB 6499 effectively makes such presentment conditional upon the governor's approval of the entire referenced bill, and incorporates substantive legislation into an appropriations bill. This violates several constitutional principles, including the doctrine of separation of powers. It improperly restricts the governor's constitutional veto power, and sets a bad precedent.

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For these reasons, I have vetoed section 1 of Engrossed Second Substitute Senate Bill No. 6499.

With the exception of section 1, Engrossed Second Substitute Senate Bill No. 6499 is approved.

Respectfully submitted,



Gary Locke
Governor

SSB 6502

C 121 L 00

Changing provisions on long-term care training.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Winsley, Thibaudeau and Kohl-Welles; by request of Department of Social and Health Services).

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

Background: In recent years the number of elderly and disabled people living in adult family homes and boarding homes has grown significantly. There are 10,000 residents living in 2,100 adult family homes, and 21,790 people living in 493 boarding homes.

It is generally recognized that residents in these facilities are more acutely ill and have more serious health care needs than in the past. Increasingly, people with dementia and serious medical problems are living in community residential facilities instead of going as often to nursing homes.

Current law does not mandate that caregivers in boarding homes have any training beyond basic first aid, CPR, and HIV infection control, unless the facility is contracted as an assisted living facility with the Department of Social and Health Services. Caregivers in adult family homes must have a fundamental training course completed within 120 days of their employment.

Summary: Beginning March 2002, caregivers in all long-term care settings must have an orientation before beginning employment. Boarding home administrators and caregivers must pass department-approved basic training within 120 days of employment. Boarding home administrators must have specialty training if they serve residents with special needs.

Adult family home caregivers must be indirectly supervised until they get their basic training within 120 days of employment. Adult family home providers cannot admit anyone with dementia, mental illness, or developmental disabilities until they have had specialized training. If a resident under their care develops special needs, adminis-

trators or residents managers must complete specialized training within 120 days of diagnosis.

Training for all caregivers, in all settings, must include innovative approaches and the department must develop a system for approving training programs and trainers.

The steering committee for community long-term care training and education is established to advise the department on rules relating to training materials, competency testing, training effectiveness, and other training matters. Membership of the committee is described.

Continuing education requirements for all caregivers are described.

Training materials created by the department are considered in the public domain, subject to federal copyright restrictions, and are accessible for public distribution.

Votes on Final Passage:

Senate	48	0
House	98	0 (House amended)
Senate	46	0 (Senate concurred)

Effective: June 8, 2000

ESSB 6530

C 247 L 00

Pertaining to plans 2 and 3 of the state retirement systems.

By Senate Committee on Ways & Means (originally sponsored by Senators Fraser, Long, Snyder, Franklin, Bauer, Honeyford, Jacobsen, Fairley, Haugen, Roach, Zarelli, Rasmussen, Goings, McAuliffe, Patterson, Eide, Winsley, Hale, Costa, Kohl-Welles, Stevens, B. Sheldon, Gardner and Spanel; by request of Joint Committee on Pension Policy).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: Plan 2 and Plan 3. In 1977, the Legislature created new retirement plans for the Public Employees' Retirement System (PERS Plan 2), the Teachers' Retirement System (TRS Plan 2), and the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF Plan 2). These are defined benefit pension plans where a member's retirement benefit is 2 percent of final average salary times years of service. Normal retirement age in PERS Plan 2 and TRS Plan 2 is 65. Normal retirement age in LEOFF Plan 2 is 55. The member contribution rate in PERS Plan 2 is equal to the employer contribution rate. The LEOFF Plan 2 contribution rates split the cost of the plan between the member (50 percent), the employer (30 percent), and the state (20 percent).

Members of TRS, PERS and LEOFF Plan 2 who leave employment before retirement can either withdraw their own contributions plus 5.5 percent interest, or they can leave their contributions in the retirement system and draw a retirement allowance after reaching retirement age. The retirement allowance of a PERS Plan 2 or TRS Plan 2

member, or a LEOFF Plan 2 member with less than 20 years of service who leaves employment and leaves his or her retirement contributions in the system, is based on the salary the member had before leaving employment. The retirement allowance of a LEOFF Plan 2 member who leaves employment with at least 20 years of service and leaves his or her retirement contributions in the system is increased by 3 percent each year from the time of separation to the date the retirement allowance begins.

Between 1990 and 1992 the Joint Committee on Pension Policy (JCPP) conducted a review of the Plan 2 retirement age policy. As a result of the study, the JCPP proposed the creation of a new Plan 3 design. The Plan 3 design consists of a defined benefit portion and a defined contribution portion. One of the goals of the JCPP in designing Plan 3 was that it be cost neutral to the state. Legislation enacted in 1995 created TRS Plan 3. Legislation enacted in 1998 created a new School Employees' Retirement System (SERS), with a Plan 2 and a Plan 3, for classified school district employees.

The Plan 3 defined benefit provided at retirement is 1 percent of final average salary times the number of years of service. The defined benefit of a member who leaves employment with at least 20 years of service is increased by 3 percent each year from the time of separation to the date the retirement allowance begins. Normal retirement age is 65 with 10 years of service. Early retirement is at age 55 with at least 10 years of service. The retirement allowance under early retirement is actuarially reduced from age 65. The defined benefit is funded by employer contributions only.

The defined contribution portion of Plan 3 is funded by employee contributions. Upon entry into Plan 3, the employee must make an irrevocable choice of a contribution level. The choices range from 5 percent of salary to 15 percent of salary. All investment earnings on the member's contributions accrue to the member's account. A Plan 3 member can choose to invest either through the State Investment Board (SIB) in the same portfolio the SIB invests all other state retirement fund assets, or in one of several other funds offered by the SIB, in conjunction with the Employee Retirement Benefits Board. When a Plan 3 member leaves covered employment, the employee can withdraw his or her contributions plus investment earnings without destroying the defined benefit.

All teachers first hired on or after July 1, 1996, are mandated to join TRS Plan 3. Members of TRS Plan 2 have the option to transfer to TRS Plan 3. TRS Plan 2 members who transferred to TRS Plan 3 before January 1, 1998, received an additional transfer payment into their defined contribution accounts equal to 65 percent of their accumulated member contributions.

The new School Employees' Retirement System becomes effective on September 1, 2000. All classified school district and educational service district employees who are members of PERS Plan 2 will automatically be transferred to SERS Plan 2, which is identical to PERS

Plan 2. All SERS Plan 2 members have the option to transfer to SERS Plan 3 which has the same design as TRS Plan 3. SERS Plan 2 members who transfer to SERS Plan 3 before March 1, 2001, receive an additional transfer payment of 65 percent of their accumulated member contributions. All classified employees first hired on or after September 1, 2000, are mandated to join SERS Plan 3.

Extraordinary Gains and Gain Sharing. In 1998 the Legislature enacted a new pension benefit, called "gain sharing," which uses high investment returns to fund benefit increases in certain state retirement plans, including TRS Plan 3 and SERS Plan 3. Plan 3 gain sharing distributions are made every two years when there are extraordinary gains. "Extraordinary gains" are defined as a four-year average investment return in the Plan 2 and Plan 3 retirement trust funds in excess of 10 percent. A portion of the investment returns in excess of 10 percent are distributed to Plan 3 individual member accounts based on each member's years of service.

Plan 3 Retiree Annuity Payment Options. The Employee Retirement Benefits Board (ERBB) was created when TRS Plan 3 was created. One of the board duties is to select payment options for the Plan 3 defined contribution accounts, such as fixed and participating annuities and payments that bridge to Social Security or defined benefit plan payments. The ERBB also may approve the creation of annuity options that can be purchased from the combined TRS Plan 2 and Plan 3 fund or the combined SERS Plan 2 and Plan 3 fund. The ERBB has not created any such annuity options to date.

Early Retirement Reduction Factors. Members of PERS Plan 2, TRS Plan 2, and SERS Plan 2 may apply for early retirement if they are at least age 55 and if they have at least 20 years of service. Members of TRS Plan 3 and SERS Plan 3 may apply for early retirement if they are at least age 55 and have at least 10 years of service. Members of LEOFF Plan 2 may apply for early retirement if they are at least age 50 and have at least 20 years of service. In each of these plans, the retirement allowance is actuarially reduced to offset the cost of beginning the retirement allowance early. The factors vary by plan and age, but average about 8 percent per year for a person who chooses to retire five years earlier than normal retirement.

State agencies and higher education institutions employ about 65,000 PERS Plan 2 members. Local government employs about 54,000 PERS Plan 2 members and about 12,000 LEOFF Plan 2 members.

Pension Contribution Rates. Employer contribution rates for PERS and TRS, and the state contribution rate for LEOFF Plan 2 are set by the Pension Funding Council in even-numbered years, for use in the following biennium, based on actuarial valuation studies conducted by the Office of the State Actuary (OSA). In 1999 OSA conducted new valuation studies which indicate the employer and state rates for PERS, TRS and LEOFF 2 could be re-

duced and still meet all of the statutory pension funding requirements.

Summary: Optional PERS Plan 3. A new PERS Plan 3 is created, effective March 1, 2002, for employees of state agencies and higher education institutions, and effective September 1, 2002, for employees of local governments. PERS Plan 3 is a split plan similar to TRS Plan 3, with a defined benefit portion and a defined contribution portion. The design of the defined benefit portion of PERS Plan 3 is generally the same as PERS Plan 2, except Plan 3 has a 1 percent benefit at retirement rather than 2 percent. The defined benefit portion is funded entirely by employer contributions; PERS Plan 3 members make no contributions to the funding of the defined benefit.

PERS members first hired after the effective date of PERS Plan 3 have the option of selecting membership in either Plan 2 or Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3. For administrative efficiency, a new employee is initially reported in Plan 2 and the Department of Retirement Systems collects employer and employee contributions at the Plan 2 rate. The service credit and member contributions of an employee who chooses or defaults to Plan 3 are transferred to Plan 3. Members who default to Plan 3 also default to a 5 percent defined contribution rate.

Current members of PERS Plan 2 have the option to transfer to Plan 3; those who do so have their service credit and accumulated contributions transferred to their individual account in Plan 3.

Plan 2 to Plan 3 Transfer Payments. Those PERS Plan 2 members who are state agency and higher education employees and who transfer between March 1, 2002, and September 1, 2002, and who earn service credit in February 2003, receive a transfer payment to their defined contribution accounts equal to 110 percent of their accumulated contributions. Those local government employees who transfer from PERS Plan 2 to PERS Plan 3 between September 1, 2002, and June 1, 2003, and who earn service credit in February 2003, receive a 111 percent transfer payment. The transfer payments are made on June 1, 2003.

Plan 3 Gain Sharing Payments. The same gain sharing provisions provided in TRS Plan 3 and SERS Plan 3 are included in PERS Plan 3. The first gain sharing payment is paid June 1, 2003, and is equal to the gain sharing payments made to TRS Plan 3 members in January 2000 and in January 2002.

Plan 3 Annuity Payment Options. The ERBB is required to make optional actuarially equivalent life annuity benefit payment schedules available to Plan 3 members no later than July 1, 2005. These annuity options may be purchased from the TRS, SERS, or PERS combined Plan 2 and Plan 3 funds.

LEOFF Plan 2 Retirement Age and Early Retirement Reduction Factors. The normal retirement age for LEOFF

Plan 2 is reduced to age 53. A LEOFF Plan 2 member who is at least 50 years old and has at least 20 years of service may receive a benefit reduced by 3 percent for each year the member is less than age 53.

PERS, TRS, and SERS Plans 2 and Plans 3 Early Retirement Reduction Factors. In addition to current early retirement provisions, a member of Plan 2 or Plan 3 of PERS, TRS or SERS who is at least age 55 and has at least 30 years of service may receive a benefit that is reduced by 3 percent for each year the member is less than age 65.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: September 1, 2000 (Sections 901-906)
 March 1, 2002
 January 1, 2004 (Section 408)

SSB 6531

C 230 L 00

Modifying the Washington school employees' retirement system plan 2 and 3.

By Senate Committee on Ways & Means (originally sponsored by Senators Long, Fraser, Winsley, Honeyford, Fairley, McAuliffe, Franklin, Bauer, Goings, Haugen, Hale, Rasmussen, Patterson, Eide, Kohl-Welles, Snyder, Stevens, B. Sheldon, Gardner, Spanel and Zarelli; by request of Joint Committee on Pension Policy).

Senate Committee on Ways & Means
 House Committee on Appropriations

Background: SERS 3 Transfer Payment. The School Employees Retirement System Plan 2 and Plan 3 (SERS 2 and 3) were created in legislation adopted in 1998, and will open to membership as of September 1, 2000. All classified employees of school districts and educational service districts who are members of the Public Employees Retirement System Plan 2 (PERS 2) will automatically be transferred to SERS 2, which has identical benefits to PERS 2. All SERS 2 members will then have the opportunity to transfer to SERS 3. New classified staff hired after September 1, 2000, are required to be members of SERS 3.

The legislation creating SERS 3 was proposed by the Joint Committee on Pension Policy. One of the principles followed in developing SERS 3 was that the creation of the new plan, and movement of members to SERS 3, should be cost neutral to the state.

Members of SERS 2 can make an irrevocable decision to join the SERS 3 by transferring their service credit and contributions. If a SERS 2 member elects to switch to SERS 3, the member's employee contributions, plus interest, are transferred to an individual defined contribution

account. There is a six-month SERS 3 transfer window period, beginning September 1, 2000, and ending February 28, 2001. If a SERS 2 member chooses to transfer to SERS 3 within that window, an additional payment of 65 percent of the employee contributions as of January 1, 2000, will be deposited into the member's defined contribution account.

The purpose of the additional transfer payment was to maintain the cost neutrality of the move of members from SERS 2 to SERS 3. The Office of the State Actuary has determined that the appropriate transfer payment amount should be 130 percent of employee contributions to meet that goal.

SERS 2 Contribution Rates. The SERS legislation provides that the SERS 2 member contribution rate shall be set at the rate in effect on September 1, 2000 for PERS 2, but shall never exceed the employer contribution rate for SERS 2 and 3. On July 1, 1999, the PERS 2 member and employer rates were both reduced from 4.65 percent of pay to 1.85 percent of pay.

Eligibility for PEBB Retiree Health Insurance. The retiree health insurance plans offered by the Public Employees Benefits Board are available to school employees who retire from PERS or the Teachers Retirement System (TRS).

Summary: The transfer payment made to the defined contribution accounts of classified school employees who transfer from SERS Plan 2 to SERS Plan 3 is increased from 65 percent to 130 percent. The required contribution rate for members of SERS Plan 2 must equal the employer contribution rate for SERS Plan 2 and 3, with certain exceptions. SERS 2 and SERS 3 retirees are eligible for coverage under health insurance plans offered by the public employees benefits board.

The Joint Committee on Pension Policy is directed to study the feasibility of permitting new SERS and TRS members to choose between plan 2 or plan 3, and to provide its recommendations by January 1, 2001.

Votes on Final Passage:

Senate	47	0
House	98	0 (House amended)
Senate	46	0 (Senate concurred)

Effective: September 1, 2000

SB 6534

C 231 L 00

Establishing eligibility for the employee attendance incentive program.

By Senators Bauer, Winsley, Long, Franklin, Honeyford, Fairley, Haugen, Rasmussen, Jacobsen, McAuliffe, Goings, Patterson, Eide, Kohl-Welles, Stevens, B. Sheldon, Gardner and Spanel; by request of Joint Committee on Pension Policy.

Senate Committee on Ways & Means
House Committee on Appropriations

Background: School districts may establish, through the collective bargaining process, an attendance incentive program for certificated and classified employees. Although program implementation is optional, certain statutory provisions must be met if such a program is established. Eligible employees may receive one day's compensation for each four full days of sick leave accrued in the previous year in excess of 60 days. Upon separation from employment due to retirement or death, an employee may also receive one day's compensation for each four full days of accrued sick leave. In lieu of cash remuneration for unused sick leave, a school district may provide eligible employees a benefit plan that provides reimbursement for retirees' medical expenses on a pre-tax basis.

Certificated school district employees are members of the Teachers' Retirement System (TRS) Plans 1, 2 and 3. Classified school district employees are members of the Public Employees' Retirement System (PERS) Plans 1 and 2. Beginning September 1, 2000, school district classified employees who are members of PERS Plan 2 will be transferred to the newly created School Employees' Retirement System (SERS) Plan 2. All newly hired classified employees will be members of SERS Plan 3, together with SERS Plan 2 members who elect to transfer to SERS Plan 3. Plans 1 and 2 are defined benefit plans. Plan 3 is both a defined benefit and defined contribution plan designed to provide employees greater flexibility to determine retirement age, make career changes, and leave the workforce before retirement.

Members of PERS Plan 1 and TRS Plan 1 may retire with 30 years of service at any age; with 25 years of service at age 55; and with five years of service at age 65. Members of PERS Plan 2, TRS Plan 2, TRS Plan 3, SERS Plan 2 and SERS Plan 3 may receive an unreduced retirement benefit at age 65. Plan 2 members may receive an actuarially reduced benefit if they are at least age 55 and have at least 20 years of service credit. Plan 3 members may receive an actuarially reduced benefit if they are at least age 55 and have at least 10 years of service credit.

State and school district employees who are members of Plans 1 and 2 of PERS and TRS may purchase health benefits from the state Health Care Authority (HCA) upon retirement. Members of Plan 3 of TRS may purchase

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health benefits from the HCA upon retirement, or if they leave school district employment with at least 10 years of credit and have attained age 55.

State and higher education employees also have an attendance incentive program with the same provisions as the school districts' program.

Summary: Eligibility to receive remuneration for unused sick leave is extended to employees who are at least age 55 when they separate from school district employment and who have at least ten years of service under TRS Plan 3 or SERS Plan 3, or have at least 15 years service under PERS Plan 2, TRS Plan 2, or SERS Plan 2.

Votes on Final Passage:

Senate	45	0
House	92	6 (House amended)
Senate	47	0 (Senate concurred)

Effective: June 8, 2000

ESB 6555

C 232 L 00

Ordering a study of evaluations of children needing long-term care.

By Senators Long, Hargrove, Patterson, Costa, Eide, Winsley and Kohl-Welles.

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

Background: Over the past ten years, the Legislature has passed a number of initiatives to improve foster care services. One of those initiatives, passed in 1993, required the Department of Social and Health Services (DSHS) to evaluate all children entering foster care within the first 30 days of placement to determine their need for long term care. It is not clear whether this requirement is being followed.

Summary: The department, by region, must report to the Legislature by December 31, 2000, and every six months thereafter on the number of children evaluated during the first 30 days of placement, the evaluation tool(s) used, the findings from the evaluation, how the department used the evaluation results to provide services to the foster child, and whether and how the evaluation results assisted the department in providing services.

The department must make the appropriate number of referrals to the foster care assessment program. The department must report to the Legislature by November 30, 2000, on the number of referrals, by region, to the foster care assessment program.

The department must report to the Legislature by December 15, 2000, on how it will use the foster care assessment program model to assess children as they enter out-of-home care.

The department must accomplish the above within existing resources.

Votes on Final Passage:

Senate	47	0
House	97	0 (House amended)
Senate		(Senate refused to concur)
House	98	0 (House receded)

Effective: June 8, 2000

SSB 6557

C 233 L 00

Allowing credit unions to conduct raffles.

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Prentice, Winsley, Shin, Benton, Roach, Kohl-Welles and T. Sheldon).

Senate Committee on Commerce, Trade, Housing & Financial Institutions
House Committee on Commerce & Labor

Background: A bona fide charitable or nonprofit organization, as defined in the gambling act, may conduct raffles without obtaining a license when the gross revenue from all the organization's raffles within the calendar year do not exceed \$5,000 and the raffle tickets are sold only to and winners are determined only from among regular members of the organization. Bona fide charitable and nonprofit organizations are allowed other exemptions under the gambling act including exclusion from local taxation on the first \$10,000 of gross receipts less prizes from raffles conducted by such organizations.

A credit union is a cooperative society organized as a nonprofit corporation for the purposes of promoting thrift among its members and creating a source of credit for them at fair and reasonable rates of interest.

Summary: Both state and federal credit unions are included in the definition of a bona fide charitable and nonprofit organization for the purposes of conducting raffles where the gross revenues do not exceed \$5,000 within a calendar year and tickets are sold only to and winners are determined only from among regular members of the organization. The proceeds are exempt from local taxation. The use of the proceeds generated from raffles by credit unions are limited to the purposes authorized for charitable or nonprofit organizations under the gambling law.

Votes on Final Passage:

Senate	32	6
House	87	10 (House amended)
Senate	32	13 (Senate concurred)

Effective: June 8, 2000

ESSB 6559

C 126 L 00

Notifying parents of school programs leading to college credit.

By Senate Committee on Education (originally sponsored by Senators Kohl-Welles, Swecker, McAuliffe, Finkbeiner, Eide, Hochstatter, Bauer, Zarelli, Goings, Rasmussen, Oke, Winsley and Roach).

Senate Committee on Education
House Committee on Education

Background: There are five programs currently offered in Washington schools in which a high school student may earn college credit: Advance Placement, College in the High School, International Baccalaureate, Tech-Prep, and Running Start.

Currently there is no statutory requirement that high schools notify parents of programs that lead to college credit. There are joint rules adopted by the Superintendent of Public Instruction, the State Board for Community and Technical Colleges, and the Higher Education Coordinating Board which require school districts to annually provide information on the Running Start program to 10th and 11th grade students and their parents.

Summary: Beginning with the 2000-01 school year, the Superintendent of Public Instruction must notify high schools and public schools that include ninth grade students of entities offering programs leading to college credit, if the superintendent has knowledge of such entities and if the cost of reporting these entities is minimal. Beginning in the 2000-01 school year, high schools and public schools that include ninth grade students must annually deliver to parents information concerning the program entrance requirements and the availability of programs leading to college credit. Programs leading to college credit include Running Start, Tech-Prep, skill centers, College in the High School, Advance Placement and International Baccalaureate programs.

Votes on Final Passage:

Senate	46	0	
House	76	22	(House amended)
Senate	47	0	(Senate concurred)

Effective: June 8, 2000

SB 6570

C 61 L 00

Providing additional judicial authority in truancy petitions.

By Senators Hargrove, Costa and Long.

Senate Committee on Human Services & Corrections
House Committee on Education

Background: Under Washington's compulsory school attendance law, a truancy petition may be filed against a child for failing to attend school. Juvenile courts hearing truancy petitions may order a truant minor to meet court imposed obligations listed in RCW 28A.225.090.

Summary: The authority granted to juvenile courts hearing truancy petitions is broadened.

Juvenile courts may set minimum school attendance requirements, including the authority to deal with suspensions. This allows courts to treat school suspensions as unexcused absences.

Juvenile courts are granted explicit authority to order a minor, who has tested positive to drug or alcohol use, to abstain from further use of controlled substances and alcohol at no expense to the minor's school.

Votes on Final Passage:

Senate	42	0	
House	97	0	(House amended)
Senate	43	1	(Senate concurred)

Effective: June 8, 2000

SSB 6589

C 141 L 00

Allowing domestic wineries to exercise licensing privileges at up to two additional locations.

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Prentice, Hale, Deccio, Rasmussen, Loveland, B. Sheldon, West, McAuliffe and Kohl-Welles).

Senate Committee on Commerce, Trade, Housing & Financial Institutions
House Committee on Commerce & Labor

Background: A domestic winery may act as a distributor and/or retailer of wine of its own production. Currently, wineries may only exercise these privileges at the licensed winery site.

Summary: A licensed domestic winery may serve wine tastings of its own products and sell wine of its own production at up to two additional locations. Each additional location must be approved by the Liquor Control Board but does not require additional licensing. Additional locations shall not act as distributors.

Votes on Final Passage:

Senate	43	0	
House	98	0	

Effective: June 8, 2000

SB 6602

C 234 L 00

Revising membership of certain LEOFF disability boards.

By Senators Loveland and Patterson.

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The statutes creating the Law Enforcement Officers and Fire Fighters retirement system, Plan 1 (LEOFF 1) provide for the creation of city and county disability boards. These boards rule on claims for disability retirement for LEOFF 1 members, designate which medical services are available to LEOFF 1 retirees, and may require a LEOFF 1 retiree who seeks payment for medical services to submit to a medical exam.

Each county has a disability board which has five members. The board has jurisdiction over LEOFF 1 members who are not employed by a city that has its own disability board. Under current law one of the members of the county board must be a member of a city or town legislative body located within the county which does not have its own board. This member must be chosen by a majority of the mayors of such cities or towns.

Summary: In counties with a population of less than 60,000, the member of a county LEOFF 1 disability board who is appointed by the mayors of the cities and towns that do not have their own disability boards must be a resident of one of those cities or towns, but need not be a member of a city or town legislative body.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: June 8, 2000

SSB 6621

C 235 L 00

Creating a task force to study the interstate compact for adult offender supervision.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Costa, McCaslin, Kline, Long, Heavey, Haugen, Hargrove, Thibaudeau, Zarelli, Oke, Rasmussen and Kohl-Welles).

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

Background: Washington entered the current probation and parole compact about 60 years ago. It has become outdated and ineffective in the supervision of offenders outside of Washington State. There is concern that the quality of supervision by other states under the current compact is inconsistent and may present public safety

risks. The compact has recently been revised and has substantive differences from the old compact.

Summary: A task force is created to study the new interstate compact for adult offenders to determine whether it is in the state's interest to adopt the compact. The task force includes legislators, a judge, the Attorney General, the Chief of the Washington State Patrol, a prosecutor, a defender, corrections officials, a sheriff or police chief and two victim advocates, and must make recommendations to the Legislature by January 1, 2001. The task force is staffed by the Office of Financial Management and legislators may receive assistance from Senate Committee Services or Office of Program Research staff.

Votes on Final Passage:

Senate	45	0
House	97	0 (House amended)
Senate	46	0 (Senate concurred)

Effective: June 8, 2000

SB 6622

C 236 L 00

Designating Asian Pacific American Heritage Month.

By Senators Shin, Rasmussen, Kohl-Welles, Sheahan, McAuliffe, Prentice, B. Sheldon, Winsley, Finkbeiner, Benton, Fairley, Eide, Goings, Bauer, Franklin, Haugen, Gardner, Loveland, T. Sheldon, Jacobsen, Hargrove, Kline, Fraser, Heavey, Patterson, Hale and Roach.

Senate Committee on State & Local Government
House Committee on State Government

Background: The Legislature has declared that it is particularly concerned with the plight of those Asian Pacific Americans who, for economic, linguistic, or cultural reasons, find themselves disadvantaged or isolated from American society and the benefits of equal opportunity.

Summary: The Legislature declares that May of each year to be known as Asian Pacific American Heritage Month. The fourth week of May is designated as a time for people of this state to celebrate contributions to the state by Asian Pacific Americans; and educational institutions, public entities, and private organizations are encouraged to commemorate the lives, history, achievements, and contributions of Asian Pacific Americans.

The State Commission on Asian Pacific American Affairs coordinates and assists statewide celebrations during the fourth week of Asian Pacific Heritage Month.

Votes on Final Passage:

Senate	46	0
House	96	1

Effective: April 30, 2000

SB 6642
C 35 L 00

Preventing a registered sex offender from holding a real estate appraiser license or certificate.

By Senators Benton, Heavey, Shin and Oke.

Senate Committee on Commerce, Trade, Housing &
Financial Institutions

House Committee on Commerce & Labor

Background: The Department of Licensing administers the real estate appraiser licensing program. The department may discipline an appraiser if the director finds a violation of one of the grounds for discipline. Once the director finds that an individual violated one of the grounds for discipline, the director may deny, suspend, or revoke the license or certificate, or may levy a fine for each offense.

One of the grounds for discipline is conviction of any gross misdemeanor or felony or the commission of any act involving moral turpitude, dishonesty, or corruption. Persons convicted of sexual offenses must register after their release from incarceration. Depending on the level of the crime committed, sex offenders register for life, 15 years or 10 years.

The director's ability to deny a license to a registered sex offender may be limited by a statutory restriction that a person is not disqualified to practice in an licensed occupation solely because of a prior felony conviction. However, the conviction may be considered. A person may be denied a license if the felony for which he or she was convicted directly relates to the licensed occupation and the conviction occurred less than 10 years ago.

Summary: The law provides that a person is not disqualified to engage in a licensed occupation solely because of a prior felony conviction and that a license may be denied if the conviction directly relates to the licensed occupation and occurred less than 10 years ago. However, this law does not apply to a registered sex offender under the real estate appraiser program.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: June 8, 2000

SSB 6643
C 36 L 00

Modifying growth management planning population requirements.

By Senate Committee on State & Local Government (originally sponsored by Senators Hargrove, Snyder, Rasmussen and Oke).

Senate Committee on State & Local Government
House Committee on Local Government

Background: Each county that has both a population of 50,000 or more and has had its population increase by more than 17 percent in the previous ten years, and the cities located within such county, and any other county regardless of its population that has had its population increase by more than 20 percent in the previous ten years, and the cities located within such county, must conform with the requirements of the Growth Management Act.

Summary: For the purposes of being required to conform to the requirements of the Growth Management Act, no county is required to include in its population count those persons confined in a correctional facility under the jurisdiction of the Department of Corrections that is located in the county. The act is prospective.

Votes on Final Passage:

Senate	48	0
House	90	7

Effective: June 8, 2000

SSB 6644
C 254 L 00

Making technical corrections to fire protection laws.

By Senate Committee on State & Local Government (originally sponsored by Senators Goings, Prentice, Fairley, Rasmussen, Haugen and Costa).

Senate Committee on State & Local Government
House Committee on Financial Institutions & Insurance

Background: Under the Insurance Fraud Reporting Act, an insurer that has reason to believe a reported fire loss may be of other than accidental cause must so notify the chief of the Washington State Patrol through the director of Fire Protection. The authorized agency receiving this notification may request all relevant information or evidence the insurer may have relating to criminal activity. The insurer has immunity in any civil or criminal action arising from release of the information, unless actual malice is shown.

Summary: The insurer may request that the authorized agency to which it made a report, provide relevant information on the fire loss that is in the agency's possession.

SSB 6663

The agency may release information to the insurer at the agency's discretion.

Immunity from civil or criminal action is extended to the agency complying with the insurer's request for information.

Non-mergeable double amendments to two sections of the act are merged and reenacted.

Votes on Final Passage:

Senate	43	0
House	98	0

Effective: June 8, 2000

SSB 6663

C 255 L 00

Preserving federally assisted housing and minimizing the involuntary displacement of tenants residing in such housing.

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Wojahn, Prentice, Winsley and Kohl-Welles).

Senate Committee on Commerce, Trade, Housing & Financial Institutions

House Committee on Economic Development, Housing & Trade

Background: Many rental housing assistance programs provide an economic incentive to developer-owners in return for their agreement to keep rents at a certain level for a certain period of time. The agreement might involve only a percentage of units in a particular building or development. Some economic benefits, such as below-market loans, can be paid off prior to their maturity date and relieve the owner of the low-income use restrictions.

Current law requires a 12-month notice to be given to tenants prior to expiration of a rental assistance contract, or prepayment of an obligation that would allow early termination of the rental assistance contract. The notice must be given to local government officials, the state, and to the tenants. The notice to tenants must include the effect the expiration or prepayment will have on tenants' rent or other terms of their rental agreement. The notice to state and local officials must contain a variety of information designed to help them assess the impact of the expiration or prepayment.

During the 12 months following the notice, tenants may not be evicted (except for good cause), rents may not be raised, and rental agreements may not be modified except as permitted under the existing agreement.

The notice requirements do not apply to owners participating in the section 8 certificate or voucher program.

Summary: The owner is not required to give notice of a prepayment if the owner has entered into an agreement

with a government agency that continues existing, or imposes new low-income use restrictions for a period of at least 20 years that will ensure against involuntary displacement of current low-income tenants.

An owner is not required to give notice of an expiration of a rental assistance contract if the owner has entered into an agreement with a government agency to renew the contract for a period of at least five years.

The 12-month notices that owners of federally assisted housing must now serve on state and local officials must also be given to public housing agencies that would be impacted, and on tenants that move into the property during the 12-month notice period. The contents of the notice to tenants is expanded to include a number of elements that could assist tenants in predicting whether they are able to remain in their homes. These include whether the owner plans to seek an end to low-income use restrictions, plans for renewing the rental assistance contract, anticipated date of loan prepayment or contract expiration and its effect it will have on rents or other terms.

The required notice to state and local officials is expanded to include the availability of any other rental assistance after the expiration of the agreement or prepayment of the mortgage, and certain data on applicants on the project's waiting list without disclosing their identities.

Statutory damages of \$50 are provided, in addition to actual damages in a civil action to recover damages caused by noncompliance.

The Department of Community, Trade, and Economic Development is authorized to adopt policies for housing owned and occupied by low-income households which specify the percentage of family income that may be spent on housing that receives support from the housing trust fund.

Votes on Final Passage:

Senate	33	8
House	98	0 (House amended)
Senate	32	14 (Senate concurred)

Effective: March 31, 2000

SB 6667

C 37 L 00

Exempting certain commercial vehicles from replacing license plates.

By Senators Haugen, Swecker, Gardner, Morton, Sellar, Sheahan, Benton and Winsley.

Senate Committee on Transportation
House Committee on Transportation

Background: In 1997, the Legislature enacted SHB 1008 regarding license plate replacement. The legislation prohibited the creation of additional special license plate series, required that all license plates be issued on a standard background by January 1, 2001, and required the

Department of Licensing to periodically provide for the replacement of license plates. Commercial vehicles are currently exempt from the standard background replacement requirement.

Summary: Commercial vehicles are exempt from the requirement for the periodic replacement of license plates.

Votes on Final Passage:

Senate	45	1
House	97	0

Effective: June 8, 2000

SSB 6675
PARTIAL VETO
C 81 L 00

Allowing public utility districts and rural port districts to provide telecommunications services.

By Senate Committee on Energy, Technology & Telecommunications (originally sponsored by Senators Brown, Hochstatter, Hargrove, Costa and Sheahan; by request of Governor Locke).

Senate Committee on Energy, Technology & Telecommunications

House Committee on Technology, Telecommunications & Energy

Background: Under Washington law, the authority of public utility districts (PUDs) and port districts is governed by the powers they are granted by statute, as well as a long history of interpretive court decisions. PUDs are expressly authorized, among other things, to provide electricity, water, and/or sewer service within and outside their boundaries. They have additional incidental and implied authorities that are necessary for accomplishing their primary purposes.

Many PUDs, like other utilities, utilize extensive telecommunications networks for their internal operations, including such purposes as remote monitoring of their distribution lines, demand side management, electronic billing, and customer relations. Some PUDs have upgraded, and others are planning to upgrade their telecommunications networks to fiber optic systems.

A November 1998 Attorney General Opinion requested by the State Auditor states that, under current law, a PUD may sell or lease excess capacity on its fiber optic cable system assuming that the excess capacity was acquired to serve the district's future needs and not for the purposes of resale to others. The opinion further states that a PUD lacks the statutory authority to offer and provide Internet access, home security services, telephone services, cell phone and paging services, or to install telephone or cable equipment for the public. Two recent lawsuits have been filed in state superior court challenging

different Washington PUDs' activities in the area of telecommunications service.

Ports are authorized, among other things, to construct and operate sewer and water utilities, pollution control facilities, and waste treatment facilities to serve their own property and other property owners. Many port districts are involved in arranging or providing infrastructure and utility services as part of their industrial development activities.

Summary: Legislative declarations are made that, among other things, public utility districts (PUDs) and rural port districts may be well positioned to construct and operate telecommunications facilities.

Currently existing PUDs and rural port districts may acquire and operate telecommunications facilities for their own internal telecommunications needs and to provide wholesale telecommunications services within the districts' limits. PUDs may additionally provide wholesale services within other PUDs' limits by contract.

PUDs and rural port districts providing wholesale services must ensure that their rates, terms, and conditions are not unduly or unreasonably discriminatory or preferential. Districts must keep separate accountings of revenues and expenditures from their wholesale telecommunications activities as compared to their internal telecommunications operations, and dedicate the revenues from the wholesale activities toward paying off the costs incurred in building and maintaining the telecommunications facilities. Districts must charge themselves the true and full value of telecommunications services provided by their separate telecommunications functions to the district. PUDs and rural port districts may not exercise powers of eminent domain to acquire telecommunications facilities or contractual rights to such facilities.

A savings clause is included clarifying that PUDs and rural port districts may exercise any of the powers granted to them under their current enabling statutes and other applicable law, and that nothing in the bill limits any existing authority of the districts under such laws.

A process is established whereby any entity requesting wholesale telecommunications services from a district may seek review of a district's rates, terms, and conditions by the Washington Utilities and Transportation Commission (WUTC) if it believes the district is acting in an unduly or unreasonably discriminatory or preferential manner and has given the district 30 days' notice to review and act on the allegations. The WUTC may, after notice and a hearing, issue remedial orders that are enforceable in court. Both the WUTC and prevailing parties may seek injunctive relief to compel a district's compliance with an order without limiting any other remedies available to them. The WUTC may order a district to pay a share of the costs incurred by the commission in adjudicating or enforcing nondiscriminatory rates, terms, and conditions.

A process for public review of a PUD or rural port district's plans for wholesale telecommunications projects is specified, involving notice, public hearings, and adoption of a resolution. A referendum vote must be undertaken if, within 90 days after adoption of a resolution, a petition signed by at least 10 percent of the district's voters is submitted. PUDs and rural port districts providing wholesale telecommunications services are required to report biennially to the Legislature on their activities.

Definitions are established for relevant terms, including "telecommunications facilities," "wholesale telecommunication services," and "rural port districts."

Votes on Final Passage:

Senate	44	1	
House	70	28	(House amended)
Senate	46	1	(Senate concurred)

Effective: June 8, 2000

Partial Veto Summary: Sections 4 and 8 are vetoed which included the requirements for public meetings, referendum votes, and reports to the Legislature by PUDs and rural port districts.

VETO MESSAGE ON SB 6675-S

March 23, 2000

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 4 and 8, Substitute Senate Bill No. 6675 entitled:

"AN ACT Relating to the provision of telecommunications services by public utility districts and rural port districts;"

This bill gives public utility districts and rural port districts express authority to be wholesalers of telecommunications services within their districts. I support this legislation as a key step in promoting advanced telecommunications facilities and services in underserved areas of Washington.

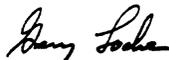
Sections 4 and 8 of the bill would impose overly restrictive requirements on public utility and rural port districts before financing or constructing telecommunications facilities, and would not significantly improve accountability. I strongly support the goal of ensuring accountability to the public. However, I believe that some of the requirements of sections 4 and 8 could impair districts' current activities and significantly complicate or delay the facilities and services that our rural areas so urgently need.

I fully expect that public utility and port districts will respond appropriately to requests for information from the Legislature regardless of any statutory requirement to do so.

For these reasons, I have vetoed sections 4 and 8 of Substitute Senate Bill No. 6675.

With the exception of sections 4 and 8, Substitute Senate Bill No. 6675 is approved.

Respectfully submitted,



Gary Locke
Governor

ESSB 6676

C 83 L 00

Concerning the use of public rights of way in cities and towns.

By Senate Committee on Energy, Technology & Telecommunications (originally sponsored by Senators Finkbeiner and Brown; by request of Governor Locke).

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

Background: The federal Telecommunications Act of 1996 encourages states to make public rights-of-way available for telecommunications services. The act permits state and local governments to receive "fair and reasonable compensation" for their use. But it also forbids any state or local law that prohibits "the ability of any entity to provide ... telecommunications service."

Guidelines were developed on August 5, 1998, by the FCC, state and local governments, and the wireless industry concerning wireless moratoriums. According to the guidelines, the length of a moratorium should be "reasonably necessary" to "adequately address issues relating to the siting of wireless telecommunications facilities in a manner that addresses local concerns." While the guidelines suggest that a moratorium last no longer than 180 days, the ceiling is not mandatory. The guidelines specifically recognize that a municipality may require a longer moratorium so long as the municipality does not use the moratorium to effectively ban the deployment wireless facilities.

The municipal control and regulation of state highways that are also city streets are governed by Chapter 47.24 RCW. But there are no uniform laws governing facilities in local rights-of-way. Some incumbent telecommunications carriers have asserted a statewide grant of authority to enter local rights-of-way. However, the existence of such grants is disputed. Since 1998, several major bills have addressed the local regulation of rights-of-way but failed to pass because of unresolved issues.

One contentious issue concerns the efforts a telecommunications service provider must make when ordered by a municipality to relocate facilities. Some have suggested a "best efforts" standard. The term "best efforts" is not well defined in the case law; the term varies with the facts of specific cases and the field of law. But one nationally recognized treatise has defined "best efforts" to require "a party to make such efforts as are reasonable in light of that party's ability and the means at its disposal and of the other party's justifiable expectations."

Summary: Definitions. The following terms are defined: (1) cable television service, (2) facilities, (3) right-of-way, (4) service provider, (5) telecommunications service, (6)

personal wireless services, (7) master permit, and (8) use permit.

Municipal permitting authority. Cities and towns may require service providers to obtain master permits and use permits, although companies with existing statewide right-of-way grants are not required to obtain master permits for wireline facilities. In addition, cities and towns may not deny use permits to statewide grant holders because they failed to obtain a master permit.

Procedures for issuing master permits. Cities and towns must have written procedures for issuing master permits. Cities and towns must act upon an application within 120 days of receipt. The 120-day time line does not apply if (1) the applicant agrees or (2) the application must be approved by the local legislative body and the approval would take longer than 120 days.

Denials of master permits must be supported by substantial evidence contained in a written record. Companies seeking injunctive relief must file within 30 days of the denial.

Procedures for issuing use permits. Cities and towns must act upon an application for a use permit within 30 days of receipt. The 30-day time line does not apply if (1) the applicant agrees or (2) the applicant has not obtained a required master permit. Cities and towns may deny use permits to providers of personal wireless services if the providers do not enter into site-specific charge agreements. If a use permit is denied, a service provider must seek injunctive relief within 30 days of the denial.

Municipal duties and powers regarding rights-of-way. Cities and towns must provide advance notice before opening a right-of-way so current users can schedule and coordinate their work. A city is not liable for damages for failing to provide this notice, but it may not deny a permit because a service provider failed to coordinate with another project due to of the lack of notice.

Cities and towns may ensure that a service provider's facilities do not inconvenience the public use of the right of way. But they may not adopt or enforce laws that: (1) regulate the services or business operations of a service provider; (2) conflict with federal or state law; (3) regulate the content of services; or (4) unreasonably deny the use of a right of way.

Cities and towns may use their zoning authority to regulate the placement of facilities, so long as they do not violate the federal Telecommunications Act or prohibit the placement of all facilities within their jurisdictions. Small cities with no commercial districts may make available land other than a right-of-way for wireless facilities.

Service provider duties regarding rights-of-way. Service providers must do the following: (1) obtain necessary permits; (2) follow local, state, and federal laws; (3) cooperate with cities and towns to maintain safe conditions in the right-of-way; (4) provide necessary information to cities and towns; (5) obtain written permission before using an other's structures; and (6) construct and maintain their facilities at their own expense.

Liability. The liabilities of cities or towns are not expanded and no new liabilities are created for third party users of the right-of-way.

Moratoriums. Cities and towns may not place moratoriums on the construction, maintenance, and operation of personal wireless services that are inconsistent with the guidelines developed by the wireless industry and the Federal Communications Commission's local and state advisory committee on August 5, 1998.

Relocation of facilities. Service providers must relocate facilities by established deadlines unless they cannot meet the deadlines using best efforts. When reasonably necessary for construction or during an emergency, cities and towns may require service providers to relocate facilities at their own expense. But a service provider may seek reimbursement from a municipality if: (1) the municipality required the service provider to move the same facilities within the past five years; or (2) the relocation was required for aesthetic reasons. Private parties must reimburse a service provider if the relocation was required for private purposes.

Additional capacity. Cities and towns may require companies to lay additional duct or conduit if: (1) the municipalities enter into a contract with the companies; (2) the municipalities do not use the facilities to resell cable television or telecommunications to the general public; (3) the municipalities do not require connection with a service provider's access structures and vaults; and (4) the value of the additional duct and conduit are not considered public works construction contracts.

Franchise fees. Cities and towns may not impose fees for a service provider's use of a right-of-way. However, there are certain exceptions for cable television service and agreements for site-specific charges concerning personal wireless services. Binding arbitration is allowed if municipalities and personal wireless service companies cannot agree on site-specific charges.

Votes on Final Passage:

Senate	35	10	
House	95	3	(House amended)
Senate	41	4	(Senate concurred)

Effective: June 8, 2000

SB 6678

C 145 L 00

Repealing parimutuel wagering sunset provisions.

By Senators Rasmussen, Roach, Patterson, West, Heavey, Deccio, Winsley, Honeyford, Snyder, Morton, T. Sheldon, Benton, Johnson, Gardner, McDonald, Stevens, Eide, Kohl-Welles, Bauer, Sheahan, Thibaudeau and Shin.

Senate Committee on Commerce, Trade, Housing & Financial Institutions
House Committee on Commerce & Labor

Background: The Horse Racing Commission licenses, regulates, and supervises the conduct of parimutuel wagering on horse racing in the state of Washington. Parimutuel wagering is a system of betting on races in which those wagering on the winners divide, in proportion to their wagers, the total amount wagered minus a percentage for track operators and taxes.

The parimutuel tax is a set percent of gross receipts or "handle" of all parimutuel (betting) machines at each horse racing event in the state.

In 1998 the Legislature passed Chapter 345, Laws of 1998 (E2SSB 6562), which amended parimutuel tax provisions and temporarily reduced the parimutuel tax by approximately 50 percent until June 30, 2001. This legislation also provided that the Joint Legislative Audit and Review Committee (JLARC) conduct a sunset review of the tax reduction prior to June 30, 2001.

JLARC issued its report on December 1, 1999.

Prior to the passage of the 1998 law, the state used revenues from the parimutuel tax and licensing fees to fund the operation of the horse racing commission. In addition, these monies funded the state trade fair fund, the agricultural fair fund, and a small percentage went to the general fund. After the passage of the new law, the Horse Racing Commission became the only recipient of the reduced parimutuel tax and horse racing licensee fees. The 1998 law terminated any tax distributions to the state trade fair fund, the agricultural fair fund, and the general fund.

Generally, the JLARC study found that in the calendar year 1999 Emerald Downs (the only operating race track in 1999) reported a financial loss, but that the magnitude of the loss was less than in previous years. In addition, the report concluded that "the overall legislative goal of an economically viable horse racing industry has not been achieved. Moreover, allowing the parimutuel tax change to sunset would most likely worsen the financial status of the industry." As a result of the findings in the report, JLARC recommends that the parimutuel tax reduction not be terminated.

Summary: Provisions that return the parimutuel tax structure and distribution to the way it was before the passage of Chapter 345, Laws of 1998 (E2SSB 6562) are repealed. The parimutuel tax reduction is continued without a termination date.

Votes on Final Passage:

Senate 43 3
House 97 0

Effective: June 8, 2000

E2SSB 6683

C 118 L 00

Reporting information on routine traffic enforcement.

By Senate Committee on Transportation (originally sponsored by Senators Franklin, Kline, Heavey, Thibaudeau and Costa).

Senate Committee on Judiciary
Senate Committee on Transportation
House Committee on Transportation

Background: Concern exists about the possibility of "racial profiling" or the practice of targeting certain racial groups for traffic stops. While some local law enforcement agencies have collected some data on the issue, and the Washington State Patrol has recently begun collecting information, no comprehensive study of the problem has been done to determine whether the practice is widespread in Washington.

Summary: Beginning May 1, 2001, the Washington State Patrol must collect data on all traffic stops. The data collected includes total number of stops, reason for each stop, race or ethnicity, age, and gender of individuals stopped, whether there was a search, and whether there was an arrest or citation issued. A report on this data must be made to the Legislature by December 1, 2000.

The State Patrol must cooperate with the Washington Association of Sheriffs and Police Chiefs to develop further criteria for use and evaluation of racial profiling data and training for officers. A report must be made to the Legislature by December 1, 2000, concerning voluntary cooperation by local law enforcement agencies.

Votes on Final Passage:

Senate 45 2
House 97 1

Effective: March 24, 2000

SSB 6687

C 143 L 00

Allowing port districts to acquire insurance coverage.

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Prentice, Winsley, McDonald and T. Sheldon).

Senate Committee on Commerce, Trade, Housing & Financial Institutions
House Committee on Local Government

Background: The port districts encourage trade and economic development in this state. The ports are key developers of essential public facilities related to transportation and trade. As such, the ports develop many large infrastructure projects that may have several phases and may take many years to complete. These projects may in-

volve a number of contractors and subcontractors. Many participants in the projects maintain liability insurance policies. These policies may be duplicative and costly. These costs may be included in the bids for the projects, increasing the overall costs of the projects.

Insurance policies may be available to the ports that can be tailored to these long-term, multi-phase projects at a lower overall cost. Current law does not allow the ports to utilize this type of insurance.

Summary: Each port district must determine the risks, hazards, and liabilities associated with its facilities and projects to obtain insurance. The insurance, acquired by bid or negotiation, may cover parties to port contracts, commissioners, commissions, and employees. Port district projects in excess of \$100 million are exempt from provisions of the law restricting public agencies from requiring a bidder to apply for insurance or surety bonds from a particular insurer or negotiating or from obtaining insurance or contracts which can be obtained by a bidder, contractor, or subcontractor. The act expires on December 31, 2006.

Votes on Final Passage:

Senate	40	1
House	86	11

Effective: June 8, 2000

SSB 6720

C 146 L 00

Modifying the Washington state beef commission.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Rasmussen, Stevens, Honeyford, Swecker, Loveland and Snyder).

Senate Committee on Agriculture & Rural Economic Development

House Committee on Agriculture & Ecology

House Committee on Appropriations

Background: The Washington State Beef Commission is authorized to conduct programs to increase the consumption of beef and develop more efficient methods of production. At the national level, there is a national beef promotion and research program whose primary purpose is to increase demand for beef. These programs are funded from a \$1 per head assessment collected by the Washington State Beef Commission. The assessment is authorized by state statute.

Summary: The assessment on Washington cattle sold in this state is increased from the current \$1 per head to \$1.50 per head.

The commission may add an additional nonvoting member to the board to act in an advisory capacity. Deleted is the requirement that the commission prepare an

annual report. The prohibition from using the sales promotion program to advertise a particular brand or trademark is removed.

Votes on Final Passage:

Senate	45	0
House	96	2 (House amended)
Senate	44	0 (Senate concurred)

Effective: June 8, 2000

E2SSB 6731

C 205 L 00

Creating a Lake Whatcom landscape plan.

By Senate Committee on Ways & Means (originally sponsored by Senators Spanel and Gardner).

Senate Committee on Natural Resources, Parks & Recreation

Senate Committee on Ways & Means

House Committee on Natural Resources

House Committee on Appropriations

Background: Some municipal watersheds are owned by the municipalities, but in most cases the ownership is mixed between public and private lands. In the case of the Whatcom County watershed which serves the city of Bellingham, the land includes private lands and county Forest Board and federally granted state trust lands managed by the Department of Natural Resources. The Legislature asked that a Lake Whatcom watershed study be done during 1999 and that the Department of Natural Resources and the committee formed by the 1999 law report back in the year 2000 to assess the costs and values related to protection of the watershed.

Summary: The Department of Natural Resources must develop a landscape management plan for state forest land in the Lake Whatcom watershed area. The department must consult with other major forest landowners and watershed residents in developing the plan. The plan must establish riparian management zones along all streams. The department must manage the lands within such zones to protect water quality and riparian habitat.

Road construction and timber harvest on potentially unstable slopes is carefully regulated. On unstable slopes, new road construction is prohibited and old road reconstruction is limited. The department must create and implement a sustained yield model specific to Lake Whatcom consistent with the statewide model. The management plan must be completed and implemented by June 30, 2001. Timber harvest and road construction within the watershed must be delayed until the plan is completed.

ESSB 6732

Votes on Final Passage:

Senate 45 0
House 98 0 (House amended)
Senate 44 0 (Senate concurred)

Effective: June 8, 2000

ESSB 6732

C 256 L 00

Clarifying the definition of "tourism-related facility."

By Senate Committee on State & Local Government (originally sponsored by Senators Spanel, Haugen and Sellar).

Senate Committee on State & Local Government
House Committee on Local Government

Background: In general, cities and counties may impose taxes on the sale of lodging up to the lesser of 4 percent, or a rate that when combined with other hotel/motel, convention center, and state and local sales taxes, equals 12 percent. The first 2 percent is credited against the state sales tax and the city tax is credited against the county tax. Because of exceptions to the general rule, some combined rates exceed 12 percent.

The revenue from the proceeds of the tax may be used only for the purpose of paying all or part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities.

The term "tourism-related facilities" is defined in the hotel/motel tax law to mean real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.

The eligibility of projects for funding by the tax was changed in 1997 to its present definition. Conflict has arisen since then between local jurisdictions and state auditors as to precisely what projects may be funded by the tax proceeds. For example, from 1994 until the effective date of the 1997 act, any county made up entirely of islands and any city with a population less than 5,000 could use the proceeds of the tax to provide public restroom facilities available to and intended for use by visitors.

Summary: Uses for the proceeds of the hotel/motel tax that were permitted under the 1994 act are allowed after the changes of the 1997 act as long as the use or purpose was proposed by the local government but not implemented by May 20, 1997.

Votes on Final Passage:

Senate 45 0
House 79 18

Effective: June 8, 2000

SSB 6740

C 78 L 00

Providing service credit for certain members of the Washington state patrol retirement system.

By Senate Committee on Ways & Means (originally sponsored by Senators Fraser, Long, Hale, Kohl-Welles and Rasmussen; by request of Washington State Patrol).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: Public employee collective bargaining agreements typically contain provisions authorizing certain employees to take a leave of absence to engage in bargaining and other labor relations activities. In some cases, while on leave, an employee may continue to receive a salary from his or her public employer where the employer is reimbursed by the employee union.

In 1993 legislation was enacted to provide that any member of the Teachers' Retirement System, the Public Employees Retirement System, or the Law Enforcement Officers and Fire Fighters Retirement System who receives compensation from a system employer while on an authorized leave of absence to serve as an elected official of a labor organization, and whose employer is reimbursed by the labor organization for compensation paid to the member while on the leave of absence, may be considered to be on paid leave for purposes of continuing to obtain service credit towards their pension benefit. The compensation reported under this provision may not exceed the salary paid to the highest paid job class that is covered under the collective bargaining agreement.

The Washington State Patrol Retirement System (WSPRS) currently has no statutory provision for earning service credit during any paid leave of absence. However, the Washington State Patrol has continued to report service credit on behalf of its employees who have taken leave to serve in an elected office for their union.

Summary: A WSPRS member who takes leave to serve as an elected official of a labor organization is considered to be on a paid leave of absence and is eligible to receive retirement service credit, as long as: (1) the leave is authorized by a collective bargaining agreement; (2) the agreement provides the employee with seniority rights during the leave; and (3) the employer is reimbursed by the labor organization for compensation paid to the employee during the leave. The compensation reported for such a member to the Department of Retirement Systems (DRS) cannot be greater than the salary paid to the highest paid job class covered by the collective bargaining agreement.

These provisions apply retroactively for any members who had compensation and hours reported under the above circumstances. The provisions also apply retroactively to November 23, 1987, for any members for whom

compensation and hours would have been reported except for explicit instructions from DRS.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: June 8, 2000

SB 6741

C 38 L 00

Adding the secretary of corrections to the organized crime advisory board.

By Senators Horn, Fairley, Winsley and Oke; by request of Washington State Patrol.

Senate Committee on Judiciary

House Committee on Criminal Justice & Corrections

Background: The Department of Corrections houses persons found guilty of committing felony crimes. Some of the people that have been convicted of criminal offenses continue their illegal behavior while in prison by directing other criminals to perform illegal acts. The Department of Corrections attempts to prevent these activities through intelligence gathering that monitors the communications of all personnel and collects information on their activities. It is believed that this intelligence should be shared with other criminal justice agencies to enhance crime prevention. It has been suggested that a vital link in developing this exchange would be to include the Secretary of the Department of Corrections on the Organized Crime Advisory Board in order to establish better communications throughout the criminal justice community.

Summary: The Secretary of the Department of Corrections is added as another member to the Organized Crime Advisory Board of the state of Washington.

Votes on Final Passage:

Senate	44	0
House	97	0

Effective: June 8, 2000

SB 6748

C 156 L 00

Increasing local government debt limits to finance capital facilities.

By Senators Sellar, Patterson, McCaslin and T. Sheldon.

Senate Committee on State & Local Government

House Committee on Local Government

Background: The amount that a city or town can borrow using general obligation debt and the purposes for which it can borrow are ruled by both statute and the state Constitution. A city's debt limits or debt capacity are subject to

two sets of restrictions. First, under the statutory and constitutional provisions, debt limits set the maximum amount of general obligation debt that a city can have outstanding at any one time. Second, debt limits restrict how much of this capacity can be used for various purposes. Statutorily, a city or town's debt limit is as follows: 2 and 1/2 percent for providing general governing purposes (voted and nonvoted); 2 and 1/2 percent for provision of municipally-owned water, sewer, or electric facilities (voted); and 2 and 1/2 percent for providing open space and parks (voted).

Summary: The use of the 2 and 1/2 percent voter approved indebtedness for cities and towns to provide open space and park facilities is expanded to include capital facilities associated with economic development.

Votes on Final Passage:

Senate	45	0
House	86	12

Effective: March 27, 2000

ESSB 6761

C 62 L 00

Authorizing agreements for the operation of correctional facilities and programs in any other state.

By Senate Committee on Human Services & Corrections (originally sponsored by Senator Hargrove; by request of Department of Corrections).

Senate Committee on Human Services & Corrections

House Committee on Criminal Justice & Corrections

Background: The Legislature has, in the past, provided funding for the transfer of inmates under the jurisdiction of the Department of Corrections (DOC) to private institutions in other states. There is concern that the statute may need to be clarified to reflect the Legislature's intent that the Secretary of DOC has, and has had, the authority to contract with out-of-state private corporations to house felony offenders.

Summary: The Legislature clarifies that DOC has, and has had, the authority to transfer offenders out of state to both governmental and private facilities when that is in the best interest of the state or the offender. Considerations in determining the best interest of the state or the offender include, but are not limited to overcrowding, emergency conditions, and hardship to the offender. After the effective date of the act, DOC must notify and consider the concerns of victims of an offender being transferred to an institution in another state when the victim lives in that state or in close proximity to the institution. These victims must also be notified when the offender is transferred back to a facility in Washington.

To determine whether a transfer to a facility in another state will impose a hardship on an offender, DOC must

SB 6770

consider the location of an offender's family, whether the offender has maintained contact with them, and if the offender has maintained contact, whether the transfer will significantly disrupt the contact. DOC must also consider whether the offender is enrolled in a vocational or educational program that cannot reasonably be resumed upon his or her return to Washington.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: March 22, 2000

SB 6770

C 127 L 00

Allowing exceptional faculty awards to be used for faculty development and in-service training.

By Senators Kohl-Welles, Sheahan and Costa; by request of State Board for Community and Technical Colleges.

Senate Committee on Higher Education
House Committee on Higher Education

Background: The 1990 Legislature established the Exceptional Faculty Awards Program, a state matching grant program that assists community colleges and technical colleges to provide awards for the recognition of exceptional faculty. The program was well-received and 1995-96 depleted the original allocation of \$1.35 million. The 1998 Legislature decided that a portion of the education savings account should be a permanent revenue source for the exceptional faculty program.

Each public community or technical college or its foundation is eligible to apply to the State Board for Community and Technical Colleges (SBCTC) for grants in increments of \$25,000 when the college can match the state funds with equal cash donations from private sources.

The proceeds from the endowment fund are to be used by the colleges to pay expenses for faculty awards which may include: in-service training, temporary or substitute replacement costs directly associated with faculty development programs or conferences, publication and dissemination of exemplary projects, etc. Each year, the colleges are required to report to the SBCTC and the Legislature on program income and uses in making the awards.

Summary: Use of the award is expanded to include improvement of the faculty as a whole. Faculty development activities become eligible for a matching grant.

Votes on Final Passage:

Senate	41	0
House	97	1

Effective: June 8, 2000

SB 6775

C 237 L 00

Simplifying public disclosure report filing and distributions.

By Senators Patterson, Horn, Haugen, Shin, Prentice, Goings, Gardner and Costa.

Senate Committee on State & Local Government
House Committee on State Government

Background: The Public Disclosure Commission (PDC) was created and empowered by initiative of the people in 1972 to provide timely and meaningful public access to information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates, and to ensure compliance with contribution limits and other campaign finance restrictions. It applies to political activities at the federal, state, county, city, town, school district, port district, special district, or other state political subdivision levels.

Continuing political committees must file monthly with the commission and the county auditor or elections officer a report of total contributions received or total expenditures made exceeding \$200.

Candidates and political committees must file certain reports with the commission and the county auditor or elections officer at regular intervals specified by statute.

By January 1, 2001, the commission must have an electronic filing alternative available to lobbyists and lobbyists' employers.

Beginning January 1, 2001, a continuing political committee that expended \$10,000 or more in the preceding or current year must file its reports electronically.

A candidate or his or her treasurer must maintain books of account accurately reflecting all contributions and expenditures. The books of account must be open for public inspection for at least two consecutive hours between 8:00 a.m. and 8:00 p.m. on the eighth day immediately before the election and by appointment for inspections between 8:00 a.m. and 8:00 p.m. on any other day from the seventh day through the day immediately before the election. Continuing political committees also have inspection requirements for their books of account.

In 1999, the law required that the commission establish goals for public access to its records. The goal for reports filed electronically is accessibility at the commission's office within two business days of receipt and accessibility on the commission's web site within seven business days of receipt. For reports submitted other than electronically, the goal is accessibility at the commission's office within four business days of receipt and accessibility on the commission's web site within 14 business days of receipt.

On or about January 1, 2001, the accessibility goals must be revised to shorter intervals between receipt and availability. Reports submitted electronically must be accessible in the commission's office and on its web site

within two business days of receipt. Reports submitted other than electronically must be accessible at the commission's office and on its web site within four business days of receipt.

Summary: After January 1, 2001, no filing with the county auditor or elections officer is required if the committee filed with the commission electronically.

If a city requires that candidates or committees for city offices file reports with a city agency, no report with the county auditor or elections officer is required.

The commission must make the electronic filing alternative available to lobbyists and lobbyists' employers by January 1, 2002.

Beginning January 1, 2002, a candidate or political committee that expended \$25,000 or more in the preceding or current year must file its reports electronically. Beginning January 1, 2004, the electronic filing threshold drops to \$10,000. The Public Disclosure Commission may make case-by-case exceptions to these requirements for candidates whose committees do not have the technological ability to file electronically.

When the eighth day before an election falls on a legal holiday, the books of account for a candidate must be available for two consecutive hours between 8:00 a.m. and 8:00 p.m. on the seventh day; however, the books do not also have to be available by appointment on that seventh day under this circumstance. Inspection requirements for books of account of a continuing political committee are made the same as for a candidate.

The January 1, 2001 accessibility goal is modified to require electronic filings to be accessible in the commission's office within two business days of receipt and on the web site within four business days of receipt. Reports submitted other than electronically must be accessible in the commission's office within four business days of receipt and on the web site within seven business days of receipt.

The revision of accessibility goals is additionally required on or about January 1, 2002. These goals must require electronic filings to be accessible in the commission's office and on its web site within two business days of receipt. Reports submitted other than electronically must be accessible in the commission's office and on its web site within four business days of receipt.

The commission must offer political committees and residents of the state both a regular and a toll-free telephone number by which to make contact.

Votes on Final Passage:

Senate	42	6	
House	98	0	(House amended)
Senate			(Senate concurred in part)
House	97	1	(House receded in part)
House	98	0	(House reconsidered)
Senate	37	7	(Senate concurred)

Effective: June 8, 2000

SSB 6781
PARTIAL VETO

C 147 L 00

Modifying provisions concerning the management of dairy nutrients.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Rasmussen and Morton).

Senate Committee on Agriculture & Rural Economic Development

House Committee on Agriculture & Ecology

Background: The Department of Ecology currently administers a dairy nutrient management program established in 1993. The program regulates discharges to state waters from dairy farms. In 1998, the Dairy Nutrient Management Act enhanced the Dairy Nutrient Management Program to include specific goals and schedules, as well as penalties for noncompliance by set deadlines.

Under the Dairy Nutrient Management Act of 1998, each dairy farm in the state is required to develop a dairy nutrient management plan by July 1, 2002, and to fully implement the plan by December 31, 2003. If dairy farms do not meet deadlines, an additional fine of \$100 per month per violation is to be assessed. These fines are in addition to any fines assessed for water quality violations.

The 1998 legislation included the formation of a Dairy Nutrient Advisory Committee. This committee was vetoed and the veto message directed the Department of Ecology to form an advisory committee. In 1999, a Dairy Nutrient Task Force that includes four legislative members was created to examine specified issues relating to the Dairy Nutrient Management Program. Authority for the task force expired on December 31, 1999. The task force has reported to the Legislature, as required, on the implementation of the Dairy Nutrient Management Program.

The task force's report identified several issues of concern and proposed action for each issue identified. It is felt that continued task force involvement would aid implementation of the Dairy Nutrient Management Program.

Summary: The Dairy Nutrient Management Task Force is created and terminates June 30, 2004. It supplements the existing membership on the task force with those members of the advisory committee that were not previously on the task force (a representative of a local health department, commercial shellfish growers, the U.S. Environmental Protection Agency, and the U.S. Natural Resources Conservation Service). The three active dairy farmers are replaced with four dairy industry representatives.

By September 1, 2000, the Department of Ecology must report to the task force on the disposition of penalties from dairy producers for violations of chapters 90.48 and 90.64 RCW. By September 1, 2000, the Office of Financial Management must provide recommendations to the

task force on ways to provide adequate funding through June 30, 2004, for the Dairy Nutrient Management Program to meet statutory deadlines.

By December 31, 2000, the task force must provide recommendations to the department and to the Legislature related to implementation of the Dairy Nutrient Management Act.

Staff support is provided by the Conservation Commission.

Votes on Final Passage:

Senate	41	4	
House	97	0	(House amended)
Senate			(Senate refused to concur)
House	98	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: March 27, 2000

Partial Veto Summary: The Governor vetoed section 4 which would have required the Office of Financial Management to recommend how to provide adequate funding for the Dairy Nutrient Management Program.

VETO MESSAGE ON SB 6781-S

March 27, 2000

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to section 4, Substitute Senate Bill No. 6781 entitled:

“AN ACT Relating to dairy nutrients;”

This bill refines the Dairy Nutrient Management Act that was created in the 1989 legislative session. Among other things, it creates a dairy nutrient management task force consisting of legislative, executive, federal and interest group members. Section 4 of the bill would have required the Office of Financial Management to make recommendations to the task force on funding the dairy nutrient management program. Such recommendations are more properly the function of the industry.

For these reasons, I have vetoed section 4 of Substitute Senate Bill No. 6781.

With the exception of section 4, Substitute Senate Bill No. 6781 is approved.

Respectfully submitted,



Gary Locke
Governor

Providing for sick leave and leave sharing for part-time academic employees at community and technical colleges.

By Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Jacobsen, Shin, B. Sheldon, Winsley, McAuliffe, Roach, Thibaudeau, Spanel, Bauer and Goings).

Senate Committee on Higher Education
Senate Committee on Ways & Means
House Committee on Higher Education

Background: The 1996 Legislature passed two bills requiring recommendations from the State Board for Community and Technical Colleges (SBCTC) on the issue of adjunct faculty employment. To avoid duplication of effort in responding to the two legislative directives, the SBCTC considered all relevant issues through the Best Practices Task Force that issued a report endorsed by the SBCTC and received by the 1997 Legislature.

The report’s best practice number nine states, “The best practice is to develop/bargain a policy that provides some sick leave to adjunct faculty who have a continuing relationship with the colleges.”

Summary: Sick leave is established for part-time faculty on a pro-rata basis as recommended by the Best Practices Task Force. Hours earned (maximum 12 days a year) continue to be subject to collective bargaining but not the benefit itself.

Leave policies written by trustees must conform with the right to sick leave established for part-time faculty and sick leave portability. Collective bargaining agreements must include pro-rata sick leave provisions for part-time faculty. The ability to accumulate leave is available to part-time faculty after one quarter of employment. Part-time faculty may participate in the attendance incentive program.

The new policy does not apply to existing agreements that have already been bargained. The provisions of the bill are not retroactive.

Votes on Final Passage:

Senate	46	1	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 8, 2000

SSB 6812

C 142 L 00

Allowing contract brewing by domestic brewers.

By Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senator Prentice).

Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Beer and wine distributors must file with the Liquor Control Board the wholesale prices they charge to retailers. Distributors may not modify these prices without prior notice to the board and must have the board's approval.

Beer and wine manufacturers, importers and distributors who sell to other distributors must file with the board all contracts and memoranda that reflect the schedule of prices and other charges and discounts used in dealings with distributors. Prices must be uniform to all distributors and the charges cannot differ from those filed.

Current law defines brewer as any person engaged in the business of manufacturing beer and malt liquor. Domestic brewer is not defined in current liquor statutes.

Summary: Domestic brewery is defined as a place where beer is manufactured by a brewer in this state. The definition of brewer is modified to include a brand owner whose malt beverage is brewed under contract with an in-state brewery. An exception from price posting requirements is made for contract production of beer between a brand owner (brewer) and a licensed domestic brewery. The brand owner of contract-produced beer may not act as a distributor for its own product under a domestic brewery license.

Votes on Final Passage:

Senate	44	0	
House	98	0	(House amended)
Senate	47	1	(Senate concurred)

Effective: June 8, 2000

2E2SSB 6856**PARTIAL VETO**

C 4 L 00 E2

Revising transportation funding.

By Senate Committee on Transportation (originally sponsored by Senators Goings, Gardner, Haugen, Prentice and Jacobsen).

Senate Committee on Transportation
House Committee on Transportation

Background: The passage of Initiative 695 created a loss of revenue flowing into the transportation budget.

The transportation fund was created in 1990. Expenditures from the fund were to be used for transportation purposes. Traditionally, expenditures from this fund were for nonhighway purposes. Initiative 695 repealed the transportation fund.

Initiative 695 also repealed the statutory distribution formula for the sales and use tax imposed on car rentals. Prior to passage of I-695, these revenues had been distributed in the same manner as the MVET. However, as of January 1, 2000, the car rental tax has been held in the state treasury, pending legislative and gubernatorial determination on where the revenues should be deposited.

The Interagency Revenue Task Force is involved in developing economic and revenue forecasts, and developing six-year programs and financial plans for all transportation activities under each agency's jurisdiction.

Under current law, public transit systems are authorized to impose a local sales and use tax of up to 0.6 percent. Voter approval is required to impose this tax.

Federal law permits public transit agencies to transfer tax attributes of an asset to a private investor through a sale and lease-back arrangement. This process involves a public agency acquiring large capital assets, selling or leasing those assets to a private investor who can write off those investments for tax purposes, and lease those assets back to the public agency. The public agency receives an up-front payment for the transaction.

Summary: Creation of Multimodal Transportation Account. The multimodal transportation account is created. Funds from the multimodal transportation account may be used only for transportation purposes, including rail, ferries, high capacity transit, highway construction, and other multimodal purposes.

Car Rental Tax. The sales and use tax on rental cars is deposited into the multimodal transportation account, effective retroactive to January 1, 2000. Eighty percent of interest earnings are retained in the account, which is the same retention rate as transportation-related funds and accounts.

Two dollars of each combined vehicle licensing fee are deposited in the multimodal transportation account.

Penalties for evading payment of motor vehicle and special fuel taxes are deposited in the multimodal transportation account.

Transportation Revenue Forecast Council. The title and composition of the Interagency Revenue Task Force is changed, but the role or function of the task force remains the same. The Interagency Revenue Task Force is renamed the Transportation Revenue Forecast Council. The Senate and House Transportation committees are designated as members of the council and the council is no longer required to consult with the Legislative Transportation Committee.

Local Transit Sales Tax. The 0.6 percent cap on locally-imposed sales tax for public transit systems is raised

to 0.9 percent. Any proposed increase in the transit sales tax must be authorized by a majority of the voters.

Regional Transit Authority Sale and Lease-back. Regional transit authorities are authorized to enter into sale and lease-back, lease-out and lease-back, and similar transactions with respect to equipment, facilities, and other real and personal property.

A payment undertaking agreement is defined as agreements or arrangements to which funds generated by a sale and lease-back or similar transaction are paid over to a financial institution which agrees to meet all or part of the obligations of a regional transit authority to make future rent, debt service or purchase installment payments in connection with the transaction.

These transactions must provide that: (1) the financial institution must have a credit rating in the top two grades; and (2) the set aside of funds for the regional transit authority, together with interest or earnings must pay for rent or debt service for the full term of the transaction plus purchase options. Parties to the agreements must agree that Washington State courts have jurisdiction.

Regional transit authorities may create a public corporation which may undertake activities of an authority, and an authority has powers and rights granted to any city, town or county under the public corporation statutes necessary to implement sale and lease-back transactions.

A sale, lease or transfer of property to or by the regional transit authority under a sale and lease-back or similar transaction is exempt from real estate excise, leasehold excise, sales, use, business and occupation, and ad valorem real and personal property taxes. These exemptions, however, do not apply to taxes, payable upon first acquisition or use by an authority.

A regional transit authority must report to the State Finance Committee and the Legislature details on sale and lease-back type transactions. No transactions may be initiated after June 30, 2007, but transactions in existence at that time are not affected; however, a transaction may be refinanced or replaced after that date.

Authority provided under this act is in addition to pre-existing authority and does not limit other powers. Legislative intent is that additional funds and other benefits can be made available to regional transit authorities though facilitating entry into sale and lease-back, and that while authorities have necessary statutory authority, a clear statement of that authority and tax exemptions is helpful.

Regional Transit Authority Insurance Coverage on Projects. Regional transit authorities are granted the authority to obtain insurance consistent with the risks, hazards, and liabilities of their projects. Also, regional transit authorities are authorized to purchase insurance to benefit their board members, authority officers, and employees to insure against liability for acts they perform in good faith as part of their official duties. Insurance for construction of projects whose cost exceeds \$100 million

may be acquired by bid or negotiation through December 31, 2006.

Regional transit authorities are exempt from provisions of law restricting public agencies from (1) requiring a bidder to apply for insurance or surety bonds from a particular insurer; or (2) negotiating or obtaining insurance or surety bonds which can be obtained by the bidder.

Votes on Final Passage:

Senate 29 19

First Special Session

Senate 27 18

House 84 14 (House amended)

Second Special Session

Senate 31 15

House 87 10

House 87 11 (House reconsidered)

Effective: May 2, 2000 (Sections 1-3, 20)

July 1, 2000 (Sections 4, 7-10)

July 28, 2000

September 1, 2000 (Section 5)

March 1, 2002 (Section 6)

Partial Veto Summary: Section 8(2) was vetoed by the Governor. This section would have redirected the portion of combined vehicle licensing fee revenues that are currently distributed to the State Patrol Highway Account to the Motor Vehicle Fund. This would have caused a deficit in the State Patrol Highway Account. Therefore, the Governor vetoed the section to avoid fund balance problems in the State Patrol Highway Account.

Section 15 would have codified the membership of the Revenue Forecast Council to include only transportation agencies. It further required the Revenue Forecast Council to be responsible for adopting a comprehensive six-year program and financial plan for state agency transportation activities. The section was vetoed because the Governor does not support the exclusion of non-transportation agencies from the council and he believes that development and adoption of six-year transportation expenditure and revenue plans should remain with the agencies.

VETO MESSAGE ON SB 6856-S2

May 2, 2000

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 8(2) and 15 of Second Engrossed Second Substitute Senate Bill No. 6856 entitled:

“AN ACT Relating to transportation funding;”

Section 8(2) (found at page 14, line 37 through page 15, line 6 of the bill) would have amended RCW 46.68.035 and Chapter 102, Section 7, laws of 1993, to redirect the portion of the combined vehicle license fee revenues that are currently distributed to the State Patrol Highway Account to instead be distributed to the Motor Vehicle Account. This change in distribution was inadvertently copied from an earlier version of the bill and would have the effect of putting the State Patrol Highway Account in a

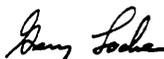
deficit position. In order to restore legislative intent and to avoid fund balance problems in the State Patrol Highway Account, I have vetoed this section.

Section 15 (found on pages 24 and 25 of the bill) would have amended RCW 44.40.070 and Chapter 245, Section 87, laws of 1998, so that the transportation revenue forecast council would be responsible for adopting a comprehensive six-year program and financial plans for state agency transportation activities. The section also would have codified the membership of the transportation revenue forecast council to include only transportation agencies. The council currently includes representatives from transportation agencies, as well as the Office of Financial Management, the Economic and Revenue Forecast Council, the Office of the State Treasurer, and the House and Senate Transportation Committees. I do not support the exclusion of non-transportation agencies from the council, and I believe that the development and adoption of six-year transportation expenditure and revenue plans should remain with the agencies.

For these reasons, I have vetoed sections 8(2) and 15, Second Engrossed Second Substitute Senate Bill No. 6856.

With the exception of sections 8(2) and 15, Second Engrossed Second Substitute Senate Bill No. 6856 is approved.

Respectfully submitted,



Gary Locke
Governor

ESB 6858

C 206 L 00

Providing for overall management contracts for zoos and/or aquariums.

By Senators Kohl-Welles, Heavey, Horn, Goings, Rasmussen, Eide and Winsley.

Senate Committee on Ways & Means

Background: Over the past few years, the city of Seattle has explored various options concerning the funding, operation, and management of its zoo and aquarium.

Summary: A city with a population over 150,000 that is not in a metropolitan park district (Seattle, Spokane) may contract with one or more nonprofit corporations or other public organizations for the overall management and operation of a zoo and/or aquarium. No such contract may have a term exceeding 20 years. Requirements are specified regarding public notice, public hearing, and public availability of terms and conditions of the proposed contract. As part of the contract for the overall management and operation of the zoo and/or aquarium, the legislative authority of the city must provide for oversight of the managing and operating entity to ensure public accountability.

Notwithstanding any provisions in the charter of the city: (1) a nonprofit corporation or public organization may manage, supervise, and control those employees of the city employed in connection with a zoo or aquarium; and (2) the civil service system of the city must provide

for the nonprofit corporation or public organization to manage, supervise, control, hire, fire, or otherwise discipline those employees.

Any terms, conditions, or practices contained in a collective bargaining agreement in effect on the effective date of this act are not affected.

Votes on Final Passage:

Senate	43	1
House	97	1

Effective: June 8, 2000

SB 6865

C 1 L 00 E1

Replacing vehicle excise taxes with a fixed license fee.

By Senators Loveland, Snyder, Eide, Franklin, McCaslin, Horn, Bauer, T. Sheldon, McAuliffe, Hargrove, Zarelli, Shin, Hale, Swecker, Long, Winsley, Haugen, Gardner, Deccio, Rossi, Patterson, Costa, Rasmussen, Roach, Goings, Benton, Johnson, Honeyford, Stevens, Oke and West.

Background: Prior to adoption of Initiative 695 in November 1999, a fee was imposed annually for licensing motor vehicles in this state. Original registration fees were \$27.75 and renewal registrations were \$23.75. Most of these fees were deposited into the State Patrol Highway Account, but a small amount of each fee was deposited into the Ferry Operations Account and the Motor Vehicle Fund. The state also imposed an excise tax for the privilege of using a motor vehicle on the highways of the state. The tax was levied annually at 2.2 percent of the value of the vehicle. The value was reduced each year according to a statutory schedule. The revenues generated by the motor vehicle excise tax were deposited into various accounts for various purposes. A local tax was authorized for public transit districts equal to 0.725 percent of the value of the vehicle. The local tax was credited against the state tax. Additionally, the state imposed a tax on travel trailers and campers. The tax was levied annually at 1.1 percent of the value of the vehicle. The value was reduced each year according to a statutory schedule. The revenue from the travel trailer and camper excise tax was distributed: 13.64 percent to cities, 13.64 percent to counties, and 63.64 percent to the state general fund for the common schools.

Initiative 695 replaced the fees with an annual license tab fee of \$30 for motor vehicles, regardless of year, value, make, or model, beginning January 1, 2000, and repealed the taxes on motor vehicles, travel trailers, and campers.

On March 14, 2000, the King County Superior Court invalidated Initiative 695 in its entirety on several grounds.

SB 6876

Summary: Current license tab fees are replaced with an annual license tab fee of \$30 for motor vehicles, regardless of year, value, make, or model, beginning January 1, 2000, and the taxes on motor vehicles, travel trailers, and campers are repealed.

Votes on Final Passage:

First Special Session

Senate	39	9
House	85	13
House	84	14 (House reconsidered)

Effective: March 31, 2000

SB 6876

C 5 L 00 E2

Transferring earnings from the emergency reserve fund to the multimodal transportation account.

By Senators Loveland and Snyder.

Background: The Emergency Reserve Fund was established in 1995 by Initiative 601 and consists of all state General Fund revenues in excess of the state expenditure limit.

The Emergency Reserve Fund contained \$536 million at the conclusion of Fiscal Year 1999. The fund is in the state treasury and is managed and invested by the State Treasurer. Interest earnings on moneys in the Emergency Reserve Fund are retained by the fund.

Summary: Interest earnings of the Emergency Reserve Fund, up to \$35 million annually, are transferred quarterly to the Multimodal Transportation Account for use by transportation programs. If annual transfers of interest earnings are less than \$35 million, additional funds shall be transferred from the Emergency Reserve Fund to achieve the \$35 million transfer.

If a new, long-term revenue source for transportation programs is subsequently enacted, it is the intent of the Legislature that the new revenue source will replace the interest earnings, which will be returned to the Emergency Reserve Fund.

Votes on Final Passage:

Second Special Session

Senate	30	16
House	98	0

Effective: July 28, 2000

ESJM 8015

Requesting the office of minority and women's business enterprises to certify socially and economically disadvantaged businesses, including those owned by disabled persons

By Senators Honeyford, Rasmussen, Fairley, Oke, Patterson, Heavey, Rossi, Hargrove, McAuliffe, Winsley, Bauer, Stevens and Kohl-Welles.

Senate Committee on Commerce, Trade, Housing & Financial Institutions

Background: Businesses owned and controlled by disabled persons are not classified as minority business enterprises.

Summary: The Office of Minority and Women's Business Enterprises is requested to add a new limited category for certification which includes businesses owned and controlled by disabled persons who can demonstrate social and economic disadvantage.

Votes on Final Passage:

Senate	46	0
House	98	0

SSJM 8017

Requesting federal assistance in ensuring pipeline safety.

By Senate Committee on Environmental Quality & Water Resources (originally sponsored by Senators Spanel, Gardner, Oke, Brown, Swecker, Franklin, Kline, B. Sheldon, Shin, Bauer, Eide, Patterson, Haugen, Costa, Kohl-Welles, Rasmussen, Fairley, McAuliffe, Prentice, Fraser, Goings, Hale and Winsley).

Senate Committee on Environmental Quality & Water Resources

House Committee on Agriculture & Ecology

Background: The federal Pipeline Safety Act preempts states from adopting safety or environmental standards. The act does allow states to seek and accept designation as federal agents for the purpose of enforcing existing federal requirements on interstate hazardous liquid pipelines. To date, only four states have obtained this additional designation for hazardous liquid pipelines: Arizona, California, Minnesota, and New York. The federal Office of Pipeline Safety has not allowed additional states to obtain this designation since the mid 1990s.

Many pipeline safety advocates believe the federal Pipeline Safety Act is deficient in two areas: (1) it does not allow states to develop more stringent requirements, and (2) the existing requirements are viewed by some as inadequate.

The state of Washington is presently certified to assume safety responsibilities related to intrastate pipelines, but not interstate pipelines.

Summary: Congress is requested to: (1) amend the federal Pipeline Safety Act to allow states to adopt and enforce standards that are stricter than the current federal standards; (2) allow the states to seek authority to administer and enforce the federal pipeline laws; and (3) increase funding for both state and federal efforts to ensure pipeline safety and for states to respond to pipeline accident emergencies.

The President is requested to direct the federal Office of Pipeline Safety to grant qualified states the authority to enforce federal standards.

Votes on Final Passage:

Senate	46	0
House	97	0

SJM 8019

Petitioning Congress to consider formula grants for gifted and talented education programs in its reauthorization of the Elementary and Secondary Education Act.

By Senators Eide, Patterson, Johnson, Kohl-Welles, Rasmussen, McDonald, McAuliffe, Sellar, Roach, Kline, B. Sheldon and Gardner.

Senate Committee on Education
House Committee on Education

Background: Currently, the U.S. Congress is considering the Gifted and Talented Students Education Act of 1999. This bill would authorize the Secretary of Education to make grants to states for use by public schools to develop or expand gifted and talented education programs.

Summary: The President of the United States and Congress are encouraged to include grants to states for gifted and talented education programs when considering reauthorization of the federal Elementary and Secondary Education Act.

Votes on Final Passage:

Senate	48	0
House	97	0

SJM 8021

Requesting the designation of the Paul N. Luvera, Sr. Memorial Highway.

By Senators Spanel, Haugen, Gardner and Kline.

Senate Committee on Transportation
House Committee on Transportation

Background: Mr. Paul Luvera, Sr. dedicated his life to public service, the betterment of the city of Anacortes, and its citizens. During his tenure as a Washington State Senator, he secured funding for the construction of the segment of State Route 20 that stretches from the south

end of Commercial Avenue in Anacortes to the Deception Pass/Whidbey Island Junction.

Summary: The Washington State Transportation Commission is asked to commence proceedings to rename the segment of State Route 20 that stretches from the south end of Commercial Avenue in Anacortes to the Deception Pass/Whidbey Island Junction the "Paul Luvera, Sr. Memorial Highway."

Votes on Final Passage:

Senate	42	0
House	97	1

SJM 8022

Recognizing America's World War II veterans.

By Senators Rasmussen, Swecker, Bauer, Roach, Goings, Benton, B. Sheldon, Snyder, Hale, Oke, Gardner, Johnson, Long, McAuliffe, Deccio, Winsley, Zarelli, Kohl-Welles, T. Sheldon and Haugen.

Senate Committee on State & Local Government
House Committee on State Government

Background: The people of the state of Washington have dedicated a wonderful World War II memorial to honor our committed citizens who lived and died through this period of history to ensure freedom and prosperity to future generations.

The people of the state of Washington likewise wish to participate with the Congress at the national level to add their sincere thanks to all American veterans of World War II for their courage, patriotism, and sacrifice.

Summary: The Legislature respectfully prays that the Congress accept the support of the people of the state of Washington for the National World War II Veterans' Memorial, a most well-deserved and worthy project.

Votes on Final Passage:

Senate	43	0
House	96	0

SSJM 8026

Commemorating the 50th anniversary of the Korean War.

By Senate Committee on State & Local Government (originally sponsored by Senators Shin, Bauer, Heavey, Benton, Franklin, Eide, Patterson, Kline, Johnson, Gardner, Thibaudeau, Rossi, Goings, Hargrove, B. Sheldon, Horn, Haugen, Hochstatter, T. Sheldon, Swecker, Jacobsen, Fairley, Rasmussen, Prentice, Snyder, Stevens, Loveland, Roach, Hale, Honeyford, Brown, Spanel, Fraser, Costa, McAuliffe, Kohl-Welles and Oke).

Senate Committee on State & Local Government
House Committee on State Government

Background: On Sunday, June 25, 1950, seven North Korean Army Divisions supported by tanks and aircraft, conducted an attack and invaded the Southern Republic of Korea. Three years and five million casualties later, a cease fire was secured ending the fighting only miles from where it began. Nearly 4,500 citizens of our state served in the Korean War, known as “the Forgotten War,” and 472 were killed in action. As a nation, we should educate every generation of Americans on the history of the Korean War in preserving our nation’s liberty, freedom, and prosperity. Commemorating this event will provide Americans with a clear understanding of, and appreciation for, the sacrifices of these veterans and their families.

Summary: The Legislature respectfully prays that the President of the United States, Congress, and the Secretary of the United States Department of Defense encourage communities nationwide to hold public recognition programs commemorating the 50th anniversary of the Korean War.

Votes on Final Passage:

Senate	48	0
House	97	0

SJM 8027

Commemorating the 50th anniversary of the Korean War.

By Senators Shin, Bauer, Heavey, Benton, Franklin, Eide, Patterson, Kline, Johnson, Gardner, Thibaudeau, Rossi, Goings, Hargrove, B. Sheldon, Horn, Haugen, Hochstatter, T. Sheldon, Swecker, Jacobsen, Fairley, Rasmussen, Prentice, Snyder, Hale, Stevens, Roach, Honeyford, Spanel, Loveland, Fraser, Brown, Costa, McAuliffe, Kohl-Welles and Oke.

Senate Committee on State & Local Government
House Committee on State Government

Background: On Sunday, June 25, 1950, seven North Korean Army Divisions supported by tanks and aircraft, conducted an attack and invaded the Southern Republic of Korea. Three years and five million casualties later, a cease fire was secured ending the fighting only miles from where it began. Nearly 4,500 citizens of our state served in the Korean War, known as “the Forgotten War,” and 472 were killed in action. As a nation, we should educate every generation of Americans on the history of the Korean War in preserving our nation’s liberty, freedom, and prosperity. Commemorating this event will provide Americans with a clear understanding of, and appreciation for, the sacrifices of these veterans and their families.

Summary: The Legislature respectfully prays that the Governor of the state of Washington, Gary Locke, designate the years 2000 and 2003 as the 50th anniversaries of

the beginning and the end of the Korean War to honor all veterans of this nation and our allies during the Korean War as well as those serving there today, and to encourage all citizens of the state to combine their efforts with veterans’ service organizations and educational institutions to remember, and perpetuate the meaning of sacrifice for peace and freedom, by honoring those veterans who secured that legacy for future generations throughout the world.

Votes on Final Passage:

Senate	48	0
House	96	0

SJR 8214

Amending the Constitution to allow certain trust fund moneys to be invested as authorized by the legislature.

By Senators Wojahn, McDonald, Loveland and Winsley.

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

Background: The state Constitution prohibits the state from having an ownership interest in any corporation. This provision has been interpreted to mean that the state cannot place any investment funds in stock and other equities. In the past, some state funds have been specifically exempt from constitutional investment restrictions through constitutional amendments. Currently, these include public pension or retirements funds, and industrial insurance trust funds.

The Developmental Disabilities Endowment Trust Fund, established last year in ESSB 5693, and re-addressed in SSB 6233, would be limited to current constitutional restrictions on private investments.

Summary: At the next general election, an amendment to the Constitution is presented to the voters which would add funds held in trust for the benefit of persons with developmental disabilities to the list of public funds exempt from current constitutional investment restrictions.

Votes on Final Passage:

Senate	45	0
House	98	0

ESSCR 8425

Adopting the recommendations of the higher education coordinating board's year 2000 update of the master plan.

By Senate Committee on Higher Education (originally sponsored by Senators Kohl-Welles and Sheahan; by request of Higher Education Coordinating Board).

Senate Committee on Higher Education
 Senate Committee on Ways & Means
 House Committee on Higher Education

Background: Under current law, the purpose of the Higher Education Coordinating Board is to provide planning, coordination, monitoring, and policy analysis for higher education in the state of Washington. The board is expected to consult with institutions and other segments of post-secondary education as it carries out these responsibilities. Its members are expected to represent the broad public interest above the interests of the individual colleges and universities.

By statute (RCW 28B.80.330(3)), the board must prepare a comprehensive master plan and update it every four years. The plan and updates must be submitted to the Governor and appropriate legislative committees. Following public hearings, the Legislature must, by concurrent resolution, approve or recommend changes to the initial plan and the updates. The updated plan becomes state higher education policy unless legislation is enacted to alter the policies set forth in the plan.

The board has updated its master plan for the year 2000. The resulting document, entitled, *The 21st Century Learner: Strategies to Meet the Challenge*, outlines five goals for higher education in Washington and the accompanying strategies to achieve these goals. The report reinforces the message of the 1996 master plan that the state can expect a significant increase in the demand for higher education through the year 2010.

Summary: The Legislature commends the Higher Education Coordinating Board for its dedication and commitment to the state and thanks the board for describing the challenges facing the state in its attempts to provide the post-secondary education and training that citizens need in the 21st century. The Legislature directs the board to communicate regularly with the appropriate legislative committees and the Governor.

The Legislature resolves to respond to documented demand for enrollment in the future. Solutions to the enrollment challenge may be found in strategies that:

- make student learning the yardstick by which accountability, effectiveness, and efficiency is measured;
- link students' participation in higher education to their K-12 achievement;
- provide the information citizens need to make the best use of the learning opportunities available to them, and support outreach efforts designed to ensure the higher

education system reflects the diversity of the state's population;

- expand the use of e-learning technologies and using public facilities to the fullest extent possible; and
- help colleges and universities meet student needs and compete in an increasingly competitive marketplace.

It is clarified that the board will reexamine its assumptions with regard to projected upper-division and graduate enrollments. The board will also reexamine its assumptions about the capital needs of the community and technical colleges and the four-year institutions, including the branch campuses. The board, in consultation with the Office of Financial Management, must work collaboratively with all Washington higher education institutions and the appropriate legislative committees to prepare an enrollment accommodation plan.

The board is to proceed with implementation of the master plan as modified by the resolution.

Votes on Final Passage:

Senate	41	2	
House	97	0	(House amended)
Senate			(Senate refused to concur)
House	98	0	(House amended)
Senate	44	0	(Senate concurred)

Sunset Legislation

Sunset Legislation

Background: The Legislature adopted the Washington State Sunset Act (43.131 RCW) in 1977 in order to improve legislative oversight of state agencies and programs. The sunset process provides for the automatic termination of selected state agencies, programs and statutes. One year prior to an automatic termination, the Joint Legislative Audit and Review Committee and the Office of Financial Management conduct program and fiscal reviews. These reviews are designed to assist the Legislature in determining whether agencies and programs should be terminated automatically or reauthorized in either their current or a modified form prior to the termination date.

Session Summary: The sunset act was modified to expand the entities that may be made subject to the sunset review process to include agencies' programs, units and subunits. Unless the Legislature provides otherwise, an entity may only be reviewed once every seven years.

The entity made subject to sunset review must formulate the performance measures by which it will ultimately be evaluated. The factors that must be considered in the evaluations are streamlined and no longer vary depending on whether the entity is a regulatory entity.

The termination date for the sunset law is extended from June 30, 2000 to June 30, 2015.

Other legislation instituted a sunset review to be completed by June 2008 of the newly enacted graduated driver's licencing system; rescinded the sunset termination of the Diabetes Cost Reduction Act; and repealed the sunset provisions for the parimutuel wagering tax.

Program Added to Sunset Review

Graduated driver's licencing system ESSB 6264 (C 115 L 00)

Programs Removed from Sunset Review

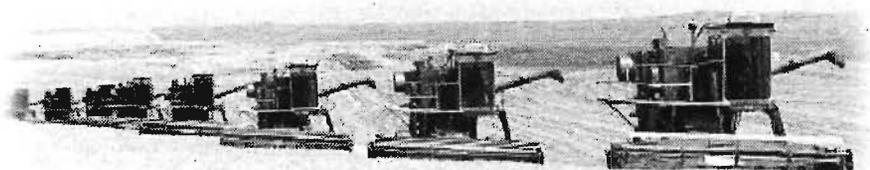
Diabetes Cost Reduction Act SB 6121 (C 67 L 00)

Parimutuel wagering tax SB 6678 (C 145 L 00)

Program with Sunset Date Extended

Sunset law SHB 2441 (C 189 L 00)

SECTION II Budget Information



Washington State has continued to be one of the nation's leaders in the farming industry, dominating the market in the production of many field crops, fruits, vegetables and livestock. Apple grower photo courtesy of Washington State Library.



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2000 Supplemental Operating Budget Overview

Washington State biennial budgets authorized by the Legislature in the 2000 2nd Special Session total \$45.26 billion. The omnibus operating budget accounts for \$37.92 billion. The transportation budget and the omnibus capital budget account for \$3.7 billion and \$3.63 billion, respectively. These budgets reflect changes from the biennial amounts originally authorized by the Legislature in the 1999 1st Special Session as follows: omnibus operating – an increase of \$0.76 billion, which is a 2.0 percent increase; transportation – a decrease of \$0.79 billion, which is a 17.6 percent reduction; and omnibus capital – an increase of \$0.09 billion, which is a 2.5 percent increase.

The loss of motor vehicle excise tax revenues triggered the reduction in the transportation budget. Much of the omnibus operating budget action focused on supporting local government programs impacted by the loss of motor vehicle excise tax revenues.

Separate overviews are included for each of the budgets.

Operating Only

The 2000 supplemental omnibus operating budget enacted by Chapter 1, Laws of 2000, 2nd Special Session, Partial Veto (EHB 2487), totals \$37.92 billion. Of that amount, \$20.85 billion is from the state general fund and \$17.07 billion is from other funding sources.

Under RCW 43.135 (Initiative 601), spending from the state general fund is limited to \$20.9 billion – \$10.2 billion for fiscal year 2000 and \$10.7 billion for fiscal year 2001. The state general fund is \$100 million under the current Initiative 601 expenditure limit.

The 2000 supplemental omnibus operating budget as adopted by the Legislature and revised to reflect Governor vetoes increased 1999-01 state general fund appropriations by \$277 million and increased total funds by \$756 million. This represents a general fund increase of 1.3 percent and total funds increase of 2.0 percent.

Significant savings in the state general fund budget came from: continued maximization of federal funds, caseload savings, and program efficiencies in the Temporary Assistance for Needy Families and associated programs (\$106 million in savings between the Department of Social and Health Services [DSHS] Economic Services and Children's Services programs); enrollment savings in the public schools (\$84 million); and caseload savings in the DSHS Long Term Care and Medical Assistance programs (\$67 million).

Major increases in current services in the state general fund budget include over \$87 million in unbudgeted costs for health care rates in DSHS Medical Assistance, \$64 million to pay for decreased federal participation in social service programs, and \$18 million in unbudgeted costs for levy equalization.

Policy enhancements focused on two primary areas: backfilling losses brought about by the repeal of the motor vehicle excise tax; and enhancements to the public school system.

2000 Supplemental Operating Budget (EHB 2487)

1999-01 Estimated Revenues and Expenditures 2000 Supplemental Budget General Fund-State (Dollars in Millions)

Resources	
Unrestricted Beginning Balance	462.0
February Revenue Forecast	20,842.9
Revenue Legislation	-3.1
Total Resources	<u>21,301.8</u>

Expenditure Limit and Appropriations	
Official Initiative 601 Expenditure Limit	20,651.1
Net Adjustments to the Limit	<u>299.0</u>
Revised Initiative 601 Expenditure Limit	20,950.1
Original 1999-01 Appropriations	20,572.8
2000 Supplemental Budget *	<u>277.4</u>
Revised 1999-01 Appropriations	20,850.2
Spending Compared to Limit	<u>-99.9</u>

Unrestricted General Fund Reserves	
Beginning Balance	462.0
Change in Reserves	<u>-78.4</u>
Unrestricted Ending Balance	383.6

Emergency Reserve Fund	
Beginning Balance	535.7
New Deposit (Revenue > Limit)	68.0
Transfer to Education Construction Fund	-114.6
Transfer to Multimodal Transportation Account	-35.0
Interest Earnings	<u>72.6</u>
Emergency Reserve (5 percent Annual Threshold)	526.8
Education Construction Fund Balance	114.6

* The 2000 Supplemental Budget reflects Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto (EHB 2487).

2000 Supplemental Operating Budget (EHB 2487)

**1999-01 Washington State Operating Budget
Appropriations Contained Within Other Legislation
(Dollars in Thousands)**

Bill Number and Subject	Session Law	Agency	GF-S	Other	Total
EHB 2304 - School Safety Programs	C 12 L 99 E1	Superintendent of Public Instruction	7,000		7,000
2SSB 5802 - Telecomm Contractors	C 238 L 00 PV	Department of Labor & Industries		1,408	1,408
2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Bond Retirement & Interest		254,776	254,776
2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Department of Agriculture		311	311
2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Department of Licensing		157,964	157,964
2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	LEAP Committee		887	887
2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Senate		2,436	2,436
2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	State Parks & Recreation Commission		859	859
2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Utilities & Transpo Commission		222	222
2SSB 6499 - Transportation Budget	C 3 L 00 E2 PV	Washington State Patrol		227,104	227,104
Total			<u>7,000</u>	<u>645,967</u>	<u>652,967</u>

Revenues

During the 2000 regular and first and second special legislative sessions, the Legislature enacted 23 bills affecting revenue. After four partial vetoes and two full vetoes, state general fund resources were reduced by \$3.1 million.

The most significant revenue legislation in 2000 was the people's adoption of Initiative 695. Initiative 695 reduced the motor vehicle fund and other dedicated funds by \$1.1 billion. About \$576 million of the decrease was revenue distributed to local governments for purposes such as public transportation, public health, public safety, and sales tax equalization. Initiative 695 repealed excise taxes that were imposed on motor vehicles, travel trailers, and campers. (A consequence of repealing these excise taxes was that motor vehicles, travel trailers, and campers became subject to property taxes.) The Initiative also instituted an annual \$30 license tab fee for motor vehicles and required voter approval for any increases in state or local taxes, fees, or other monetary charges by government. In March, the King County Superior Court invalidated Initiative 695 in its entirety on several grounds (*Amalgamated Transit Union v. State of Washington*, March 14, 2000). The state is appealing the ruling to the Supreme Court.

In response to Initiative 695, the Legislature exempted motor vehicles, travel trailers, and campers from the property tax and made this exemption retroactive to the effective date of Initiative 695. The Legislature also adopted legislation making the repeal of excise taxes on motor vehicles, travel trailers, and campers and the imposition of \$30 license tab fees permanent, regardless of how the Supreme Court ultimately rules. Additionally, the Legislature granted local governments authority to impose up to 0.9 percent local sales and use tax for public transit purposes with voter approval; the previous limit was 0.6 percent.

In regards to legislation unrelated to Initiative 695, two bills had revenue impacts on the state general fund in excess of \$1 million. The first bill allows the Department of Community, Trade, and Economic Development to designate an additional community empowerment zone (CEZ) to complete the six zones that were initially authorized in 1993. As passed the Legislature, the bill had no impact on the state general fund. However, the Governor decreased the state general fund by \$1.5 million when he vetoed the section that made businesses located in a newly-designated CEZ ineligible for certain sales and use tax deferrals that apply to businesses located in already-existing CEZs.

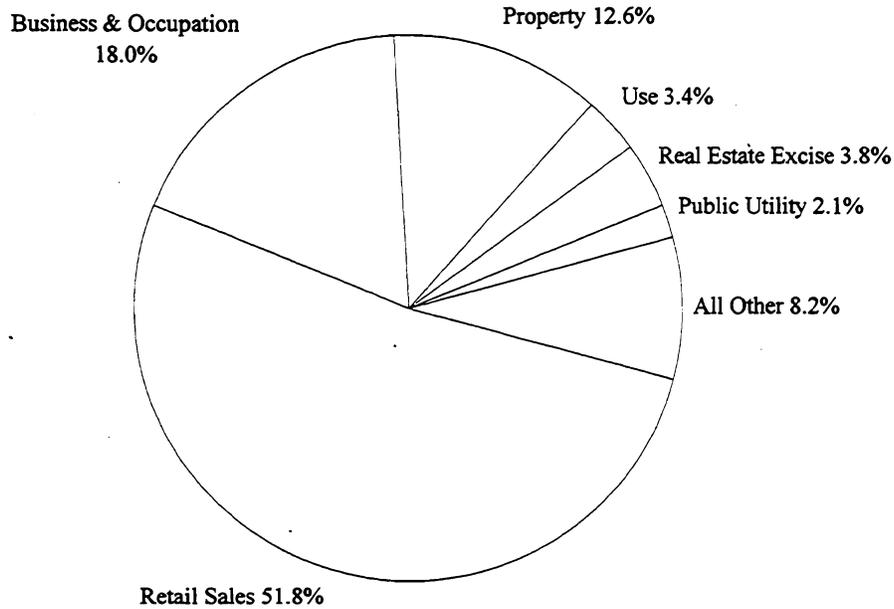
The second bill deals with the taxation of electrical energy sales and decreases the state general fund by \$1.3 million. This legislation expands tax exemptions for electricity by exempting all wholesales of electricity from public utility tax and business and occupation tax, including wholesales to, or by, brokers and marketers.

All other revenue bills passed by the Legislature and signed by the Governor either had no revenue impacts or impacts of \$111,000 or less on the state general fund.

Washington State Revenue Forecast - February 2000

1999-01 General Fund-State Revenues by Source

(Dollars in Millions)



Sources of Revenue	
Retail Sales	10,805.3
Business & Occupation	3,760.2
Property	2,635.3
Use	709.2
Real Estate Excise	791.2
Public Utility	432.7
All Other	1,709.0
Total	20,842.9

Note: Reflects the February 2000 Revenue Forecast.

2000 Supplemental Operating Budget (EHB 2487)

Washington State General Fund-State Revenues By Source

Dollars in Millions

	1989-91	1991-93	1993-95	1995-97	1997-99	1999-01
Retail Sales	6,446.3	7,163.0	8,020.5	8,541.8	9,609.8	10,805.3
Business & Occupation	2,217.7	2,503.5	3,031.5	3,300.1	3,603.6	3,760.2
Property	1,399.4	1,661.8	1,960.4	2,211.7	2,452.8	2,635.3
Use	481.9	515.1	569.4	626.1	662.0	709.2
Real Estate Excise	436.8	399.0	493.0	532.6	746.3	791.2
Public Utility	244.0	292.9	345.2	388.1	415.8	432.7
All Other	1,397.9	1,817.0	1,780.9	1,729.5	2,129.2	1,709.0
Total	12,624.0	14,352.3	16,200.9	17,329.9	19,619.5	20,842.9

Percent of Total

Retail Sales	51.1%	49.9%	49.5%	49.3%	49.0%	51.8%
Business & Occupation	17.6%	17.4%	18.7%	19.0%	18.4%	18.0%
Property	11.1%	11.6%	12.1%	12.8%	12.5%	12.6%
Use	3.8%	3.6%	3.5%	3.6%	3.4%	3.4%
Real Estate Excise	3.5%	2.8%	3.0%	3.1%	3.8%	3.8%
Public Utility	1.9%	2.0%	2.1%	2.2%	2.1%	2.1%
All Other	11.1%	12.7%	11.0%	10.0%	10.9%	8.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent Change from Prior Biennium

Retail Sales		11.1%	12.0%	6.5%	12.5%	12.4%
Business & Occupation		12.9%	21.1%	8.9%	9.2%	4.4%
Property		18.8%	18.0%	12.8%	10.9%	7.4%
Use		6.9%	10.5%	10.0%	5.7%	7.1%
Real Estate Excise		-8.7%	23.6%	8.0%	40.1%	6.0%
Public Utility		20.0%	17.9%	12.4%	7.1%	4.1%
All Other		30.0%	-2.0%	-2.9%	23.1%	-19.7%
Total		13.7%	12.9%	7.0%	13.2%	6.2%

Note: Data for 1997-99 from the November 1999 Revenue Forecast; data for 1999-01 from the February 2000 Revenue Forecast.

2000 Supplemental Operating Budget (EHB 2487)

**2000 Revenue Legislation
General Fund-State
(Dollars in Thousands)**

		<u>1999-01</u>	<u>2001-03</u>	
E2SHB	1987	Agricultural Burning Reduction	-111	-232
E2SHB	2109	Indian Housing Authorities	0	0
SHB	2398	Tax Statutes	0	0
SHB	2460	Community Empowerment Zones	-1,531	-3,311
SHB	2493	Sales and Use Tax Rate Change	0	0
HB	2505	Multiple-Unit Dwellings/Property Tax Exemption	0	0
HB	2515	Estate Tax Penalties	-110	-220
HB	2516	Successor Tax Liability	0	0
HB	2519	Excise Tax Code	0	0
HB	2590	Pollution Liability Insurance	0	0
EHB	2755	Electric Energy Sales	-1,338	-2,605
HB	2926	Coal Tax Exemptions	0	0
EHB	3068	Radioactive Waste Treatment	0	-839
EHB	3105	Zoos, Aquariums, Parks Funding	0	0
ESB	5667	Boxing, Kickboxing, Martial Arts, and Wrestling	-4	-5
2SSB	5802	Telecommunications Contractors	-11	-22
SSB	6115	Motor Vehicle Property Tax Exemption	0	4,244
SSB	6467	License Fraud	55	95
SB	6678	Parimutuel Wagering Sunset	0	-80
2E2SSB	6856	Transportation Funding	0	0
SB	6865	Vehicle License Tab Fees	0	0
			<u>-3,050</u>	<u>-2,975</u>
		Total All Bills		

Revenue Legislation

Motor Vehicles and Transportation Tax Legislation

License Tab Tax Limitations – No General Fund-State Revenue Impact

Chapter 1, Laws of 2000 (Initiative 695 to the People), has no revenue impact on the state general fund, but it decreases the Motor Vehicle Fund and other dedicated funds by \$1.1 billion. About \$576 million of the decrease is revenue distributed to local governments for public transportation, public health, public safety, sales tax equalization, and other purposes. The Initiative repeals excise taxes that are imposed on motor vehicles, travel trailers, and campers. It also institutes an annual license tab fee of \$30 for motor vehicles, regardless of year, value, make, or model, beginning January 1, 2000. Voter approval is required for any increase in a state or local tax, fee, or other monetary charge by government, but voter approval is not required to increase tuition, civil and criminal fines, and restitution. (On March 14, 2000, the King County Superior Court invalidated Initiative 695 in its entirety on several grounds. The state is appealing the ruling to the Supreme Court. See the next paragraph for a description of legislation making the repeal of motor vehicle excise taxes and the imposition of \$30 license tab fee permanent regardless of how the Supreme Court ultimately rules.)

Replacing Vehicle Excise Taxes with a Fixed License Fee – No General Fund-State Revenue Impact

Chapter 1, Laws of 2000, 1st sp. s. (SB 6865), has no revenue impact on the state general fund. The legislation repeals excise taxes that are imposed on motor vehicles, travel trailers, and campers. It also institutes an annual license tab fee of \$30 for motor vehicles, regardless of year, value, make, or model, beginning January 1, 2000. (On March 14, 2000, the King County Superior Court invalidated Initiative 695 in its entirety on several grounds. The state is appealing the ruling to the Supreme Court. This legislation ensures that the repeal of the excise taxes and the imposition of the \$30 annual license tab fee are permanent regardless of how the Supreme Court ultimately rules.)

Reinstating the Property Tax Exemption for Motor Vehicles, Travel Trailers, and Campers – No General Fund-State Revenue Impact for the Current Biennium

Chapter 136, Laws of 2000 (SSB 6115), has no impact on the state general fund this biennium, but increases revenue next biennium by \$4.2 million. When voters adopted Initiative 695, the motor vehicle excise tax was repealed and the property tax applied once again to motor vehicles, travel trailers, and campers. The total valuation of motor vehicles, travel trailers, and campers is estimated at \$37.4 billion for calendar year 2000. This legislation exempts motor vehicles, travel trailers, and campers from the property tax retroactively to the effective date of Initiative 695. The \$4.2 million increase in revenue during the next biennium results from the complex formula used to compute the state property tax levy and how the value of new construction is multiplied by the previous year's levy rate in that formula.

Revising Transportation Funding – No General Fund-State Revenue Impact

Chapter 4, Laws of 2000, 2nd sp. s., Partial Veto (2E2SSB 6856), has no revenue impact on the state general fund, but local governments are given authority to impose up to a 0.9 percent local sales and use tax for public transit purposes with the voters' approval. Previously, the cap on a local sales and use tax for transit purposes was 0.6 percent. The legislation also creates a new multimodal transportation account, and funds from this account may be used only for transportation purposes, including rail, ferries, high capacity transit, highway construction, and other multimodal purposes. Revenue from the sales and use tax on rental cars, previously distributed in the same manner as motor vehicle excise tax revenue, is deposited into the multimodal transportation account. Other revenue deposited into the account includes two dollars from each combined vehicle licensing fee and penalties imposed for the evasion of motor vehicle and special fuel taxes. (The Governor vetoed a section modifying the membership and duties of the Transportation Revenue Forecast Council and a section that the Governor indicated was inadvertently copied from an earlier version of the bill.)

Other Tax Legislation

Addressing Economic Revitalization – \$1.5 Million General Fund-State Revenue Decrease

Chapter 212, Laws of 2000, Partial Veto (SHB 2460), decreases the state general fund by \$1.5 million and local governments' revenue by \$376 thousand. The legislation allows the Department of Community, Trade, and Economic Development (DCTED) to designate an additional community empowerment zone (CEZ) to complete the six zones that were initially authorized in 1993. The legislation also makes some administrative changes to the CEZ program. The \$1.5 million reduction in the state general fund results from the Governor's veto of a section pertaining to the sales and use tax deferral for labor and materials used in the construction or expansion of a manufacturing or research and development facility in a CEZ. Under this section, businesses in new CEZs would not have been eligible for sales and use tax deferrals that are available to businesses located in existing CEZs.

Clarifying the Taxation of Electrical Energy Sales – \$1.3 Million General Fund-State Revenue Decrease

Chapter 245, Laws of 2000 (EHB 2755), decreases the state general fund by \$1.3 million. This legislation expands tax exemptions for electricity by exempting all wholesales of electricity from public utility tax and business and occupation tax, including wholesales to, or by, brokers and marketers. Previously, public utility tax exemptions were limited to wholesales of electricity by one utility to another utility and sales of electricity for consumption outside the state. There were no previous business and occupation tax exemptions for wholesales of electricity.

Providing Tax Exemptions and Credits to Encourage a Reduction in Agricultural Burning of Cereal Grains and Field and Turf Grass Grown for Seed – \$111 Thousand General Fund-State Revenue Decrease

Chapter 40, Laws of 2000 (E2SHB 1987), decreases the state general fund by \$111 thousand and local governments' revenue by \$80 thousand. The legislation creates tax exemptions in order to encourage alternatives to field burning of cereal grains and field and turf grass grown for seed.

Simplifying Estate Tax Penalties – \$110 Thousand General Fund-State Revenue Decrease

Chapter 105, Laws of 2000 (HB 2515), decreases the state general fund by \$110 thousand. The legislation reduces penalties imposed for the late filing of an estate tax return.

Telecommunications Contractors – \$11 Thousand General Fund-State Revenue Decrease

Chapter 238, Laws of 2000, Partial Veto (2SSB 5802), decreases the state general fund by \$11 thousand. The legislation creates a new registration and inspection program for telecommunications contractors. It also requires permits and inspections for most non-residential installations of telecommunications systems. The revenue impact on the state general fund is due to the fact that some registration fee revenue will be deposited into a newly-created telecommunications fund instead of the state general fund. The net revenue impact of this legislation is a \$1.6 million revenue increase for the new telecommunications fund. (The Governor vetoed a legislative intent section that limited authority delegated to the Electrical Board and the Department of Labor and Industries for implementation of this legislation.)

Untaxed Complimentary Tickets for Boxing, Kickboxing, Martial Arts, and Wrestling – \$4 Thousand General Fund-State Revenue Decrease

Chapter 151, Laws of 2000 (ESB 5667), decreases the state general fund by \$4 thousand. The legislation allows 10 percent of all tickets for a wrestling, boxing, or martial arts event to be issued as tax-exempt, complimentary tickets. The number of complimentary tickets, however, may not exceed 1,000 tickets per event. Previous limit was 5 percent of all tickets, not to exceed 300 tickets per event.

Authorizing Tax Exemptions for Properties of Indian Housing Authorities Designated for Low-Income Housing Program Uses – No General Fund-State Revenue Impact

Chapter 187, Laws of 2000 (E2SHB 2109), has no revenue impact. The legislation provides a property tax exemption for property of a tribal government, tribal housing authority, or inter-tribal housing authority that has been designated

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for use as housing for low-income tribal members. A tribal government, tribal housing authority, or inter-tribal housing authority may reimburse local governments for services provided.

Making Technical Corrections to Tax Statutes – No General Fund-State Revenue Impact

Chapter 103, Laws of 2000 (SHB 2398), has no revenue impact. The legislation makes technical corrections to various sections of the excise and property tax statutes.

Simplifying Implementation of Sales and Use Tax Rate Changes – No General Fund-State Revenue Impact

Chapter 104, Laws of 2000 (SHB 2493), has no impact on the state general fund. The legislation allows sales and use tax rate changes to take effect only on the first day of January, April, July, or October. The Department of Revenue is also required to hold taxpayers harmless for sales and use tax rate computation errors if the taxpayers properly use technology provided by the Department to compute taxes due.

Modifying the Definition of a City for the Multiple-Unit Dwellings Property Tax Exemption – No General Fund-State Revenue Impact

Chapter 242, Laws of 2000 (HB 2505), has no impact on the state general fund. The legislation expands the areas included in the 10-year property tax exemption for multiple-unit housing projects by lowering the eligible city population threshold from 100,000 to 50,000.

Regarding the Disclosure of Information to Persons Against Whom Successor Tax Liability Is Asserted – No General Fund-State Revenue Impact

Chapter 173, Laws of 2000 (HB 2516), has no impact on the state general fund. The legislation permits the Department of Revenue to disclose tax return or tax information to successors.

Simplifying the Excise Tax Code – No General Fund-State Revenue Impact

Chapter 106, Laws of 2000, Partial Veto (HB 2519), has no impact on the state general fund. The legislation makes several changes to excise tax statutes. The Department of Revenue is allowed to disclose tax owed on properties involved in real estate transactions. Deadlines for remitting state 911 taxes are made the same as the deadlines for remitting other excise taxes. A change in ownership does not affect the deferral of sales and use taxes on facilities constructed under various tax incentive programs. Help desk or software/programming businesses located in rural counties do not lose their eligibility for business and occupation tax credits if they fail to file annual reports with the Department of Revenue. (The Governor vetoed a section allowing the Department of Revenue to collect unpaid watercraft excise taxes. Similar language allowing the Department to collect unpaid watercraft excise taxes is enacted in another bill, see Chapter 229, Laws of 2000.)

Extending the Expiration Date on Certain Pollution Liability Insurance Programs – No General Fund-State Revenue Impact

Chapter 16, Laws of 2000 (SHB 2590), has no impact on the state general fund. The pollution liability insurance program is designed to upgrade underground storage tanks. A petroleum products tax funds the program, but the tax is only collected when the pollution liability insurance program trust account falls below a threshold amount. The last time that the account balance was low enough to trigger collection of the tax was in 1992. Both the program and the tax were scheduled to expire on June 1, 2001. This legislation extends the program and the tax until June 1, 2007.

Repealing Certain Coal Tax Exemptions – No General Fund-State Revenue Impact

Chapter 4, Laws of 2000 (HB 2926), has no impact on the state general fund. The legislation modifies the sales and use tax exemption provided for coal used in a thermal electric generating facility by repealing an eligibility criterion that required 70 percent of the coal consumed by a facility to be from a mine in the same county or an adjacent county.

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Exempting Personal Property Used in Connection with Privatization Contracts for the Treatment of Radioactive Waste and Hazardous Substances from Property Tax – No General Fund-State Revenue Impact for the Current Biennium

Chapter 246, Laws of 2000 (EHB 3068), has no impact on the state general fund this biennium but reduces the general fund by \$839 thousand next biennium. The legislation exempts private property used for tank waste cleanup at Hanford from the state property tax for years 2002 through 2005. Beginning in the year 2006, the property tax exemption applies to both state and local property taxes.

Apportioning a Sales and Use Tax for Zoos, Aquariums, Wildlife Preserves, and Regional Parks – No General-Fund State Revenue Impact

Chapter 240, Laws of 2000 (EHB 3105), has no impact on the state general fund. The legislation requires a county to submit to voters a ballot proposition authorizing no more than 1/10 of 1 percent local sales and use tax if a joint request is made by a metropolitan park district, a city with a population over 150,000, and the legislative authority of a county with a national park and a population between 500,000 and 1,500,000. The joint request and ballot proposition may be worded to spend either all of the tax revenue on zoo, aquarium, and wildlife preservation and display facilities or half of the tax revenue on those facilities and the other half on parks located throughout the county.

Pari-mutuel Wagering – No General Fund-State Revenue Impact for the Current Biennium

Chapter 145, Laws of 2000 (SB 6678), has no impact on the state general fund this biennium but reduces revenue by \$80 thousand next biennium. The legislation repeals a sunset date, allowing the reduced pari-mutuel tax rate and tax distribution to remain in effect.

License Fraud – \$55 Thousand General Fund-State Increase

Chapter 229, Laws of 2000 (SSB 6467), increases the state general fund by \$55 thousand. In 1999, the Legislature decriminalized license fraud and enacted civil penalties for intentionally licensing a vehicle in another state. The 1999 legislation also authorized the Washington State Patrol to use an administrative process to enforce the civil penalties. As a result of establishing that process, local law enforcement officials no longer had the authority to issue citations for license fraud and the Department of Revenue lost its ability to collect unpaid watercraft excise taxes. This year's legislation disbands the Washington State Patrol's license fraud task force that was created in 1999. Authority for enforcing license plate violations is returned to local law enforcement officials. The revenue increase for the state general fund stems from restoring the Department of Revenue's authority to collect unpaid watercraft excise taxes.

Full Vetoes of Tax Legislation

Providing a Sales and Use Tax Deferral for Natural Gas-Fired Energy Generating Facilities Sited in Rural Areas

The Governor vetoed SSB 6062, which would have allowed sales and use taxes to be deferred on 600 megawatt or larger natural gas-fired generating facilities constructed in rural areas. If the legislation had taken effect, there would have been a \$3.9 million reduction in the state general fund.

Modifying the Tax Treatment of Linen and Uniform Supply Services

The Governor vetoed SHB 2850, which would have specified that the retail sale of linen and uniform supply services occurs at the place where delivery is made to the customer. If the legislation had taken effect, collection of sales tax on deliveries made by out-of-state linen suppliers to Washington customers would have resulted in a \$617 thousand increase in the state general fund and a \$161 thousand increase for local governments.

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Fiscal Issues of Statewide Significance

The fiscal challenge for the 2000 legislative session was to address three competing demands on the state's large and growing general fund reserves. The combined state general fund ending fund balance and the Emergency Reserve Fund were projected to be over \$1.3 billion by the end of the 1999-01 biennium.

In November 1999, the voters enacted Initiative 695, which repealed the excise tax on motor vehicles. Initiative 695 directly affected state and local programs by eliminating \$1.2 billion in revenue to local governments, public transit programs, and state transportation programs. The primary focus of the session was this revenue loss.

Additionally, there were several proposals to use the state's favorable fiscal situation to reduce property taxes, such as tax cuts for senior citizens, homeowners, or an elimination of the state portion of the property tax. Finally, there were several proposals to enhance public school funding, including funding for class size reduction and common school construction.

Initiative 695

State transportation and local transit districts lost \$930 million (\$600 million in state transportation and \$330 million in local transit revenues) as a result of the passage of Initiative 695. Local governments and public health districts lost \$300 million as a result of the initiative passing.

To address these losses, the legislative supplemental omnibus operating and capital budget makes several appropriations totaling \$332.7 million which are designed to help local jurisdictions and the legislative supplemental transportation budget adjust to this loss of revenue. These appropriations include the following:

- \$35 million ongoing annual assistance from interest on the emergency reserve fund for debt service on highway construction.
- \$80 million one-time assistance from the general fund for transit districts.
- \$50 million one-time assistance from the general fund to the multimodal transportation account for transit liability payments.
- \$20 million ongoing annual assistance from the general fund for ferry operations.
- \$12.7 million from the general fund for the King Street Station rail maintenance facility.
- \$35.5 million in ongoing funding from the general fund for county public safety assistance, court operations, and other services.
- \$66.3 million in ongoing funding from the general fund for assistance to cities for criminal justice and fire and police protection.
- \$33.2 million in ongoing funding from the Health Services Account is provided to restore 90 percent of funding losses to public health districts and county public health programs.

The supplemental budget also provides back-fill funding for two state programs that lost funding due to the repeal of the motor vehicle excise tax: the air quality program at the Department of Ecology; and the state crime lab operated by the Washington State Patrol.

Education Finance

Responding to demands to increase funding for the public school system, the Legislature created the Better Schools Program and put in place a mechanism to generate funding for common school construction.

The Better Schools Program is intended to provide ongoing support for class size and extended learning opportunities (\$37.4 million) and for professional development for certificated and classified staff ensuring that instruction is aligned with state standards and student needs (\$20.1 million).

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For school construction finance, separate legislation (Chapter 2, Laws of 2000, 2nd sp.s. – EHB 3169) reduced the threshold over which funds flow from the emergency reserve fund to the education construction account. This change will produce an estimated \$115 million for the Education Construction Fund in the 1999-01 biennium, of which \$35 million is appropriated to common school construction. The remaining funds may be used for K-12 or higher education construction.

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TOTAL STATE

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Legislative	117,413	270	117,683	124,505	310	124,815
Judicial	62,060	4,467	66,527	117,098	6,020	123,118
Governmental Operations	403,375	-4,614	398,761	2,537,871	-18,980	2,518,891
DSHS	5,129,809	7,874	5,137,683	12,154,545	276,018	12,430,563
Other Human Services	1,123,158	-25,384	1,097,774	3,106,770	29,424	3,136,194
Natural Resources	282,072	17,102	299,174	979,340	18,315	997,655
Transportation	53,453	-630	52,823	107,990	2,307	110,297
Total Education	12,055,153	-9,886	12,045,267	16,289,922	85,330	16,375,252
Public Schools	9,463,978	-21,033	9,442,945	10,327,599	70,800	10,398,399
Higher Education	2,538,245	9,556	2,547,801	5,862,453	12,894	5,875,347
Other Education	52,930	1,591	54,521	99,870	1,636	101,506
Special Appropriations	1,346,329	288,165	1,634,494	1,743,569	357,289	2,100,858
Statewide Total	20,572,822	277,364	20,850,186	37,161,610	756,033	37,917,643

Note: Includes only appropriations from the Omnibus Operating Budget enacted through the April 2000 special session of the Legislature.

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LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
House of Representatives	50,914	75	50,989	50,939	95	51,034
Senate	41,274	85	41,359	41,299	105	41,404
Jt Leg Audit & Review Committee	3,265	110	3,375	3,265	110	3,375
LEAP Committee	2,532	0	2,532	2,937	0	2,937
Office of the State Actuary	0	0	0	1,967	0	1,967
Joint Legislative Systems Comm	11,694	0	11,694	13,875	0	13,875
Statute Law Committee	7,238	0	7,238	9,727	0	9,727
Redistricting Commission	496	0	496	496	0	496
Total Legislative	117,413	270	117,683	124,505	310	124,815
Supreme Court	9,864	230	10,094	9,864	230	10,094
State Law Library	3,685	0	3,685	3,685	0	3,685
Court of Appeals	22,361	418	22,779	22,361	418	22,779
Commission on Judicial Conduct	1,756	0	1,756	1,756	0	1,756
Office of Administrator for Courts	24,394	3,319	27,713	66,992	4,822	71,814
Office of Public Defense	0	500	500	12,440	550	12,990
Total Judicial	62,060	4,467	66,527	117,098	6,020	123,118
Total Legislative and Judicial	179,473	4,737	184,210	241,603	6,330	247,933

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GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Office of the Governor	11,482	0	11,482	12,856	-465	12,391
Office of the Lieutenant Governor	665	21	686	825	21	846
Public Disclosure Commission	3,220	701	3,921	3,220	701	3,921
Office of the Secretary of State	22,434	8	22,442	33,725	1,638	35,363
Governor's Office of Indian Affairs	520	0	520	520	0	520
Asian/Pacific-American Affrs	430	0	430	430	0	430
Office of the State Treasurer	0	0	0	13,487	757	14,244
Office of the State Auditor	2,156	0	2,156	43,171	0	43,171
Comm Salaries for Elected Officials	150	45	195	150	45	195
Office of the Attorney General	7,795	841	8,636	155,280	2,179	157,459
Caseload Forecast Council	810	100	910	810	100	910
Dept of Financial Institutions	0	0	0	20,359	0	20,359
Dept Community, Trade, Econ Dev	143,856	1,586	145,442	340,532	19,529	360,061
Economic & Revenue Forecast Council	947	0	947	947	0	947
Office of Financial Management	24,646	1,162	25,808	63,101	1,162	64,263
Office of Administrative Hearings	0	0	0	20,799	0	20,799
Department of Personnel	0	0	0	33,629	0	33,629
State Lottery Commission	0	0	0	796,297	0	796,297
Washington State Gambling Comm	0	0	0	22,658	4,972	27,630
WA State Comm on Hispanic Affairs	441	0	441	441	0	441
African-American Affairs Comm	378	0	378	378	0	378
Personnel Appeals Board	0	0	0	1,602	0	1,602
Department of Retirement Systems	0	0	0	45,939	3,426	49,365
State Investment Board	0	0	0	10,519	618	11,137
Department of Revenue	138,169	0	138,169	148,086	0	148,086
Board of Tax Appeals	1,856	0	1,856	1,856	0	1,856
Municipal Research Council	3,588	-1,822	1,766	4,269	-123	4,146
Minority & Women's Business Enterp	0	0	0	2,546	0	2,546
Dept of General Administration	558	343	901	122,227	5,178	127,405
Department of Information Services	0	0	0	219,533	-3,360	216,173
Office of Insurance Commissioner	0	0	0	25,042	628	25,670
State Board of Accountancy	0	0	0	1,119	135	1,254
Forensic Investigations Council	0	0	0	272	0	272
Washington Horse Racing Commission	0	0	0	4,579	0	4,579
WA State Liquor Control Board	2,577	0	2,577	139,951	2,038	141,989
Utilities and Transportation Comm	0	0	0	26,618	800	27,418
Board for Volunteer Firefighters	0	0	0	573	0	573
Military Department	29,832	-7,599	22,233	182,697	-61,430	121,267
Public Employment Relations Comm	4,066	0	4,066	4,066	0	4,066
Growth Management Hearings Board	2,799	0	2,799	2,799	0	2,799
State Convention and Trade Center	0	0	0	29,963	2,471	32,434
Total Governmental Operations	403,375	-4,614	398,761	2,537,871	-18,980	2,518,891

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HUMAN SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Dept of Social & Health Services	5,129,809	7,874	5,137,683	12,154,545	276,018	12,430,563
WA State Health Care Authority	13,004	0	13,004	596,766	6,457	603,223
Human Rights Commission	5,086	61	5,147	6,660	61	6,721
Bd of Industrial Insurance Appeals	0	0	0	23,231	0	23,231
Criminal Justice Training Comm	0	0	0	17,607	273	17,880
Department of Labor and Industries	14,508	0	14,508	418,023	5,399	423,422
Indeterminate Sentence Review Board	1,854	0	1,854	1,854	0	1,854
Department of Health	131,572	-4,448	127,124	550,139	15,116	565,255
Department of Veterans' Affairs	19,289	-925	18,364	56,733	2,973	59,706
Department of Corrections	930,780	-20,164	910,616	976,447	844	977,291
Dept of Services for the Blind	2,994	0	2,994	15,930	0	15,930
Sentencing Guidelines Commission	1,549	92	1,641	1,549	92	1,641
Department of Employment Security	<u>2,522</u>	<u>0</u>	<u>2,522</u>	<u>441,831</u>	<u>-1,791</u>	<u>440,040</u>
Total Other Human Services	1,123,158	-25,384	1,097,774	3,106,770	29,424	3,136,194
Total Human Services	6,252,967	-17,510	6,235,457	15,261,315	305,442	15,566,757

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DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Children and Family Services	430,481	-19,787	410,694	772,432	-1,541	770,891
Juvenile Rehabilitation	167,945	5,233	173,178	220,721	19,521	240,242
Mental Health	505,084	10,945	516,029	988,248	27,924	1,016,172
Developmental Disabilities	518,068	11,418	529,486	1,010,382	15,697	1,026,079
Long-Term Care Services	928,805	-7,737	921,068	1,936,812	-30,429	1,906,383
Economic Services	898,737	-60,082	838,655	2,150,449	-51,213	2,099,236
Alcohol & Substance Abuse	43,309	130	43,439	219,123	145	219,268
Medical Assistance Payments	1,506,938	72,253	1,579,191	4,571,058	305,641	4,876,699
Vocational Rehabilitation	18,038	-633	17,405	102,848	-1,672	101,176
Administration/Support Svcs	50,895	-4,772	46,123	98,216	-8,146	90,070
Payments to Other Agencies	61,509	906	62,415	84,256	91	84,347
Total DSHS	5,129,809	7,874	5,137,683	12,154,545	276,018	12,430,563

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NATURAL RESOURCES

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Columbia River Gorge Commission	697	0	697	1,354	0	1,354
Department of Ecology	67,097	11,590	78,687	266,931	12,054	278,985
WA Pollution Liab Insurance Program	0	0	0	2,094	0	2,094
State Parks and Recreation Comm	55,571	178	55,749	89,182	178	89,360
Interagency Comm for Outdoor Rec	275	0	275	3,294	3,332	6,626
Environmental Hearings Office	1,612	0	1,612	1,612	0	1,612
State Conservation Commission	5,264	0	5,264	11,126	-1,800	9,326
Dept of Fish and Wildlife	85,339	1,844	87,183	274,570	1,422	275,992
Department of Natural Resources	51,425	2,890	54,315	247,938	2,529	250,467
Department of Agriculture	14,792	600	15,392	81,239	600	81,839
Total Natural Resources	282,072	17,102	299,174	979,340	18,315	997,655

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TRANSPORTATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	<u>Orig 99-01</u>	<u>2000 Supp</u>	<u>Rev 99-01</u>	<u>Orig 99-01</u>	<u>2000 Supp</u>	<u>Rev 99-01</u>
Washington State Patrol	42,987	-665	42,322	74,299	2,907	77,206
Department of Licensing	10,466	35	10,501	33,691	-600	33,091
Total Transportation	53,453	-630	52,823	107,990	2,307	110,297

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EDUCATION

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Public Schools	9,463,978	-21,033	9,442,945	10,327,599	70,800	10,398,399
Higher Education Coordinating Board	237,237	3,400	240,637	247,435	3,400	250,835
University of Washington	650,906	1,041	651,947	2,711,104	938	2,712,042
Washington State University	380,566	-596	379,970	787,015	2,172	789,187
Eastern Washington University	84,965	574	85,539	152,636	833	153,469
Central Washington University	86,363	423	86,786	155,536	423	155,959
The Evergreen State College	46,592	555	47,147	81,623	555	82,178
Spokane Intercol Rsch & Tech Inst	0	0	0	2,659	0	2,659
Western Washington University	109,565	242	109,807	219,430	242	219,672
Community/Technical College System	942,051	3,917	945,968	1,505,015	4,331	1,509,346
Total Higher Education	2,538,245	9,556	2,547,801	5,862,453	12,894	5,875,347
State School for the Blind	7,992	217	8,209	8,636	217	8,853
State School for the Deaf	13,390	309	13,699	13,390	309	13,699
Work Force Trng & Educ Coord Board	2,247	600	2,847	37,151	600	37,751
State Library	16,598	120	16,718	25,457	120	25,577
Washington State Arts Commission	4,876	0	4,876	5,876	45	5,921
Washington State Historical Society	5,307	345	5,652	6,840	345	7,185
East Wash State Historical Society	2,520	0	2,520	2,520	0	2,520
Total Other Education	52,930	1,591	54,521	99,870	1,636	101,506
Total Education	12,055,153	-9,886	12,045,267	16,289,922	85,330	16,375,252

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Washington State Omnibus Operating Budget

2000 Supplemental Budget

PUBLIC SCHOOLS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
OSPI & Statewide Programs	60,638	23,521	84,159	155,615	12,984	168,599
General Apportionment	7,096,837	-108,840	6,987,997	7,096,837	-108,840	6,987,997
Pupil Transportation	360,727	1,538	362,265	360,727	1,538	362,265
School Food Services	6,200	0	6,200	265,240	32,721	297,961
Special Education	785,497	-13,004	772,493	933,656	10,504	944,160
Traffic Safety Education	0	15,509	15,509	16,276	-767	15,509
Educational Service Districts	9,094	-27	9,067	9,094	-27	9,067
Levy Equalization	206,288	18,389	224,677	206,288	18,389	224,677
Elementary/Secondary School Improv	0	0	0	264,388	20,805	285,193
Institutional Education	41,743	-2,978	38,765	50,291	-2,978	47,313
Ed of Highly Capable Students	12,446	-177	12,269	12,446	-177	12,269
Education Reform	69,499	35	69,534	69,732	35	69,767
Transitional Bilingual Instruction	71,744	1,737	73,481	71,744	1,737	73,481
Learning Assistance Program (LAP)	146,250	-7,844	138,406	146,250	-7,844	138,406
Block Grants	60,720	-424	60,296	60,720	-424	60,296
Better Schools Program	0	57,500	57,500	0	57,500	57,500
Compensation Adjustments	536,295	-5,968	530,327	536,295	-5,968	530,327
Common School Construction	0	0	0	72,000	41,612	113,612
Total Public Schools	9,463,978	-21,033	9,442,945	10,327,599	70,800	10,398,399

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SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	General Fund-State			Total All Funds		
	Orig 99-01	2000 Supp	Rev 99-01	Orig 99-01	2000 Supp	Rev 99-01
Bond Retirement and Interest	1,108,747	9,429	1,118,176	1,268,839	27,024	1,295,863
Special Approps to the Governor	27,165	279,849	307,014	74,403	338,902	413,305
Sundry Claims	0	215	215	0	215	215
Other Appropriations	0	-3,647	-3,647	0	-13,408	-13,408
State Employee Compensation Adjust	160,547	477	161,024	350,457	2,714	353,171
Contributions to Retirement Systems	49,870	1,842	51,712	49,870	1,842	51,712
Total Special Appropriations	1,346,329	288,165	1,634,494	1,743,569	357,289	2,100,858

Budget Highlights

LEGISLATIVE

Supplemental appropriations for legislative agencies did not authorize any ongoing program enhancements. However, \$110 thousand in one-time funding is provided in the Joint Legislative Audit and Review Committee's budget for a study of the K-12 special education program.

JUDICIAL

Statewide

Almost \$2.2 million is provided for judges' salary increases approved by the Citizens' Commission on Salaries for Elected Officials. At the Supreme Court level, \$230,000 is provided for the justices. For justices at the Court of Appeals, \$388,000 is provided. At the Superior Court level, judges will receive an additional \$1.6 million.

Office of the Administrator for the Courts

An appropriation of \$686,000 will support the state's portion of the costs of newly-appointed Superior Court judges in Spokane, Snohomish, Pierce, Lewis, and King counties. Funds will pay for half of the judges' salaries and non-retirement benefits, and for all the judges' retirement benefits.

Approximately \$1.4 million is provided for salary increases associated with the reclassification of judicial branch information systems personnel. The adjustment is provided to make salaries commensurate with those of executive branch information systems staff.

Supported by an appropriation of \$30,000, the Office will convene a task force to examine potential statutory revisions, which, if implemented, would reduce the likelihood of the inappropriate imposition of the death penalty.

Office of Public Defense

A total of \$500,000 is provided to implement a pilot program to enhance the legal representation for indigent persons in dependency hearings. The pilot will seek to reduce the number of continuances sought by defense attorneys and thus the amount of time that dependents spend in foster care.

An amount of \$50,000 will support an evaluation of and report on the enhanced DNA testing process, established by Chapter 92, Laws of 2000 (SHB 2491), for persons sentenced to death or to life imprisonment without the possibility of parole.

GOVERNMENTAL OPERATIONS

Public Disclosure Commission

Under Chapter 401, Laws of 1999 (E2SSB 5931), the Commission is required to offer electronic filing capabilities to political action committees and lobbyists. The sum of \$674,000 is provided for the development and maintenance of an electronic filing system.

Office of the Attorney General

The sum of \$462,000 is provided for the defense of Initiative 695, which repealed the Motor Vehicle Excise Tax. A three-person team will address lawsuits filed challenging the legality of the Initiative.

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Funding in the amount of \$100,000 is provided for an additional staff person in the Criminal Justice division to handle privacy and law enforcement issues relating to the Internet and electronic commerce.

Department of Community, Trade, and Economic Development

A total of \$250,000 is provided to develop the state's proposal for the Lockheed Martin's VentureStar project. The VentureStar project will feature a reusable space vehicle for international space station development and other space technology activities. The state's proposed site is at Moses Lake.

Over \$950,000 is provided for additional grants in the Community Services Facilities Program. Projects that will be supported by this funding include the Multiservice Center of North and East King County; the Metropolitan Development Council in Tacoma; Children Northwest in Vancouver; Community Action Council in Lewis, Mason, and Thurston Counties; and Friends of Youth in Duvall.

Office of Financial Management

A total of \$614,000 is provided to improve contracting practices in state agencies. To provide better access to information on social service contracts, \$329,000 is authorized for a centralized contract database. For improved oversight of personal service and client service contracts, \$285,000 is to be used to fund the development of guidelines and training for agency staff.

Office of the Insurance Commissioner

Increased authority of almost \$500,000 is provided to the Office to implement provisions of two pieces of legislation passed to provide health care consumers a bill of rights and to strengthen the individual health care market. Funds will allow the Office to conduct rulemaking, collect fees, and provide for independent review processes.

Utilities and Transportation Commission

Chapter 191, Laws of 2000, Partial Veto (E2SHB 2420 – Pipeline Safety), creates a state pipeline safety program. The sum of \$800,000 is provided for the Commission to implement the program, which includes components for a statewide geographic information system that maps hazardous pipelines and for prevention of third-party damage to lines. Funding is provided to begin inspecting hazardous liquid pipelines and to develop rules related to safety and leak detection.

Military Department

Over \$3 million is authorized to complete enhanced 911 centers across the state. The Department will contract with counties to build and equip the enhanced centers.

DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Children and Family Services

The budget provides \$457,000 from the Public Safety and Education Account (PSEA) for various domestic violence prevention programs. This funding will be used: to design a curriculum for training domestic violence service providers; for increased monitoring of programs that provide treatment to perpetrators of domestic violence; to increase services to traditionally under-served victims of domestic violence; and to support the fatality review process for victims who died due to domestic violence. In addition, \$50,000 from the PSEA is provided in the Criminal Justice Training Commission's budget to provide domestic violence detection training courses to 911 operators.

A total of \$488,000 is provided to enable better selection and monitoring of care providers. Of this amount, \$348,000 General Fund-Federal will be used by the Department to conduct background checks on all people who receive state payment for providing care to children or vulnerable adults. An additional \$140,000 General Fund-State is for the

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Department to establish a statewide toll-free number and an electronic on-line system for access to information regarding child care providers.

The budget provides \$174,000 General Fund-State for a foster parent retention pilot program specifically to assist foster parents caring for children who act out sexually. The pilot program will cover: home-based assessments; education for foster parents; training for case workers, childcare providers, schools, and foster parents; emergency help if necessary; and an independent evaluation of the program. The Department will contract for these services.

The budget transfers all funding and program responsibility for the Becca Bill from the Children and Family Services Division to the Juvenile Rehabilitation Administration.

Juvenile Rehabilitation Administration

An additional \$10.7 million from PSEA is provided for distribution to local governments for costs associated with processing at-risk youth, child-in-need-of-services, and truancy petitions. The "Becca" processes allow families and the courts to work together to address the needs of children. In combination with the \$6.9 million provided in the original 1999-01 budget, the total appropriation for Becca legislation is increased to \$17.6 million. Of the \$10.7 million increase, \$6 million is provided to local governments due to reduced state revenue distributions resulting from Initiative 695. The remaining \$4.7 million in funding is provided for the settlement agreement reached between the state and 20 counties regarding Becca legislation funding.

An additional \$1.1 million in federal funding is made available to the state through the Juvenile Accountability Incentive Block Grant (JAIBG). Funds are used for 12 program areas with primary focus on improvement of court, probation, and treatment services for serious juvenile offenders. The majority of the funding is passed through to cities and counties for their use.

A total of \$867,000, primarily from federal funds, is provided to implement a pilot program of providing research-based, integrated, and individualized transitional services to juvenile offenders. To be selected for the program, the juvenile must have co-occurring substance abuse and mental health disorders and be at high risk of re-offending.

Based on recent studies of mental health services in Juvenile Rehabilitation Administration institutions, a need for additional mental health capacity at Echo Glen Children's Center has been identified. The budget provides \$187,000 for increased costs associated with converting an existing unit into a mental health maximum-security unit.

Mental Health Division

A total of \$1 million in state funds is provided to implement Chapter 217, Laws of 2000 (2SHB 2663), creating a pilot program for the distribution of atypical anti-psychotic medications to under-served populations. These funds will assure broader availability of atypical anti-psychotic medications for low-income people for whom they are not readily available through Medicaid or other state medical assistance programs.

The budget provides \$2.3 million in matching state and federal funds to assist local Regional Support Networks (RSNs) that do not have, or that are at risk of losing, adequate access to emergency psychiatric treatment facilities. The funds may be used for a broad array of locally-developed strategies, such as supplemental funding for community psychiatric facilities that do not currently receive disproportionate share payments; start-up funding for evaluation and treatment facilities; or increased payment rates for medically indigent patients. The state funds will match RSN funding for such strategies on a 3:1 basis.

In addition to the above increases, an additional \$1.7 million is provided for RSNs due to an increase in the number of persons eligible for Medicaid.

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A total of \$4.6 million in state funding is provided to comply with a federal court injunction regarding treatment at the state's Special Commitment Center. An additional \$14.0 million in the supplemental capital budget is provided to begin construction of a new 258-bed facility on McNeil Island to house the center and begin citing of community pre-release facilities required by the court.

Developmental Disabilities Division

A total of \$18.6 million in state and federal funding is provided within the Developmental Disabilities and Mental Health Divisions' budgets to improve programs for people with developmental disabilities who are at risk of needing involuntary treatment at the state hospitals. Improvements include expansions to the community crisis response system, crisis prevention and stabilization, expanded community residential services, and improvements in the treatment program at the state hospitals.

A total of \$6.1 million in state funding is provided for enhancements to the Developmental Disabilities Program, including: family support services and related case management for over 100 families; increased training for boarding home staff; the development of rules regarding orientation, basic training, and continuing-education for care givers in all long-term care settings; funding for the increased costs of care for dependent children in voluntary foster care placements; and enhanced funding for the administration of the Developmental Disabilities Endowment Fund.

Long-Term Care

Funding is provided for a number of new efforts to better protect people who are vulnerable to abuse because of their age or disability. A total of \$1.8 million is appropriated to cover the cost of the face-to-face review of all potentially high-risk, state-funded, in-home care situations that was conducted in fall 1998 in response to the Linda David case. An additional \$1.8 million is provided for an ongoing increase in efforts to quickly and thoroughly investigate allegations of adult abuse. A total of \$278,000 is provided for the implementation of Chapter 87, Laws of 2000, Partial Veto (SHB 2637), which requires homecare workers who have resided in the state for less than three years to be screened through an inter-state criminal history background check. Finally, \$120,000 is provided to improve the quality and timeliness of training for caregivers in adult family homes, assisted living facilities, and homecare programs.

A total of \$6.9 million in state and federal funds is provided so that the capital portion of the nursing home payment rate can grow by about 5 percent per year and so that all nursing homes will receive a 2 percent vendor rate increase in the second year of the biennium.

The budget also provides \$610,000 from General Fund-State to implement Chapter 207, Laws of 2000 (SHB 2454). To support implementation of the bill, funding is provided for support groups, information and assistance, and other services which will help unpaid caregivers support their disabled friends or family members at home.

Economic Services

The budget provides \$500,000 of federal Temporary Assistance for Needy Families (TANF) funding to the Office of Financial Management for three studies. The first study will review options for setting payment rates for subsidized child care. The second study will review the various means-tested programs throughout state government that are provided to low-income families with children. The third study will review the best method for coordinating and consolidating child care and early education programs funded by state government.

An increase of \$12.8 million General Fund-Federal is provided for subsidized child care. This funding will support an increasing number of low-income families who are working.

A total of \$44.4 million General Fund-State is saved by eliminating state funds reserved for TANF penalties and reducing the state's required maintenance of effort (MOE) level to 75 percent of historical levels rather than 80 percent. State MOE funds will be replaced by \$36 million General Fund-Federal. This savings is made possible by the WorkFirst program successfully fulfilling all federal welfare reform work participation requirements.

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Alcohol and Substance Abuse

The budget provides \$442,000 from the state Public Safety and Education Account for drug courts in King, Pierce, and Spokane Counties. Research indicates that drug courts provide savings for state and local government because program participants are less likely to re-offend, resulting in reduced jail, court, and treatment costs. These three drug courts will receive state assistance equal to one half of their net federal funding loss from fiscal year 2000 to fiscal year 2001. The balance in drug court funding will come from savings at the local level.

Medical Assistance

Medical assistance expenditures are expected to total \$4.9 billion for the 1999-01 biennium, an increase of about 6.7 percent over the level originally budgeted for the biennium. Major components of the increase include: higher managed care rates; increased prescription drug expenditures; increased federal revenues for public hospital districts; and growth in the number of people served. An average of about 760,000 people per month is budgeted to receive medical care through Medicaid and other DSHS medical assistance programs.

The budget provides \$24 million in additional assistance to public hospitals. Payments to hospitals, which serve a disproportionate share of low-income and uninsured patients, are returned to the same level as in the 1997-99 biennium. Public hospital districts receive \$7 million of additional disproportionate share payments, with \$2 million of that total allocated to the Harborview and University of Washington Medical Centers. Rural hospital districts will receive over \$10 million more than originally budgeted for a total of \$30 million available for debt repayment, capital projects, and ongoing operating costs this biennium. Finally, payment increases for complex cases will no longer be capped at 175 percent of hospital inflation.

Administration and Supporting Services

A total of \$3.2 million (\$933,000 General Fund-State) is provided for a Medicaid fraud and abuse detection program. The program will be able to run various tests on the Department's billing systems to determine anomalies and aberrant billing practices. This program will result in increased identification of potential fraud and abuse cases and increased cost recoveries and cost avoidance in the Long-Term Care, Medical Assistance, and Developmental Disabilities programs. The estimated Department-wide savings from this new program for the remainder of the 1999-01 biennium are \$6.6 million.

The budget reduces staffing across the agency by aligning core functions in each program area, resulting in a total savings of \$9 million (\$5.5 million General Fund-State). Savings are not intended to be taken from direct service staff unless justified by reduced workload or other efficiencies that will not impact licensing or certification standards. By September 1, 2000, the Department will report its plan to implement these staff reductions.

OTHER HUMAN SERVICES

Health Care Authority

An appropriation of \$200,000 from the Health Services Account is provided for state-subsidized premium discounts for Washington State high-risk insurance pool enrollees age 50 and older who are not on Medicare, and who have family incomes between 200 percent and 300 percent of the federal poverty level. Such discounts are authorized by Chapter 79, Laws of 2000 (E2SSB 6067 – Individual Health Insurance Coverage Reform). This legislation also authorizes the Health Care Authority to offer a catastrophic coverage policy in counties where no other individual insurance coverage is available. The amount of \$150,000 is provided to the Authority to design such a policy.

Basic Health Plan

The budget provides an additional \$1 million from the Health Services Account to increase enrollment in the Basic Health Plan. The additional funding is projected to be sufficient to enroll 570 additional low-income working adults beginning July 1, 2000, bringing total enrollment in the subsidized program to approximately 133,210 for fiscal year 2001.

Criminal Justice Training Commission

The amount of \$215,000 is provided from the Public Safety and Education Account for the Washington Association of Sheriffs and Police Chiefs to conduct a study of law enforcement services and expenditures for both counties and cities, but only in counties with populations over 150,000. The study will focus on identifying potential efficiencies in service delivery, especially relating to special service units such as bomb squads, SWAT teams, and hostage rescue units.

The budget also provides \$50,000 to allow the Criminal Justice Training Commission to provide domestic violence related courses to 911 operators.

Department of Labor and Industries

Funding in the amount of \$2.8 million is provided for direct services to victims of crime. The enhancement helps offset increases in medical costs and pension costs that have constrained the Department's ability to reimburse claims.

Department of Veterans' Affairs

The budget includes \$231,000 as the state's contribution to the national World War II (WWII) memorial, which is to be constructed in Washington, D.C., beginning Veterans' Day, 2000. The funds represent \$1 for each Washington State resident who served in WWII.

Department of Health

The budget provides \$15.0 million from the Tobacco Prevention and Control Account for the first year of a multi-year effort to reduce the use of tobacco. Coordinated by the Department of Health, the plan may include community and school-based programs, cessation support, public awareness campaigns, youth access information, and assessment and evaluation activities.

A total of \$750,000 from the Health Services Account is provided to the Department of Health to continue operations of the Comprehensive Hospital Abstract Reporting System (CHARS) while reducing fees charged to local hospitals that support the system. CHARS is the primary source of morbidity data in the state.

Department of Corrections

The budget provides \$117,000 from the state general fund to implement Chapter 225, Laws of 2000 (2SSB 6255), which makes felonies of the theft or storage of anhydrous ammonia in an unapproved container or possession of anhydrous ammonia with intent to manufacture methamphetamine.

Based on a recent evaluation of hepatitis C treatment needs in the state's correctional system, \$1.9 million is provided for the Department of Corrections to implement a voluntary testing program and to provide medical treatment to offenders who are both infected with the hepatitis C virus and who would benefit from such treatment.

The budget also recognizes savings in the Department of Corrections which are achieved in several ways. Equipment with longer life cycles will be lease-purchased, saving approximately \$1 million. The Department has experienced hiring delays in a number of programs, generating \$3.0 million in savings. The Department has under spent its allotted number of staff in the program support area by an average of 26 staff during the first nine months of the biennium. The budget expects the Department to continue achieving savings of three administrative staff on an ongoing basis, resulting in annual savings of \$147,000.

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Sentencing Guidelines Commission

The budget provides \$80,000 from the state general fund for the Sentencing Guidelines Commission to conduct a comprehensive review and evaluation of state sentencing policy. The review and evaluation will include an analysis of whether current sentencing ranges and standards, as well as existing mandatory minimum sentences, and existing sentence enhancements and special sentencing alternatives, are consistent with the purposes of the sentencing reform act and with prison capacity.

Employment Security Department

The budget provides \$2.5 million from the state Employment Service Administrative Account to implement a new training benefits program for qualified dislocated workers established in Chapter 2, Laws of 2000 (SHB 3077 - Unemployment Insurance). This program will allow dislocated workers to receive additional unemployment insurance benefits for up to 52 weeks while they are in retraining and making satisfactory progress toward completion of their training plan.

NATURAL RESOURCES

Salmon Recovery

Forest Practices and Salmon Recovery

The 1999 Forest Practices - Salmon Recovery Act increased stream setbacks and changed road development and maintenance requirements for all timber harvests. To continue implementing the new forestry rules, the operating budget provides \$3 million for rule development and implementation, small landowner technical assistance, and improvements to the Department of Natural Resources' forestry geographic information systems. In addition, the capital budget includes \$2.5 million for purchasing riparian easements from small landowners.

Shoreline Protection

To provide additional resources for local governments to protect and restore riparian habitat, the operating budget provides \$5 million from the Salmon Recovery Account to cities and counties for lease or less than fee simple acquisition of shoreline areas. Of this amount, a total of \$1.5 million is provided to Skagit County to implement an agricultural riparian buffer plan.

Hatchery ESA Strategy

The operating budget provides \$4.2 million to implement an Endangered Species Act strategy for hatcheries, restore hatchery production, and for data collection and analysis related to citing a permanent hatchery for Lake Washington sockeye. The budget also ensures that the Reiter Pond and Colville hatcheries will continue to operate at current production levels.

Methow River Salmon Recovery

To assist the residents of the Methow River Valley in responding to the Endangered Species Act listings, the budget provides \$1.3 million for watershed planning to develop baseline hydrological data and for screening and in-stream flow projects for irrigation diversions.

Agriculture, Fish, and Water

In 1999, the Conservation Commission initiated a collaborative process to develop and implement agricultural management practices that will meet the requirements of both the federal Endangered Species Act and the Clean Water Act. The budget provides \$267,000 to the Conservation Commission for meeting facilitation and project coordination. Of this amount, \$100,000 is provided for grants to participants in the Agriculture, Fish, and Water process, to partially defray the costs of participation. The Governor vetoed all changes to the General Fund-State appropriation for the Conservation Commission.

Other Natural Resources

Air Quality Program

Initiative 695 repealed a two dollar per vehicle excise tax that funded approximately half of the Department of Ecology's air quality program. To address this revenue shortfall, the operating budget provides \$9.8 million, restoring 90 percent of lost funding. Essential federal and state program requirements are maintained, including air quality monitoring, grants to local air pollution control agencies, and compliance with state and federal air quality laws.

Recovery of Marine Fish

Several species of marine fish, including cod, herring, and rockfish, are being considered for listing under the Endangered Species Act. The budget provides \$400,000 for science-based monitoring and fishery management to restore these fish stocks.

Water Storage

The operating budget provides \$825,000 for a water storage task force and for feasibility studies of water storage projects in Pine Hollow and Washout Canyon.

Bear and Cougar Management

The operating budget provides \$800,000 for eight additional enforcement staff, as well as vehicles and equipment, to respond to an increasing number of bear and cougar encounters.

Water Quality Pilot Projects

Funding is earmarked for three local pilot projects to evaluate the potential for existing voluntary and regulatory programs to improve water quality in stream segments that do not currently meet water quality standards.

Everett Smelter Cleanup

The northeast section of Everett is contaminated with arsenic from the operation of a smelter. It is estimated that 585 residences have arsenic concentrations in their yards that present chronic and acute health threats. The operating budget provides \$1.5 million to continue the cleanup of the most contaminated homes during the summer of 2000.

Oil Spill Prevention

Funding is provided for a dedicated rescue tug to operate during the 2000-2001 fall and winter at the mouth of the Strait of Juan de Fuca to protect marine waters.

TRANSPORTATION

The majority of funding for transportation services is included in the transportation budget, not in the omnibus appropriations act. The omnibus appropriations act includes only a portion of the funding for the Washington State Patrol and the Department of Licensing. Therefore, the notes contained in this section are limited. For additional information on transportation funding, please see the Transportation Budget and Special Appropriations sections of this document.

Department of Licensing

An amount of \$326,000 is provided to upgrade access to Uniform Commercial Code (UCC) Account information. Funds will be used to improve current work processes, upgrade software, and provide electronic retrieval and processing to speed the filing and searching of UCC records.

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Washington State Patrol

The budget provides \$141,000 for two additional forensic scientists to respond to the scene of, and to support testing generated by, an increasing number of clandestine drug laboratories. The scientists will collect and provide analysis of evidence seized from these labs. This funding is in addition to the increased funding provided for the methamphetamine lab task force provided in the original 1999-2001 budget.

The Washington State Patrol (WSP) crime labs process physical evidence, primarily for local law enforcement agencies. Services include the scientific analysis of evidence such as blood, hair, fibers, paint, soil, bullets, impressions, and other physical indications. As a result of Initiative 695, a portion of the revenue that previously supported the activities of the crime lab was eliminated. The sum of \$2.5 million is provided to replace the lost funding and continue current crime lab activities.

The budget provides \$1.4 million for costs associated with WSP participation in support of the World Trade Organization conference held last winter. Activities performed by the WSP included traffic control, dignitary escorts, and security for the event. Additional funding is provided to the Military Department for costs associated with activating the National Guard.

Funding is also provided to continue numerous programs at WSP including the Missing and Exploited Children's Task Force (\$434,000), Justice Information Network (\$179,000), and the Narcotics Task Forces (\$454,000).

PUBLIC SCHOOLS

Better Schools Program

The Better Schools Program is created in the supplemental budget and is intended to be ongoing in future biennia. Program funds are provided for two purposes as follows.

The amount of \$37.4 million is provided for class size/extended learning opportunities starting with the 2000-01 school year. The funds are allocated through an additional 2.2 certificated instructional staff per 1000 full-time equivalent students in grades K-4. The funds may be used to provide additional teachers in grades K-4 or to provide extended learning opportunities through before-and-after school, weekend school, summer school, or intersession programs.

An additional \$20.1 million is provided for professional development for certificated and classified staff to ensure that instruction is aligned with state standards and student needs. The funds are allocated starting July 1, 2000, at a rate of \$20.04 per student. The expenditure of the funds will be determined at each school site by the school staff.

Common School Construction

An additional \$6.6 million in education savings account revenues is appropriated to help fund the \$56.8 million K-12 capital supplemental budget. In addition, Chapter 2, Laws of 2000, 2nd sp.s. (EHB 3169), changed the calculation of the 5 percent emergency reserve requirement from a biennial amount to an annual amount. This change will produce an estimated \$115 million for the Education Construction Fund in fiscal year 2001. These moneys may be used for K-12 or higher education construction. A total of \$35 million is appropriated from the Education Construction Fund to the Common School Construction Account.

Pension Enhancements

School districts are provided \$26.5 million General Fund-State for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530). The increased pension costs for school districts result from reducing the early retirement reduction factors for Plans 2 and 3 of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS). In addition, the rate paid for Department of Retirement System administration will increase as a result of the creation of a PERS Plan 3 contained in this legislation. (Additional appropriations for this legislation are made to state agencies, institutions of higher

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education, and state contributions to the Law Enforcement Officers' and Fire Fighters' [LEOFF] retirement system in Special Appropriations.)

Adjust Pension Contribution Rate

The 1998 actuarial valuations conducted by the Office of the State Actuary determined that the contribution rates necessary to meet the state's pension funding goals are lower than the pension rates currently in effect, due primarily to higher-than-expected returns on the investments in the pension funds. The budget lowers the state and employer contribution rates for PERS, TRS, SERS, and LEOFF to reflect the actuarial valuations. Appropriations to school districts are reduced by \$65.8 million General Fund-State to reflect the savings from the lower rates. (The savings for state agencies, higher education institutions, and state contributions to LEOFF are contained in Special Appropriations.)

School Safety

The 1999 Legislature appropriated \$8.7 million for competitive matching grants to school districts for school security personnel. The supplemental budget provides an additional \$5.6 million to be allocated to all school districts at a maximum rate of \$10 per student. The funds may be expended by school districts for school safety purposes including equipment, training of school staff, and minor remodeling of buildings. Adjustments are made for school districts that received safety program and school security grants.

Substitute Teacher Allocation

The sum of \$4.6 million General Fund-State is provided to increase the state allocation for provision of substitute teachers from \$77.51 to \$98.87 per day starting in the 2000-01 school year. Allocations for five substitute teacher days per state-funded teacher in the apportionment and special education programs are a component of the state's basic education definition.

Enrollment Decline Transition

A number of school districts throughout the state have experienced unanticipated enrollment declines. The amount of \$3.9 million General Fund-State is provided to assist school districts with enrollment decline transition for the 1999-00 school year. A district is eligible for the funds if it has an enrollment decline of 300 or more full-time equivalent students or 4.5 percent or more of its full-time equivalent student enrollment when compared to the prior school year. Eligible districts will receive funding for up to 50 percent of the enrollment decline at the basic education un-enhanced rate of the district.

Health Benefit Rate Adjustments

A total of \$1.8 million General Fund-State is provided for an expected increase in health benefit insurance rates for school year 2000-01, increasing the monthly rate per K-12 employee by \$1.82 per month. In addition, the rate is increased by \$0.48 per month for insurance market reform costs and by \$0.02 per month for expanded prescription drug benefit coverage. The total increase is \$2.32 per month.

Information Technology Workforce Training

The 1999-01 biennial budget provided \$1 million per year for information technology grants for programs that prepare high school students for careers in the information technology industry. Funding is increased by \$0.8 million in the second year of the biennium to allow more high schools to participate in the grant program.

Principal Internship and Mentorship Programs

The 1999-01 budget provided \$1.6 million for the superintendent/principal internship program. This program funds the cost of release time for teachers and other individuals enrolled in a principal or administrator preparation program so that the individuals may engage in an internship during the school day when children are present. An additional \$0.6 million is provided to increase the number of participants in the internship program. In addition, \$125,000 is provided to create a principal support program to pair new principals with experienced mentors for up to three years.

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Internet Filtering Servers

The amount of \$431,000 General Fund-State is made available to purchase an Internet filtering server for districts that currently do not have a filtering system in place.

Teacher Professional Standards Board

An amount of \$431,000 is provided to implement Chapter 39, Laws of 2000 (EHB 2760), which establishes a professional standards board for educators. The function of the board is to advise the State Board of Education on educator issues and to prepare a basic skills teacher assessment to be available September 1, 2001.

Oral Medications Training

Persons administering oral medications in public schools must be trained prior to administering the medications. An amount of \$297,000 is provided for state training in oral medication procedures, using a model program developed by the Office of the Superintendent of Public Instruction.

Accountability Commission

The Academic Achievement and Accountability Commission was established in 1999 to oversee the state's new K-12 accountability system and associated issues. The Legislature appropriated \$340,000 for the operation of the Commission in the 1999-01 biennial budget. An additional \$250,000 is provided in the supplemental budget to expand the research and operations capacity of the Commission.

Civil Liberties Education

The amount of \$150,000 General Fund-State is provided for grants to document the history of the internment of persons of Japanese ancestry during World War II for public education and to prevent similar civil rights violations in the future.

World War II Oral History Projects

A total of \$150,000 is provided for grants to document the experiences of World War II veterans through oral history projects at local schools.

Second Grade Reading Test

The second grade reading test was enacted by the 1997 Legislature and requires teachers to assess individual student's reading ability using approved assessment materials. The amount of \$106,000 General Fund-State is provided to pay for training of new second grade teachers and for replacement of assessment materials.

National Teacher Certification Bonus

The 1999 Legislature provided \$327,000 for a 15 percent pay bonus for teachers achieving certification by the National Board for Professional Teaching Standards. The 1999-01 appropriations act did not specify whether the bonus was one time or for the life of the certificate. The supplemental budget provides an additional \$65,000, and clarifies that the bonus is for two years. Beginning with the 2000-01 school year, the amount of the bonus is changed from 15 percent of pay to a flat \$3,500 bonus and is not considered earnable compensation for pension purposes.

Funding Source Change

Various dedicated fund sources have been used to fund the K-12 budget. These included the Public Safety and Education Account, the Health Services Account, and the Violence Reduction and Drug Enforcement Account. The supplemental budget replaces these various dedicated fund sources, totaling \$31.0 million, with an equivalent amount from the General Fund-State.

HIGHER EDUCATION

Community and Technical College System

The community and technical colleges are provided \$750,000 General Fund-State to develop system-wide on-line catalogs for distance learning and other admissions information. Students will be able to access distance education course openings available at any community or technical college in the state.

The sum of \$1.65 million is provided to replace failing roofs at Columbia Basin College, to enable a new facility at Cascadia College to open a year early and state support to maintain and operate facilities built by colleges with certificates of participation, whose construction was approved by the Legislature.

The community college districts have access to a centralized reserve pool of funds to provide for emergent needs of students with disabilities. Additional funding in the amount of \$500,000 General Fund-State is provided to ensure that the reserve pool is sufficient to meet extraordinary demand through the school year.

University of Washington

The budget pays for a portion (\$375,000 General Fund-State) of the University of Washington's connection to the Internet, which is used by faculty and students and was formerly funded by the National Science Foundation.

To respond to the rising cost of health care insurance premiums and to maintain reasonable levels of co-payments, additional state funds in the amount of \$450,000 General Fund-State are provided for graduate assistant health insurance coverage. The University is expected to match this appropriation, in partnership with the state, to provide compensation to graduate research and teaching assistants.

Washington State University

The sum of \$450,000 General Fund-State is provided for the University to conduct research activities related to biotechnology and health sciences for potential commercialization activities of the Spokane Intercollegiate Research and Technology Institute (SIRTI). In addition, \$425,000 of state funds is also added to the Department of Community, Trade, and Economic Development budget for SIRTI to support its commercialization activities.

The budget provides \$3.6 million from the Education Construction Fund to Washington State University to support the permanent replacement of a steam boiler, and to assess the campus-wide heating system for its viability and need for further modern upgrades.

At the request of Washington State University, budgeted enrollments for Pullman, Spokane, Vancouver, and Tri-Cities campuses are lowered, resulting in savings of \$1.4 million to the General Fund.

Eastern Washington University

Funding in the amount of \$482,000 General Fund-State is provided for 100 additional enrollments in the 2000-01 academic year based on continued increases in students seeking access to the University.

Higher Education Coordinating Board

Funding for Washington Promise scholarships for high-performing students is increased by \$2.4 million General Fund-State so awards are closer to full-time community college tuition for the 2000-01 academic year. Eligibility is expanded to include home-schooled students, and makes it possible for any young person to qualify academically by scoring 1200 or higher on their first attempt at the Scholastic Aptitude Test.

The budget also provides \$1.0 million General Fund-State for scholarship loans of up to \$4,000 per year to encourage classified K-12 employees to become classroom teachers, particularly in shortage areas identified by the Superintendent

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of Public Instruction. Loans made by the Higher Education Coordinating Board can be repaid by teaching in Washington public schools.

Enrollment Growth Adjustment

The budget directs the Office of Financial Management to hold and release state money as new FTE students appear during the 2000-01 academic year for Western Washington University, Central Washington University and at the Bothell and Tacoma campuses of the University of Washington. This is in response to shortfalls in actual enrollments relative to budgeted enrollments at most state universities. Money subject to this provision that is not realized by a university lapses to the Education Savings Account at the close of the biennium.

OTHER EDUCATION

Schools for Blind and Deaf

To provide parity between funding for teachers at the Schools for the Blind and Deaf and teachers in the K-12 public school system, \$100,000 is provided for three annual training days and \$146,000 is provided for a 3 percent salary increase. In addition, \$280,000 is provided for additional training of staff to improve recognition of, and responses to, child abuse and neglect.

Workforce Training and Education Coordinating Board

The budget provides one-time funding of \$600,000 General Fund-State for grants to local workforce development councils that will help close the skills gap facing Washington's industries. Facilitators will bring businesses, labor organizations, and/or industry associations together into industry skills panels. These panels will identify skills gaps in their industry and develop training curricula that will provide the education needed by workers to fill those gaps. Expenditure of these funds requires a 50 percent cash or in-kind match from the industries involved in the skills panels.

Washington State Historical Society

Two projects receive funding through the State Historical Society: the Columbia Gorge Interpretive Center and the History Lab, an Internet state history program for K-12 students and teachers.

SPECIAL APPROPRIATIONS

Local Government Assistance

A total of \$135 million is provided to local jurisdictions to help maintain programs affected by the passage of Initiative 695 (I-695). For counties, the budget provides \$35.5 million in ongoing funding for public safety assistance, court operations, and other services, restoring at least 53 percent of funding lost in each county. For cities, \$66.3 million in ongoing funding is provided for criminal justice, fire and police protection, and other services, restoring at least 37 percent of funding lost in each city and ensuring that no city suffers a budgetary loss in excess of 7.5 percent. Ongoing funding in the amount of \$33.2 million is provided to restore 90 percent of funding losses to public health districts and county public health programs.

Transportation

The budget includes \$177.7 million in special appropriations for transportation and transit programs. A majority of these funds are provided to help offset the loss of Motor Vehicle Excise Tax revenue from the passage of I-695. I-695 assistance includes the following: \$80 million in one-time assistance from the general fund for transit districts; \$50 million in one-time assistance from the general fund to the multimodal transportation account for transit liability payments; \$20 million in ongoing annual assistance from the general fund for ferry operations; and \$12.7 million in one-time assistance for the King Street Station rail maintenance facility. In addition to the I-695 related assistance, \$15 million is provided to Sound Transit to support the development of a light rail extension to Northgate in Seattle.

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Digital Government

To facilitate the transition of doing business over the Internet, \$10 million in funding is provided to the Office of Financial Management (OFM) for projects that will permit agencies and their clientele to conduct transactions electronically. In one of the digital government initiatives, OFM will assist the Office of the Secretary of State and the Department of Licensing to convert the master business licensing process to an Internet-based application.

Trade Workers Lawsuit Settlement

Funding is provided for payments to persons employed in certain general government trades job classes between 1988 and 1993, as provided under a 1999 lawsuit settlement. Appropriations of \$3.5 million General Fund-State and \$688,000 in other funds are provided for this purpose.

Shoreline Block Grants

Funding in the amount of \$5 million is provided for grants to cities and counties for lease or less than fee simple acquisition of shoreline areas.

Extraordinary Criminal Justice Assistance

The budget provides \$550,000 for costs associated with aggravated murder cases in Cowlitz, Thurston, and Franklin counties. Within the amount provided, OFM shall determine the amount to be paid to each county based on an assessment of greatest need.

Pension Enhancements

The sums of \$13.5 million from the state general fund and \$12.2 million in other funds are provided for the increased pension costs resulting from Chapter 247, Laws of 2000 (ESSB 6530) to state agencies and higher education institutions, and as the state contribution to the Laws Enforcement Officers' and Fire Fighters' retirement system (LEOFF). The increased pension costs result from lowering the retirement age in LEOFF Plan 2 from 55 to 53, and from reducing the early retirement reduction factors for LEOFF Plan 2, Plans 2 and 3 of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS). In addition, the rate paid for Department of Retirement System administration will increase as a result of the creation of a PERS Plan 3 contained in the legislation. (School districts receive another \$26.5 million for the increased pension and administration rates resulting from the legislation.)

Adjust Pension Contribution Rates

The 1998 actuarial valuations conducted by the Office of the State Actuary determined that the contribution rates necessary to meet the state's pension funding goals are lower than the pension rates currently in effect, due primarily to higher-than-expected returns on pension fund investments. To reflect the actuarial valuations, the budget lowers the state and employer contribution rates for PERS, TRS, SERS, and LEOFF. The savings for state agencies, higher education institutions and for the state contribution to LEOFF Plan 2 are \$14.8 million General Fund-State and \$13.6 million in other funds. (Savings for school districts are \$65.8 million General Fund-State.)

2000 Supplemental Operating Budget (EHB 2487)

Employee Health Benefits

Additional funding is provided to increase the employer funding rate for state employee health benefits. State agencies receive \$2.7 million General Fund-State and \$2.9 million in other funds to pay the increased rate. (Increased funding for this purpose for higher education is included in each institution's budget. Higher education receives a total of \$2.3 million General Fund-State for increased employee health benefit costs.) The Health Care Authority (HCA) is projecting a deficit in the Public Employees' and Retirees' Insurance Account of over \$16 million at the end of the biennium, with no money in the premium stabilization reserves. The projected shortfall results from new estimates for managed care premium trends for calendar year 2001 and higher-than-expected claims in the self-insured Uniform Medical Plan (UMP). The funding addresses the projected increase in managed care premiums, repays reserves used to pay claims in the 1998 settlement of a retirees' lawsuit, and partially addresses the shortfall caused by the increase in UMP claims. The Public Employees' Benefits Board will address the remaining shortfall through increased co-pays, increased employee premiums, or similar adjustments. If the shortfall is addressed solely through employee premium contributions, the HCA estimates the average employee premium could increase from the current \$14.00 per month to at least \$26.50 per month.

The additional funding also includes amounts for enhanced prescription contraceptive benefit and increased assessments for the Washington State High-Risk Insurance Pool that will result from Chapter 79, Laws of 2000 (E2SSB 6067).

The total monthly state agency employer funding rate for insurance benefits in fiscal year 2001 is increased from \$427.46 to \$436.16 per employee.

Registered Nurse Salary Step Increase

Funding is provided to add one or more steps to the special salary pay range for certain registered nurse job classes that are used in the state mental hospitals and in correctional facilities. The classes include registered nurse 1-3, community nurse specialist, clinical nurse specialist, and nurse practitioner. The additional steps are contingent upon Washington Personnel Resources Board review and upon agreement that the increases will improve recruitment and retention at Western State Hospital and the McNeil Island correctional facility. Appropriations of \$800,000 General Fund-State and \$400,000 General Fund-Federal are made for this purpose.

2000 Supplemental Capital Budget Highlights

The 2000 Supplemental Omnibus Capital Budget was included in the same bill as the 2000 Supplemental Omnibus Operating Budget, Chapter 1, Laws of 2000, 2nd sp.s., Partial Veto (EHB 2487). The supplemental capital budget was constrained by concerns over the statutory 7 percent debt limit. The 1999-01 Capital Budget reserved a small amount (\$15 million) of bond authority in anticipation of emergent supplemental needs, but rising interest rates increased the cost of debt on planned bond sales to the extent the reserved bond authority was no longer available. Where bonded appropriations were made in the supplemental capital budget, there is a corresponding reduction in previously authorized projects. The overall adjustments in the supplemental budget reduced the bonded portion of the biennial budget by \$150,000 and increased the non-bonded portion by \$115.6 million. The non-bonded appropriations are financed by federal funds, trust timber revenues, and state operating funds.

K-12 Construction – \$56.8 Million Various Sources

The supplemental capital budget provides \$56.8 million to address the updated estimate of K-12 construction demands in the current biennium. Revenue for the appropriation is derived from the updated Department of Natural Resources revenue forecast and other revised revenue forecasts from the State Treasurer and the State Investment Board.

Legislation changes the calculation of the 5 percent emergency reserve requirement from a biennial amount to an annual amount. This change will produce an estimated \$138 million for the Education Construction Fund in the 1999-01 biennium. These monies may be used for K-12 or higher education construction. A total of \$35 million is appropriated from the Education Construction Fund to the Common School Construction Account.

New Special Commitment Center Facility – \$14 Million Violence Reduction and Drug Enforcement Account
Funding is provided to begin construction of a new Special Commitment Center facility on McNeil Island. The facility will provide custody and treatment for persons who have been committed under the state's sexually violent predator statute. The facility will be designed to achieve the custody and treatment conditions required by a federal court injunction governing implementation of the state civil commitment statute. Funding is also provided to begin site selection for the community pre-release facilities envisioned under the injunction.

Local Criminal Justice Facilities – \$612,000 General Fund-Federal

The state's award from the federal Violent Offender Incarceration and Truth-in-Sentencing (VOI/TIS) grant is higher than anticipated in the original budget. For this reason, the budget provides \$612,000 in additional funding to construct, expand, and improve local jails and other correctional facilities. This brings the total VOI/TIS amount provided to local governments during the 1999-01 biennium to \$4.1 million.

Small Timber Landowners – \$2.5 Million State Building Construction Account

Funding is provided to purchase riparian easements from small timber landowners to mitigate the economic impact of revised forest practice rules. The use of bond proceeds for this item is offset by a delay in the use of bonded appropriations for the Conservation Reserve Enhancement Program.

Dairy Nutrient Management Grants – \$2.5 Million State Building Construction Account

The 1998 Dairy Nutrient Management Act required all dairy operators to implement certified nutrient management plans by December 2003. Additional funds are provided to the Conservation Commission for grants to dairy operators to implement dairy nutrient management plans. The use of bond proceeds for this item is offset by a delay in the use of bonded appropriations for the Conservation Reserve Enhancement Program.

Legislative Building Renovations – \$3 Million Capitol Building Construction Account

Funding is provided to continue design and planning for the renovation of the State Capitol Building.

2000 Supplemental Capital Budget (EHB 2487)

Seattle Crime Lab/State Toxicology Laboratory Consolidation – \$2.5 Million Death Investigations Account

The budget provides \$2.5 million to integrate the State Crime Lab and State Toxicology Lab into a consolidated facility and to make needed tenant improvements at the same time. The original 1999-01 budget provided \$10 million for the State Patrol's Seattle Crime Laboratory to be constructed within a City of Seattle owned building. The State Toxicology Laboratory, which merged with the State Patrol Crime Laboratory in July of 1999, currently occupies space in the same building.

Washington Wildlife and Recreation Program (WWRP)

The 1999-01 Biennial Capital Budget included \$48 million in state bonds for WWRP projects, and approved a list of first-year projects. The 2000 Capital Budget provides approval of the second-year list of local park projects which total \$2.2 million.

Holly Park Education Center – \$500,000 State Bond Funds

Funds are provided as a grant to South Seattle Community College for education space in the Holly Park housing development. Funds must be matched by an equal amount from other sources.

Community Services Facility Program – \$953,000 General Fund-State

Funds are deposited into the State Building Construction Account for facility grants to community service organizations. In making the grants, the Department of Community, Trade, and Economic Development will adhere to the advisory board recommendations and prioritization. These funds are in addition to the currently authorized program of \$4 million. An additional five projects that serve children and families will receive this new support, including: Hopelink in Bellevue, \$150,000; the Metropolitan Development Council in Tacoma, \$300,000; Children Northwest in Vancouver, \$300,000; Community Action Council in Lewis, Mason, and Thurston Counties, \$75,000; and Friends of Youth in Duvall, \$128,000.

Clark County Skills Center – \$350,000 General Fund-State

A matching grant is provided to the Clark County Skills Center to secure private donations for a new facility.

University of Washington Classroom Renovation – \$16 Million University of Washington Building Account

Funding is provided for classroom renovations and routine minor building remodeling projects on the University of Washington campus.

Cheney Hall Renovation – \$300,000 Eastern Washington University Capital Projects Account-State

Funding is provided so Eastern Washington University may begin the design development process to renovate Cheney Hall in order to expand its present capacity to deliver high technology educational programs.

**2000 Supplemental Transportation Budget Highlights
(E2SSB 6499)**

**Transportation Budget Comparisons
(Dollars in Millions)**

<u>1997-99 Transportation Funding</u>	
1997-99 Funding	\$2,896
1998 Supplemental Budget	\$ 181
1999 Supplemental Budget	<u>\$ (73)</u>
Total 1997-99 Funding	\$3,004
<u>1999-01 Transportation Funding</u>	
1999-01 Funding	\$4,049
2000 Supplemental Budget	<u>(\$ 767)</u>
Revised 1999-01 Funding	\$3,282
<i>Note: Bond retirement and interest amounts are not included.</i>	

1999-01 Supplemental Budget Revenues

The budget maximizes one-time and ongoing revenue sources from the general fund, rental car tax, and the increase in motor vehicle license fees to provide ongoing funding for the safe operation, maintenance and preservation of our transportation systems.

One-Time General Fund Support

To address the transit liability, the general fund appropriates a one-time \$50 million to the Multimodal Transportation Account. An additional one-time \$107.7 million is provided in the omnibus budget and expended as follows:

- \$80 million for transit districts in the 1999-01 biennium
- \$12.7 million for the King Street Rail Maintenance Facility
- \$15.0 million for Sound Transit

Ongoing General Fund Support

- An annual general fund transfer of \$35 million in interest from the Emergency Reserve Account will be deposited into the Multimodal Transportation Account to fund transportation activities. This revenue can leverage up to \$440 million in bonds. It is the intent of the Legislature to revert this money back to the Emergency Reserve Account in the event a long-term revenue source for transportation is approved.
- Annual general fund transfer of \$20 million for ferry operations.

2000 Supplemental Transportation Budget (E2SSB 6499)

General Fund Support for Transportation Systems (Dollars in Millions)						
	2001	2002	2003	2004	2005	5 Year Total
Transportation Projects	35.0	35.0	35.0	35.0	35.0	175.0
Ferry Operating Transfer	20.0	20.0	20.0	20.0	20.0	100.0
Transit Liability	50.0					50.0
Rail Transfer	12.7					12.7
Transit Distributions	80.0					80.0
Sound Transit	15.0					15.0
Totals	212.7	55.0	55.0	55.0	55.0	432.7

Transportation Budget Revenues

- \$33 million in sales tax on rental cars is assumed in the transportation budget.
- \$27 million in additional revenue from the I-695 increase in license fees is redirected from the State Patrol Highway Account to state transportation programs.

I-695 Necessitated Expenditure Reductions

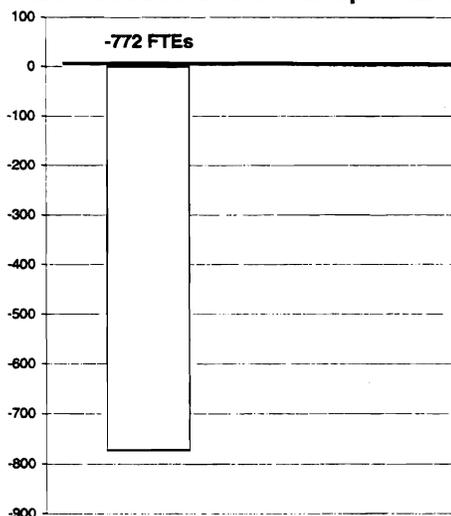
All agencies have shared in the necessary budget reductions. Reductions add to the \$22 million in efficiencies realized in the 1999-01 transportation budget. The reductions allow the Legislature, working on a bipartisan basis, and the Blue Ribbon Commission on Transportation to offer longer-term solutions.

Agency reductions in the 1999-01 biennium:

- Administrative budgets are reduced on an ongoing basis;
- Vacancy rates are reduced through the elimination of open positions; and
- Reinvestment of under-runs (current savings achieved in each transportation agency).

Elimination of city, county and County Road Administration Board Referendum 49 monies.

FTEs Reduced in the Transportation Budget



1999-01 Supplemental Budget Expenditure Highlights

Local Government

- **\$114 million** (\$50 million in general fund funding and \$64 million in transportation funding) is provided to fully fund the existing state transit liability.
- **\$80 million** is provided in 1999-01 transit districts to help reduce the impact of I-695 on Motor Vehicle Excise Tax (MVET) dependent transit agencies.
- **\$5 million** is provided to restore the Small City Pavement Management Program.
- **\$5 million** is provided for school safety projects.
- **\$5 million** is provided for freight rail grants that maintain short line rail service throughout the state.
- **\$60 million** in Transportation Improvement Board bonds is provided for local partnership and freight mobility projects. (\$30 million for local transportation projects and \$30 million for Freight Mobility Strategic Investment Board [FMSIB] projects.)
- **\$25 million** is provided for city and county corridor congestion relief programs.
- **\$790 thousand** is provided for airport preservation grants and matching federal grant funds for an economic study of aviation in Washington State.
- **\$240 thousand** is provided for a county freight and goods system project.
- **\$111 thousand** is provided for a competitive grade crossing protection grant program.

2000 Supplemental Transportation Budget (E2SSB 6499)

Protecting Our Investments

- **\$244 million** is provided to fund highway maintenance at 1997-99 program levels. This funding keeps rest areas open and maintains highway lighting.
- **\$532 million** is provided to fund highway preservation activities at 95 percent of 1997-99 program levels.
- **\$453 million** is provided to maintain ferry service throughout Puget Sound.
- **\$823 million** is invested in highway improvement construction projects for the remainder of this biennium.
- **\$12.7 million** is provided in the omnibus budget to construct the King Street Maintenance Facility and to maintain continued partnerships with Amtrak and Sound Transit.
- **\$500 thousand** is provided for Senator George Sellar refrigerated train cars to ship Washington State produce on the Seattle to Chicago *Empire Builder* train.
- **\$750 thousand** is provided for the Agency Council on Coordinated Transportation.

Safety

- **19 Washington State Commissioned Officers** are cut from the Washington State Patrol's (WSP) License Fraud Unit. The officers will be retained as investigators working on auto theft, fuel tax evasion and Vehicle Identification Number referrals in existing funded, vacant positions.
- **\$200 thousand** is provided for a WSP vehicle video camera pilot project.
- **\$2.2 million** is provided for base station upgrades and portable radios for WSP troopers.
- **\$31 million** in highway safety funding is restored to complete projects that were previously eliminated due to Initiative 695.
- **\$1.5 million** is restored to keep open and maintain all highway safety rest areas.
- **\$600 thousand** is restored in order to implement the Safety Service Roving Patrol Pilot Project.
- **\$550 thousand** in airport grant funding is provided for local communities to alleviate a backlog in safety preservation projects.

2000 Supplemental Transportation Budget (E2SSB 6499)

Department of Transportation: \$2.51 billion

(Original 1999-01 Budget = \$3.28 billion; a reduction of \$775 million)

State Highways: \$1.6 billion

(Original 1999-01 Budget = \$2.1 billion; a reduction of \$500 million)

- \$823 million is provided for state highway improvements:
 - High Occupancy Vehicles (HOVs): \$118 million for design, right-of-way and construction of HOV projects, including \$46 million in restored funding.
 - Congestion Relief: \$349 million is provided for highway capacity improvements, including major projects such as Sunset Interchange on I-90 and Sprague Avenue to Argonne Road on I-90 in Spokane.
 - Safety: \$139 million to improve the safety of state highways, including SR 9 to Paradise Road on SR 522 (Killer Highway); \$31 million in restored funding to continue such projects as SR 17 (Killer Corner), SR 12, and SR 395 that were originally cut due to Initiative 695.
 - Economic Development/Freight Mobility: \$128 million in state funding for economic initiatives, including \$27 million in restored funding to continue projects on SR 397, SR 20, SR 5, and SR 31.
 - Environmental: \$27 million for environmental projects including \$16 million in partially restored funding for Endangered Species Act project certification, fish passage barrier removal, and stormwater run-off projects. \$1 million in additional funding is provided for the Advanced Environmental Mitigation Revolving Account.
 - Tacoma Narrows Bridge: \$50 million is provided for the Tacoma Narrows Bridge, including \$39 million in restored state funding.
- \$532 million is provided for highway preservation to repave roadways, repair and rebuild bridges, repair unstable slopes, etc.
- \$244 million is provided for the maintenance of state highways, including keeping open all safety rest areas, snow and ice removal, patching roadways, pavement striping, maintaining traffic signals and retaining current levels of highway illumination, etc.

Washington State Ferries – Operating: Total Budget = \$291 million

(Original 1999-01 Budget = \$303 million; a reduction of \$12 million)

- \$10.3 million is provided to partially restore weekend, night and shoulder auto ferry service and weekday passenger-only ferry service through June 2001. No immediate fare increases are required.

Washington State Ferries – Capital: Total Budget = \$162 million

(Original 1999-01 Budget = \$285 million; a reduction of \$123 million)

- The capital program is realigned to ensure it supports the ferry operating budget.

2000 Supplemental Transportation Budget (E2SSB 6499)

Rail – Operating: Total Budget = \$33.0 million

(Original 1999-01 Budget = \$33.1; a reduction of \$50 thousand)

- Existing rail passenger services are maintained including a second roundtrip between Seattle and the Canadian border.

Rail – Capital: Total Budget = \$36.8 million

(Original 1999-01 Budget = \$93 million; a reduction of \$56.2 million)

- \$5 million is provided for light-density freight rail line loans and grants.
- \$500 thousand is provided for George Sellar refrigerated train cars to ship Washington State produce on the Seattle to Chicago *Empire Builder* train.
- \$12.7 million in one-time funding is restored for the King Street Maintenance Facility (provided in the omnibus budget).

Highway Management and Facilities/Plant Construction and Supervision: Total Budget = \$60.9 million

(Original 1999-01 Budget = \$71 million; a reduction of \$10.2 million)

- \$2 million is provided for additional maintenance due to delayed completion of capital projects.
- \$10 million is made available by delaying the construction of planned capital facility projects.
- \$1.3 million in savings is realized through a variety of administrative cost reductions.

Aviation: Total Budget = \$5.2 million

(Original 1999-01 Budget = \$4.4 million; an increase of \$790 thousand)

- \$550 thousand in increased grant funding is provided to help reduce backlogged airport safety preservation activities.
- \$240 thousand is provided for the state match of a federal grant for an economic study of aviation in Washington.

Traffic Operations: Total Budget = \$35.8 million

(Original 1999-01 Budget = \$39.1 million; a decrease of \$3.3 million)

- \$3.9 million is made available by the elimination of one-time funding for low-cost traffic operation enhancements.
- \$600 thousand is restored in order to implement the Safety Service Patrol Pilot Project.

Transportation Management: Total Budget = \$95.0 million

(Original 1999-01 Budget = \$110.8 million; a decrease of \$15.8 million)

- \$14.7 million reduction in computer equipment and system development.
- \$1.8 million reduction in management, administration and support.

2000 Supplemental Transportation Budget (E2SSB 6499)

Transportation Planning, Data, and Research: Total Budget = \$28.8 million

(Original 1999-01 Budget = \$30.5 million; a decrease of \$1.7 million)

- \$2 million is made available by postponing projects and through administrative cost reductions.
- \$350 thousand within the existing program is dedicated for developing an analytic method for investment choices in rail, highways, freight rail, transit, etc.

Public Transportation: Total Budget = \$19.4 million

(Original 1999-01 Budget = \$25.4 million; a decrease of \$5.9 million)

- \$6.1 million is provided for the Commute Trip Reduction (CTR) Program.
- \$3.5 million is provided for rural mobility projects.
- \$750 thousand is provided for the Agency Council on Coordinated Transportation.

Trans Aid: Total Budget = \$109.1 million

(Original 1999-01 Budget = \$155.6 million; a decrease of \$46.5 million)

- \$40.7 million is provided for local freight mobility projects.
- \$25 million is provided for city and county corridor congestion relief programs that complement the state corridor congestion relief program.
- \$10 million is provided as a state match with Oregon for the Columbia River Dredging Project.
- \$5 million is provided for a small city pavement program.
- \$5 million is provided for enhanced safety for schools, which includes signals, and channelization.

Washington State Patrol: \$229.4 million

(Original 1999-01 Budget = \$231.1 million; a reduction of \$1.6 million)

Field Operations: Total Budget = \$160.6 million

(Original 1999-01 Budget = \$160.9 million; a reduction of \$224 thousand)

- \$2.2 million is provided for trooper portable radios and base station upgrades.
- \$200 thousand is provided for a vehicle video camera pilot project.
- \$124 thousand is provided to increase officer pay for special certifications.
- \$2.1 million is cut to eliminate WSP's license fraud activities.
- \$826 thousand is cut to adjust for vacancies maintained through November 1999.
- \$322 thousand is cut to remove second year inflation.

Support Services Bureau: Total Budget = \$66.5 million

(Original 1999-01 Budget = \$67.9 million; a reduction of \$1.4 million)

- \$823 thousand is cut as a result of an agency-wide administrative reduction.

2000 Supplemental Transportation Budget (E2SSB 6499)

Capital: Total Budget = \$2.3 million

- Funding is retained for minor works, repaving of the drive course, and the Naselle detachment office.

Department of Licensing: \$158.0 million

(Original 1999-01 Budget = \$159.5 million; a reduction of \$1.5 million)

Management and Support Services: Total Budget = \$11.4 million

(Original 1999-01 Budget = \$11.3 million; an increase of \$63 thousand)

- \$109 thousand is cut to adjust for a historical vacancy rate.
- \$140 thousand is cut as a result of an administrative reduction.
- \$93 thousand is cut as a result of operating efficiencies.
- \$340 thousand is added to appropriately account for support services.

Information Systems Division: Total Budget = \$9.2 million

(Original 1999-01 Budget = \$9.5 million; a reduction of \$292 thousand)

- \$188 thousand is cut to adjust for a historical vacancy rate.
- \$117 thousand is cut as a result of an administrative reduction.

Vehicle Services Division: Total Budget = \$57.2 million

(Original 1999-01 Budget = \$59.2 million; a reduction of \$2.0 million)

- \$1.7 million is cut for process savings, which include: bimonthly vehicle renewal notices, elimination of front license tabs, weekly title mailings, postcard-sized renewal notices, and license plate savings.
- \$321 thousand is cut to adjust for a historical vacancy rate.
- \$150 thousand of one-time funding is provided for transportation's share of an electronic commerce revenue system.

Drivers Services Division: Total Budget = \$80.2 million

(Original 1999-01 Budget = \$79.4 million; an increase of \$756 thousand)

- \$682 thousand is provided for a driver history initiative project that will link the Department of Licensing to the Seattle Municipal Court to improve the exchange of information.
- \$125 thousand is provided to establish an intermediate driver's license.
- \$250 thousand is provided to enhance motorcycle training.
- \$261 thousand is reduced for various process savings.

Other Agencies

Legislative Evaluation and Accountability Program Committee: Total Budget = \$887,000
(Original 1999-01 Budget = \$900 thousand; a reduction of \$13 thousand)

- \$13 thousand is cut as a result of an administrative reduction.

Utilities and Transportation Commission: Total Budget = \$222,000
(Original 1999-01 Budget = \$111 thousand; an addition of \$111 thousand)

- \$111 thousand is provided for a 1 percent state match on a federal grade crossing competitive grant program.

Transportation Improvement Board (TIB): Total Budget = \$269.8 million
(Original 1999-01 Budget = \$237.4 million; an increase of \$32.3 million)

- \$30 million in newly authorized TIB bonds is provided for local Freight Mobility Strategic Investment Board (FMSIB) freight mobility projects. The bonds were authorized in Chapter 6, Laws of 2000 (EHB 2788).
- \$30 million in existing TIB bonds is provided for local partnership and partial funding of FMSIB projects.
- \$150 thousand is cut as a result of an administrative reduction.
- \$17 million reduction in grants for public transportation capital projects.
- \$5 million in Urban Arterial Trust Account fund balance is transferred to the Department of Transportation's Small City Program.

Freight Mobility Strategic Investment Board: Total Budget = \$540,000
(Original 1999-01 Budget = \$600 thousand; a decrease of \$60 thousand)

- \$60 thousand in under-expended appropriation is cut from the FMSIB administrative budget.
- 14 FMSIB project requests are funded through a combination of state funds, TIB bonding authority and by the Puget Sound Regional Council.

County Road Administration Board: Total Budget = \$91.1 million
(Original 1999-01 Budget = \$111 million; a reduction of \$19.9 million)

- \$8 million in Referendum 49 bonds are cut as a result of I-695.
- \$11.8 million is cut from the Rural Arterial Trust Account to meet a projected revenue shortfall.
- \$240 thousand is added for a freights and goods road system update.
- \$290 thousand is cut as a result of an administrative reduction.

2000 Supplemental Transportation Budget (E2SSB 6499)

Blue Ribbon Commission on Transportation: Total Budget = \$1.8 million

- Funding is provided for the commission to continue fulfilling its mission of determining long-term solutions and strategies for transportation policies and funding.

Senate Transportation Committee: Total Budget = \$2.4 million

(Original 1999-01 Budget = \$2.6 million; a reduction of \$150 thousand)

- \$150 thousand is reduced to adjust agency vacancy rates.

Legislative Transportation Committee (LTC): Total Budget = \$3.6 million

(Original 1999-01 Budget = \$4.3 million; a reduction of \$650 thousand)

- \$500 thousand in under-expended appropriation is cut from the LTC administrative budget.
- \$150 thousand in expenditure savings is cut.

Department of Agriculture: Total Budget = \$311,000

(Original 1999-01 Budget = \$327 thousand; a decrease of \$16 thousand)

- \$16 thousand is cut as a result of an administrative reduction.

Board of Pilotage Commissioners (BPC): Total Budget = \$253,000

(Original 1999-01 Budget = \$290 thousand; a reduction of \$37 thousand)

- \$37 thousand in under-expended appropriation is cut from the BPC administrative budget.

State Parks and Recreation Commission – Operating and Capital: Total Budget = \$3.5 million

(Original 1999-01 Budget = \$3.6 million; a reduction of \$72 thousand)

- \$2.7 million in capital projects stays intact in the supplemental transportation budget.
- \$27 thousand in under-expended operating appropriation is cut from the State Parks and Recreation operating administrative budget.
- \$45 thousand in operating appropriation is cut as a result of an administrative reduction.

Marine Employees Commission (MEC): Total Budget = \$322,000

(Original 1999-01 Budget = \$356 thousand; a reduction of \$34 thousand)

- \$17 thousand in under-expended appropriation is cut from the MEC operating administrative budget.
- \$17 thousand is cut as a result of an administrative reduction.

Transportation Commission: Total Budget = \$767,000

(Original 1999-01 Budget = \$807 thousand; a reduction of \$40 thousand)

- \$40 thousand is cut as a result of an administration reduction.

1999-01 Washington State Transportation Budget

TOTAL OPERATING AND CAPITAL BUDGET

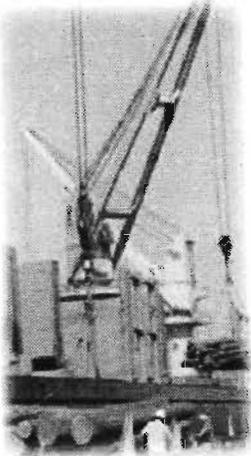
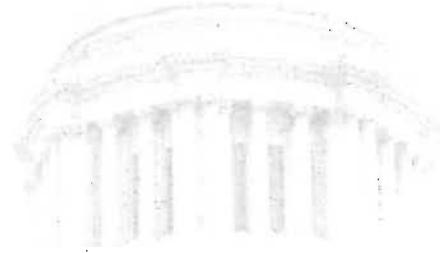
Total Appropriated Funds

(Dollars in Thousands)

	Original 1999-01 Appropriations	2000 Supplemental Budget	Revised 1999-01 Appropriations
Department of Transportation	3,282,519	-775,001	2,507,518
Program D - Highway Management & Facilities	71,055	-10,188	60,867
Program F - Aviation	4,416	790	5,206
Program I1 - Improvements - Mobility	767,567	-289,650	477,917
Program I2 - Improvements - Safety	169,686	-30,291	139,395
Program I3 - Improvements - Economic Initiatives	257,208	-129,677	127,531
Program I4 - Improvements - Environmental Retrofit	35,416	-8,747	26,669
Program I7 - SR 16 Tacoma Narrows Bridge Project	0	50,000	50,000
Program K - Economic Partnerships	11,374	-5,527	5,847
Program M - Highway Maintenance and Operations	255,730	-11,900	243,830
Program P1 - Preservation - Roadway	323,102	-47,002	276,100
Program P2 - Preservation - Structures	163,382	-16,297	147,085
Program P3 - Preservation - Other Facilities	120,032	-11,323	108,709
Program Q - Traffic Operations	39,090	-3,292	35,798
Program S - Transportation Management and Support	110,804	-15,758	95,046
Program T - Transpo Planning, Data & Research	30,480	-1,650	28,830
Program U - Charges from Other Agencies	27,881	-772	27,109
Program V - Public Transportation	25,391	-5,942	19,449
Program W - Washington State Ferries - Capital	285,220	-123,004	162,216
Program X - Washington State Ferries - Operating	303,014	-12,005	291,009
Program Y - Rail	126,094	-56,250	69,844
Program Z - Trans Aid Operating/Capital	155,577	-46,516	109,061
Washington State Patrol	231,050	-1,618	229,432
Field Operations Bureau	160,860	-224	160,636
Support Services Bureau	67,862	-1,394	66,468
Capital	2,328	0	2,328
Department of Licensing	159,456	-1,492	157,964
Management and Support Services	11,317	63	11,380
Information Systems	9,524	-292	9,232
Vehicle Services	59,190	-2,019	57,171
Driver Services	79,425	756	80,181
Senate	2,586	-150	2,436
Legislative Transportation Committee	4,283	-650	3,633
Legislative Evaluation & Accountability Program Committee	900	-13	887
Board of Pilotage Commissioners	290	-37	253
Utilities and Transportation Commission	111	111	222
Washington Traffic Safety Commission	11,494	0	11,494
County Road Administration Board	111,044	-19,897	91,147
Transportation Improvement Board	237,418	32,338	269,756
Marine Employees' Commission	356	-34	322
Transportation Commission	807	-40	767
Freight Mobility Strategic Investment Board	600	-60	540
State Parks and Recreation Commission	3,621	-72	3,549
Department of Agriculture	327	-16	311
Blue Ribbon Commission on Transportation	1,800	0	1,800
Total Appropriation	4,048,662	-766,631	3,282,031
Bond Retirement & Interest	281,439	-26,663	254,776
Total Budget	4,330,101	-793,294	3,536,807

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SECTION III *Index*



Over the past century, the legislature has dealt with many issues related to the state's timber industry, from improvements in logging equipment and the importance of reseeded our forests to understanding the economic benefits of our forests and the protection of our environmental resources. Photos courtesy of Washington State Senate.

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C	112	L 00	WWII oral history project	SHB 2418
C	113	L 00	Distance education	EHB 2952
C	114	L 00 PV	Landfills/reserve account	SHB 2670
C	115	L 00	Intermediate drivers' license	ESSB 6264
C	116	L 00	Bone marrow donation	SB 6172
C	117	L 00	Military/higher education tuition	SSB 5330
C	118	L 00	Traffic enforcement	E2SSB 6683
C	119	L 00 PV	Domestic violence	E2SSB 6400
C	120	L 00	Developmental disabilities endowment	SSB 6233
C	121	L 00	Long-term care training	SSB 6502
C	122	L 00	Parental rights	ESSB 6217
C	123	L 00	Family reconciliation act	ESSB 6218
C	124	L 00	Guardians ad litem	ESSB 6305
C	125	L 00	Child abuse/neglect	SSB 6361
C	126	L 00	School courses/college credit	ESSB 6559
C	127	L 00	Exceptional facility awards program	SB 6770
C	128	L 00	Comm/tech colleges/leave	2SSB 6811
C	129	L 00	Estate tax apportionment	SB 6139
C	130	L 00	Probate and trust	SB 6140
C	131	L 00	Used vehicle sale violation	2ESSB 5610
C	132	L 00	Controlled substance manufacturing	SSB 6260
C	133	L 00	Death certificates	SB 5739
C	134	L 00	Employment services information	ESB 6236
C	135	L 00	Dependency proceedings	ESSB 6389
C	136	L 00	Motor vehicle property tax exemption	SSB 6115
C	137	L 00	Community athletic fields	SSB 5518

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C	138	L 00	Small works rosters	ESSB 6347
C	139	L 00	Productivity board	SB 6429
C	140	L 00	Veterans' employment scoring	SSB 5366
C	141	L 00	Domestic wineries	SSB 6589
C	142	L 00	Contract brewing	SSB 6812
C	143	L 00	Port districts	SSB 6687
C	144	L 00	Horticultural facilities	SB 6251
C	145	L 00	Parimutuel wagering sunset	SB 6678
C	146	L 00	Beef commission	SSB 6720
C	147	L 00	PV Dairy nutrients	SSB 6781
C	148	L 00	Sale of forest lands	ESSB 6149
C	149	L 00	Aquatic nuisance committee	SSB 6294
C	150	L 00	Natural resources account	SSB 6454
C	151	L 00	Boxing, wrestling, kickboxing	ESB 5667
C	152	L 00	Higher education fee waivers	SB 6010
C	153	L 00	Investment board travel expenses	SB 6160
C	154	L 00	Rural garbage dumping	SSB 6194
C	155	L 00	County roads/boundaries	SB 6307
C	156	L 00	Capital facilities/financing	SB 6748
C	157	L 00	Student charity fund-raising	SHB 2332
C	158	L 00	Electricity net metering	EHB 2334
C	159	L 00	National guard scholarship	SHB 2022
C	160	L 00	Border county higher education	HB 2904
C	161	L 00	Sewage capacity charges	SHB 2528
C	162	L 00	Detention of children	SHB 2372
C	163	L 00	Credit card users/protection	SHB 2410
C	164	L 00	Transfer of cases	HB 2775
C	165	L 00	Judges pro tempore	HB 2407
C	166	L 00	Information/tech literacy	HB 2375
C	167	L 00	Electronic notice and proxies	SHB 2320
C	168	L 00	Electronic transmission of proxy	SHB 2321
C	169	L 00	Partnership/ltd liability companies.	EHB 2322
C	170	L 00	Mandatory arbitration	EHB 2713
C	171	L 00	Business and professions law	HB 2400
C	172	L 00	Structural engineers	SHB 2633
C	173	L 00	Successor tax liability	HB 2516
C	174	L 00	Trade name registrations	HB 2576
C	175	L 00	In-home care services	HB 2510
C	176	L 00	Volunteer pilots	HB 2532
C	177	L 00	Distiller/liquor license	HB 2657
C	178	L 00	Charitable organizations fund raising	SHB 2358
C	179	L 00	Nonprofit/beer and wine	HB 2496
C	180	L 00	Nonprofit organizations/information services	SHB 2649
C	181	L 00	Port districts	HB 2765
C	182	L 00	Local government fiscal notes	HB 2397
C	183	L 00	Interagency transfers	HB 2650
C	184	L 00	Bonds/interest rates	SHB 3099

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C 185	L 00	Design-build project payments	HB 2535
C 186	L 00	Retirement allowance payment	SHB 2604
C 187	L 00	Indian housing authorities	E2SHB 2109
C 188	L 00	Investment board/record checks	HB 2660
C 189	L 00	Sunset review	SHB 2441
C 190	L 00	Child pass restraint systems	ESHB 2675
C 191	L 00 PV	Oil/gas pipeline safety	E2SHB 2420
C 192	L 00	Death investigations account	HB 2330
C 193	L 00	Impound payment credit card/check	SHB 2343
C 194	L 00	Public works contracting	HB 2536
C 195	L 00	Law enforcement sound recording	SHB 2903
C 196	L 00	National historic towns	EHB 2561
C 197	L 00	Ballot titles	SHB 2587
C 198	L 00	Port district employees	SHB 2599
C 199	L 00	Fire fighter instruction	HB 2993
C 200	L 00	Port districts/Interstate 90	SHB 3032
C 201	L 00	Public events sponsorship	SB 6123
C 202	L 00	County clerk/credit cards	SB 6154
C 203	L 00	Vehicle dealer/manufacturer	ESSB 6220
C 204	L 00	Horse racing commission/criminal record	SB 6431
C 205	L 00	Lake Whatcom	E2SSB 6731
C 206	L 00	Local government services	ESB 6858
C 207	L 00	Family long-term caregiver	SHB 2454
C 208	L 00	Service contracts	SHB 2886
C 209	L 00	School district capital projects	HB 1070
C 210	L 00	Civil liberties education	E2SHB 1572
C 211	L 00	Ethics complaints	HB 2449
C 212	L 00 PV	Community empowerment zones	SHB 2460
C 213	L 00	Electricity products	EHB 2565
C 214	L 00	Domestic insurance companies	HB 2600
C 215	L 00	Dishonored checks	EHB 2609
C 216	L 00	Washington quality award	EHB 2648
C 217	L 00	Atypical antipsychotic medications	2SHB 2663
C 218	L 00	Public assistance/income and resources	HB 2686
C 219	L 00	Blended funding projects	HB 2807
C 220	L 00	Agents and brokers	SHB 2846
C 221	L 00	Securities	HB 2848
C 222	L 00	Flood plain building repair	ESHB 2934
C 223	L 00	Horse racing licenses	ESHB 3045
C 224	L 00	Medal of valor	SSB 5408
C 225	L 00	Anhydrous ammonia	2SSB 6255
C 226	L 00	Criminal sentencing/tolling	SSB 6336
C 227	L 00	Municipal research council	SSB 6357
C 228	L 00	Promotional contests	SSB 6373
C 229	L 00	License fraud	SSB 6467
C 230	L 00	School employees retirement 2 & 3	SSB 6531
C 231	L 00	Employee attendance incentive program	SB 6534

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C	232	L 00	Foster children/long-term care	ESB 6555
C	233	L 00	Credit union raffles	SSB 6557
C	234	L 00	LEOFF disability board	SB 6602
C	235	L 00	Adult offender supervision	SSB 6621
C	236	L 00	Asian Pacific American month	SB 6622
C	237	L 00	Public disclosure	SB 6775
C	238	L 00 PV	Telecommunications contractors	2SSB 5802
C	239	L 00	Flaggers	ESHB 2647
C	240	L 00	Zoo, aquariums, parks/funds	EHB 3105
C	241	L 00	Local government joint task force	SHB 2392
C	242	L 00	Multiple-unit dwellings/tax	HB 2505
C	243	L 00	Nuclear power sites	SHB 2644
C	244	L 00	Venue of actions/counties	SHB 2721
C	245	L 00	Electric energy sales	EHB 2755
C	246	L 00	Radioactive waste treatment	EHB 3068
C	247	L 00	PERS plan 2 & 3	ESSB 6530
C	248	L 00	Cougar hunting	ESSB 5001
C	249	L 00	Real estate appraisers	SSB 5924
C	250	L 00	Article 9 of UCC revised	SSB 6186
C	251	L 00	Environmental permit cost-reimbursement	ESSB 6277
C	252	L 00	Wildlife publications funding	SSB 6450
C	253	L 00	Geologists	ESSB 6455
C	254	L 00	Fire protection laws	SSB 6644
C	255	L 00	Federally assisted housing	SSB 6663
C	256	L 00	Tourism related facility	ESSB 6732

First Special Session

C	1	L 00 E1	Vehicle license tab fees	SB 6865
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Second Special Session

C	1	L 00 E2 PV	Relating to fiscal matters	EHB 2487
C	2	L 00 E2	Relating to modifying the state expenditure limit	EHB 3169
C	3	L 00 E2 PV	Transportation appropriations	E2SSB 6499
C	4	L 00 E2 PV	Transportation funding	2E2SSB 6856
C	5	L 00 E2	Multimodal transportation account	SB 6876
C	6	L 00 E2	Relating to funding transportation projects	EHB 2788

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see House Criminal Justice & Corrections; Children & Family Services

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Standing Committee Assignments

seeHouse

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