

THIRD DAY

NOON SESSION

Senate Chamber, Olympia, Tuesday, June 30, 2015

The Senate was called to order at 12:00 o'clock p.m. by the President Pro Tempore, Senator Roach presiding. The Secretary called the roll and announced to the President Pro Tempore that all senators were present with the exception of Senators Ericksen, Jayapal and Rolfes.

The Sergeant at Arms Color Guard consisting of Mr. Alan Hoover and Mr. Pete Janda, Senate Security Officers, presented the Colors. Senator Pearson offered the prayer.

MOTION

On motion of Senator Fain the reading of the Journal of the previous day was dispensed with and it was approved.

MOTION

On motion of Senator Fain, the Senate advanced to the fourth order of business.

MESSAGE FROM THE HOUSE

June 29, 2015

MR. PRESIDENT:

The House has passed:

HOUSE BILL NO. 1219,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1965,

ENGROSSED HOUSE BILL NO. 2286

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

SENATE CONCURRENT RESOLUTION NO. 8404

and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 6052

and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 29, 2015

MR. PRESIDENT:

The House has passed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1842,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2012,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2128,
ENGROSSED HOUSE BILL NO. 2266

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

HOUSE BILL NO. 2217

and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

HOUSE BILL NO. 2195,

HOUSE BILL NO. 2264

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The House has passed:

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5992,

SECOND ENGROSSED SENATE BILL NO. 5995,

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5997,

ENGROSSED SENATE BILL NO. 6013,

ENGROSSED SUBSTITUTE SENATE BILL NO. 6096

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Fain, the Senate advanced to the fifth order of business.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

HB 1219 by Representatives Zeiger, Clibborn, Orcutt, Fey, Kochmar, Hargrove, Muri, Ortiz-Self, Pike, Hayes, Stambaugh, Magendanz, Buys, Moscoso, Haler, Condotta and Wilson

AN ACT Relating to expedited permitting and contracting for Washington state bridges deemed structurally deficient; amending RCW 47.28.170; reenacting and amending RCW 47.04.010; adding a new section to chapter 43.21C RCW; creating a new section; and declaring an emergency.

Referred to Committee on Transportation.

2E2SHB 1825 by House Committee on Appropriations (originally sponsored by Representatives Kilduff, Muri, Gregory, Haler, Riccelli, Walkinshaw, Zeiger and McBride)

AN ACT Relating to modifying the definition of resident student to comply with federal requirements established by the veterans access, choice, and accountability act of 2014; amending RCW 28B.15.012; providing an effective date; and declaring an emergency.

Referred to Committee on Higher Education.

ESHB 1965 by House Committee on Appropriations (originally sponsored by Representatives Hudgins and Ormsby)

AN ACT Relating to a temporary additional fee on licenses and permits issued by the Washington state liquor control board; adding a new section to chapter 66.08 RCW; creating new sections; providing an effective date; providing expiration dates; and declaring an emergency.

ESHB 2012 by House Committee on Transportation (originally sponsored by Representatives Orcutt, Clibborn, Hargrove, Hayes, Pike, Zeiger, Muri and Wilson)

AN ACT Relating to the department of transportation implementation of practical design; adding a new section to chapter 47.01 RCW; and creating a new section.

Referred to Committee on Transportation.

ESHB 2128 by House Committee on General Government & Information Technology (originally sponsored by Representative Hudgins)

AN ACT Relating to fees assessed by the department of agriculture; amending RCW 15.36.051, 15.36.081, 15.36.491, 15.36.525, 15.36.551, 69.07.040, 69.07.085, and 69.10.015; adding a new section to chapter 15.36 RCW; creating a new section; and providing an expiration date.

EHB 2266 by Representative Sullivan

AN ACT Relating to deferring implementation of class size reduction and school employee staffing formula changes; amending RCW 28A.150.261; amending 2015 c 2 s 5 (uncodified); providing an effective date; and declaring an emergency.

Referred to Committee on Appropriations.

EHB 2286 by Representative Hunter

AN ACT Relating to directing the treasurer to transfer budget stabilization account deposits that are attributable to extraordinary revenue growth in the 2013-2015, 2015-2017, and 2017-2019 fiscal biennia; adding a new section to chapter 43.79 RCW; and declaring an emergency.

MOTION

On motion of Senator Fain, the rules were suspended and House Bill No. 1219 ; Engrossed Substitute House Bill No. 1842; Engrossed Substitute House Bill No 1965; Engrossed Substitute House Bill No. 2012; Engrossed Substitute House Bill No. 2128; Engrossed House Bill No. 2266; and Engrossed House Bill No. 2286 were placed on the day's second reading calendar.

MOTION

On motion of Senator Fain, the Senate advanced to the eighth order of business.

MOTION

Senator Hargrove moved adoption of the following resolution:

SENATE RESOLUTION 8689

By Senators Hargrove, Hatfield, and Fraser

WHEREAS, Patsy L. Feeley has faithfully served the people of the state of Washington as Senator Hargrove's Legislative Assistant for 23 years; and

Whereas, Patsy is the only known person feisty enough to be able to have that tenure in that position with an aging, grumpy senator; and

Whereas, Senator Hargrove had the wisdom to convince Patsy to come to work for him after she was a staffer on his opponent's campaign; and

Whereas, Patsy has served the citizens of the 24th district faithfully outside of her senate position as a member of boards on homelessness, civil service, and various other issues; and as a guardian ad litem; and

Whereas, She further served the citizens of the 24th district by advocating on their behalf with state agencies, indeed garnering a reputation as a fierce, smart, and coveted ally in these matters; and

Whereas, Patsy's presence and knowledge is a highly valued contribution to all the legislative offices in the 24th district; and

Whereas, Patsy has been described as a "force of nature," not being deterred by any of life's obstacles; and

Whereas, Patsy Feeley has earned the Lifetime Service Award from the Democrats of Clallam County; and

Whereas, Senator Hargrove cannot thank Patsy enough for the rock steady presence she has been in his office and life, being not just a staff member, but a good friend; and

Whereas, Patsy is irreplaceable; a true treasure and an inspirational Washingtonian;

NOW THEREFORE, BE IT RESOLVED, That the Senate of the State of Washington acknowledge and thank Patsy L. Feeley for her service to the people of our great State.

Senator Hargrove spoke in favor of adoption of the resolution.

The President Pro Tempore declared the question before the Senate to be the adoption of Senate Resolution No. 8689.

The motion by Senator Hargrove carried and the resolution was adopted by voice vote.

MOTION

On motion of Senator Fain, the Senate reverted to the fifth order of business.

MOTION

On motion of Senator Fain and without objection, Senate Bill No. 6143 which had been previously held at the desk on June 29, 2015 as referred to the Committee on Law & Justice.

MOTION

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2015 3RD SPECIAL SESSION

At 12:15 p.m., on motion of Senator Fain, the Senate was declared to be at ease subject to the call of the President Pro Tempore.

Senator Fain announced a meeting of the Majority Coalition Caucus.

Senator Fraser announced a meeting of the Senate Democratic Caucus.

AFTERNOON SESSION

The Senate was called to order at 2:43 p.m. by President Pro Tempore, Senator Roach presiding.

SIGNED BY THE PRESIDENT PRO TEMPORE

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 2(1), the President Pro Tempore announced the signing of and thereupon did sign in open session:

- SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5992,
- SECOND ENGROSSED SENATE BILL NO. 5995,
- SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5997,
- ENGROSSED SENATE BILL NO. 6013,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6096.

SIGNED BY THE PRESIDENT PRO TEMPORE

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 2(1), the President Pro Tempore announced the signing of and thereupon did sign in open session:

- ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5315,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5681,
- SECOND ENGROSSED SENATE BILL NO. 6089.

SIGNED BY THE PRESIDENT PRO TEMPORE

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 2(1), the President Pro Tempore announced the signing of and thereupon did sign in open session:

- HOUSE BILL NO. 2195,
- HOUSE BILL NO. 2217,
- HOUSE BILL NO. 2264.

MOTION

On motion of Senator Fain, Senators Braun and Ericksen were excused.

MOTION

On motion of Senator Habib, Senators Jayapal and Rolfes were excused.

MOTION

On motion of Senator Fain, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

- ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5315,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 5681,
 - SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5992,
 - SECOND ENGROSSED SENATE BILL NO. 5995,
 - SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5997,
 - ENGROSSED SENATE BILL NO. 6013,
 - SECOND ENGROSSED SENATE BILL NO. 6089,
 - ENGROSSED SUBSTITUTE SENATE BILL NO. 6096
- and the same are herewith transmitted.

BERNARD DEAN, Deputy Chief Clerk

MOTION

On motion of Senator Fain, the Senate advanced to the fifth order of business.

MOTION

On motion of Senator Fain, the rules were suspended and Engrossed Second Substitute House Bill No. 1095 and Substitute House Bill No. 1897 which had been held at the desk June 29, 2015 were placed on the second reading calendar.

MOTION

On motion of Senator Fain, the Senate advanced to the seventh order of business.

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Sheldon moved that Anne E. Rendahl, Gubernatorial Appointment No. 9199, be confirmed as a member of the Utilities and Transportation Commission.

Senator Sheldon spoke in favor of the motion.

APPOINTMENT OF ANNE E. RENDAHL

The President Pro Tempore declared the question before the Senate to be the confirmation of Anne E. Rendahl, Gubernatorial Appointment No. 9199, as a member of the Utilities and Transportation Commission.

The Secretary called the roll on the confirmation of Anne E. Rendahl, Gubernatorial Appointment No. 9199, as a member of the Utilities and Transportation Commission and the appointment was confirmed by the following vote: Yeas, 44; Nays, 0; Absent, 1; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Absent: Senator Frockt

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

Anne E. Rendahl, Gubernatorial Appointment No. 9199, having received the constitutional majority was declared confirmed as a member of the Utilities and Transportation Commission.

MOTION

On motion of Senator Fain, the Senate reverted to the sixth order of business.

SECOND READING

HOUSE BILL NO. 1219, by Representatives Zeiger, Clibborn, Orcutt, Fey, Kochmar, Hargrove, Muri, Ortiz-Self, Pike, Hayes, Stambaugh, Magendanz, Buys, Moscoso, Haler, Condotta and Wilson

Authorizing expedited permitting and contracting for Washington state bridges deemed structurally deficient.

The measure was read the second time.

MOTION

On motion of Senator King, the rules were suspended, House Bill No. 1219 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator King spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 1219.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1219 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 0; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

HOUSE BILL NO. 1219, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1842, by House Committee on Transportation (originally sponsored by Representatives Farrell, Hargrove, Fey, Harmsworth, Senn, Wylie, Gregerson, Robinson, Walkinshaw, Zeiger, Fitzgibbon, Moscoso, Tarleton and Clibborn)

Concerning transit agency coordination.

The measure was read the second time.

MOTION

On motion of Senator King, the rules were suspended, Engrossed Substitute House Bill No. 1842 was advanced to third

reading, the second reading considered the third and the bill was placed on final passage.

Senator King spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1842.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1842 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 0; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1842, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1965, by House Committee on Appropriations (originally sponsored by Representatives Hudgins and Ormsby)

Implementing a temporary additional fee on licenses and permits issued by the Washington state liquor control board.

The measure was read the second time.

MOTION

On motion of Senator Hasegawa, the rules were suspended, Engrossed Substitute House Bill No. 1965 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hasegawa and Hill spoke in favor of passage of the bill.

INTRODUCTION OF SPECIAL GUEST

The President Pro Tempore introduced Mr. Dawson Hedrick who was present at the rostrum to assist the President Pro Tempore of the senate.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1965.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1965 and the bill passed the Senate by the following vote: Yeas, 29; Nays, 16; Absent, 0; Excused, 4.

Voting yea: Senators Bailey, Becker, Chase, Cleveland, Conway, Dammeier, Darneille, Fain, Fraser, Frockt, Hargrove, Hasegawa, Hatfield, Hill, Hobbs, Keiser, King, Kohl-Welles,

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Liias, Litzow, McCoy, Miloscia, Nelson, Parlette, Pedersen, Ranker, Rivers, Schoesler and Sheldon

Addressing registration and regulation of pharmacy benefit managers.

Voting nay: Senators Angel, Baumgartner, Benton, Billig, Brown, Dansel, Habib, Hewitt, Honeyford, McAuliffe, Mullet, O'Ban, Padden, Pearson, Roach and Warnick

The bill was read on Third Reading.

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

MOTION

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1965, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

On motion of Senator Parlette, the rules were suspended and Third Engrossed Substitute Senate Bill No. 5857 was returned to second reading for the purpose of amendment.

SECOND READING

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2012, by House Committee on Transportation (originally sponsored by Representatives Orcutt, Clibborn, Hargrove, Hayes, Pike, Zeiger, Muri and Wilson)

THIRD ENGROSSED SUBSTITUTE SENATE BILL NO. 5857, by Senate Committee on Ways & Means (originally sponsored by Senators Parlette, Conway, Becker and Pearson)

Concerning the implementation of practical design by the department of transportation.

Addressing registration and regulation of pharmacy benefit managers.

The measure was read the second time.

The measure was read the second time.

MOTION

MOTION

On motion of Senator King, the rules were suspended, Engrossed Substitute House Bill No. 2012 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Parlette moved that the following amendment by Senator Parlette and others be adopted:

Senator King spoke in favor of passage of the bill.

On page 4, line 31, after "its" strike "supplier" and insert "Washington state suppliers"

On page 5, line 18, after "(6)" strike "If" and insert "Beginning January 1, 2017, if"

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 2012.

On page 5, after line 31, insert the following:

"(c) Appeals under this subsection (6) are subject to chapter 34.05 RCW. The commissioner may authorize the office of administrative hearings, as provided in chapter 34.12 RCW, to conduct appeals under this subsection (6)."

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 2012 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 0; Absent, 0; Excused, 4.

On page 7, line 7 after "2016." Insert the following:

"NEW SECTION. Sec. 9. This act expires effective December 31, 2021."

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Senators Parlette and Conway spoke in favor of adoption of the amendment.

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Parlette and others on page 4, line 31 to Third Engrossed Substitute Senate Bill No. 5857.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2012, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

The motion by Senator Parlette carried and the amendment was adopted by voice vote.

MOTION

MOTION

On motion of Senator Fain, the Senate advanced to the seventh order of business.

On motion of Senator Parlette, the rules were suspended, Fourth Engrossed Substitute Senate Bill No. 5857 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Parlette and Becker spoke in favor of passage of the bill.

THIRD READING

MOTION

THIRD ENGROSSED SUBSTITUTE SENATE BILL NO. 5857, by Senate Committee on Ways & Means (originally sponsored by Senators Parlette, Conway, Becker and Pearson).

On motion of Senator Rivers, Senator Padden was excused.

The President Pro Tempore declared the question before the Senate to be the final passage of Fourth Engrossed Substitute Senate Bill No. 5857.

ROLL CALL

The Secretary called the roll on the final passage of Fourth Engrossed Substitute Senate Bill No. 5857 and the bill passed the Senate by the following vote: Yeas, 44; Nays, 0; Absent, 0; Excused, 5.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Excused: Senators Braun, Ericksen, Jayapal, Padden and Rolfes

FOURTH ENGROSSED SUBSTITUTE SENATE BILL NO. 5857, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

THIRD READING

SUBSTITUTE SENATE BILL NO. 5113, by Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senator Brown).

Requiring the department of commerce to coordinate and advance the siting and manufacturing of small modular reactors in the state to meet future energy supply, environmental, and energy security needs.

The bill was read on Third Reading.

MOTION

On motion of Senator Brown, the rules were suspended and Substitute Senate Bill No. 5113 was returned to second reading for the purpose of amendment.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5113, by Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senator Brown)

Requiring the department of commerce to coordinate and advance the siting and manufacturing of small modular reactors in the state to meet future energy supply, environmental, and energy security needs.

The measure was read the second time.

MOTION

Senator Brown moved that the following striking amendment by Senator Brown be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that the promotion and advancement of new technologies, particularly in the clean technology sector, is an important aspect of Washington's economic development. The commercialization and deployment of small modular reactor technologies has been identified by the federal government as a means to meet clean energy targets and as a key element in its nuclear energy research and development roadmap. Washington has the potential to become a leader in the advancement of small modular reactor

technologies by leveraging its experience as an incubator of new and innovative technologies, its world class universities, and its highly skilled workforce to attract manufacturers of small modular reactors. The legislature finds that advancing the manufacturing of small modular reactors may help the state meet future energy supply, environmental, and energy security needs.

(2) The legislature finds that because Washington's students are the foundation for providing the diverse and highly skilled workforce for the clean technology sector, including the manufacturing of small modular reactors, it is in the public interest to provide students the opportunity to strengthen their knowledge of the fundamentals of the energy sciences, including physics, chemistry, mathematics, and related disciplines.

(3) The legislature also finds that while all powers, duties, and functions of the state energy office relating to implementing energy education were transferred to Washington State University in 1996, the goals of advancing the manufacturing of small modular reactors in the state and providing students with an education in the energy sciences are mutually reinforcing. Therefore, the legislature intends that the department of commerce shall provide support to the office of the superintendent of public instruction for the purpose of developing a clean energy education program as it relates to training and education on clean technologies, including manufacturing of small modular reactors.

(4) The legislature finds that:

(a) Nothing in this act shall prevent the energy facility site evaluation council from exercising its authority under chapter 80.50 RCW to receive, review, and approve an application for the siting and certification of any nuclear power facility where the primary purpose is to produce and sell electricity; and

(b) Nothing in this act shall grant authority to the department of commerce for the siting of any nuclear power facility where the primary purpose is to produce and sell electricity.

Sec. 2. RCW 43.21F.025 and 2010 c 271 s 402 are each amended to read as follows:

(1) "Assistant director" means the assistant director of the department of commerce responsible for energy policy activities;

(2) "Department" means the department of commerce;

(3) "Director" means the director of the department of commerce;

(4) "Distributor" means any person, private corporation, partnership, individual proprietorship, utility, including investor-owned utilities, municipal utility, public utility district, joint operating agency, or cooperative, which engages in or is authorized to engage in the activity of generating, transmitting, or distributing energy in this state;

(5) "Energy" means petroleum or other liquid fuels; natural or synthetic fuel gas; solid carbonaceous fuels; fissionable nuclear material; electricity; solar radiation; geothermal resources; hydropower; organic waste products; wind; tidal activity; any other substance or process used to produce heat, light, or motion; or the savings from nongeneration technologies, including conservation or improved efficiency in the usage of any of the sources described in this subsection;

(6) "Person" means an individual, partnership, joint venture, private or public corporation, association, firm, public service company, political subdivision, municipal corporation, government agency, public utility district, joint operating agency, or any other entity, public or private, however organized; ((and))

(7) "Small modular reactor" means a scalable nuclear power plant using reactors that each have a gross power output of no greater than three hundred megawatts electric, and where each reactor is designed for factory manufacturing and ease of transport, such as by truck, rail, or barge; and

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(8) "State energy strategy" means the document developed and updated by the department as allowed in RCW 43.21F.090.

Sec. 3. RCW 43.21F.045 and 2015 c 225 s 73 are each amended to read as follows:

(1) The department shall supervise and administer energy-related activities as specified in RCW 43.330.904 and shall advise the governor and the legislature with respect to energy matters affecting the state.

(2) In addition to other powers and duties granted to the department, the department shall have the following powers and duties:

(a) Prepare and update contingency plans for implementation in the event of energy shortages or emergencies. The plans shall conform to chapter 43.21G RCW and shall include procedures for determining when these shortages or emergencies exist, the state officers and agencies to participate in the determination, and actions to be taken by various agencies and officers of state government in order to reduce hardship and maintain the general welfare during these emergencies. The department shall coordinate the activities undertaken pursuant to this subsection with other persons. The components of plans that require legislation for their implementation shall be presented to the legislature in the form of proposed legislation at the earliest practicable date. The department shall report to the governor and the legislature on probable, imminent, and existing energy shortages, and shall administer energy allocation and curtailment programs in accordance with chapter 43.21G RCW.

(b) Establish and maintain a central repository in state government for collection of existing data on energy resources, including:

(i) Supply, demand, costs, utilization technology, projections, and forecasts;

(ii) Comparative costs of alternative energy sources, uses, and applications; and

(iii) Inventory data on energy research projects in the state conducted under public and/or private auspices, and the results thereof.

(c) Coordinate federal energy programs appropriate for state-level implementation, carry out such energy programs as are assigned to it by the governor or the legislature, and monitor federally funded local energy programs as required by federal or state regulations.

(d) Develop energy policy recommendations for consideration by the governor and the legislature.

(e) Provide assistance, space, and other support as may be necessary for the activities of the state's two representatives to the Pacific northwest electric power and conservation planning council. To the extent consistent with federal law, the director shall request that Washington's councilmembers request the administrator of the Bonneville power administration to reimburse the state for the expenses associated with the support as provided in the Pacific Northwest Electric Power Planning and Conservation Act (P.L. 96-501).

(f) Cooperate with state agencies, other governmental units, and private interests in the prioritization and implementation of the state energy strategy elements and on other energy matters.

(g) Serve as the official state agency responsible for coordinating implementation of the state energy strategy.

(h) No later than December 1, 1982, and by December 1st of each even-numbered year thereafter, prepare and transmit to the governor and the appropriate committees of the legislature a report on the implementation of the state energy strategy and other important energy issues, as appropriate.

(i) Provide support for increasing cost-effective energy conservation, including assisting in the removal of impediments to timely implementation.

(j) Provide support for the development of cost-effective energy resources including assisting in the removal of impediments to timely construction.

(k) Coordinate and advance the manufacturing of small modular reactors in the state to meet future energy supply, environmental, and energy security needs, taking into consideration how disposal of nuclear waste may impact Washington state.

~~(l)~~ Adopt rules, under chapter 34.05 RCW, necessary to carry out the powers and duties enumerated in this chapter.

~~((m))~~ (m) Provide administrative assistance, space, and other support as may be necessary for the activities of the energy facility site evaluation council, as provided for in RCW 80.50.030.

~~((n))~~ (n) Appoint staff as may be needed to administer energy policy functions and manage energy facility site evaluation council activities. These employees are exempt from the provisions of chapter 41.06 RCW.

(3) To the extent the powers and duties set out under this section relate to energy education, applied research, and technology transfer programs they are transferred to Washington State University.

(4) To the extent the powers and duties set out under this section relate to energy efficiency in public buildings they are transferred to the department of enterprise services.

NEW SECTION. Sec. 4. (1) By December 1, 2015, and in compliance with RCW 43.01.036, the department of commerce and the office of the superintendent of public instruction must jointly submit a report to the appropriate committees of the legislature with recommendations for the establishment of a clean energy education program.

(2) The clean energy education program must include:

(a) Grants for clean energy ambassadors to be used to create a pool of persons who can introduce students to clean energy science and technology, including solar and wind power, small modular reactors, and opportunities for nuclear waste cleanup technology careers, through classroom visits; and

(b) Grants for certified science teachers to be used to assist teachers in pursuing professional development opportunities related to clean energy science, to the teachers' areas of expertise, and to broadening the teachers' exposure to applied learning curricula.

(3) The report must include:

(a) Reference to and consideration of:

(i) The 2013 state science learning standards adopted by the office of the superintendent of public instruction; and

(ii) The energy literacy framework developed by the United States department of energy;

(b) An evaluation of the potential to establish a public-private partnership modeled after the financial education public-private partnership established under RCW 28A.300.450;

(c) A list of suggested qualifications to be used to identify or approve clean energy ambassadors, developed in consultation with industry leaders in the clean technology sectors and teachers; and

(d) Recommendations on professional development for educators related to clean energy, energy supply, environmental, and security needs, including training related to advancing the manufacturing of small modular reactors, solar and wind power, nuclear waste cleanup, and using applied learning curricula."

Senator Brown spoke in favor of adoption of the striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senator Brown to Substitute Senate Bill No. 5113.

The motion by Senator Brown carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 1 of the title, after "Relating to" strike the remainder of the title and insert "the coordination and advancement of clean energy to meet future energy supply, environmental, and energy security needs; amending RCW 43.21F.025 and 43.21F.045; and creating new sections."

MOTION

On motion of Senator Brown, the rules were suspended, Engrossed Substitute Senate Bill No. 5113 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Brown, McCoy and Sheldon spoke in favor of passage of the bill.

Senator Ranker spoke against passage of the bill.

MOTION

On motion of Senator Habib, Senator Keiser was excused.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5113.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5113 and the bill passed the Senate by the following vote: Yeas, 31; Nays, 12; Absent, 0; Excused, 6.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Brown, Cleveland, Dammeier, Dansel, Fain, Hargrove, Hatfield, Hewitt, Hill, Hobbs, Honeyford, King, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Parlette, Pearson, Rivers, Roach, Schoesler, Sheldon and Warnick

Voting nay: Senators Billig, Chase, Conway, Darneille, Fraser, Frockt, Habib, Hasegawa, Kohl-Welles, Lias, Pedersen and Ranker

Excused: Senators Braun, Ericksen, Jayapal, Keiser, Padden and Rolfes

ENGROSSED SUBSTITUTE SENATE BILL NO. 5113, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Fain, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The House has passed:

HOUSE BILL NO. 1061,
SECOND ENGROSSED SUBSTITUTE SENATE BILL
NO. 5994,

SECOND ENGROSSED SUBSTITUTE SENATE BILL
NO. 5996

and the same are herewith transmitted.

BERNARD DEAN, Deputy Chief Clerk

MOTION

On motion of Senator Fain, the Senate advanced to the fifth order of business.

SUPPLEMENTAL INTRODUCTION AND FIRST READING OF HOUSE BILLS

HB 1061 by Representatives Hayes, Lytton, Smith, Gregerson, Moeller and Buys

AN ACT Relating to increasing the number of district court judges in Skagit county; amending RCW 3.34.010; and creating a new section.

Referred to Committee on General Government & Information Technology.

MOTION

On motion of Senator Fain and without objection, the rules were suspended and House Bill No. 1061 was placed on the day's second reading calendar.

MOTION

On motion of Senator Fain, the Senate advanced to the sixth order of business.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2128, by House Committee on General Government & Information Technology (originally sponsored by Representative Hudgins)

Concerning fees assessed by the department of agriculture.

The measure was read the second time.

MOTION

On motion of Senator Hill, the rules were suspended, Engrossed Substitute House Bill No. 2128 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hill, Warnick and Honeyford spoke in favor of passage of the bill.

Senator Angel spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 2128.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 2128 and the bill passed the

THIRD DAY, JUNE 30, 2015

Senate by the following vote: Yeas, 35; Nays, 8; Absent, 0; Excused, 6.

Voting yea: Senators Bailey, Baumgartner, Becker, Billig, Chase, Cleveland, Conway, Dammeier, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, King, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, Parlette, Pedersen, Ranker, Schoesler, Sheldon and Warnick

Voting nay: Senators Angel, Benton, Brown, Dansel, O'Ban, Pearson, Rivers and Roach

Excused: Senators Braun, Ericksen, Jayapal, Keiser, Padden and Rolfes

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2128, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SUBSTITUTE HOUSE BILL NO. 1897, by House Committee on Technology & Economic Development (originally sponsored by Representatives Smith, Morris, Tarleton, Young, Hayes, Haler, Sells, Buys, Fagan and Short)

Creating the joint center for deployment and research in earth-abundant materials.

The measure was read the second time.

MOTION

On motion of Senator Brown, the rules were suspended, Substitute House Bill No. 1897 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Brown and Chase spoke in favor of passage of the bill.

POINT OF INQUIRY

Senator Honeyford: "Would Senator Brown yield to a question? Does this have anything to do with the rock band back in the 60's, 70's titled Rare Earth?"

Senator Brown: "I'm sure we can start one now Senator Honeyford."

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 1897.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1897 and the bill passed the Senate by the following vote: Yeas, 43; Nays, 1; Absent, 0; Excused, 5.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, King, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Voting nay: Senator Pedersen

Excused: Senators Braun, Ericksen, Jayapal, Keiser and Rolfes

2015 3RD SPECIAL SESSION

SUBSTITUTE HOUSE BILL NO. 1897, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SIGNED BY THE PRESIDENT PRO TEMPORE

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 2(1), the President Pro Tempore announced the signing of and thereupon did sign in open session:

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5994,

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5996.

SECOND READING

ENGROSSED HOUSE BILL NO. 2267, by Representative Hunter

Suspending the state expenditure limit in order to implement the state's Article IX obligation to amply fund basic education.

The measure was read the second time.

MOTION

On motion of Senator Hill, the rules were suspended, Engrossed House Bill No. 2267 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hill and Hargrove spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed House Bill No. 2267.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 2267 and the bill passed the Senate by the following vote: Yeas, 33; Nays, 11; Absent, 0; Excused, 5.

Voting yea: Senators Bailey, Baumgartner, Becker, Billig, Chase, Cleveland, Conway, Dammeier, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hill, Hobbs, Honeyford, King, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, Parlette, Pedersen, Ranker, Schoesler and Sheldon

Voting nay: Senators Angel, Benton, Brown, Dansel, Hewitt, O'Ban, Padden, Pearson, Rivers, Roach and Warnick

Excused: Senators Braun, Ericksen, Jayapal, Keiser and Rolfes

ENGROSSED HOUSE BILL NO. 2267, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

Senator Fain announced a hearing of the Committee on Rules at the bar of the senate immediately upon going at ease.

MOTION

At 3:50 p.m., on motion of Senator Fain, the Senate was declared to be at ease subject to the call of the President Pro Tempore.

 EVENING SESSION

The Senate was called to order at 5:09 p.m. by the President Pro Tempore, Senator Roach presiding.

MOTION

On motion of Senator Fain, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The House has passed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5355
and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The House has passed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1570,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2156
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The House has passed:

ENGROSSED HOUSE BILL NO. 2212,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5820,
SUBSTITUTE SENATE BILL NO. 6134
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Fain, the Senate advanced to the fifth order of business.

SECOND SUPPLEMENTAL INTRODUCTION AND FIRST READING OF HOUSE BILLS

ESHB 1570 by House Committee on Education (originally sponsored by Representatives Gregory, Bergquist, S. Hunt, Reykdal, Kilduff, Ortiz-Self and Pollet)

AN ACT Relating to creating flexibility for the educator retooling conditional scholarship program; and amending RCW 28A.660.045 and 28A.660.050.

EHB 2212 by Representatives Cody, Schmick and Fagan

AN ACT Relating to exempting hospitals licensed under chapter 70.41 RCW that receive capital funds to operate new

psychiatric services from certain certificate of need requirements; adding a new section to chapter 70.38 RCW; creating a new section; providing an expiration date; and declaring an emergency.

MOTION

On motion of Senator Fain, the rules were suspended and Engrossed Substitute House Bill No. 1570 and Engrossed House Bill No. 2212 were placed on the day's second reading calendar.

MOTION

On motion of Senator Fain, the Senate advanced to the sixth order of business.

SECOND READING

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1095, by House Committee on Appropriations (originally sponsored by Representatives Morris and Hudgins)

Promoting thermal energy efficiency.

The measure was read the second time.

MOTION

On motion of Senator Sheldon, the rules were suspended, Engrossed Second Substitute House Bill No. 1095 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Sheldon and McCoy spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1095.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1095 and the bill passed the Senate by the following vote: Yeas, 44; Nays, 0; Absent, 1; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dassel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Liias, Litzow, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Absent: Senator McAuliffe

Excused: Senators Braun, Ericksen, Jayapal and Rolfe

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1095, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Fain, the Senate advanced to the seventh order of business.

THIRD READING

THIRD DAY, JUNE 30, 2015

2015 3RD SPECIAL SESSION

ENGROSSED SENATE BILL NO. 5251, by Senators Honeyford and Keiser.

Transferring public water system financial assistance activities from the public works board and the department of commerce to the department of health.

The bill was read on Third Reading.

Senators Honeyford and Hatfield spoke in favor of passage of the bill.

MOTION

On motion of Senator Habib, Senator McAuliffe was excused.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5251.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5251 and the bill passed the Senate by the following vote: Yeas, 43; Nays, 2; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Voting nay: Senators Benton and Padden

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

ENGROSSED SENATE BILL NO. 5251, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

THIRD READING

SENATE BILL NO. 5310, by Senators Ericksen, McCoy, Sheldon, Honeyford, Ranker and Cleveland.

Addressing enforcement actions at facilities sited by the energy facility site evaluation council.

The bill was read on Third Reading.

Senators Sheldon and McCoy spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5310.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5310 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 0; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia,

Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

SENATE BILL NO. 5310, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Fain, the Senate reverted to the sixth order of business.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1570, by House Committee on Education (originally sponsored by Representatives Gregory, Bergquist, S. Hunt, Reykdal, Kilduff, Ortiz-Self and Pollet)

Creating flexibility for the educator retooling conditional scholarship program.

The measure was read the second time.

MOTION

On motion of Senator Litzow, the rules were suspended, Engrossed Substitute House Bill No. 1570 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Litzow and McAuliffe spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1570.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1570 and the bill passed the Senate by the following vote: Yeas, 37; Nays, 8; Absent, 0; Excused, 4.

Voting yea: Senators Baumgartner, Becker, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Parlette, Pedersen, Ranker, Rivers, Sheldon and Warnick

Voting nay: Senators Angel, Bailey, Benton, Honeyford, Padden, Pearson, Roach and Schoesler

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1570, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SIGNED BY THE PRESIDENT PRO TEMPORE

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 2(1), the President Pro Tempore announced the signing of and thereupon did sign in open session:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5355,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5820,
SUBSTITUTE SENATE BILL NO. 6134

SECOND READING

HOUSE BILL NO. 1061, by Representatives Hayes, Lytton, Smith, Gregerson, Moeller and Buys

Increasing the number of district court judges in Skagit county.

The measure was read the second time.

MOTION

On motion of Senator Bailey, the rules were suspended, House Bill No. 1061 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Bailey spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of House Bill No. 1061.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1061 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 0; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Excused: Senators Braun, Erickson, Jayapal and Rolfes

HOUSE BILL NO. 1061, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED HOUSE BILL NO. 2212, by Representatives Cody, Schmick and Fagan

Exempting hospitals licensed under chapter 70.41 RCW that receive capital funds to operate new psychiatric services from certain certificate of need requirements.

The measure was read the second time.

MOTION

On motion of Senator Dammeier, the rules were suspended, Engrossed House Bill No. 2212 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Dammeier spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed House Bill No. 2212.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 2212 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 0; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Dansel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Excused: Senators Braun, Erickson, Jayapal and Rolfes

ENGROSSED HOUSE BILL NO. 2212, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

Senator Fain announced that dinner was available in the Dining Room and a meeting of the Majority Coalition Caucus at 6:30 p.m. to review the day's calendar.

Senator Fraser announced a meeting of the Senate Democratic Caucus at 6:30 p.m.

MOTION

At 5:43 p.m., on motion of Senator Fain, the Senate was declared to be at ease subject to the call of the President Pro Tempore.

The Senate was called to order at 7:38 p.m. by the President Pro Tempore, Senator Roach presiding.

MOTION

On motion of Senator Fain, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5994,

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5996

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

HOUSE BILL NO. 1219,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1842,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1965,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2012

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

THIRD DAY, JUNE 30, 2015

2015 3RD SPECIAL SESSION

MR. PRESIDENT:

The Speaker has signed:
 SUBSTITUTE HOUSE BILL NO. 1897,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2128,
 ENGROSSED HOUSE BILL NO. 2267
 and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The House has passed:
 SECOND ENGROSSED HOUSE BILL NO. 1115,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1166
 and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

SIGNED BY THE PRESIDENT PRO TEMPORE

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 2(1), the President Pro Tempore announced the signing of and thereupon did sign in open session:

HOUSE BILL NO. 1219,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1842,
 SUBSTITUTE HOUSE BILL NO. 1897,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1965,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2012,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2128,
 ENGROSSED HOUSE BILL NO. 2267

MOTION

On motion of Senator Fain, the Senate advanced to the fifth order of business.

THIRD SUPPLEMENTAL INTRODUCTION AND FIRST READING OF HOUSE BILLS

2EHB 1115 by Representatives Dunshee, DeBolt, Gregerson, Morris and Reykdal

AN ACT Relating to the capital budget; amending RCW 27.34.330, 28B.20.725, 28B.15.310, 28B.15.210, 28B.30.750, 28B.35.370, 28B.50.360, and 43.155.050; reenacting and amending RCW 70.105D.070; creating new sections; making appropriations; and declaring an emergency.

Referred to Committee on Ways & Means.

ESHB 1166 by House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Gregerson and DeBolt)

AN ACT Relating to state general obligation bonds and related accounts; amending RCW 43.99Y.010 and 43.99Y.020; adding a new chapter to Title 43 RCW; and declaring an emergency.

Referred to Committee on Ways & Means.

MOTION

On motion of Senator Fain, the rules were suspended and Second Engrossed House Bill No. 1115 and Engrossed Substitute House Bill No. 1166 were placed on the day's second reading calendar.

MOTION

On motion of Senator Fain, the Senate advanced to the sixth order of business.

SECOND READING

SENATE BILL NO. 6138, by Senate Committee on Ways & Means (originally sponsored by Senator Hill)

Increasing state revenue through improved compliance methods and eliminating tax preferences for royalties and certain manufacturing equipment.

MOTION

On motion of Senator Hill, Substitute Senate Bill No. 6138 was substituted for Senate Bill No. 6138 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Hill moved that the following striking amendment by Senators Hill and Hargrove be adopted:

Strike everything after the enacting clause and insert the following:

**"Part I
 Repealing the Preferential B&O Tax Rate for Royalty
 Income**

Sec. 101. RCW 82.04.2907 and 2010 1st sp.s. c 23 s 107 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of receiving income from royalties, the amount of tax with respect to the business is equal to the gross income from royalties multiplied by the rate (~~(of 0.484 percent)~~) provided in RCW 82.04.290(2)(a).

(2) For the purposes of this section, "gross income from royalties" means compensation for the use of intangible property, including charges in the nature of royalties, regardless of where the intangible property will be used. For purposes of this subsection, "intangible property" includes copyrights, patents, licenses, franchises, trademarks, trade names, and similar items. "Gross income from royalties" does not include compensation for any natural resource, the licensing of prewritten computer software to the end user, or the licensing of digital goods, digital codes, or digital automated services to the end user as defined in RCW 82.04.190(11).

**Part II
 Nexus**

NEW SECTION. **Sec. 201.** (1) The commerce clause of the United States Constitution as currently interpreted by the United States supreme court prohibits states from imposing sales or use tax collection obligations on out-of-state businesses unless the business has a substantial nexus with the taxing state.

(2) The legislature recognizes that under the United States supreme court's decision in *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), a substantial nexus for sales and use tax collection

purposes requires that the taxpayer have a physical presence in the taxing state.

(3) The legislature further recognizes that the requisite physical presence can be established directly through a taxpayer's own activities in the taxing state, or indirectly, through independent contractors, agents, or other representatives who act on behalf of the taxpayer in the taxing state.

(4) However, the legislature finds that because the United States supreme court has not clearly defined the circumstances under which a physical presence is sufficient to establish a substantial nexus for tax purposes, frequent conflicts have arisen throughout the country among state taxing authorities, taxpayers, tax practitioners, and courts.

(5) Therefore, the legislature intends to provide more clarity for out-of-state sellers that compensate Washington residents for referring customers to the out-of-state seller by providing clear statutory guidelines for determining when these out-of-state sellers are required to collect Washington's retail sales tax.

NEW SECTION. Sec. 202. A new section is added to chapter 82.08 RCW to be codified between RCW 82.08.050 and 82.08.054 to read as follows:

(1) For purposes of this chapter, a remote seller is presumed to have a substantial nexus with this state and is obligated to collect retail sales tax if the remote seller enters into an agreement with a resident of this state under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by a link on an internet web site or otherwise, to the remote seller, if the cumulative gross receipts from sales by the remote seller to customers in this state who are referred to the remote seller by all residents with this type of an agreement with the remote seller exceed ten thousand dollars during the preceding calendar year. This presumption may be rebutted by proof that the resident with whom the remote seller has an agreement did not engage in any solicitation in this state on behalf of the remote seller that would satisfy the nexus requirement of the United States Constitution during the calendar year in question. Proof may be shown by (a) establishing, in a manner acceptable to the department, that (i) each in-state person with whom the remote seller has an agreement is prohibited from engaging in any solicitation activities in this state that refer potential customers to the remote seller, and (ii) such in-state person or persons have complied with that prohibition; or (b) any other means as may be approved by the department.

(2) "Remote seller" means a seller that makes retail sales in this state through one or more agreements described in subsection (1) of this section, and the seller's other physical presence in this state, if any, is not sufficient to establish a retail sales or use tax collection obligation under the commerce clause of the United States Constitution.

(3) Nothing in this section may be construed to affect in any way RCW 82.04.424, 82.08.050(11), or 82.12.040(5).

(4) This section is subject to section 205 of this act.

Sec. 203. RCW 82.04.066 and 2010 1st sp.s. c 23 s 103 are each amended to read as follows:

"Engaging within this state" and "engaging within the state," when used in connection with any apportionable activity as defined in RCW 82.04.460 or wholesale sales taxable under RCW 82.04.257(1) or 82.04.270, means that a person generates gross income of the business from sources within this state, such as customers or intangible property located in this state, regardless of whether the person is physically present in this state.

Sec. 204. RCW 82.04.067 and 2010 1st sp.s. c 23 s 104 are each amended to read as follows:

(1) A person engaging in business is deemed to have substantial nexus with this state if the person is:

(a) An individual and is a resident or domiciliary of this state;

(b) A business entity and is organized or commercially domiciled in this state; or

(c) A nonresident individual or a business entity that is organized or commercially domiciled outside this state, and in ~~((any))~~ the immediately preceding tax year the person ~~((has))~~ had:

(i) More than fifty thousand dollars of property in this state;

(ii) More than fifty thousand dollars of payroll in this state;

(iii) More than two hundred fifty thousand dollars of receipts from this state; or

(iv) At least twenty-five percent of the person's total property, total payroll, or total receipts in this state.

(2)(a) Property counting toward the thresholds in subsection (1)(c)(i) and (iv) of this section is the average value of the taxpayer's property, including intangible property, owned or rented and used in this state during the immediately preceding tax year.

(b)(i) Property owned by the taxpayer, other than loans and credit card receivables owned by the taxpayer, is valued at its original cost basis. Loans and credit card receivables owned by the taxpayer are valued at their outstanding principal balance, without regard to any reserve for bad debts. However, if a loan or credit card receivable is charged off in whole or in part for federal income tax purposes, the portion of the loan or credit card receivable charged off is deducted from the outstanding principal balance.

(ii) Property rented by the taxpayer is valued at eight times the net annual rental rate. For purposes of this subsection, "net annual rental rate" means the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals.

(c) The average value of property must be determined by averaging the values at the beginning and ending of the tax year; but the department may require the averaging of monthly values during the tax year if reasonably required to properly reflect the average value of the taxpayer's property.

(d)(i) For purposes of this subsection (2), loans and credit card receivables are deemed owned and used in this state as follows:

(A) Loans secured by real property, personal property, or both real and personal property~~(s)~~ are deemed owned and used in the state if the real property or personal property securing the loan is located within this state. If the property securing the loan is located both within this state and one or more other states, the loan is deemed owned and used in this state if more than fifty percent of the fair market value of the real or personal property is located within this state. If more than fifty percent of the fair market value of the real or personal property is not located within any one state, then the loan is deemed owned and used in this state if the borrower is located in this state. The determination of whether the real or personal property securing a loan is located within this state must be made, as of the time the original agreement was made, and any and all subsequent substitutions of collateral must be disregarded.

(B) Loans not secured by real or personal property are deemed owned and used in this state if the borrower is located in this state.

(C) Credit card receivables are deemed owned and used in this state if the billing address of the cardholder is in this state.

(ii)(A) Except as otherwise provided in (d)(ii)(B) of this subsection (2), the definitions in the multistate tax commission's recommended formula for the apportionment and allocation of net income of financial institutions as existing on June 1, 2010, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, apply to this section.

(B) "Credit card" means a card or device existing for the purpose of obtaining money, property, labor, or services on credit.

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(e) Notwithstanding anything else to the contrary in this subsection, property counting toward the thresholds in subsection (1)(c)(i) and (iv) of this section does not include a person's ownership of, or rights in, computer software as defined in RCW 82.04.215, including computer software used in providing a digital automated service; master copies of software; and digital goods and digital codes residing on servers located in this state.

(3)(a) Payroll counting toward the thresholds in subsection (1)(c)(ii) and (iv) of this section is the total amount paid by the taxpayer for compensation in this state during the immediately preceding tax year plus nonemployee compensation paid to representative third parties in this state. Nonemployee compensation paid to representative third parties includes the gross amount paid to nonemployees who represent the taxpayer in interactions with the taxpayer's clients and includes sales commissions.

(b) Employee compensation is paid in this state if the compensation is properly reportable to this state for unemployment compensation tax purposes, regardless of whether the compensation was actually reported to this state.

(c) Nonemployee compensation is paid in this state if the service performed by the representative third party occurs entirely or primarily within this state.

(d) For purposes of this subsection, "compensation" means wages, salaries, commissions, and any other form of remuneration paid to employees or nonemployees and defined as gross income under 26 U.S.C. Sec. 61 of the federal internal revenue code of 1986, as existing on June 1, 2010.

(4) Receipts counting toward the thresholds in subsection (1)(c)(iii) and (iv) of this section are:

(a) Those amounts included in the numerator of the receipts factor under RCW 82.04.462 ~~((and))~~;

(b) For financial institutions, those amounts included in the numerator of the receipts factor under the rule adopted by the department as authorized in RCW 82.04.460(2); and

(c) For persons taxable under RCW 82.04.257(1) or 82.04.270 with respect to wholesale sales, the gross proceeds of sales taxable under those statutory provisions and sourced to this state in accordance with RCW 82.32.730.

(5)(a) Each December, the department must review the cumulative percentage change in the consumer price index. The department must adjust the thresholds in subsection (1)(c)(i) through (iii) of this section if the consumer price index has changed by five percent or more since the later of June 1, 2010, or the date that the thresholds were last adjusted under this subsection. For purposes of determining the cumulative percentage change in the consumer price index, the department must compare the consumer price index available as of December 1st of the current year with the consumer price index as of the later of June 1, 2010, or the date that the thresholds were last adjusted under this subsection. The thresholds must be adjusted to reflect that cumulative percentage change in the consumer price index. The adjusted thresholds must be rounded to the nearest one thousand dollars. Any adjustment will apply to tax periods that begin after the adjustment is made.

(b) As used in this subsection, "consumer price index" means the consumer price index for all urban consumers (CPI-U) available from the bureau of labor statistics of the United States department of labor.

(6)(a) Subsections (1) through (5) of this section only apply with respect to the taxes ~~((imposed under this chapter))~~ on persons engaged in apportionable activities as defined in RCW 82.04.460 or making wholesale sales taxable under RCW 82.04.257(1) or 82.04.270. For purposes of the taxes imposed under this chapter on any activity not included in the definition of

apportionable activities in RCW 82.04.460, other than the business of making wholesale sales taxed under RCW 82.04.257(1) or 82.04.270, a person is deemed to have a substantial nexus with this state if the person has a physical presence in this state during the tax year, which need only be demonstrably more than a slightest presence.

(b) For purposes of this subsection, a person is physically present in this state if the person has property or employees in this state.

(c)(i) A person is also physically present in this state for the purposes of this subsection if the person, either directly or through an agent or other representative, engages in activities in this state that are significantly associated with the person's ability to establish or maintain a market for its products in this state.

(ii) A remote seller as defined in section 202 of this act is presumed to be engaged in activities in this state that are significantly associated with the remote seller's ability to establish or maintain a market for its products in this state if the remote seller is presumed to have a substantial nexus with this state under section 202 of this act. The presumption in this subsection (6)(c)(ii) may be rebutted as provided in section 202 of this act. To the extent that the presumption in section 202 of this act is no longer operative pursuant to section 205 of this act, the presumption in this subsection (6)(c)(ii) is no longer operative. Nothing in this section may be construed to affect in any way RCW 82.04.424, 82.08.050(11), or 82.12.040(5) or to narrow the scope of the terms "agent" or "other representative" in this subsection (6)(c).

NEW SECTION. Sec. 205. A new section is added to chapter 82.32 RCW to read as follows:

(1) If the department determines that a change, taking effect after the effective date of this section, in the streamlined sales and use tax agreement or federal law creates a conflict with any provision of section 202 of this act, such conflicting provision or provisions of section 202 of this act, including any related provisions that would not function as originally intended, have no further force and effect as of the date the change in the streamlined sales and use tax agreement or federal law becomes effective.

(2) For purposes of this section:

(a) A change in federal law conflicts with section 202 of this act if the change clearly allows states to impose greater sales and use tax collection obligations on remote sellers than provided for, or clearly prevents states from imposing sales and use tax collection obligations on remote sellers to the extent provided for, under section 202 of this act.

(b) A change in the streamlined sales and use tax agreement conflicts with section 202 of this act if one or more provisions of section 202 of this act causes this state to be found out of compliance with the streamlined sales and use tax agreement by its governing board.

(3) If the department makes a determination under this section that a change in federal law or the streamlined sales and use tax agreement conflicts with one or more provisions of section 202 of this act, the department:

(a) May adopt rules in accordance with chapter 34.05 RCW that are consistent with the streamlined sales and use tax agreement and that impose sales and use tax collection obligations on remote sellers to the fullest extent allowed under state and federal law; and

(b) Must include information on its web site informing taxpayers and the public (i) of the provision or provisions of section 202 of this act that will have no further force and effect, (ii) when such change will become effective, and (iii) about how

to participate in any rule making conducted by the department in accordance with (a) of this subsection (3).

(4) For purposes of this section, "remote seller" has the same meaning as in section 202 of this act.

Sec. 206. RCW 82.04.424 and 2003 c 76 s 2 are each amended to read as follows:

(1) This chapter does not apply to a person making retail sales in Washington if:

(a) The person's activities in this state, whether conducted directly or through another person, are limited to:

- (i) The storage, dissemination, or display of advertising;
- (ii) The taking of orders; or
- (iii) The processing of payments; and

(b) The activities are conducted electronically via a web site on a server or other computer equipment located in Washington that is not owned or operated by the person making sales into this state nor owned or operated by an affiliated person. For purposes of this section, persons are "affiliated persons" with respect to each other where one of the persons has an ownership interest of more than five percent, whether direct or indirect, in the other, or where an ownership interest of more than five percent, whether direct or indirect, is held in each of the persons by another person or by a group of other persons which are affiliated with respect to each other.

(2)(a) This section expires when: ~~((a))~~ (i) The United States congress grants individual states the authority to impose sales and use tax collection duties on remote sellers; or ~~((b))~~ (ii) it is determined by a court of competent jurisdiction, in a judgment not subject to review, that a state can impose sales and use tax collection duties on remote sellers.

(b) The department of revenue must provide notice of the expiration date of this section to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the department.

Part III

Manufacturing Machinery and Equipment Exemption for Software Manufacturers

Sec. 301. RCW 82.08.02565 and 2014 c 216 s 401 and 2014 c 140 s 13 are each reenacted and amended to read as follows:

(1)(a) The tax levied by RCW 82.08.020 does not apply to sales to a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to sales to a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

(b) Except as provided in (c) of this subsection, sellers making tax-exempt sales under this section must obtain from the purchaser an exemption certificate in a form and manner prescribed by the department by rule. The seller must retain a copy of the certificate for the seller's files.

(c)(i) The exemption under this section is in the form of a remittance for a gas distribution business, as defined in RCW 82.16.010, claiming the exemption for machinery and equipment used for the production of compressed natural gas or liquefied natural gas for use as a transportation fuel.

(ii) A gas distribution business claiming an exemption from state and local tax in the form of a remittance under this section must pay the tax under RCW 82.08.020 and all applicable local sales taxes. Beginning July 1, 2017, the gas distribution business may then apply to the department for remittance of state and local

sales and use taxes. A gas distribution business may not apply for a remittance more frequently than once a quarter. The gas distribution business must specify the amount of exempted tax claimed and the qualifying purchases for which the exemption is claimed. The gas distribution business must retain, in adequate detail, records to enable the department to determine whether the business is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.

(iii) The department must determine eligibility under this section based on the information provided by the gas distribution business, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying businesses who submitted applications during the previous quarter.

(iv) Beginning July 1, 2028, a gas distribution business may not apply for a refund under this section or RCW 82.12.02565.

(2) For purposes of this section and RCW 82.12.02565:

(a) "Machinery and equipment" means industrial fixtures, devices, and support facilities, and tangible personal property that becomes an ingredient or component thereof, including repair parts and replacement parts. "Machinery and equipment" includes pollution control equipment installed and used in a manufacturing operation, testing operation, or research and development operation to prevent air pollution, water pollution, or contamination that might otherwise result from the manufacturing operation, testing operation, or research and development operation. "Machinery and equipment" also includes digital goods.

(b) "Machinery and equipment" does not include:

- (i) Hand-powered tools;
- (ii) Property with a useful life of less than one year;
- (iii) Buildings, other than machinery and equipment that is permanently affixed to or becomes a physical part of a building; and

(iv) Building fixtures that are not integral to the manufacturing operation, testing operation, or research and development operation that are permanently affixed to and become a physical part of a building, such as utility systems for heating, ventilation, air conditioning, communications, plumbing, or electrical.

(c) Machinery and equipment is "used directly" in a manufacturing operation, testing operation, or research and development operation if the machinery and equipment:

- (i) Acts upon or interacts with an item of tangible personal property;
- (ii) Conveys, transports, handles, or temporarily stores an item of tangible personal property at the manufacturing site or testing site;
- (iii) Controls, guides, measures, verifies, aligns, regulates, or tests tangible personal property at the site or away from the site;
- (iv) Provides physical support for or access to tangible personal property;
- (v) Produces power for, or lubricates machinery and equipment;
- (vi) Produces another item of tangible personal property for use in the manufacturing operation, testing operation, or research and development operation;
- (vii) Places tangible personal property in the container, package, or wrapping in which the tangible personal property is normally sold or transported; or
- (viii) Is integral to research and development as defined in RCW 82.63.010.

(d) "Manufacturer" means a person that qualifies as a manufacturer under RCW 82.04.110. "Manufacturer" also includes a person that:

- (i) Prints newspapers or other materials; or

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(ii) Is engaged in the development of prewritten computer software that is not transferred to purchasers by means of tangible storage media.

(e) "Manufacturing" means only those activities that come within the definition of "to manufacture" in RCW 82.04.120 and are taxed as manufacturing or processing for hire under chapter 82.04 RCW, or would be taxed as such if such activity were conducted in this state or if not for an exemption or deduction. "Manufacturing" also includes printing newspapers or other materials. An activity is not taxed as manufacturing or processing for hire under chapter 82.04 RCW if the activity is within the purview of chapter 82.16 RCW.

(f) "Manufacturing operation" means the manufacturing of articles, substances, or commodities for sale as tangible personal property. A manufacturing operation begins at the point where the raw materials enter the manufacturing site and ends at the point where the processed material leaves the manufacturing site. With respect to the production of class A or exceptional quality biosolids by a wastewater treatment facility, the manufacturing operation begins at the point where class B biosolids undergo additional processing to achieve class A or exceptional quality standards. Notwithstanding anything to the contrary in this section, the term also includes that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the preparation of food products on the premises of a person selling food products at retail.

(g) "Cogeneration" means the simultaneous generation of electrical energy and low-grade heat from the same fuel.

(h) "Research and development operation" means engaging in research and development as defined in RCW 82.63.010 by a manufacturer or processor for hire.

(i) "Testing" means activities performed to establish or determine the properties, qualities, and limitations of tangible personal property.

(j) "Testing operation" means the testing of tangible personal property for a manufacturer or processor for hire. A testing operation begins at the point where the tangible personal property enters the testing site and ends at the point where the tangible personal property leaves the testing site. The term also includes the testing of tangible personal property for use in that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the testing of tangible personal property for use in the production of electricity by a light and power business as defined in RCW 82.16.010 or the preparation of food products on the premises of a person selling food products at retail.

(3) This section does not apply (a) to sales of machinery and equipment used directly in the manufacturing, research and development, or testing of marijuana, useable marijuana, or marijuana-infused products, or (b) to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving such machinery and equipment.

(4) The exemptions in this section do not apply to an ineligible person. For purposes of this subsection, the following definitions apply:

(a) "Affiliated group" means a group of two or more entities that are either:

(i) Affiliated as defined in RCW 82.32.655; or

(ii) Permitted to file a consolidated return for federal income tax purposes.

(b) "Ineligible person" means all members of an affiliated group if all of the following apply:

(i) At least one member of the affiliated group was registered with the department to do business in Washington state on or before July 1, 1981;

(ii) As of the effective date of this section, the combined employment in this state of the affiliated group exceeds forty thousand full-time and part-time employees, based on data reported to the employment security department by the affiliated group; and

(iii) The business activities of the affiliated group primarily include development, sales, and licensing of computer software and services.

Sec. 302. RCW 82.12.02565 and 2014 c 216 s 402 and 2014 c 140 s 14 are each reenacted and amended to read as follows:

(1) The provisions of this chapter do not apply in respect to the use by a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to the use by a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to the use of labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

(2) The definitions, conditions, and requirements in RCW 82.08.02565 apply to this section.

(3) This section does not apply to the use of (a) machinery and equipment used directly in the manufacturing, research and development, or testing of marijuana, useable marijuana, or marijuana-infused products, or (b) labor and services rendered in respect to installing, repairing, cleaning, altering, or improving such machinery and equipment.

(4) The exemptions in this section do not apply to an ineligible person as defined in RCW 82.08.02565.

Sec. 303. RCW 82.63.010 and 2009 c 268 s 2 are each reenacted and amended to read as follows:

~~(Unless the context clearly requires otherwise.)~~ The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Advanced computing" means technologies used in the designing and developing of computing hardware and software, including innovations in designing the full spectrum of hardware from hand-held calculators to super computers, and peripheral equipment.

(2) "Advanced materials" means materials with engineered properties created through the development of specialized processing and synthesis technology, including ceramics, high value-added metals, electronic materials, composites, polymers, and biomaterials.

(3) "Applicant" means a person applying for a tax deferral under this chapter.

(4) "Biotechnology" means the application of technologies, such as recombinant DNA techniques, biochemistry, molecular and cellular biology, genetics and genetic engineering, cell fusion techniques, and new bioprocesses, using living organisms, or parts of organisms, to produce or modify products, to improve plants or animals, to develop microorganisms for specific uses, to identify targets for small molecule pharmaceutical development, or to transform biological systems into useful processes and products or to develop microorganisms for specific uses.

(5) "Department" means the department of revenue.

(6) "Electronic device technology" means technologies involving microelectronics; semiconductors; electronic equipment and instrumentation; radio frequency, microwave, and millimeter electronics; optical and optic-electrical devices; and data and digital communications and imaging devices.

(7) "Eligible investment project" means an investment project which either initiates a new operation, or expands or diversifies a

current operation by expanding, renovating, or equipping an existing facility. The lessor or owner of the qualified building is not eligible for a deferral unless:

(a) The underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or

(b)(i) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee;

(ii) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual survey required under RCW 82.63.020(2); and

(iii) The economic benefit of the deferral passed to the lessee is no less than the amount of tax deferred by the lessor and is evidenced by written documentation of any type of payment, credit, or other financial arrangement between the lessor or owner of the qualified building and the lessee.

(8) "Environmental technology" means assessment and prevention of threats or damage to human health or the environment, environmental cleanup, and the development of alternative energy sources.

(9)(a) "Initiation of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for:

(i) Construction of the qualified building, if the underlying ownership of the building vests exclusively with the person receiving the economic benefit of the deferral;

(ii) Construction of the qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (7) of this section; or

(iii) Tenant improvements for a qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (7) of this section.

(b) "Initiation of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of the building.

(c) If the investment project is a phased project, "initiation of construction" shall apply separately to each phase.

(10) "Investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction or improvement of the project.

(11) "Multiple qualified buildings" means qualified buildings leased to the same person when such structures: (a) Are located within a five-mile radius; and (b) the initiation of construction of each building begins within a sixty-month period.

(12) "Person" has the meaning given in RCW 82.04.030 and includes state universities as defined in RCW 28B.10.016.

(13) "Pilot scale manufacturing" means design, construction, and testing of preproduction prototypes and models in the fields of biotechnology, advanced computing, electronic device technology, advanced materials, and environmental technology other than for commercial sale. As used in this subsection, "commercial sale" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

(14) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for pilot scale manufacturing or qualified research and development, including plant offices and other facilities that are an essential or an integral part of a structure used for pilot scale manufacturing or qualified research and development. If a building or buildings are used partly for pilot scale manufacturing or qualified research and development, and partly for other purposes, the applicable tax deferral shall be determined by apportionment of the costs of construction under rules adopted by

the department. Such rules may include provisions for determining the amount of the deferral based on apportionment of costs of construction of an investment project consisting of a building or multiple buildings, where qualified research and development or pilot scale manufacturing activities are shifted within a building or from one building to another building.

(15)(a) "Qualified machinery and equipment" means fixtures, equipment, and support facilities that are an integral and necessary part of a pilot scale manufacturing or qualified research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment, instrumentation, and other devices used in a process of experimentation to develop a new or improved pilot model, plant process, product, formula, invention, or similar property; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; vats, tanks, and fermenters; operating structures; and all other equipment used to control, monitor, or operate the machinery. For purposes of this chapter, qualified machinery and equipment must be either new to the taxing jurisdiction of the state or new to the certificate holder, except that used machinery and equipment may be treated as qualified machinery and equipment if the certificate holder either brings the machinery and equipment into Washington or makes a retail purchase of the machinery and equipment in Washington or elsewhere.

(b) "Qualified machinery and equipment" does not include any fixtures, equipment, or support facilities, if the sale to or use by the recipient is not eligible for an exemption under RCW 82.08.02565 or 82.12.02565 solely because the recipient is an ineligible person as defined in RCW 82.08.02565.

(16) "Qualified research and development" means research and development performed within this state in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology.

(17) "Recipient" means a person receiving a tax deferral under this chapter.

(18) "Research and development" means activities performed to discover technological information, and technical and nonroutine activities concerned with translating technological information into new or improved products, processes, techniques, formulas, inventions, or software. The term includes exploration of a new use for an existing drug, device, or biological product if the new use requires separate licensing by the federal food and drug administration under chapter 21, C.F.R., as amended. The term does not include adaptation or duplication of existing products where the products are not substantially improved by application of the technology, nor does the term include surveys and studies, social science and humanities research, market research or testing, quality control, sale promotion and service, computer software developed for internal use, and research in areas such as improved style, taste, and seasonal design.

NEW SECTION. Sec. 304. Section 303 of this act does not apply with respect to deferral certificates issued under chapter 82.63 RCW before January 1, 2015.

NEW SECTION. Sec. 305. If RCW 82.08.02565, 82.12.02565, or 82.63.010 are amended by any other act enacted during the regular or any special session of the 2015 legislature, each amendment without reference to the other amendment or amendments of the same statute, the legislature intends for the amendments in this act to be deemed to not conflict in purpose with the amendments in any other such act for the purposes of RCW 1.12.025 and that the amendments in this act be given effect.

NEW SECTION. Sec. 306. Sections 301 and 302 of this act do not apply with respect to machinery and equipment, as

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defined in RCW 82.08.02565, first used by the taxpayer in this state before the effective date of sections 301 and 302 of this act.

**Part IV
Late Payment Penalties**

Sec. 401. RCW 82.32.090 and 2011 c 24 s 3 are each amended to read as follows:

(1) If payment of any tax due on a return to be filed by a taxpayer is not received by the department of revenue by the due date, there is assessed a penalty of ~~((five))~~ nine percent of the amount of the tax; and if the tax is not received on or before the last day of the month following the due date, there is assessed a total penalty of ~~((fifteen))~~ nineteen percent of the amount of the tax under this subsection; and if the tax is not received on or before the last day of the second month following the due date, there is assessed a total penalty of ~~((twenty-five))~~ twenty-nine percent of the amount of the tax under this subsection. No penalty so added may be less than five dollars.

(2) If the department of revenue determines that any tax has been substantially underpaid, there is assessed a penalty of five percent of the amount of the tax determined by the department to be due. If payment of any tax determined by the department to be due is not received by the department by the due date specified in the notice, or any extension thereof, there is assessed a total penalty of fifteen percent of the amount of the tax under this subsection; and if payment of any tax determined by the department to be due is not received on or before the thirtieth day following the due date specified in the notice of tax due, or any extension thereof, there is assessed a total penalty of twenty-five percent of the amount of the tax under this subsection. No penalty so added may be less than five dollars. As used in this section, "substantially underpaid" means that the taxpayer has paid less than eighty percent of the amount of tax determined by the department to be due for all of the types of taxes included in, and for the entire period of time covered by, the department's examination, and the amount of underpayment is at least one thousand dollars.

(3) If a warrant is issued by the department of revenue for the collection of taxes, increases, and penalties, there is added thereto a penalty of ten percent of the amount of the tax, but not less than ten dollars.

(4) If the department finds that a person has engaged in any business or performed any act upon which a tax is imposed under this title and that person has not obtained from the department a registration certificate as required by RCW 82.32.030, the department must impose a penalty of five percent of the amount of tax due from that person for the period that the person was not registered as required by RCW 82.32.030. The department may not impose the penalty under this subsection (4) if a person who has engaged in business taxable under this title without first having registered as required by RCW 82.32.030, prior to any notification by the department of the need to register, obtains a registration certificate from the department.

(5) If the department finds that a taxpayer has disregarded specific written instructions as to reporting or tax liabilities, or willfully disregarded the requirement to file returns or remit payment electronically, as provided by RCW 82.32.080, the department must add a penalty of ten percent of the amount of the tax that should have been reported and/or paid electronically or the additional tax found due if there is a deficiency because of the failure to follow the instructions. A taxpayer disregards specific written instructions when the department has informed the taxpayer in writing of the taxpayer's tax obligations and the taxpayer fails to act in accordance with those instructions unless,

in the case of a deficiency, the department has not issued final instructions because the matter is under appeal pursuant to this chapter or departmental regulations. The department may not assess the penalty under this section upon any taxpayer who has made a good faith effort to comply with the specific written instructions provided by the department to that taxpayer. A taxpayer will be considered to have made a good faith effort to comply with specific written instructions to file returns and/or remit taxes electronically only if the taxpayer can show good cause, as defined in RCW 82.32.080, for the failure to comply with such instructions. A taxpayer will be considered to have willfully disregarded the requirement to file returns or remit payment electronically if the department has mailed or otherwise delivered the specific written instructions to the taxpayer on at least two occasions. Specific written instructions may be given as a part of a tax assessment, audit, determination, closing agreement, or other written communication, provided that such specific written instructions apply only to the taxpayer addressed or referenced on such communication. Any specific written instructions by the department must be clearly identified as such and must inform the taxpayer that failure to follow the instructions may subject the taxpayer to the penalties imposed by this subsection. If the department determines that it is necessary to provide specific written instructions to a taxpayer that does not comply with the requirement to file returns or remit payment electronically as provided in RCW 82.32.080, the specific written instructions must provide the taxpayer with a minimum of forty-five days to come into compliance with its electronic filing and/or payment obligations before the department may impose the penalty authorized in this subsection.

(6) If the department finds that all or any part of a deficiency resulted from engaging in a disregarded transaction, as described in RCW 82.32.655(3), the department must assess a penalty of thirty-five percent of the additional tax found to be due as a result of engaging in a transaction disregarded by the department under RCW 82.32.655(2). The penalty provided in this subsection may be assessed together with any other applicable penalties provided in this section on the same tax found to be due, except for the evasion penalty provided in subsection (7) of this section. The department may not assess the penalty under this subsection if, before the department discovers the taxpayer's use of a transaction described under RCW 82.32.655(3), the taxpayer discloses its participation in the transaction to the department.

(7) If the department finds that all or any part of the deficiency resulted from an intent to evade the tax payable hereunder, a further penalty of fifty percent of the additional tax found to be due must be added.

(8) The penalties imposed under subsections (1) through (4) of this section can each be imposed on the same tax found to be due. This subsection does not prohibit or restrict the application of other penalties authorized by law.

(9) The department may not impose the evasion penalty in combination with the penalty for disregarding specific written instructions or the penalty provided in subsection (6) of this section on the same tax found to be due.

(10) For the purposes of this section, "return" means any document a person is required by the state of Washington to file to satisfy or establish a tax or fee obligation that is administered or collected by the department, and that has a statutorily defined due date.

**Part V
Miscellaneous Provisions**

NEW SECTION. Sec. 501. (1) Except as provided otherwise in this section, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect August 1, 2015.

(2) Part II of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect September 1, 2015."

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senators Hill and Hargrove to Substitute Senate Bill No. 6138.

The motion by Senator Hill carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 1 of the title, after "Relating to" strike the remainder of the title and insert "increasing state revenue through improved compliance methods and eliminating tax preferences for royalties and certain manufacturing equipment; amending RCW 82.04.2907, 82.04.066, 82.04.067, 82.04.424, and 82.32.090; reenacting and amending RCW 82.08.02565, 82.12.02565, and 82.63.010; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.32 RCW; creating new sections; providing effective dates; and declaring an emergency."

MOTION

On motion of Senator Hill, the rules were suspended, Engrossed Substitute Senate Bill No. 6138 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hill and Hargrove spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6138.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6138 and the bill passed the Senate by the following vote: Yeas, 35; Nays, 10; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Becker, Billig, Chase, Cleveland, Conway, Dammeier, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, Parlette, Pedersen, Ranker, Schoesler and Warnick

Voting nay: Senators Baumgartner, Benton, Brown, Dansel, O'Ban, Padden, Pearson, Rivers, Roach and Sheldon

Excused: Senators Braun, Erickson, Jayapal and Rolfe

ENGROSSED SUBSTITUTE SENATE BILL NO. 6138, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SECOND ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1491, by House Committee on Appropriations (originally sponsored by Representatives Kagi, Walsh, Hunter, Johnson, Ormsby, MacEwen, Senn, Magendanz, Farrell, Hayes, Ortiz-Self, Hudgins, Appleton, Fitzgibbon, S. Hunt, Ryu, Jinkins, Bergquist, Goodman, Tharinger and Riccelli)

Improving quality in the early care and education system.

The measure was read the second time.

MOTION

Senator Hasegawa moved that the following amendment by Senator Hasegawa be adopted:

On page 2, line 6, after "(2)" insert "The legislature also finds that despite the proven success of targeted early learning programs, a targeted approach will always leave out some children who would benefit from access to high-quality programming, including some disadvantaged children as well as children from working class families who simply may be unable to afford the full cost of top-quality programs. The legislature also finds that school readiness is not just an issue for children living in poverty, it is also an issue for middle-class children who lag behind their wealthy peers in both cognitive and social skills. The legislature finds further that voluntary universal preschool programs have the potential to be significantly more effective because they serve disadvantaged children in heterogeneous classes and all children benefit when all of their classmates are better prepared for school success. The legislature, therefore, intends to continue building capacity while also focusing on quality in state-supported, targeted early learning programs, with the long-term goal of pursuing strategies to implement a voluntary universal high-quality early learning program that would be available to all children in the state.

(3)"

Senator Hasegawa spoke in favor of adoption of the amendment.

Senator Litzow spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Hasegawa on page 2, line 6 to Second Engrossed Second Substitute House Bill No. 1491.

The motion by Senator Hasegawa failed and the amendment was not adopted by voice vote.

MOTION

On motion of Senator Litzow, the rules were suspended, Second Engrossed Second Substitute House Bill No. 1491 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Litzow, Billig and McAuliffe spoke in favor of passage of the bill.

Senator Hasegawa spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Engrossed Second Substitute House Bill No. 1491.

ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed Second Substitute House Bill No. 1491 and the bill passed the Senate by the following vote: Yeas, 38; Nays, 7; Absent, 0; Excused, 4.

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Voting yea: Senators Angel, Bailey, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Parlette, Pedersen, Ranker, Rivers, Schoesler, Sheldon and Warnick

Voting nay: Senators Baumgartner, Danel, Hasegawa, Hatfield, Padden, Pearson and Roach

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

SECOND ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1491, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2263, by House Committee on Finance (originally sponsored by Representatives Springer, Walkinshaw, Robinson, Tharinger, Carlyle, McBride, Fitzgibbon and Reykdal)

Providing local governments with options to strengthen their communities by providing services and facilities for people with mental illness, developmental disabilities, and other vulnerable populations, and by increasing access to educational experiences through cultural organizations.

The measure was read the second time.

MOTION

On motion of Senator Hill, the rules were suspended, Engrossed Substitute House Bill No. 2263 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hill, Habib, Fraser and Hargrove spoke in favor of passage of the bill.

POINT OF INQUIRY

Senator Hasegawa: "I was wondering if might accede to a question? I'm just trying to understand the taxing authority that contained in this bill. So, under the cultural access program there's authority for either a sales tax or property tax program but under the housing authority and services portion of the bill I only see there's sales tax authority, there is no alternative to choose a property taxing authority instead? Is that correct?"

Senator Hill: "Well Senator Hasegawa, this bill came to me. I know the cultural access part fairly well. I do not know the specifics on the taxing for this new part of it. It's a local option, the question is whether it's property tax or sales tax or both."

Senator Hasegawa: "Yeah, that's on the cultural access part."

Senator Hill: "On the cultural access but on the second part ..."

Senator Hasegawa: "On the housing piece I just see that there's a sales tax and not the property tax. Is that correct? My understanding is that a few years ago we passed mental health tax, sales taxing authority, so would this be in addition to that previous taxing authority for mental health purposes or is this strictly for ... ?"

Senator Hill: "That is my understanding, it's in addition."

Senator Kohl-Welles spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 2263.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 2263 and the bill passed the Senate by the following vote: Yeas, 33; Nays, 12; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Billig, Chase, Cleveland, Conway, Dammeier, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hill, Hobbs, Keiser, King, Kohl-Welles, Lias, Litzow, McAuliffe, McCoy, Miloscia, Nelson, Parlette, Pearson, Pedersen, Ranker, Schoesler, Sheldon and Warnick

Voting nay: Senators Baumgartner, Becker, Benton, Brown, Danel, Hewitt, Honeyford, Mullet, O'Ban, Padden, Rivers and Roach

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2263, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

REMARKS BY THE PRESIDENT PRO TEMPORE

Senator Roach: "For the members, we're bringing in paperwork kind of sporadically. We're getting it out as quickly as we can so, please, stick around."

SECOND READING

ENGROSSED HOUSE BILL NO. 2286, by Representative Hunter

Directing the treasurer to transfer budget stabilization account deposits that are attributable to extraordinary revenue growth in the 2013-2015, 2015-2017, and 2017-2019 fiscal biennia.

The measure was read the second time.

MOTION

On motion of Senator Hill, the rules were suspended, Engrossed House Bill No. 2286 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hill and Hargrove spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed House Bill No. 2286.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 2286 and the bill passed the Senate by the following vote: Yeas, 44; Nays, 1; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Danel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser,

King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Voting nay: Senator Padden

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

ENGROSSED HOUSE BILL NO. 2286, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

PERSONAL PRIVILEGE

Senator Padden: "You know Madam President, some political prognosticators have told me that perhaps there's a very good chance that the lady from the Thirty Sixth District might be successful in her next electoral challenge and, in case she is, I just wanted to say something and tell you how much I will miss her. We've teamed up on a lot of things over the years, especially fighting human trafficking. She's been an absolute stalwart member of the Senate Law & Justice Committee and I especially recall an effort she made when she was under the weather, she was in a conference in Denver, easily could have flew home to Seattle but made a special effort to come to Spokane for a hearing of the Committee. I found her knowledgeable, competent, hardworking and of very good nature so we will miss you very much."

PERSONAL PRIVILEGE

Senator Roach: "I might add to that. I feel the same way. Senator Kohl-Welles, I will be attending a national conference in a few weeks and will be using much of the material that you led us to pass here in Washington State, ground breaking material on trafficking. Washington State is a leader on that issue because of your efforts. I want to also applaud you for involving both sides of the aisle. I remember one year, I think you had ten pieces of legislation. You graciously asked me to sponsor one of those pieces. I was a part of your effort. I think it was great, inclusive way to do this and we're going to miss you. We're going to wish you well. I don't know what we can say here in this body but you have been a wonderful individual and you have certainly contributed in a very large way to the work we've done here in the Senate and in the state of Washington."

Senator Kohl-Welles was recognized by the senate.

MOTION

On motion of Senator Fain, the Senate advanced to the seventh order of business.

THIRD READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 6080, by Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Keiser, Honeyford, Conway and Pedersen).

Financing public school facilities necessary to support state-funded all-day kindergarten and class size reduction in kindergarten through third grade.

The bill was read on Third Reading.

MOTION

On motion of Senator Dammeier, the rules were suspended and Engrossed Substitute Senate Bill No. 6080 was returned to second reading for the purpose of amendment.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 6080, by Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Keiser, Honeyford, Conway and Pedersen)

Financing public school facilities necessary to support state-funded all-day kindergarten and class size reduction in kindergarten through third grade.

The measure was read the second time.

MOTION

Senator Dammeier moved that the following striking amendment by Senators Dammeier and Keiser be adopted:

Strike everything after the enacting clause and insert the following:

"PART 1: Findings and Intent

NEW SECTION. Sec. 101. (1) The legislature finds that local school districts design, build, own, and manage public school facilities. The Washington state Constitution provides two ways to fund construction of public school facilities. First, the state Constitution provides the means for school districts to finance school construction. Article VII, section 2 of the state Constitution authorizes school districts to collect capital levies to support the construction, remodeling, or modernization of school facilities. In addition, Article VIII, section 6 of the state Constitution authorizes school districts to incur debt up to eleven and one-half percent of the total assessed value of taxable property for school construction and Article VII, section 2 of the state Constitution authorizes school districts to pay for this debt by issuing general obligation bonds for these capital purposes. Second, Article IX, section 3 of the state Constitution establishes the common school construction fund and dedicates revenues derived from school and state trust lands and earnings of the permanent common school fund to funding common school construction. Beyond these constitutional means, the legislature provides further state assistance to school districts through the issuance of general obligation bonds, the proceeds of which the state appropriates to support the state school construction assistance grant program established in chapter 28A.525 RCW. This state grant program is not intended to replace the financing provisions established in the state Constitution, but rather to provide state assistance that supplements the constitutional financing provisions. The state grant program helps finance new school capacity to accommodate enrollment growth and to modernize and replace existing schools while respecting local decisions and control by locally elected school boards.

(2) The legislature also finds that some school districts may benefit from additional financial assistance to provide school facilities—beyond that which is provided through the school construction assistance grant program—for the purpose of constructing or acquiring additional classrooms to support state-funded all-day kindergarten and class size reduction in kindergarten through third grade.

(3) For the 2015-2017 biennium, the legislature intends to provide additional state financial assistance to help school districts in funding public school facilities necessary to support

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state-funded all-day kindergarten and class size reduction in kindergarten through third grade.

PART 2: K-3 Class Size Reduction Construction Grant Pilot Program

NEW SECTION. **Sec. 201.** A new section is added to chapter 28A.525 RCW to read as follows:

(1) The K-3 class size reduction construction grant pilot program must be administered by the office of the superintendent of public instruction within the provisions of this section. Grants must be calculated and awarded based on the following four steps:

(a) Step 1: A verified count of necessary added classrooms in a district applying for a grant must be completed by the district and verified by the Washington State University extension energy office. The count of necessary added classrooms must be calculated in accordance with the following requirements:

(i) An inventory of all classrooms in all elementary schools in the district applying for the grant must be completed.

(ii) For purposes of this section, elementary school is any district school facility containing students in kindergarten through fifth grade or sixth grade. All classrooms include any room in an elementary school in a permanent or portable structure that is in use as a classroom or that could be used as a classroom if one of the following conditions are met:

(A) A classroom in a permanent building was designed as a classroom at the time the school was constructed or was subsequently added as part of a modernization or renovation.

(B) A classroom in a portable building meets the building code requirements for use as a classroom without requiring repairs or renovations that exceed fifty thousand dollars.

The count of all district classrooms must also include all planned elementary school classrooms in projects approved at the "D6" stage or later of the school construction assistance program. This inventory of classrooms must be entered in the inventory and condition of school system maintained by the office of the superintendent of public instruction.

(iii) A count of available classrooms in each elementary school in a district must be completed. Available classrooms include all classrooms inventoried in (a)(i) of this subsection minus:

(A) Classrooms in elementary schools that are regularly used for students in grades seventh or higher;

(B) Classrooms in elementary schools that are regularly used for prekindergarten students participating in special education programs;

(C) Classrooms in elementary schools that are regularly used for prekindergarten students not participating in special education programs if such use started prior to the effective date of this section;

(D) Seventy-five percent of classrooms in elementary schools that are regularly used for kindergarten through sixth grade students participating in special education programs;

(E) Fifty percent of classrooms in elementary schools that are regularly used for students in gifted and talented education;

(F) Fifty percent of classrooms in elementary schools that are regularly used for laboratory space, music, or art if such regular use exceeds fifty percent of school hours in the average week.

(iv) A calculation of needed classrooms must be completed. The number of needed classrooms is calculated by dividing the number of students in each grade in the most recent final October head count by the average class size objectives for the 2017-18 school year enumerated in RCW 28A.150.260 in effect as of October 31, 2014. Students residing outside the school district who are enrolled in alternative learning experience courses under

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RCW 28A.232.010 must be excluded from the count of total pupils. In lieu of the exclusion in this subsection, a district may submit an alternative calculation for excluding students enrolled in alternative learning experience courses. The alternative calculation must show the student head count use of district classroom facilities on a regular basis for a reasonable duration by out-of-district alternative learning experience students subtracted by the head count of in-district alternative learning experience students not using district classroom facilities on a regular basis for a reasonable duration. The alternative calculation must be submitted in a form approved by the office of the superintendent of public instruction. The office of the superintendent of public instruction must develop rules to define "regular basis" and "reasonable duration." If the calculation of needed classrooms for fourth and fifth grade students using the average class size ratios in RCW 28A.150.260 is less than the actual number of classrooms regularly used for fourth and fifth grade students, the actual number of fourth and fifth grade classrooms may be used to calculate the total needed classrooms.

(v) A calculation of necessary added classrooms must be completed for each school district applying for a grant. Necessary added classrooms are calculated by subtracting the available school district classrooms from the school district needed classrooms.

(b) Step 2: A determination must be made whether the number of necessary added classrooms is sufficient to justify constructing a new school or modernizing a previously closed school, or whether the number of necessary added classrooms can be provided with the addition of modular classrooms or increasing the number of classrooms in a planned school approved at the "D6" stage of the school construction assistance program.

(i) If the number of necessary added classrooms is twelve or greater, the presumption is a new school is required. For this purpose a new school means a newly constructed school, an addition of twelve or more classrooms to an existing school, or modernization of a previously closed school. A school district may choose to locate any necessary added classrooms among existing school facilities.

(ii) If the number of necessary added classrooms is less than twelve, the presumption is the added classrooms can be provided with the addition of modular classrooms or by increasing the number of classrooms in a planned school approved at the "D6" stage of the school construction assistance program. A school district may choose to provide necessary added classrooms with modular classrooms or construct new classrooms or modernize existing school buildings to create additional classrooms.

(c) Step 3: A calculation of the grant amount a school district is eligible for must be determined.

(i) Grants for necessary added classrooms that can be provided with the addition of modular classrooms must not exceed two hundred ten thousand dollars multiplied by the number of necessary added classrooms multiplied by the state matching ratio defined in (c)(iii) of this subsection.

(ii) Grants for necessary added classrooms that must be provided with a new school or modernization of an existing school building must not exceed six hundred fifteen thousand eighty-three dollars multiplied by the number of necessary added classrooms multiplied by the state matching ratio defined in (c)(iii) of this subsection.

(iii) The state matching ratio for use in this section only is the computed state ratio defined in RCW 28A.525.166 plus twenty percent of the percent of district head count eligible and enrolled in the free and reduced school lunch program.

(iv) Grants may not exceed the total project cost for providing the necessary added classrooms multiplied by the state matching ratio defined in (c)(iii) of this subsection.

(v) The amounts in (c)(i) and (ii) of this subsection must be increased for the fiscal year of the grant award by the same percentage increase as the school construction assistance program construction cost allocation is increased from fiscal year 2014 as authorized in the omnibus capital appropriations act.

(d) Step 4: Grant funds must be awarded and disbursed in accordance with the following requirements:

(i) A determination that the school district is ready to begin the project or projects to provide the necessary added classrooms must be made. To be determined ready, a district must:

(A) Have had classrooms inventoried in (a)(i) of this subsection;

(B) Certify that the required local funds are authorized to complete the project;

(C) Have an available site or sites for the project; and

(D) Demonstrate that additional classrooms will achieve progress towards the average class size objectives for the 2017-18 school year enumerated in RCW 28A.150.260 in effect as of October 31, 2014, and all-day kindergarten as funded pursuant to RCW 28A.150.315.

(ii) The office of financial management must approve allotments prior to issuing grant award letters. The office of the superintendent of public instruction must submit documentation to the office of financial management to justify the project grant award, including steps taken to verify counts and calculations, in requesting allotment approval.

(iii) Grant funds may be disbursed only after the required local match has been fully expended.

(2) If grant applications for the K-3 class size reduction construction grant pilot program exceed available funding, the office of the superintendent of public instruction must prioritize grant awards based on the following criteria in the following order of importance:

(a) Applicants with high necessary added classrooms to available classrooms ratio in kindergarten through third grades;

(b) Applicants with high student to teacher ratios in kindergarten through third grades;

(c) Applicants with high percentages of students who are eligible and enrolled in the free and reduced-price meals program; and

(d) Applicants that have not raised capital funds through levies or bonds in the prior ten-year period.

(3) The superintendent of public instruction must report annually on the grants awarded and school district applicants. The report must include (a) grant amounts and the status of all awarded grants by school district; (b) data documenting actual class size reductions and all-day kindergarten achieved in school districts that have received grants provided under this section; (c) a list of school districts that applied for grants during the current and previous fiscal years with estimates of necessary added classrooms; and (d) any other information relevant to the pilot program. Beginning in 2015, the report must be submitted to the office of financial management and the appropriate committees of the legislature by December 1st.

(4) This section expires July 1, 2017.

PART 3: Development of K-3 Class Size Reduction Construction Grant Program

NEW SECTION. Sec. 3.01. (1) The legislature recognizes that the provisions of the K-3 class size reduction construction grant pilot program will need modifications to (a) ensure that the grant program will meet the program's objectives for all school

districts needing additional classrooms, and (b) identify changes to the school construction assistance program to improve appropriate coordination between the two grant programs.

(2) In consultation with stakeholders, the office of financial management, and the appropriate committees of the legislature, the superintendent of public instruction shall develop (a) an improved method for calculating needed classrooms, and (b) an improved funding formula for calculating grant awards to meet the objectives of this section and section 201 of this act. The classroom counting method and funding formula must be informed by data collected in state studies and surveys or through inventory and condition assessments conducted by the Washington State University extension energy office. The improved classroom counting method and improved funding formula, and any other requirements of this section, must be reported to the office of financial management and the appropriate committees of the legislature by December 1, 2015.

(3)(a) The improved classroom counting method must:

(i) Demonstrate a lack of sufficient classroom space district-wide to meet K-3 class size ratios as funded pursuant to average class size objectives for the 2017-18 school year enumerated in RCW 28A.150.260 in effect as of October 31, 2014, and to provide all-day kindergarten as funded pursuant to RCW 28A.150.315. The determination that there is a lack of sufficient space must be based on data collected in a state study and survey conducted within the preceding six years from the date of grant application or data collected through an inventory and condition assessment validated by the Washington State University extension energy office within the preceding six years from the date of grant application;

(ii) For school districts with student headcount enrollments more than forty-eight thousand, the improved classroom counting method must demonstrate a lack of sufficient classroom space within subdistrict areas in order to account for rapid growth in certain areas of a district that should be met with classroom capacity in those certain areas to avoid prolonged bussing of elementary students.

(b) The improved classroom counting method must be designed to ensure that additional classrooms will achieve average class size objectives for the 2017-18 school year enumerated in RCW 28A.150.260 in effect as of October 31, 2014, and all-day kindergarten as funded pursuant to RCW 28A.150.315.

(4)(a) In consultation with stakeholders, the office of financial management, and the appropriate committees of the legislature, the superintendent of public instruction must also recommend a process for prioritizing grant applications. The prioritization process must produce one prioritized list of grant recipients that includes all of the projects requested by school districts, and report the list, including preliminary estimates of necessary added classrooms, to the office of financial management and the appropriate committees of the legislature.

(b) The prioritized list must consider the following priorities:

(i) Applicants with high student to teacher ratios in kindergarten through third grades;

(ii) Applicants with a high percentage of students who are eligible and enrolled in the free and reduced-price meals program;

(iii) Applicants that have not raised capital funds through levies or bonds in the prior ten-year period;

(iv) Other criteria that relate to the objectives of the grant program.

(5) The improved funding formula must consider options for enhanced state funding for school districts that have not raised capital funds through levies or bonds in the prior ten-year period.

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(6) In consultation with stakeholders, the office of financial management, and the appropriate committees of the legislature, the office of the superintendent of public instruction must recommend statutory and rule changes to ensure appropriate coordination between the K-3 class size reduction construction grant program and the school construction assistance program. The recommendation must include ways to ensure that new square footage funded through this grant program does not impair a school district's eligibility for modernization or replacement grants through the school construction assistance program eligibility under RCW 28A.525.166.

(7) In consultation with stakeholders, the office of financial management, and the appropriate committees of the legislature, the superintendent of public instruction must recommend the content and method for reporting annually on the grants awarded during each fiscal year. The report must include, at least, the grant amounts and the status of all awarded grants by school district. The annual report must also include data documenting actual class size reductions and all-day kindergarten achieved in school districts that have received grants provided under this section. Beginning in 2016, the report must be submitted to the office of financial management and the appropriate committees of the legislature by October 1st for the preceding fiscal year and made available to the public on a web site maintained by the superintendent of public instruction.

(8) In consultation with stakeholders, the office of financial management, and the appropriate committees of the legislature, the superintendent of public instruction must recommend statutory and rule changes for awarding grants for construction, modernization, or replacement of school facilities with an expected useful life of less than thirty years.

PART 4: Miscellaneous

NEW SECTION. **Sec. 4.01.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 402.** If specific funding for the purposes of section 201 of this act, referencing section 201 of this act by bill or chapter number and section number, is not provided by July 15, 2015, in the omnibus capital appropriations act, section 201 of this act is null and void.

NEW SECTION. **Sec. 403.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Senator Dammeier spoke in favor of adoption of the striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senators Dammeier and Keiser to Engrossed Substitute Senate Bill No. 6080.

The motion by Senator Dammeier carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 3 of the title, after "grade;" strike the remainder of the title and insert "adding a new section to chapter 28A.525 RCW; creating new sections; providing an expiration date; and declaring an emergency."

MOTION

On motion of Senator Dammeier, the rules were suspended, Second Engrossed Substitute Senate Bill No. 6080 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Dammeier, Keiser and Pedersen spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Engrossed Substitute Senate Bill No. 6080.

ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed Substitute Senate Bill No. 6080 and the bill passed the Senate by the following vote: Yeas, 44; Nays, 1; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Danel, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Voting nay: Senator Padden

Excused: Senators Braun, Ericksen, Jayapal and Rolfe

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 6080, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Fain, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1095.

and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5355,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5820,

SUBSTITUTE SENATE BILL NO. 6134

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

HOUSE BILL NO. 1061,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1570,

ENGROSSED HOUSE BILL NO. 2212

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Fain, the Senate advanced to the sixth order of business.

SIGNED BY THE PRESIDENT PRO TEMPORE

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 2(1), the President Pro Tempore announced the signing of and thereupon did sign in open session:

HOUSE BILL NO. 1061,

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1095,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1570,

ENGROSSED HOUSE BILL NO. 2212.

SECOND READING

SECOND ENGROSSED HOUSE BILL NO. 1115, by Representatives Dunshee, DeBolt, Gregerson, Morris and Reykdal

Concerning the capital budget.

The measure was read the second time.

MOTION

On motion of Senator Honeyford, the rules were suspended, Second Engrossed House Bill No. 1115 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Honeyford, Keiser, Dammeier, Conway, Warnick, Frockt, Sheldon, Angel, Becker, Rivers, Parlette and Mullet spoke in favor of passage of the bill.

Senator Dansel spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Engrossed House Bill No. 1115.

ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed House Bill No. 1115 and the bill passed the Senate by the following vote: Yeas, 44; Nays, 1; Absent, 0; Excused, 4.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Darneille, Fain, Fraser, Frockt, Habib, Hargrove, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Liias, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Parlette, Pearson, Pedersen, Ranker, Rivers, Roach, Schoesler, Sheldon and Warnick

Voting nay: Senator Dansel

Excused: Senators Braun, Ericksen, Jayapal and Rolfes

SECOND ENGROSSED HOUSE BILL NO. 1115, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

PERSONAL PRIVILEGE

Senator Parlette: "Thank you Madam President. Well, we've just successfully passed another budget and very often we remember to thank the staff who do our budgets, whether it's transportation, capital, operating, but we have a whole bunch of other staff that are in perhaps throughout the buildings who helped us, whether it's committee staff, Ways & Means staff so, at this time, I think it would be wonderful, if all the staff could come in the wings so we can applaud them and I'm sure Senator Fraser would like to say something. So, as they come to inside here because we would like to recognize all the wonderful staff that we have here in the Senate. Senator Fraser. Come out into the wings please and I'll turn this over to my colleague."

PERSONAL PRIVILEGE

Senator Fraser: "Well, thank you Madam President. Well, as my first point I would like to be sure that all staff present know they are cordially invited to step just barely inside the curtain so we can greet them. I think we all know that here we're ending a long session, really, basically six months, with a couple of preparation months before it and it's all our staff. Our nonpartisan staff who are really the core people who work on the bills and the budgets and the process here and get all the documents ready and help us listen to the public and help us fashion the work that we do and we couldn't do it without, I always refer them to as a brain trust, and they really are, attorneys, analyst, a lot of other people who know how to manage the legislative branch and the public should be most appreciative of this very dedicated, hardworking, highly talented set of nonpartisan staff that serve our state Senate. So, I encourage us all to give them a big applause."

The staff of the senate was recognized by the senate.

MOTION

On motion of Senator Fain, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The House has passed:

SUBSTITUTE SENATE BILL NO. 5186,

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5954,

ENGROSSED SUBSTITUTE SENATE BILL NO. 6057,

ENGROSSED SUBSTITUTE SENATE BILL NO. 6138

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:

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SECOND ENGROSSED SECOND SUBSTITUTE HOUSE
BILL NO. 1491,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2263,
ENGROSSED HOUSE BILL NO. 2286
and the same are herewith transmitted.

June 30, 2015

BARBARA BAKER, Chief Clerk

SIGNED BY THE PRESIDENT PRO TEMPORE

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 2(1), the President Pro Tempore announced the signing of and thereupon did sign in open session:

SUBSTITUTE SENATE BILL NO. 5186,
SECOND ENGROSSED SUBSTITUTE SENATE BILL
NO. 5954,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6057,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6138.

SIGNED BY THE PRESIDENT PRO TEMPORE

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 2(1), the President Pro Tempore announced the signing of and thereupon did sign in open session:

SECOND ENGROSSED SECOND SUBSTITUTE HOUSE
BILL NO. 1491,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2263,
ENGROSSED HOUSE BILL NO. 2286.

MOTION

At 10:04 p.m., on motion of Senator Fain, the Senate was declared to be at ease subject to the call of the President Pro Tempore.

MORNING SESSION

The Senate was called to order at 4:45 a.m. by the President Pro Tempore, Senator Roach presiding.

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The Speaker has signed:
SECOND ENGROSSED HOUSE BILL NO. 1115
and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The House has passed:
SUBSTITUTE SENATE BILL NO. 5186,
SECOND ENGROSSED SUBSTITUTE SENATE BILL
NO. 5954,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6057,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6138
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

MR. PRESIDENT:

The House has passed:
SENATE BILL NO. 5310,
SECOND ENGROSSED SENATE BILL NO. 5993
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

June 30, 2015

MR. PRESIDENT:

The House has passed:
SECOND ENGROSSED SUBSTITUTE SENATE BILL NO.
6080.
and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

SIGNED BY THE PRESIDENT PRO TEMPORE

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 2(1), the President Pro Tempore announced the signing of and thereupon did sign in open session:

SECOND ENGROSSED HOUSE BILL NO. 1115.

MOTION

Senator Fain moved that Rule 15 be suspended for the remainder of the day for the purpose of allowing continued floor action beyond 10:00 o'clock p.m.

EDITOR'S NOTE: Senate Rule 15 establishes the floor schedule and calls for a lunch and dinner break of 90 minutes each per day during regular daily sessions.

PARLIAMENTARY INQUIRY

Senator Frockt: "Ten o'clock on which day, Madam President?"

REPLY BY THE PRESIDENT PRO TEMPORE

President Pro Tempore: "Well, I'm with you. Personally I think we should have adjourned and quickly re-adjourned. This is another day. Just for the record, anybody listening, the journal one hundred years from now, it is 4:45 a.m. on I believe it's the first of July. So, Senator Fain, it seems like we should not be working off the previous day. Is there something you can do about that? Well, if you move to adjourn you can do it."

The President Pro Tempore declared the question before the senate to be the motion by Senator Fain that Rule 15 be suspended for the remainder of the day.

The motion carried by Senator Fain carried and Rule 15 was suspended for the remainder of the day by voice vote.

MOTION

On motion of Senator Fain, the Senate advanced to the seventh order of business.

THIRD READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5988, by Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Fain, Lias and Litzow).

Concerning additive transportation funding and appropriations.

The bill was read on Third Reading.

MOTION

On motion of Senator King, the rules were suspended and Engrossed Substitute Senate Bill No. 5988 was returned to second reading for the purpose of amendment.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5988, by Senate Committee on Transportation (originally sponsored by Senators King, Hobbs, Fain, Lias and Litzow)

Concerning additive transportation funding and appropriations.

The measure was read the second time.

MOTION

Senator King moved that the following striking amendment by Senator King be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) An additive transportation budget of the state is hereby adopted and, subject to the provisions set forth, the several amounts specified, or as much thereof as may be necessary to accomplish the purposes designated, are hereby appropriated from the several accounts and funds named to the designated state agencies and offices for employee compensation and other expenses, for capital projects, and for other specified purposes, including the payment of any final judgments arising out of such activities, for the period ending June 30, 2017.

(2) It is the intent of the legislature that the funding levels specified in LEAP Transportation Document 2015 NL-2 as developed June 28, 2015, represents a commitment to provide appropriations to the agencies, programs, and activities at the amounts identified therein through fiscal year 2031.

(3) Unless the context clearly requires otherwise, the definitions in this subsection apply throughout this act.

(a) "Fiscal year 2016" or "FY 2016" means the fiscal year ending June 30, 2016.

(b) "Fiscal year 2017" or "FY 2017" means the fiscal year ending June 30, 2017.

(c) "FTE" means full-time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose that is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.

(f) "Reappropriation" means appropriation and, unless the context clearly provides otherwise, is subject to the relevant conditions and limitations applicable to appropriations.

(g) "LEAP" means the legislative evaluation and accountability program committee.

(h) "TEIS" means the transportation executive information system.

**2015-2017 FISCAL BIENNIUM
TRANSPORTATION AGENCIES—OPERATING**

NEW SECTION. Sec. 201. FOR THE JOINT TRANSPORTATION COMMITTEE

Motor Vehicle Account—State Appropriation \$450,000

The appropriation in this section is subject to the following conditions and limitations:

(1) \$450,000 of the motor vehicle account—state appropriation is for the joint transportation committee for the design-build contracting review study established in chapter . . . (Second Engrossed Substitute Senate Bill No. 5997), Laws of 2015 3rd sp. sess. The department of transportation must provide technical assistance, as necessary. If chapter . . . (Second Engrossed Substitute Senate Bill No. 5997), Laws of 2015 3rd sp. sess. is not enacted by July 31, 2015, the amount provided in this subsection lapses.

(2) The joint transportation committee must study the issues surrounding minority and women-owned business contracting related to the transportation sector. The study should identify any best practices adopted in other states that encourage participation by minority and women-owned businesses. The joint transportation committee, with direction from the executive committee, may form a legislative task force at the conclusion of the study to help to inform the legislature of any best practices identified from other states that encourage minority and women-owned businesses' participation in the transportation sector.

NEW SECTION. Sec. 202. FOR THE DEPARTMENT OF LICENSING

Motor Vehicle Account—State Appropriation \$4,000,000

The appropriation in this section is subject to the following conditions and limitations: \$4,000,000 of the motor vehicle account—state appropriation is provided solely for implementation of chapter . . . (Engrossed Substitute Senate Bill No. 5987) (transportation revenue), Laws of 2015 3rd sp. sess.

NEW SECTION. Sec. 203. FOR THE DEPARTMENT OF TRANSPORTATION—ECONOMIC PARTNERSHIPS—PROGRAM K

Electric Vehicle Charging Infrastructure

Account—State Appropriation \$1,000,000

The appropriation in this section is subject to the following conditions and limitations: \$1,000,000 of the electric vehicle charging infrastructure account—state appropriation is provided solely for the purpose of capitalizing the Washington electric vehicle infrastructure bank as provided in chapter . . . (Engrossed Substitute Senate Bill No. 5987), Laws of 2015 3rd sp. sess.

NEW SECTION. Sec. 204. FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M

Motor Vehicle Account—State Appropriation \$6,250,000

The appropriation in this section is subject to the following conditions and limitations: During the 2015-2017 fiscal biennium, in instances on private property when naturally occurring beaver dams and the water contained behind the dams pose an imminent threat to Washington state highway infrastructure, personal property, and individual safety in the event of dam failure, the department shall: (1) Notify the private

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property owner or owners of the threat; (2) perform a risk assessment to the state highway infrastructure, personal property, and public safety or loss of life; (3) coordinate with the department of fish and wildlife to perform an environmental risk assessment and develop a suggested beaver management plan to reduce or eliminate the risk of failure; and (4) produce a joint agency management plan with the department of fish and wildlife for the site and involve local jurisdictions and nongovernmental organizations to help execute the recommendations as devised by the state agencies. Further, within that joint agency management plan, the department and department of fish and wildlife shall identify and prioritize potential remedies to include culvert replacement, infrastructure upgrade, wildlife management tools, dam maintenance, water level controls, and any other identifiable solution.

NEW SECTION. Sec. 205. FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q

Motor Vehicle Account—State Appropriation \$3,125,000

NEW SECTION. Sec. 206. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S

Motor Vehicle Account—State Appropriation \$750,000

The appropriation in this section is subject to the following conditions and limitations: \$750,000 of the motor vehicle account—state appropriation is provided solely for a grant program that makes awards for the following: (1) Support for nonproject agencies, churches, and other entities to help provide outreach to populations underrepresented in the current apprenticeship programs; (2) preapprenticeship training; and (3) child care, transportation, and other supports that are needed to help women and minorities enter and succeed in apprenticeship. The department must report on grants that have been awarded and the amount of funds disbursed by December 1, 2016, and annually thereafter.

NEW SECTION. Sec. 207. FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC TRANSPORTATION—PROGRAM V

Regional Mobility Grant Program Account—State Appropriation \$6,250,000

Rural Mobility Grant Program Account—State Appropriation \$3,438,000

Multimodal Transportation Account—State Appropriation \$22,109,000

TOTAL APPROPRIATION \$31,797,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) \$13,890,000 of the multimodal transportation account—state appropriation is provided solely for projects identified in LEAP Transportation Document 2015 NL-3 as developed June 28, 2015. Except as provided otherwise in this subsection, funds must first be used for projects that are identified as priority one projects. As additional funds become available or if a priority one project is delayed, funding must be provided to priority two projects. If a higher priority project is bypassed, it must be funded when the project is ready. The department must submit a report annually with its budget submittal that, at a minimum, includes information about the listed transit projects that have been funded and projects that have been bypassed, including an estimated time frame for when the bypassed project will be funded.

(b) \$831,000 of the amount provided in (a) of this subsection is provided solely for Skagit transit system enhancements for expenditure in 2015-2017.

(c) \$2,300,000 of the amount provided in (a) of this subsection is provided solely for Island transit's tri-county connector service for expenditure in 2015-2017.

(2) \$5,000,000 of the multimodal transportation account—state appropriation is provided solely for grants to transit agencies to transport persons with special transportation needs. Grants for transit agencies must be prorated based on the amount expended for demand response service and route deviated service in calendar year 2013 as reported in the "Summary of Public Transportation - 2013" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions.

(3) \$1,250,000 of the multimodal transportation account—state appropriation is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers must be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost-effectiveness of trips provided.

(4) \$3,438,000 of the rural mobility grant program account—state appropriation is provided solely for grants to aid small cities in rural areas as prescribed in RCW 47.66.100.

(5) \$969,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (a) Public transit agencies to add vanpools or replace vans; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies must cover capital costs only. Operating costs for public transit agencies are not eligible for funding under this grant program. Additional employees may not be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. The department must encourage grant applicants and recipients to leverage funds other than state funds.

(6) \$1,000,000 of the multimodal transportation account—state appropriation is provided solely for transit coordination grants.

(7) \$6,250,000 of the regional mobility grant program account—state appropriation is provided solely for the regional mobility grant program.

**TRANSPORTATION AGENCIES—CAPITAL
NEW SECTION. Sec. 301. FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD**

Freight Mobility Investment Account—State Appropriation \$1,922,000

Freight Mobility Multimodal Account—State Appropriation \$1,922,000

TOTAL APPROPRIATION \$3,844,000

NEW SECTION. Sec. 302. FOR THE TRANSPORTATION IMPROVEMENT BOARD

Transportation Improvement Account—State Appropriation \$2,188,000

Multimodal Transportation Account—State Appropriation \$3,313,000

TOTAL APPROPRIATION \$5,501,000

The appropriations in this section are subject to the following conditions and limitations: \$3,313,000 of the multimodal transportation account—state appropriation is provided solely for the complete streets program.

NEW SECTION. Sec. 303. FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account—State Appropriation \$1,094,000

County Arterial Preservation Account—State Appropriation \$1,094,000

TOTAL APPROPRIATION \$2,188,000
NEW SECTION. Sec. 304. FOR THE DEPARTMENT OF TRANSPORTATION—FACILITIES—PROGRAM D—(DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)

Connecting Washington Account—State Appropriation
 \$20,000,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program - Highway Management and Facilities Program (D).

(2) \$10,000,000 of the connecting Washington account—state appropriation is provided solely for a new Olympic region maintenance and administration facility to be located on the department-owned site at the intersection of Marvin Road and 32nd Avenue. The property purchase was approved by the 2005 legislature for the site of the new Olympic region and the land was acquired by the department in August 2005. The department must work with the office of financial management's facilities oversight program to develop a revised predesign for a new Olympic region facility, with an estimated total cost of no more than forty million dollars. Priority must be given to accommodating the maintenance and operations functions of the Olympic region. The department must provide a copy of the revised predesign to the transportation committees of the legislature by December 2015.

NEW SECTION. Sec. 305. FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—PROGRAM I

Connecting Washington Account—State Appropriation
 \$229,025,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program - Highway Improvements Program (I).

(2) It is the intent of the legislature that for the I-5 JBLM Corridor Improvements project (M00100R), the department shall actively pursue \$50,000,000 in federal funds to pay for this project to supplant state funds in the future. \$50,000,000 in connecting Washington account funding must be held in unallotted status during the 2021-2023 fiscal biennium. These funds may only be used after the department has provided notice to the office of financial management that it has exhausted all efforts to secure federal funds from the federal highway administration and the department of defense.

(3) Of the amounts allocated to the Puget Sound Gateway project (M00600R) in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, \$4,000,000 must be used to complete the bridge connection at 28th/24th Street over state route number 509 in the city of SeaTac. The bridge connection must be completed prior to other construction on the state route number 509 segment of the project.

(4) In making budget allocations to the Puget Sound Gateway project, the department shall implement the project's construction as a single corridor investment. The department shall develop a coordinated corridor construction and implementation plan for state route number 167 and state route number 509 in collaboration with affected stakeholders. Specific funding

allocations must be based on where and when specific project segments are ready for construction to move forward and investments can be best optimized for timely project completion. Emphasis must be placed on avoiding gaps in fund expenditures for either project.

(5) It is the intent of the legislature that, for the I-5/North Lewis County Interchange project (L2000204), the department develop and design the project with the objective of significantly improving access to the industrially zoned properties in north Lewis county. The design must consider the county's process of investigating alternatives to improve such access from Interstate 5 that began in March 2015.

NEW SECTION. Sec. 306. FOR THE DEPARTMENT OF TRANSPORTATION—PRESERVATION—PROGRAM P

Connecting Washington Account—State Appropriation
 \$79,263,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation in this section is provided solely for the projects and activities as listed in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program - Highway Preservation Program (P).

(2) It is the intent of the legislature that, with respect to the amounts provided for highway preservation from the connecting Washington account, the department consider the preservation and rehabilitation of concrete roadway on Interstate 5 from the Canadian border to the Oregon border to be a priority within the preservation program.

NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF TRANSPORTATION—WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W

Connecting Washington Account—State Appropriation
 \$41,805,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation in this section is provided solely for the projects and activities as listed in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program - Washington State Ferries Capital Program (W).

(2) Within existing resources, the department must evaluate the feasibility of utilizing the federal EB-5 immigrant investor program for financing the construction of a safety of life at sea (SOLAS) certificated vessel for the Anacortes-Sidney ferry route. The department must establish a group that includes, but is not limited to, the department of commerce and entities or individuals experienced with vessel engineering and EB-5 financing for assistance in evaluating the applicability of the EB-5 immigrant investor program. The department must deliver a report containing the results of the evaluation to the transportation committees of the legislature and the office of financial management by December 1, 2015.

(3) It is the intent of the legislature, over the sixteen-year new investment program, to provide \$96,052,000 in state funds to complete the Seattle Terminal Replacement project (900010L), including: (a) Design work and selection of a preferred plan, (b) replacing timber pilings with pilings sufficient to support a selected terminal design, (c) replacing the timber portion of the dock with a new and reconfigured steel and concrete dock, and (d) other staging and construction work as the amount allows. These funds are identified in the LEAP transportation document referenced in subsection (1) of this section.

(4) It is the intent of the legislature, over the sixteen-year new investment program, to provide \$122,000,000 in state funds to

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complete the acquisition of a fourth 144-car vessel (L2000109). These funds are identified in the LEAP transportation document referenced in subsection (1) of this section.

(5) It is the intent of the legislature, over the sixteen-year new investment program, to provide \$68,600,000 in state funds to complete the Mukilteo Terminal Replacement project (952515P). These funds are identified in the LEAP transportation document referenced in subsection (1) of this section. To the greatest extent practicable and within available resources, the department shall design the new terminal to be a net zero energy building. To achieve this goal, the department shall evaluate using highly energy efficient equipment and systems, and the most appropriate renewable energy systems for the needs and location of the terminal.

NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y

Multimodal Transportation Account—State Appropriation \$11,651,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriation in this section is provided solely for the projects and activities as listed in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program – Rail Program (Y).

(2) \$970,000 of the multimodal transportation account—state appropriation is provided solely for freight rail assistance program grants (L1000143). The department shall issue a call for projects for the program, and shall evaluate the applications in a manner consistent with past practices as specified in section 309, chapter 367, Laws of 2011. By December 1, 2015, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature.

NEW SECTION. Sec. 309. FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z

Motor Vehicle Account—Federal Appropriation \$5,300,000
Multimodal Transportation Account—State Appropriation \$13,494,000
Connecting Washington Account—State Appropriation \$49,054,000

TOTAL APPROPRIATION \$67,848,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program - Local Programs (Z).

(2) \$2,344,000 of the multimodal transportation account—state appropriation is provided solely for the pedestrian and bicycle safety grant program (L2000188).

(3) \$1,750,000 of the multimodal transportation account—state appropriation and \$5,300,000 of the motor vehicle account—federal appropriation are provided solely for newly selected safe routes to schools projects (L2000189). The department may consider the special situations facing high-need areas, as defined by schools or project areas in which the percentage of the children eligible to receive free and reduced-price meals under the national school lunch program is equal to, or greater than, the state average as determined by the department, when evaluating project proposals against established funding criteria while ensuring continued compliance with federal eligibility requirements.

(4) \$9,400,000 of the multimodal transportation account—state appropriation is provided solely for bicycle and pedestrian projects listed in LEAP Transportation Document 2015 NL-4 as developed June 28, 2015. Funds must first be used for projects that are identified as priority one projects. As additional funds become available or if a priority one project is delayed, funding must be provided to priority two projects and then to priority three projects. If a higher priority project is bypassed, it must be funded in the first round after the project is ready. If funds become available as a result of projects being removed from this list or completed under budget, the department may submit additional bicycle and pedestrian safety projects for consideration by the legislature. The department must submit a report annually with its budget submittal that, at a minimum, includes information about the listed bicycle and pedestrian projects that have been funded and projects that have been bypassed, including an estimated time frame for when the project will be funded.

**TRANSFERS AND DISTRIBUTIONS
NEW SECTION. Sec. 401. FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS**

(1) State Patrol Highway Account—State Appropriation: For transfer to the Connecting Washington Account—State \$9,690,000

(2) Transportation Partnership Account—State Appropriation: For transfer to the Connecting Washington Account—State \$4,998,000

(3) Motor Vehicle Account—State Appropriation: For transfer to the Connecting Washington Account—State \$25,781,000

(4) Puget Sound Ferry Operations Account—State Appropriation: For transfer to the Connecting Washington Account—State \$596,000

(5) Transportation 2003 Account (Nickel Account)—State Appropriation: For transfer to the Connecting Washington Account—State \$2,270,000

(6) Highway Safety Account—State Appropriation: For transfer to the Multimodal Transportation Account—State \$5,000,000

(7) Motor Vehicle Account—State Appropriation: For transfer to the Freight Mobility Investment Account—State \$1,922,000

(8) Motor Vehicle Account—State Appropriation: For transfer to the Transportation Improvement Account—State \$2,188,000

(9) Motor Vehicle Account—State Appropriation: For transfer to the Rural Arterial Trust Account—State \$1,094,000

(10) Motor Vehicle Account—State Appropriation: For transfer to the County Arterial Preservation Account—State \$1,094,000

(11) Multimodal Transportation Account—State Appropriation: For transfer to the Freight Mobility Multimodal Account—State \$1,922,000

(12) Multimodal Transportation Account—State Appropriation: For transfer to the Regional Mobility Grant Program Account—State \$6,250,000

(13) Multimodal Transportation Account—State Appropriation: For transfer to the Rural Mobility Grant Program Account—State \$3,438,000

(14) Multimodal Transportation Account—State Appropriation: For transfer to the Electric Vehicle Charging Infrastructure Account—State \$1,000,000

(15) Capital Vessel Replacement Account—State Appropriation: For transfer to the Connecting Washington Account—State \$61,000,000

(16) Multimodal Transportation Account—State Appropriation: For transfer to the Connecting Washington Account—State \$8,000,000

IMPLEMENTING PROVISIONS**NEW SECTION. Sec. 501. STAFFING LEVELS**

(1) As the department of transportation prepares to deliver the projects funded by the 2015 transportation revenue package, the department shall quickly develop and implement the construction program business plan so that future staffing levels are sustainable and meet necessary skill sets. This can be done effectively and efficiently in close partnership with the private sector.

(2) To this end, the department of transportation shall maintain the size of its engineering and technical workforce at levels that approximate the staffing levels currently in place, realizing that minor adjustments will be needed to meet project delivery goals.

(3) To successfully deliver the highway construction program as funded, the department of transportation may continue to utilize private consulting firms for engineering and technical service delivery.

(4) The department shall provide a report regarding engineering employee recruitment and retention issues affecting program oversight and delivery. In addition to salary survey market data, the report must consider employee compensation issues for engineering and technical positions that may hinder the recruitment and retention of a quality core workforce in preliminary engineering, design, and construction programs. The report must provide recommendations to the legislature and governor by June 30, 2016.

NEW SECTION. Sec. 502. (1) By November 15, 2015, and annually thereafter, the department of transportation must report on amounts expended to benefit transit, bicycle, or pedestrian elements within all connecting Washington projects in programs I, P, and Z identified in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015. The report must address each modal category separately and identify if eighteenth amendment protected funds have been used and, if not, the source of funding.

(2) To facilitate the report in subsection (1) of this section, the department of transportation must require that all bids on connecting Washington projects include an estimate on the cost to implement any transit, bicycle, or pedestrian project elements.

MISCELLANEOUS

Sec. 601. RCW 46.68.030 and 2011 c 171 s 85 are each amended to read as follows:

(1) The director shall forward all fees for vehicle registrations under chapters 46.16A and 46.17 RCW, unless otherwise specified by law, to the state treasurer with a proper identifying detailed report. The state treasurer shall credit these moneys to the motor vehicle fund created in RCW 46.68.070.

(2) Proceeds from vehicle license fees and renewal vehicle license fees must be deposited by the state treasurer as follows:

(a) \$20.35 of each initial or renewal vehicle license fee must be deposited in the state patrol highway account in the motor vehicle fund, hereby created. Vehicle license fees, renewal vehicle license fees, and all other funds in the state patrol highway account must be for the sole use of the Washington state patrol for highway activities of the Washington state patrol, subject to proper appropriations and reappropriations.

(b) \$2.02 of each initial vehicle license fee and \$0.93 of each renewal vehicle license fee must be deposited each biennium in the Puget Sound ferry operations account.

(c) Any remaining amounts of vehicle license fees and renewal vehicle license fees that are not distributed otherwise under this section must be deposited in the motor vehicle fund.

(3) During the 2015-2017 fiscal biennium, the legislature may transfer from the state patrol highway account to the connecting Washington account such amounts as reflect the excess fund balance of the state patrol highway account.

Sec. 602. RCW 46.68.060 and 2013 c 306 s 717 are each amended to read as follows:

There is hereby created in the state treasury a fund to be known as the highway safety fund to the credit of which must be deposited all moneys directed by law to be deposited therein. This fund must be used for carrying out the provisions of law relating to driver licensing, driver improvement, financial responsibility, cost of furnishing abstracts of driving records and maintaining such case records, and to carry out the purposes set forth in RCW 43.59.010, and chapters 46.72 and 46.72A RCW. During the ~~((2011-2013 and))~~ 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the highway safety fund to the Puget Sound ferry operations account, the motor vehicle fund, and the multimodal transportation account such amounts as reflect the excess fund balance of the highway safety fund.

Sec. 603. RCW 46.68.280 and 2003 c 361 s 601 are each amended to read as follows:

(1) The transportation 2003 account (nickel account) is hereby created in the motor vehicle fund. Money in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as transportation 2003 projects or improvements in the omnibus transportation budget and to pay the principal and interest on the bonds authorized for transportation 2003 projects or improvements. Upon completion of the projects or improvements identified as transportation 2003 projects or improvements, moneys deposited in this account must only be used to pay the principal and interest on the bonds authorized for transportation 2003 projects or improvements, and any funds in the account in excess of the amount necessary to make the principal and interest payments may be used for maintenance on the completed projects or improvements.

(2) During the 2015-2017 fiscal biennium, the legislature may transfer from the transportation 2003 account (nickel account) to the connecting Washington account such amounts as reflect the excess fund balance of the transportation 2003 account (nickel account).

(3) The "nickel account" means the transportation 2003 account.

Sec. 604. RCW 46.68.290 and 2006 c 337 s 5 are each amended to read as follows:

(1) The transportation partnership account is hereby created in the state treasury. All distributions to the account from RCW 46.68.090 must be deposited into the account. Money in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as 2005 transportation partnership projects or improvements in the omnibus transportation appropriations act, including any principal and interest on bonds authorized for the projects or improvements.

(2) The legislature finds that:

(a) Citizens demand and deserve accountability of transportation-related programs and expenditures. Transportation-related programs must continuously improve in quality, efficiency, and effectiveness in order to increase public trust;

(b) Transportation-related agencies that receive tax dollars must continuously improve the way they operate and deliver services so citizens receive maximum value for their tax dollars; and

(c) Fair, independent, comprehensive performance audits of transportation-related agencies overseen by the elected state auditor are essential to improving the efficiency, economy, and effectiveness of the state's transportation system.

(3) For purposes of chapter 314, Laws of 2005:

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(a) "Performance audit" means an objective and systematic assessment of a state agency or agencies or any of their programs, functions, or activities by the state auditor or designee in order to help improve agency efficiency, effectiveness, and accountability. Performance audits include economy and efficiency audits and program audits.

(b) "Transportation-related agency" means any state agency, board, or commission that receives funding primarily for transportation-related purposes. At a minimum, the department of transportation, the transportation improvement board or its successor entity, the county road administration board or its successor entity, and the traffic safety commission are considered transportation-related agencies. The Washington state patrol and the department of licensing shall not be considered transportation-related agencies under chapter 314, Laws of 2005.

(4) Within the authorities and duties under chapter 43.09 RCW, the state auditor shall establish criteria and protocols for performance audits. Transportation-related agencies shall be audited using criteria that include generally accepted government auditing standards as well as legislative mandates and performance objectives established by state agencies. Mandates include, but are not limited to, agency strategies, timelines, program objectives, and mission and goals as required in RCW 43.88.090.

(5) Within the authorities and duties under chapter 43.09 RCW, the state auditor may conduct performance audits for transportation-related agencies. The state auditor shall contract with private firms to conduct the performance audits.

(6) The audits may include:

(a) Identification of programs and services that can be eliminated, reduced, consolidated, or enhanced;

(b) Identification of funding sources to the transportation-related agency, to programs, and to services that can be eliminated, reduced, consolidated, or enhanced;

(c) Analysis of gaps and overlaps in programs and services and recommendations for improving, dropping, blending, or separating functions to correct gaps or overlaps;

(d) Analysis and recommendations for pooling information technology systems used within the transportation-related agency, and evaluation of information processing and telecommunications policy, organization, and management;

(e) Analysis of the roles and functions of the transportation-related agency, its programs, and its services and their compliance with statutory authority and recommendations for eliminating or changing those roles and functions and ensuring compliance with statutory authority;

(f) Recommendations for eliminating or changing statutes, rules, and policy directives as may be necessary to ensure that the transportation-related agency carry out reasonably and properly those functions vested in the agency by statute;

(g) Verification of the reliability and validity of transportation-related agency performance data, self-assessments, and performance measurement systems as required under RCW 43.88.090;

(h) Identification of potential cost savings in the transportation-related agency, its programs, and its services;

(i) Identification and recognition of best practices;

(j) Evaluation of planning, budgeting, and program evaluation policies and practices;

(k) Evaluation of personnel systems operation and management;

(l) Evaluation of purchasing operations and management policies and practices;

(m) Evaluation of organizational structure and staffing levels, particularly in terms of the ratio of managers and supervisors to nonmanagement personnel; and

(n) Evaluation of transportation-related project costs, including but not limited to environmental mitigation, competitive bidding practices, permitting processes, and capital project management.

(7) Within the authorities and duties under chapter 43.09 RCW, the state auditor must provide the preliminary performance audit reports to the audited state agency for comment. The auditor also may seek input on the preliminary report from other appropriate officials. Comments must be received within thirty days after receipt of the preliminary performance audit report unless a different time period is approved by the state auditor. The final performance audit report shall include the objectives, scope, and methodology; the audit results, including findings and recommendations; the agency's response and conclusions; and identification of best practices.

(8) The state auditor shall provide final performance audit reports to the citizens of Washington, the governor, the joint legislative audit and review committee, the appropriate legislative committees, and other appropriate officials. Final performance audit reports shall be posted on the internet.

(9) The audited transportation-related agency is responsible for follow-up and corrective action on all performance audit findings and recommendations. The audited agency's plan for addressing each audit finding and recommendation shall be included in the final audit report. The plan shall provide the name of the contact person responsible for each action, the action planned, and the anticipated completion date. If the audited agency does not agree with the audit findings and recommendations or believes action is not required, then the action plan shall include an explanation and specific reasons.

The office of financial management shall require periodic progress reports from the audited agency until all resolution has occurred. The office of financial management is responsible for achieving audit resolution. The office of financial management shall annually report by December 31st the status of performance audit resolution to the appropriate legislative committees and the state auditor. The legislature shall consider the performance audit results in connection with the state budget process.

The auditor may request status reports on specific audits or findings.

(10) For the period from July 1, 2005, until June 30, 2007, the amount of \$4,000,000 is appropriated from the transportation partnership account to the state auditors office for the purposes of subsections (2) through (9) of this section.

(11) During the 2015-2017 fiscal biennium, the legislature may transfer from the transportation partnership account to the connecting Washington account such amounts as reflect the excess fund balance of the transportation partnership account.

Sec. 605. RCW 47.60.530 and 2011 1st sp.s. c 16 s 1 are each amended to read as follows:

(1) The Puget Sound ferry operations account is created in the motor vehicle fund.

(2) The following funds must be deposited into the account:

(a) All moneys directed by law;

(b) All revenues generated from ferry fares; and

(c) All revenues generated from commercial advertising, concessions, parking, and leases as allowed under RCW 47.60.140.

(3) Moneys in the account may be spent only after appropriation.

(4) Expenditures from the account may be used only for the maintenance, administration, and operation of the Washington state ferry system.

(5) During the 2015-2017 fiscal biennium, the legislature may transfer from the Puget Sound ferry operations account to the connecting Washington account such amounts as reflect the excess fund balance of the Puget Sound ferry operations account.

Sec. 606. 2015 1st sp.s c 10 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—AVIATION—PROGRAM F

Aeronautics Account—State Appropriation	\$8,143,000
Aeronautics Account—Federal Appropriation	\$4,100,000
Aeronautics Account—Private/Local Appropriation	\$60,000
TOTAL APPROPRIATION	\$12,303,000

The appropriations in this section are subject to the following conditions and limitations: \$4,137,000 of the aeronautics account—state appropriation is provided solely for airport investment studies and the airport aid grant program, which provides competitive grants to public airports for pavement, safety, maintenance, planning, and security. Of this amount, \$637,000 lapses if chapter . . . (Substitute Senate Bill No. 5324), Laws of 2015 3rd sp. sess. (aircraft excise taxes) is not enacted by ~~((June 30))~~ July 31, 2015, chapter . . . (Substitute Senate Bill No. 6057) Laws of 2015 3rd sp. sess. (relating to revenue) is not enacted by July 31, 2015, and an expenditure to the aeronautics account is not provided in the 2015-2017 omnibus appropriations act by ~~((June 30))~~ July 31, 2015.

NEW SECTION. Sec. 607. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 608. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

MOTION

Senator Benton moved that the following amendment by Senators Benton and Cleveland to the striking amendment be adopted:

On page 7, on line 18 of the amendment, strike "\$229,025,000" and insert "\$279,025,000"

On page 8, after line 19 of the amendment, insert the following: "(6) \$50,000,000 of the connecting Washington account—state appropriation is provided solely for the I-5/179th Street Interchange project (L100111) during the 2015-17 biennium."

Senator Benton spoke in favor of adoption of the amendment to the striking amendment.

WITHDRAWAL OF AMENDMENT

On motion of Senator Benton, the amendment by Senators Benton and Cleveland on page 7, line 18 to the striking amendment to Engrossed Substitute Senate Bill No. 5988 was withdrawn.

The President Pro Tempore declared the question before the Senate to be the adoption of the striking amendment by Senator King to Engrossed Substitute Senate Bill No. 5988.

The motion by Senator King carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 2 of the title, after "appropriations;" strike the remainder of the title and insert "amending RCW 46.68.030, 46.68.060, 46.68.280, 46.68.290, and 47.60.530; amending 2015 1st sp.s. c 10 s 212 (uncodified); creating new sections; making appropriations; and declaring an emergency."

MOTION

On motion of Senator King, the rules were suspended, Second Engrossed Substitute Senate Bill No. 5988 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators King and Hobbs spoke in favor of passage of the bill.

MOTION

On motion of Senator Habib, Senator Liias was excused.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Engrossed Substitute Senate Bill No. 5988.

ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed Substitute Senate Bill No. 5988 and the bill passed the Senate by the following vote: Yeas, 38; Nays, 6; Absent, 0; Excused, 5.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Darneille, Fain, Fraser, Frockt, Habib, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Parlette, Pedersen, Ranker, Rivers, Schoesler, Sheldon and Warnick

Voting nay: Senators Benton, Danel, Hargrove, Padden, Pearson and Roach

Excused: Senators Braun, Ericksen, Jayapal, Liias and Rolfes
SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5988, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Fain, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

July 1, 2015

MR. PRESIDENT:

The House passed **SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5987** with the following amendment(s): 5987-S.E2 AMH FARR MUNN 576

On page 14, line 35, after "operations account," insert "the Puget Sound taxpayer accountability account."

On page 18, line 21, after "operations account," insert "the Puget Sound taxpayer accountability account."

On page 115, beginning on line 5, strike "general fund" and insert "Puget Sound taxpayer accountability account"

On page 115, after line 22, insert the following:

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"NEW SECTION. Sec. 423. A new section is added to chapter 43.79 RCW to read as follows:

(1) The Puget Sound taxpayer accountability account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may only be used for distribution to counties where a portion of the county is within the boundaries of a regional transit authority that includes a county with a population of one million five hundred thousand or more. Counties may use distributions from the account only for educational services to improve educational outcomes in early learning, K-12, and higher education including, but not limited to, for youths that are low-income, homeless, or in foster care, or other vulnerable populations. Counties receiving distributions under this section must track all expenditures and uses of the funds. To the greatest extent practicable, the expenditures of the counties must follow the requirements of any transportation subarea equity element used by the regional transit authority.

(2) Beginning September 1, 2017, and by the last day of September, December, March, and June of each year thereafter, the state treasurer shall distribute moneys deposited in the Puget Sound taxpayer accountability account to counties for which a portion of the county is within the boundaries of a regional transit authority that includes a county with a population of one million five hundred thousand. The treasurer must make the distribution to the counties on the relative basis of that transit authority's population that lives within the respective counties."

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

Correct the title and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator King moved that the Senate concur in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5987.

Senators King and Hobbs spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator King that the Senate concur in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5987.

The motion by Senator King carried and the Senate concurred in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5987 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Engrossed Substitute Senate Bill No. 5987, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed Substitute Senate Bill No. 5987, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 37; Nays, 7; Absent, 0; Excused, 5.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Billig, Brown, Chase, Cleveland, Conway, Dammeier, Darneille, Fain, Fraser, Frockt, Habib, Hasegawa, Hatfield, Hewitt, Hill, Hobbs, Honeyford, Keiser, King, Kohl-Welles, Litzow, McAuliffe, McCoy, Miloscia, Mullet, Nelson, O'Ban, Parlette, Pedersen, Rivers, Schoesler, Sheldon and Warnick

Voting nay: Senators Benton, Dansel, Hargrove, Padden, Pearson, Ranker and Roach

Excused: Senators Braun, Ericksen, Jayapal, Liias and Rolfes
SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5987, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Fain, the Senate advanced to the sixth order of business.

REMARKS BY THE PRESIDENT PRO TEMPORE

President Pro Tempore: "While we're passing these things out, I'd like to take the prerogative here and request that the leadership of both caucuses have a discussion about the hours in which we are here on the floor. We have already had Rule 15 that we have adopted which says that we don't work past ten o'clock at night, for instance, but I think it's very fair for the, for our health and safety, that of ourselves as we drive home, and for our staff and for everyone else that we might set a time certain that we don't come in prior to say, seven in the morning, maybe? Maybe that's fair? Barring any statewide emergency, I think that could be something we could consider. I sincerely would ask that our leadership consider this so that we can get a change. We need to respect the members, their health, their sleep, and there is no other body or any other work that you're doing that would force people to work almost twenty-four hours. So has that give us time to pass that out? Okay, great."

SECOND READING

ENGROSSED HOUSE BILL NO. 2266, by Representative Sullivan

Deferring implementation of class size reduction and school employee staffing formula changes.

The measure was read the second time.

MOTION

On motion of Senator Dammeier, the rules were suspended, Engrossed House Bill No. 2266 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Dammeier spoke in favor of passage of the bill.

PARLIAMENTARY INQUIRY

Senator Frockt: "What are the votes required for the passage of this legislation?"

REPLY BY THE PRESIDENT PRO TEMPORE

President Pro Tempore: "Two-thirds, thirty three."

Senators Frockt, Habib, McAuliffe, Chase and Hasegawa spoke against passage of the bill.

Senators Hill, Hargrove and Hatfield spoke in favor of passage of the bill.

Senator Billig spoke on final passage of the bill.

MOTION

Senator Nelson demanded that the previous question be put.

The President Pro Tempore declared that at least two additional senators joined the demand and the demand was sustained.

The President Pro Tempore declared the question before the Senate to be, "Shall the main question be now put?"

The motion by Senator Nelson carried and the previous question was put by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed House Bill No. 2266.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 2266 and the bill failed to pass the Senate by the following vote: Yeas, 27; Nays, 17; Absent, 0; Excused, 5.

Voting yea: Senators Angel, Bailey, Baumgartner, Becker, Benton, Brown, Dammeier, Dansel, Darneille, Hargrove, Hatfield, Hewitt, Hill, Hobbs, Honeyford, King, Litzow, Miloscia, Mullet, O'Ban, Padden, Parlette, Pearson, Rivers, Schoesler, Sheldon and Warnick

Voting nay: Senators Billig, Chase, Cleveland, Conway, Fain, Fraser, Frockt, Habib, Hasegawa, Keiser, Kohl-Welles, McAuliffe, McCoy, Nelson, Pedersen, Ranker and Roach

Excused: Senators Braun, Ericksen, Jayapal, Liias and Rolfes
ENGROSSED HOUSE BILL NO. 2266, having failed to receive the constitutional two-thirds majority, was declared lost.

MOTION

Senator Fain, pursuant to rule 37, having voted on the prevailing side, gave notice of reconsideration of the vote by which Engrossed House Bill No. 2266 failed to pass the senate.

MOTION

At 6:08 a.m., on motion of Senator Fain, the Senate adjourned until 12:00 o'clock noon, Friday, July 3, 2015.

BRAD OWEN, President of the Senate

HUNTER G. GOODMAN, Secretary of the Senate

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