

NINETY THIRD DAY

MORNING SESSION

Senate Chamber, Olympia
 Tuesday, April 16, 2019

The Senate was called to order at 10:06 a.m. by the President Pro Tempore, Senator Keiser presiding. The Secretary called the roll and announced to the President Pro Tempore that all senators were present with the exception of Senator McCoy.

The Sergeant at Arms Color Guard consisting of Pages Mr. Colby Verttoeven and Miss Claire Warthen, presented the Colors.

Page Miss Cheyenne McKee led the Senate in the Pledge of Allegiance.

The prayer was offered by Pastor Heath Rainwater of Grace Point Northwest Church, Enumclaw. Pastor Rainwater was the guest of Senator Fortunato.

The President called upon the Secretary to read the journal of the preceding day.

MOTION

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

MOTION

On motion of Senator Liias, Rule 15 was suspended for the remainder of the day for the purpose of allowing continued floor action.

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.

MOTION TO LIMIT DEBATE

Pursuant to Rule 29, on motion of Senator Liias and without objection, senators were limited to speaking but once and for no more than three minutes on each question under debate for the remainder of the day by voice vote.

MOTION

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

MESSAGES FROM THE HOUSE

April 15, 2019

MR. PRESIDENT:

The House has passed:

HOUSE BILL NO. 2144,

and the same is herewith transmitted.

NONA SNELL, Deputy Chief Clerk

April 15, 2019

MR. PRESIDENT:

The House has passed:

SUBSTITUTE SENATE BILL NO. 5003,
 SENATE BILL NO. 5119,
 SUBSTITUTE SENATE BILL NO. 5163,
 SENATE BILL NO. 5310,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5311,
 SUBSTITUTE SENATE BILL NO. 5638,
 and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

April 15, 2019

MR. PRESIDENT:

The Speaker has signed:

SENATE BILL NO. 5124,
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5131,
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5148,
 SUBSTITUTE SENATE BILL NO. 5175,
 SUBSTITUTE SENATE BILL NO. 5305,
 SECOND SUBSTITUTE SENATE BILL NO. 5352,
 SUBSTITUTE SENATE BILL NO. 5399,
 SUBSTITUTE SENATE BILL NO. 5403,
 ENGROSSED SENATE BILL NO. 5439,
 SUBSTITUTE SENATE BILL NO. 5461,
 SENATE BILL NO. 5490,
 SUBSTITUTE SENATE BILL NO. 5514,
 SUBSTITUTE SENATE BILL NO. 5612,
 SUBSTITUTE SENATE BILL NO. 5621,
 SENATE BILL NO. 5649,
 SENATE BILL NO. 5786,
 SENATE BILL NO. 5831,
 SUBSTITUTE SENATE BILL NO. 5885,
 ENGROSSED SENATE BILL NO. 5958,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5959,
 and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

April 15, 2019

MR. PRESIDENT:

The Speaker has signed:

SUBSTITUTE HOUSE BILL NO. 1012,
 HOUSE BILL NO. 1014,
 SUBSTITUTE HOUSE BILL NO. 1034,
 SUBSTITUTE HOUSE BILL NO. 1049,
 SECOND SUBSTITUTE HOUSE BILL NO. 1059,
 SUBSTITUTE HOUSE BILL NO. 1091,
 SUBSTITUTE HOUSE BILL NO. 1116,
 HOUSE BILL NO. 1137,
 SUBSTITUTE HOUSE BILL NO. 1148,
 SECOND SUBSTITUTE HOUSE BILL NO. 1166,
 HOUSE BILL NO. 1177,
 SUBSTITUTE HOUSE BILL NO. 1198,
 SUBSTITUTE HOUSE BILL NO. 1199,
 HOUSE BILL NO. 1208,
 SUBSTITUTE HOUSE BILL NO. 1210,
 ENGROSSED HOUSE BILL NO. 1219,
 SUBSTITUTE HOUSE BILL NO. 1254,
 SUBSTITUTE HOUSE BILL NO. 1290,
 SUBSTITUTE HOUSE BILL NO. 1298,
 SECOND SUBSTITUTE HOUSE BILL NO. 1303,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1355,
 SUBSTITUTE HOUSE BILL NO. 1356,
 SUBSTITUTE HOUSE BILL NO. 1360,
 HOUSE BILL NO. 1375,
 HOUSE BILL NO. 1382,
 SUBSTITUTE HOUSE BILL NO. 1403,
 HOUSE BILL NO. 1408,

HOUSE BILL NO. 1426,
 HOUSE BILL NO. 1429,
 HOUSE BILL NO. 1432,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1440,
 SUBSTITUTE HOUSE BILL NO. 1469,
 SUBSTITUTE HOUSE BILL NO. 1485,
 HOUSE BILL NO. 1490,
 SUBSTITUTE HOUSE BILL NO. 1512,
 SUBSTITUTE HOUSE BILL NO. 1532,
 HOUSE BILL NO. 1534,
 HOUSE BILL NO. 1554,
 ENGROSSED HOUSE BILL NO. 1563,
 HOUSE BILL NO. 1568,
 ENGROSSED HOUSE BILL NO. 1584,
 SUBSTITUTE HOUSE BILL NO. 1594,
 SUBSTITUTE HOUSE BILL NO. 1605,
 SUBSTITUTE HOUSE BILL NO. 1621,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1643,
 HOUSE BILL NO. 1647,
 HOUSE BILL NO. 1657,
 HOUSE BILL NO. 1673,
 HOUSE BILL NO. 1688,
 SECOND SUBSTITUTE HOUSE BILL NO. 1713,
 SUBSTITUTE HOUSE BILL NO. 1742,
 ENGROSSED HOUSE BILL NO. 1801,
 ENGROSSED HOUSE BILL NO. 1846,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1849,
 HOUSE BILL NO. 1866,
 HOUSE BILL NO. 1908,
 HOUSE BILL NO. 1913,
 SUBSTITUTE HOUSE BILL NO. 1930,
 HOUSE BILL NO. 1934,
 HOUSE BILL NO. 1980,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1994,
 SUBSTITUTE HOUSE BILL NO. 2044,
 HOUSE BILL NO. 2058,

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

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

INTRODUCTION AND FIRST READING

SB 6013 by Senator Rolfes
 AN ACT Relating to fiscal matters.

Referred to Committee on Ways & Means.

SB 6014 by Senator Rolfes
 AN ACT Relating to education.

Referred to Committee on Ways & Means.

SB 6015 by Senator Rolfes
 AN ACT Relating to state government.

Referred to Committee on Ways & Means.

SJR 8212 by Senators Braun, Conway, Mullet, Schoesler and Palumbo

Proposing an amendment to the Constitution concerning the investment of funds to provide for family and medical leave insurance and long-term care services and supports.

Referred to Committee on Ways & Means.

MOTION

On motion of Senator Liias, all measures listed on the Introduction and First Reading report were referred to the committees as designated.

MOTION

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

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Wagoner moved that Crystal Donner, Senate Gubernatorial Appointment No. 9139, be confirmed as a member of the State Board for Community and Technical Colleges.

Senator Wagoner spoke in favor of the motion.

APPOINTMENT OF CRYSTAL DONNER

The President Pro Tempore declared the question before the Senate to be the confirmation of Crystal Donner, Senate Gubernatorial Appointment No. 9139, as a member of the State Board for Community and Technical Colleges.

The Secretary called the roll on the confirmation of Crystal Donner, Senate Gubernatorial Appointment No. 9139, as a member of the State Board for Community and Technical Colleges and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 1; Excused, 0.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Erickson, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Absent: Senator McCoy

Crystal Donner, Senate Gubernatorial Appointment No. 9139, having received the constitutional majority was declared confirmed as a member of the State Board for Community and Technical Colleges.

MOTION

On motion of Senator Wilson, C., Senator McCoy was excused.

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Liias moved that Paul Pitre, Senate Gubernatorial Appointment No. 9262, be confirmed as a member of the State Board of Education.

MOTION

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On motion of Senator Liias, further consideration of Senate Gubernatorial Appointment No. 9262 was deferred and the gubernatorial appointment held its place on the third reading calendar.

MOTION

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

SECOND READING

HOUSE BILL NO. 1133, by Representatives Peterson, Griffey, Irwin, McCaslin, Lekanoff, Shea, Goodman and Stanford

Limiting liability for registered apiarists.

The measure was read the second time.

MOTION

Senator Pedersen moved that the following committee striking amendment by the Committee on Law & Justice be adopted:

Strike everything after the enacting clause and insert the following:

"**NEW SECTION. Sec. 1.** A new section is added to chapter 15.60 RCW to read as follows:

A person who owns or operates an apiary, is a registered apiarist under RCW 15.60.021, and conforms to all applicable city, town, or county ordinances regarding beekeeping, is not liable for any civil damages for acts or omissions in connection with the keeping and maintaining of bees, bee equipment, queen breeding equipment, apiaries, and appliances, unless such acts or omissions constitute gross negligence or willful misconduct."

On page 1, line 1 of the title, after "apiarists;" strike the remainder of the title and insert "and adding a new section to chapter 15.60 RCW."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Law & Justice to House Bill No. 1133.

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

MOTION

On motion of Senator Pedersen, the rules were suspended, House Bill No. 1133 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pedersen and Padden 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. 1133 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1133 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 47; Nays, 1; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown,

Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senator Frockt

Excused: Senator McCoy

HOUSE BILL NO. 1133, as amended by the Senate, 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

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

- SUBSTITUTE HOUSE BILL NO. 1012,
- HOUSE BILL NO. 1014,
- SUBSTITUTE HOUSE BILL NO. 1034,
- SUBSTITUTE HOUSE BILL NO. 1049,
- SECOND SUBSTITUTE HOUSE BILL NO. 1059,
- SUBSTITUTE HOUSE BILL NO. 1091,
- SUBSTITUTE HOUSE BILL NO. 1116,
- HOUSE BILL NO. 1137,
- SUBSTITUTE HOUSE BILL NO. 1148,
- SECOND SUBSTITUTE HOUSE BILL NO. 1166,
- HOUSE BILL NO. 1177,
- SUBSTITUTE HOUSE BILL NO. 1198,
- SUBSTITUTE HOUSE BILL NO. 1199,
- HOUSE BILL NO. 1208,
- SUBSTITUTE HOUSE BILL NO. 1210.

SECOND READING

HOUSE BILL NO. 1505, by Representatives Klippert, Kraft and Appleton

Concerning confidential information of child victims of sexual assault.

The measure was read the second time.

MOTION

Senator Padden moved that the following committee striking amendment by the Committee on Law & Justice be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 42.56.240 and 2018 c 285 s 1 and 2018 c 171 s 7 are each reenacted and amended to read as follows:

The following investigative, law enforcement, and crime victim information is exempt from public inspection and copying under this chapter:

- (1) Specific intelligence information and specific investigative records compiled by investigative, law enforcement, and penology agencies, and state agencies vested with the responsibility to discipline members of any profession, the nondisclosure of which is essential to effective law enforcement or for the protection of any person's right to privacy;

(2) Information revealing the identity of persons who are witnesses to or victims of crime or who file complaints with investigative, law enforcement, or penology agencies, other than the commission, if disclosure would endanger any person's life, physical safety, or property. If at the time a complaint is filed the complainant, victim, or witness indicates a desire for disclosure or nondisclosure, such desire shall govern. However, all complaints filed with the commission about any elected official or candidate for public office must be made in writing and signed by the complainant under oath;

(3) Any records of investigative reports prepared by any state, county, municipal, or other law enforcement agency pertaining to sex offenses contained in chapter 9A.44 RCW or sexually violent offenses as defined in RCW 71.09.020, which have been transferred to the Washington association of sheriffs and police chiefs for permanent electronic retention and retrieval pursuant to RCW 40.14.070(2)(b);

(4) License applications under RCW 9.41.070; copies of license applications or information on the applications may be released to law enforcement or corrections agencies;

(5) Information revealing the specific details that describe an alleged or proven child victim of sexual assault under age eighteen, or the identity or contact information of an alleged or proven child victim(s) of sexual assault who ((are)) is under age eighteen. Identifying information ((means)) includes the child victim's name, addresses, location, photograph, and in cases in which the child victim is a relative ((or)), stepchild, or stepsibling of the alleged perpetrator, identification of the relationship between the child and the alleged perpetrator, Contact information includes phone numbers, email addresses, social media profiles, and usernames and passwords;

(6) Information contained in a local or regionally maintained gang database as well as the statewide gang database referenced in RCW 43.43.762;

(7) Data from the electronic sales tracking system established in RCW 69.43.165;

(8) Information submitted to the statewide unified sex offender notification and registration program under RCW 36.28A.040(6) by a person for the purpose of receiving notification regarding a registered sex offender, including the person's name, residential address, and email address;

(9) Personally identifying information collected by law enforcement agencies pursuant to local security alarm system programs and vacation crime watch programs. Nothing in this subsection shall be interpreted so as to prohibit the legal owner of a residence or business from accessing information regarding his or her residence or business;

(10) The felony firearm offense conviction database of felony firearm offenders established in RCW 43.43.822;

(11) The identity of a state employee or officer who has in good faith filed a complaint with an ethics board, as provided in RCW 42.52.410, or who has in good faith reported improper governmental action, as defined in RCW 42.40.020, to the auditor or other public official, as defined in RCW 42.40.020;

(12) The following security threat group information collected and maintained by the department of corrections pursuant to RCW 72.09.745: (a) Information that could lead to the identification of a person's security threat group status, affiliation, or activities; (b) information that reveals specific security threats associated with the operation and activities of security threat groups; and (c) information that identifies the number of security threat group members, affiliates, or associates;

(13) The global positioning system data that would indicate the location of the residence of an employee or worker of a criminal justice agency as defined in RCW 10.97.030;

(14) Body worn camera recordings to the extent nondisclosure

is essential for the protection of any person's right to privacy as described in RCW 42.56.050, including, but not limited to, the circumstances enumerated in (a) of this subsection. A law enforcement or corrections agency shall not disclose a body worn camera recording to the extent the recording is exempt under this subsection.

(a) Disclosure of a body worn camera recording is presumed to be highly offensive to a reasonable person under RCW 42.56.050 to the extent it depicts:

(i)(A) Any areas of a medical facility, counseling, or therapeutic program office where:

(I) A patient is registered to receive treatment, receiving treatment, waiting for treatment, or being transported in the course of treatment; or

(II) Health care information is shared with patients, their families, or among the care team; or

(B) Information that meets the definition of protected health information for purposes of the health insurance portability and accountability act of 1996 or health care information for purposes of chapter 70.02 RCW;

(ii) The interior of a place of residence where a person has a reasonable expectation of privacy;

(iii) An intimate image;

(iv) A minor;

(v) The body of a deceased person;

(vi) The identity of or communications from a victim or witness of an incident involving domestic violence as defined in RCW 10.99.020 or sexual assault as defined in RCW 70.125.030, or disclosure of intimate images as defined in RCW 9A.86.010. If at the time of recording the victim or witness indicates a desire for disclosure or nondisclosure of the recorded identity or communications, such desire shall govern; or

(vii) The identifiable location information of a community-based domestic violence program as defined in RCW 70.123.020, or emergency shelter as defined in RCW 70.123.020.

(b) The presumptions set out in (a) of this subsection may be rebutted by specific evidence in individual cases.

(c) In a court action seeking the right to inspect or copy a body worn camera recording, a person who prevails against a law enforcement or corrections agency that withholds or discloses all or part of a body worn camera recording pursuant to (a) of this subsection is not entitled to fees, costs, or awards pursuant to RCW 42.56.550 unless it is shown that the law enforcement or corrections agency acted in bad faith or with gross negligence.

(d) A request for body worn camera recordings must:

(i) Specifically identify a name of a person or persons involved in the incident;

(ii) Provide the incident or case number;

(iii) Provide the date, time, and location of the incident or incidents; or

(iv) Identify a law enforcement or corrections officer involved in the incident or incidents.

(e)(i) A person directly involved in an incident recorded by the requested body worn camera recording, an attorney representing a person directly involved in an incident recorded by the requested body worn camera recording, a person or his or her attorney who requests a body worn camera recording relevant to a criminal case involving that person, or the executive director from either the Washington state commission on African-American affairs, Asian Pacific American affairs, or Hispanic affairs, has the right to obtain the body worn camera recording, subject to any exemption under this chapter or any applicable law. In addition, an attorney who represents a person regarding a potential or existing civil cause of action involving the denial of civil rights under the federal or state Constitution, or a violation of a United States department of justice settlement agreement, has

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the right to obtain the body worn camera recording if relevant to the cause of action, subject to any exemption under this chapter or any applicable law. The attorney must explain the relevancy of the requested body worn camera recording to the cause of action and specify that he or she is seeking relief from redaction costs under this subsection (14)(e).

(ii) A law enforcement or corrections agency responding to requests under this subsection (14)(e) may not require the requesting individual to pay costs of any redacting, altering, distorting, pixelating, suppressing, or otherwise obscuring any portion of a body worn camera recording.

(iii) A law enforcement or corrections agency may require any person requesting a body worn camera recording pursuant to this subsection (14)(e) to identify himself or herself to ensure he or she is a person entitled to obtain the body worn camera recording under this subsection (14)(e).

(f)(i) A law enforcement or corrections agency responding to a request to disclose body worn camera recordings may require any requester not listed in (e) of this subsection to pay the reasonable costs of redacting, altering, distorting, pixelating, suppressing, or otherwise obscuring any portion of the body worn camera recording prior to disclosure only to the extent necessary to comply with the exemptions in this chapter or any applicable law.

(ii) An agency that charges redaction costs under this subsection (14)(f) must use redaction technology that provides the least costly commercially available method of redacting body worn camera recordings, to the extent possible and reasonable.

(iii) In any case where an agency charges a requestor for the costs of redacting a body worn camera recording under this subsection (14)(f), the time spent on redaction of the recording shall not count towards the agency's allocation of, or limitation on, time or costs spent responding to public records requests under this chapter, as established pursuant to local ordinance, policy, procedure, or state law.

(g) For purposes of this subsection (14):

(i) "Body worn camera recording" means a video and/or sound recording that is made by a body worn camera attached to the uniform or eyewear of a law enforcement or corrections officer while in the course of his or her official duties; and

(ii) "Intimate image" means an individual or individuals engaged in sexual activity, including sexual intercourse as defined in RCW 9A.44.010 and masturbation, or an individual's intimate body parts, whether nude or visible through less than opaque clothing, including the genitals, pubic area, anus, or postpubescent female nipple.

(h) Nothing in this subsection shall be construed to restrict access to body worn camera recordings as otherwise permitted by law for official or recognized civilian and accountability bodies or pursuant to any court order.

(i) Nothing in this section is intended to modify the obligations of prosecuting attorneys and law enforcement under *Brady v. Maryland*, 373 U.S. 83, 83 S. Ct. 1194, 10 L. Ed. 2d 215 (1963), *Kyles v. Whitley*, 514 U.S. 419, 115 S. Ct. 1555, 131 L. Ed.2d 490 (1995), and the relevant Washington court criminal rules and statutes.

(j) A law enforcement or corrections agency must retain body worn camera recordings for at least sixty days and thereafter may destroy the records in accordance with the applicable records retention schedule;

(15) Any records and information contained within the statewide sexual assault kit tracking system established in RCW 43.43.545;

(16)(a) Survivor communications with, and survivor records maintained by, campus-affiliated advocates.

(b) Nothing in this subsection shall be construed to restrict

access to records maintained by a campus-affiliated advocate in the event that:

(i) The survivor consents to inspection or copying;

(ii) There is a clear, imminent risk of serious physical injury or death of the survivor or another person;

(iii) Inspection or copying is required by federal law; or

(iv) A court of competent jurisdiction mandates that the record be available for inspection or copying.

(c) "Campus-affiliated advocate" and "survivor" have the definitions in RCW 28B.112.030;

(17) Information and records prepared, owned, used, or retained by the Washington association of sheriffs and police chiefs and information and records prepared, owned, used, or retained by the Washington state patrol pursuant to chapter 261, Laws of 2017; and

(18) Any and all audio or video recordings of child forensic interviews as defined in chapter 26.44 RCW. Such recordings are confidential and may only be disclosed pursuant to a court order entered upon a showing of good cause and with advance notice to the child's parent, guardian, or legal custodian. However, if the child is an emancipated minor or has attained the age of majority as defined in RCW 26.28.010, advance notice must be to the child. Failure to disclose an audio or video recording of a child forensic interview as defined in chapter 26.44 RCW is not grounds for penalties or other sanctions available under this chapter.

Sec. 2. RCW 10.97.130 and 1992 c 188 s 8 are each amended to read as follows:

(1) Information (~~(identifying)~~) revealing the specific details that describe the alleged or proven child victim of sexual assault under age eighteen, or the identity or contact information of an alleged or proven child victim((s)) under age eighteen (~~(who are victims of sexual assaults)~~) is confidential and not subject to release to the press or public without the permission of the child victim ((~~or~~)) and the child's legal guardian. Identifying information includes the child victim's name, addresses, location, photographs, and in cases in which the child victim is a relative ((~~or~~)), stepchild, or stepsibling of the alleged perpetrator, identification of the relationship between the child and the alleged perpetrator. Contact information includes phone numbers, email addresses, social media profiles, and usernames and passwords. Contact information or information identifying the child victim of sexual assault may be released to law enforcement, prosecutors, judges, defense attorneys, or private or governmental agencies that provide services to the child victim of sexual assault. Prior to release of any criminal history record information, the releasing agency shall delete any contact information or information identifying a child victim of sexual assault from the information except as provided in this section.

(2) This section does not apply to court documents or other materials admitted in open judicial proceedings."

On page 1, line 2 of the title, after "assault;" strike the remainder of the title and insert "amending RCW 10.97.130; and reenacting and amending RCW 42.56.240."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Law & Justice to House Bill No. 1505.

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

MOTION

On motion of Senator Padden, the rules were suspended, House Bill No. 1505 as amended by the Senate was advanced to third

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

Senators Padden 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 House Bill No. 1505 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1505 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

HOUSE BILL NO. 1505, as amended by the Senate, 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. 1856, by House Committee on Health Care & Wellness (originally sponsored by Tharinger, Caldier, Cody, Kloba, Wylie, Corry, Sutherland, Ybarra, Steele, Peterson, Klippert, DeBolt, Stanford, Doglio, Mead, Ryu and Macri)

Prohibiting scleral tattooing.

The measure was read the second time.

MOTION

On motion of Senator Cleveland, the rules were suspended, Substitute House Bill No. 1856 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Cleveland and O'Ban spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 1856.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1856 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 1; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senator Wagoner

Excused: Senator McCoy

SUBSTITUTE HOUSE BILL NO. 1856, 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. 1354, by Representatives Walen, Stokesbary, Wylie, Orcutt, Vick, Frame, Eslick and Ormsby

Providing that scan-down allowances on food and beverages intended for human and pet consumption are bona fide discounts for purposes of the business and occupation tax.

The measure was read the second time.

MOTION

On motion of Senator Mullet, the rules were suspended, Engrossed House Bill No. 1354 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Mullet 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. 1354.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed House Bill No. 1354 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

ENGROSSED HOUSE BILL NO. 1354, 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. 1545, by House Committee on State Government & Tribal Relations (originally sponsored by Mead, Hudgins, Morgan, Ramos, Gregerson, Wylie, Appleton, Bergquist, Doglio, Jinkins and Pollet)

Concerning curing ballots to assure that votes are counted.

The measure was read the second time.

MOTION

Senator Ericksen moved that the following amendment no. 702 by Senator Ericksen be adopted:

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ROLL CALL

On page 2, after line 28, insert the following:

"**Sec. 2.** RCW 29A.40.091 and 2016 c 83 s 3 are each amended to read as follows:

(1) The county auditor shall send each voter a ballot, a security envelope in which to conceal the ballot after voting, a larger envelope in which to return the security envelope, a declaration that the voter must sign, and instructions on how to obtain information about the election, how to mark the ballot, and how to return the ballot to the county auditor.

(2)(a) The voter must swear under penalty of perjury that he or she meets the qualifications to vote, and has not voted in any other jurisdiction at this election. The declaration must clearly inform the voter that it is illegal to vote if he or she is not a United States citizen; it is illegal to vote if he or she has been convicted of a felony and has not had his or her voting rights restored; and it is illegal to cast a ballot or sign a ballot declaration on behalf of another voter. The ballot materials must provide space for the voter to sign the declaration, indicate the date on which the ballot was voted, and include a telephone number.

(b) If a voter neglects to sign, or signs with a mark and fails to have two witnesses attest to the signature, the voter must either:

(i) Appear in person and sign the declaration no later than the day before certification of the primary or election; or

(ii) Sign a copy of the declaration, or mark the declaration in front of two witnesses, and return it to the county auditor no later than the day before certification of the primary or election. Each witness must provide their printed name and a valid current address and phone number on a ballot cure document provided by the county auditor.

(3) For overseas and service voters, the signed declaration constitutes the equivalent of a voter registration. Return envelopes for overseas and service voters must enable the ballot to be returned postage free if mailed through the United States postal service, United States armed forces postal service, or the postal service of a United States foreign embassy under 39 U.S.C. 3406.

(4) The voter must be instructed to either return the ballot to the county auditor no later than 8:00 p.m. the day of the election or primary, or mail the ballot to the county auditor with a postmark no later than the day of the election or primary. Service and overseas voters must be provided with instructions and a privacy sheet for returning the ballot and signed declaration by fax or email. A voted ballot and signed declaration returned by fax or email must be received by 8:00 p.m. on the day of the election or primary.

(5) The county auditor's name may not appear on the security envelope, the return envelope, or on any voting instructions or materials included with the ballot if he or she is a candidate for office during the same year."

On page 1, line 2 of the title, after "29A.60.165" insert "and 29A.40.091"

Senators Ericksen and Padden spoke in favor of adoption of the amendment.

Senator Hunt spoke against adoption of the amendment.

Senator Padden demanded a roll call.

The President Pro Tempore declared that one-sixth of the members supported the demand and the demand was sustained.

Senator Zeiger spoke in favor of adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Ericksen on page 2, after line 28 to Substitute House Bill No. 1545.

The Secretary called the roll on the adoption of the amendment by Senator Ericksen and the amendment was not adopted by the following vote: Yeas, 23; Nays, 25; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Frockt, Hawkins, Holy, Honeyford, King, O'Ban, Padden, Rivers, Rolfes, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick, Wilson, L. and Zeiger

Voting nay: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, Lovelett, Mullet, Nguyen, Palumbo, Pedersen, Randall, Saldaña, Salomon, Takko, Van De Wege, Wellman and Wilson, C.

Excused: Senator McCoy.

MOTION

On motion of Senator Hunt, the rules were suspended, Substitute House Bill No. 1545 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hunt, Zeiger and Darneille spoke in favor of passage of the bill.

Senator Ericksen spoke against passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute House Bill No. 1545.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1545 and the bill passed the Senate by the following vote: Yeas, 41; Nays, 7; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Takko, Van De Wege, Wagoner, Walsh, Wellman, Wilson, C. and Zeiger

Voting nay: Senators Bailey, Becker, Ericksen, Honeyford, Short, Warnick and Wilson, L.

Excused: Senator McCoy

SUBSTITUTE HOUSE BILL NO. 1545, 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

HOUSE BILL NO. 1146, by Representatives MacEwen and Young

Extending the program establishing Christmas tree grower licensure.

The measure was read the second time.

MOTION

On motion of Senator Van De Wege, the rules were suspended, House Bill No. 1146 was advanced to third reading, the second reading considered the third and the bill was placed on final

passage.

Senators Van De Wege and Warnick 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. 1146.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1146 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Erickson, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Lias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

HOUSE BILL NO. 1146, 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 SUBSTITUTE HOUSE BILL NO. 1528, by House Committee on Appropriations (originally sponsored by Davis, Harris, Irwin, Stonier, Rude, Jinkins, Sutherland, Thai, Entenman, Mead, Callan, Goodman, Frame, Kloba, Chapman, Tarleton, Senn, Eslick, Barkis, Peterson, Walen, Ryu, Bergquist, Paul, Stanford, Valdez, Pollet, Leavitt and Macri)

Concerning recovery support services.

The measure was read the second time.

MOTION

Senator Dhingra moved that the following subcommittee striking amendment by the Subcommittee on Behavioral Health to the Committee on Health & Long Term Care be adopted:

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. (1) The legislature finds that substance use disorder is a disease impacting the whole family and the whole society and requires a system of care that includes prevention, treatment, and recovery services that support and strengthen impacted individuals, families, and the community at large.

(2) The legislature further finds that access to quality recovery housing is crucial for helping individuals remain in recovery from substance use disorder beyond treatment. Furthermore, recovery housing serves to preserve the state's financial investment in a person's treatment. Without access to quality recovery housing, individuals are much less likely to recover from substance use disorder and more likely to face continued issues that impact their well-being, their families, and their communities. These issues include death by overdose or other substance use disorder-related medical complications; higher health care costs; high use of emergency departments and public health care systems; higher risk for involvement with law enforcement and incarceration; and

an inability to obtain and maintain employment. These challenges are compounded by an overall lack of affordable housing nationwide.

(3) The legislature recognizes that recovery is a long-term process and requires a comprehensive approach. Recognizing the potential for fraudulent and unethical recovery housing operators, this act is designed to address the quality of recovery housing in the state of Washington.

NEW SECTION. Sec. 2. A new section is added to chapter 41.05 RCW to read as follows:

(1) The authority shall establish and maintain a registry of approved recovery residences. The authority may contract with a nationally recognized recovery residence certification organization based in Washington to establish and maintain the registry.

(2) The authority or the contracted entity described in subsection (1) of this section shall determine that a recovery residence is approved for inclusion in the registry if the recovery residence has been certified by a nationally recognized recovery residence certification organization based in Washington that is approved by the authority or if the recovery residence is a chapter of a national recovery residence organization with peer-run homes that is approved by the authority as meeting the following standards in its certification process:

(a) Peers are required to be involved in the governance of the recovery residence;

(b) Recovery support is integrated into the daily activities;

(c) The recovery residence must be maintained as a home-like environment that promotes healthy recovery;

(d) Resident activities are promoted within the recovery residence and in the community through work, education, community engagement, or other activities; and

(e) The recovery residence maintains an environment free from alcohol and illicit drugs.

(3) Nothing in this section requires that a recovery residence become certified by the certifying organization approved by the authority in subsection (2) of this section or be included in the registry, unless the recovery residence decides to participate in the recovery residence program activities established in this chapter.

(4) For the purposes of this section, "recovery residence" means a home-like environment that promotes healthy recovery from a substance use disorder and supports persons recovering from a substance use disorder through the use of peer recovery support.

NEW SECTION. Sec. 3. A new section is added to chapter 41.05 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the authority shall contract with the nationally recognized recovery residence organization based in Washington that is approved by the authority in section 2 of this act to provide technical assistance to recovery residences actively seeking certification. The technical assistance shall include, but not be limited to:

(a) New manager training;

(b) Assistance preparing facility operations documents and policies; and

(c) Support for working with residents on medication-assisted treatment.

(2) This section expires July 1, 2025.

NEW SECTION. Sec. 4. A new section is added to chapter 41.05 RCW to read as follows:

(1) The authority shall establish a revolving fund for loans to operators of new recovery residences or existing recovery

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residences actively seeking certification and registration under section 2 of this act. Approved uses of the funds include, but are not limited to:

(a) Facility modifications necessary to achieve certification; and

(b) Operating start-up costs, including rent or mortgage payments, security deposits, salaries for on-site staff, and minimal maintenance costs.

(2) This section expires July 1, 2025.

NEW SECTION. Sec. 5. A new section is added to chapter 71.24 RCW to read as follows:

Beginning January 1, 2023, a licensed or certified service provider may not refer a client who is appropriate for housing in a recovery residence, to support the client's recovery from a substance use disorder, to a recovery residence that is not included in the registry of approved recovery residences maintained by the authority under section 2 of this act. This section does not otherwise limit the discharge or referral options available for a person in recovery from a substance use disorder to any other appropriate placements or services.

Sec. 6. RCW 71.24.385 and 2018 c 201 s 4023 and 2018 c 175 s 6 are each reenacted and amended to read as follows:

(1) Within funds appropriated by the legislature for this purpose, behavioral health organizations shall develop the means to serve the needs of people:

(a) With mental disorders residing within the boundaries of their regional service area. Elements of the program may include:

- (i) Crisis diversion services;
- (ii) Evaluation and treatment and community hospital beds;
- (iii) Residential treatment;
- (iv) Programs for intensive community treatment;
- (v) Outpatient services, including family support;
- (vi) Peer support services;
- (vii) Community support services;
- (viii) Resource management services; and
- (ix) Supported housing and supported employment services.

(b) With substance use disorders and their families, people incapacitated by alcohol or other psychoactive chemicals, and intoxicated people.

(i) Elements of the program shall include, but not necessarily be limited to, a continuum of substance use disorder treatment services that includes:

- (A) Withdrawal management;
- (B) Residential treatment; and
- (C) Outpatient treatment.

(ii) The program may include peer support, supported housing, supported employment, crisis diversion, ~~((or))~~ recovery support services, or technology-based recovery supports.

(iii) The authority may contract for the use of an approved substance use disorder treatment program or other individual or organization if the director considers this to be an effective and economical course to follow.

(2)(a) The behavioral health organization shall have the flexibility, within the funds appropriated by the legislature for this purpose and the terms of their contract, to design the mix of services that will be most effective within their service area of meeting the needs of people with behavioral health disorders and avoiding placement of such individuals at the state mental hospital. Behavioral health organizations are encouraged to maximize the use of evidence-based practices and alternative resources with the goal of substantially reducing and potentially eliminating the use of institutions for mental diseases.

(b) The behavioral health organization may allow reimbursement to providers for services delivered through a

partial hospitalization or intensive outpatient program. Such payment and services are distinct from the state's delivery of wraparound with intensive services under the *T.R. v. Strange and McDermott*, formerly the *T.R. v. Dreyfus and Porter*, settlement agreement.

(3)(a) Treatment provided under this chapter must be purchased primarily through managed care contracts.

(b) Consistent with RCW 71.24.580, services and funding provided through the criminal justice treatment account are intended to be exempted from managed care contracting.

NEW SECTION. Sec. 7. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2019, in the omnibus appropriations act, this act is null and void."

On page 1, line 1 of the title, after "services;" strike the remainder of the title and insert "reenacting and amending RCW 71.24.385; adding new sections to chapter 41.05 RCW; adding a new section to chapter 71.24 RCW; creating new sections; and providing expiration dates."

The President Pro Tempore declared the question before the Senate to be the adoption of the committee striking amendment by the Subcommittee on Behavioral Health to the Committee on Health & Long Term Care to Second Substitute House Bill No. 1528.

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

MOTION

On motion of Senator Dhingra, the rules were suspended, Second Substitute House Bill No. 1528 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Dhingra and Wagoner 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 Substitute House Bill No. 1528 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1528 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

SECOND SUBSTITUTE HOUSE BILL NO. 1528, as amended by the Senate, 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 1(5), the President announced the signing of and thereupon did sign in open session:

ENGROSSED HOUSE BILL NO. 1219,
 SUBSTITUTE HOUSE BILL NO. 1254,
 SUBSTITUTE HOUSE BILL NO. 1290,
 SUBSTITUTE HOUSE BILL NO. 1298,
 SECOND SUBSTITUTE HOUSE BILL NO. 1303,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1355,
 SUBSTITUTE HOUSE BILL NO. 1356,
 SUBSTITUTE HOUSE BILL NO. 1360,
 HOUSE BILL NO. 1375,
 HOUSE BILL NO. 1382,
 SUBSTITUTE HOUSE BILL NO. 1403,
 HOUSE BILL NO. 1408,
 HOUSE BILL NO. 1426,
 HOUSE BILL NO. 1429,
 HOUSE BILL NO. 1432.

MOTION

At 11:14 a.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

Senator Hasegawa announced a meeting of the Democratic Caucus immediately upon going at ease.

Senator Short announced a meeting of the Republican Caucus immediately upon going at ease.

AFTERNOON SESSION

The Senate was called to order at 1:53 p.m. by President Habib.

MOTION

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

MESSAGE FROM THE HOUSE

April 15, 2019

MR. PRESIDENT:

The House has passed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1793,
 and the same is herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

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

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

The Senate resumed consideration of Senate Gubernatorial Appointment No. 9262 which had been deferred earlier in the day.

MOTION

Senator Liias moved that Paul Pitre, Senate Gubernatorial Appointment No. 9262, be confirmed as a member of the State Board of Education.

Senator Liias spoke in favor of the motion.

APPOINTMENT OF PAUL PITRE

The President declared the question before the Senate to be the confirmation of Paul Pitre, Senate Gubernatorial Appointment No. 9262, as a member of the State Board of Education.

The Secretary called the roll on the confirmation of Paul Pitre, Senate Gubernatorial Appointment No. 9262, as a member of the State Board of Education and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

Paul Pitre, Senate Gubernatorial Appointment No. 9262, having received the constitutional majority was declared confirmed as a member of the State Board of Education.

SECOND READING

SECOND SUBSTITUTE HOUSE BILL NO. 1048, by House Committee on Appropriations (originally sponsored by Goodman, Stokesbary, Jinkins, Macri, Appleton, Wylie and Chambers)

Modifying the process for prevailing parties to recover judgments in small claims court.

The measure was read the second time.

MOTION

Senator Padden moved that the following striking amendment no. 647 by Senator Padden be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 12.40.020 and 2011 1st sp.s. c 44 s 2 are each amended to read as follows:

~~((+))~~ A small claims action shall be commenced by the plaintiff filing a claim, in the form prescribed by RCW 12.40.050, in the small claims department. A filing fee of ~~((fourteen))~~ fifteen dollars plus any surcharge authorized by RCW 7.75.035 shall be paid when the claim is filed. Any party filing a counterclaim, cross-claim, or third-party claim in such action shall pay to the court a filing fee of ~~((fourteen))~~ fifteen dollars plus any surcharge authorized by RCW 7.75.035. Fifty cents of every filing fee shall be deposited into the judicial stabilization trust account created in RCW 43.79.505 and used to fund indigent defense through the office of public defense. Fifty cents of every filing fee shall be deposited into the crime victims' compensation account created in RCW 7.68.045 and used to assist crime victims.

~~((2) Until July 1, 2013, in addition to the fees required by this section, an additional surcharge of ten dollars shall be charged on the filing fees required by this section, of which seventy five percent must be remitted to the state treasurer for deposit in the judicial stabilization trust account and twenty five percent must be retained by the county.)~~

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Sec. 2. RCW 12.40.030 and 1997 c 352 s 1 are each amended to read as follows:

Upon filing of a claim, the court shall set a time for hearing on the matter. The court shall issue a notice of the claim which shall be served upon the defendant to notify the defendant of the hearing date. A trial need not be held ~~((on this)) at the first ((appearance)) hearing~~, if dispute resolution services are offered instead of trial, or local practice rules provide ~~((that trials will be held on different days))~~ for a pretrial hearing.

Sec. 3. RCW 12.40.040 and 1997 c 352 s 2 are each amended to read as follows:

The notice of claim ~~((can))~~ may be served either as provided for the service of summons or complaint and notice in civil actions as described in RCW 4.28.080 or by registered or certified mail if a return receipt with the signature of the party being served is filed with the court. No other legal document or process is to be served with the notice of claim. Information from the court regarding the small claims department, local small claims procedure, dispute resolution services, or other matters related to litigation in the small claims department may be included with the notice of claim when served.

The notice of claim shall be served promptly after filing the claim. Service must be complete at least ten calendar days prior to the first hearing.

The person serving the notice of claim shall be entitled to receive from the plaintiff, besides mileage, the fee specified in RCW 36.18.040 for such service; which sum, together with the filing fee set forth in RCW 12.40.020, shall be added to any judgment given for plaintiff.

Sec. 4. RCW 12.40.050 and 1984 c 258 s 62 are each amended to read as follows:

A claim filed in the small claims department shall contain: (1) The name and address of the plaintiff; (2) a sworn statement, in brief and concise form, of the nature and amount of the claim and when the claim accrued; and (3) the name and residence of the defendant, if known to the plaintiff, for the purpose of serving the notice of claim on the defendant.

Sec. 5. RCW 12.40.105 and 2004 c 70 s 1 are each amended to read as follows:

~~((If the losing party fails to pay the judgment within thirty days or within the period otherwise ordered by the court, the judgment shall be increased by: (1) An amount sufficient to cover costs of certification of the judgment under RCW 12.40.110; (2) the amount specified in RCW 36.18.012(2)) (1) At any time after the judge's entry of judgment in a small claims action, the judgment shall be certified as a district court civil judgment upon the payment of an amount sufficient to cover the costs of certification.~~

~~(2) The judgment shall be increased by: (a) The costs of certifying the judgment as provided in subsection (1) of this section; (b) the amount specified in RCW 36.18.012(2); (c) any post judgment interest provided for in RCW 4.56.110 and 19.52.020; and ((3)) (d) any other costs incurred by the prevailing party to enforce the judgment, including but not limited to reasonable attorneys' fees, without regard to the jurisdictional limits on the small claims department.~~

~~(3) The clerk of the small claims department shall enter the civil judgment on the judgment docket of the district court; and, as in other judgments of district courts, once the judgment is entered on the district court's docket garnishment, execution, and other process on execution provided by law may issue thereon.~~

~~(4) A certified copy of the district court judgment shall be provided to the prevailing party for no additional fee.~~

~~(5) The prevailing party may file a transcript of the district court civil judgment or a certified copy of the district court judgment with~~

superior courts for entry in the superior courts' lien dockets with like effect as in other cases.

Sec. 6. RCW 12.40.120 and 1997 c 352 s 4 are each amended to read as follows:

No appeal shall be permitted from a judgment of the small claims department of the district court where the amount claimed was less than two hundred fifty dollars. No appeal shall be permitted by a party who requested the exercise of jurisdiction by the small claims department where the amount claimed by that party was less than one thousand dollars. A party in default may seek to have the default judgment set aside according to the civil court rules applicable to setting aside judgments in district court.

NEW SECTION. Sec. 7. A new section is added to chapter 12.40 RCW to read as follows:

If the prevailing party receives payment of the judgment, the prevailing party shall file a satisfaction of such judgment with all courts in which the judgment was filed. If the prevailing party fails to file proof of satisfaction of the judgment, the party paying the judgment may file such notice with all courts in which the judgment was filed.

Sec. 8. RCW 4.56.200 and 2012 c 133 s 1 are each amended to read as follows:

The lien of judgments upon the real estate of the judgment debtor shall commence as follows:

(1) Judgments of the district court of the United States rendered or filed in the county in which the real estate of the judgment debtor is situated, from the time of the entry or filing thereof;

(2) Judgments of the superior court for the county in which the real estate of the judgment debtor is situated, from the time of the filing by the county clerk upon the execution docket in accordance with RCW 4.64.030;

(3) Judgments of the district court of the United States rendered in any county in this state other than that in which the real estate of the judgment debtor to be affected is situated, judgments of the supreme court of this state, judgments of the court of appeals of this state, and judgments of the superior court for any county other than that in which the real estate of the judgment debtor to be affected is situated, from the time of the filing of a duly certified abstract of such judgment with the county clerk of the county in which the real estate of the judgment debtor to be affected is situated, as provided in this act;

(4) Judgments of a district court of this state rendered or filed as a foreign judgment in a superior court in the county in which the real estate of the judgment debtor is situated, from the time of the filing of a duly certified district court judgment or duly certified transcript of the docket of the district court with the county clerk of the county in which such judgment was rendered or filed, and upon such filing said judgment shall become to all intents and purposes a judgment of the superior court for said county; and

(5) Judgments of a district court of this state rendered or filed in a superior court in any other county in this state than that in which the real estate of the judgment debtor to be affected is situated, a transcript of the docket of which has been filed with the county clerk of the county where such judgment was rendered or filed, from the time of filing, with the county clerk of the county in which the real estate of the judgment debtor to be affected is situated, of a duly certified abstract of the record of said judgment in the office of the county clerk of the county in which the certified transcript of the docket of said judgment of said district court was originally filed.

Sec. 9. RCW 43.79.505 and 2011 1st sp.s. c 44 s 6 are each amended to read as follows:

The judicial stabilization trust account is created within the state treasury, subject to appropriation. All receipts from the

surcharges authorized by RCW 3.62.060(2), 12.40.020((~~2~~)), 36.18.018(4), and 36.18.020(5) shall be deposited in this account. Moneys in the account may be spent only after appropriation.

Expenditures from the account may be used only for the support of judicial branch agencies.

NEW SECTION. Sec. 10. RCW 12.40.110 (Procedure on nonpayment) and 2016 c 202 s 19, 1998 c 52 s 6, 1995 c 292 s 6, 1984 c 258 s 68, 1983 c 254 s 3, 1975 1st ex.s. c 40 s 1, 1973 c 128 s 2, & 1919 c 187 s 11 are each repealed."

On page 1, line 2 of the title, after "court;", strike the remainder of the title and insert "amending RCW 12.40.020, 12.40.030, 12.40.040, 12.40.050, 12.40.105, 12.40.120, 4.56.200, and 43.79.505; adding a new section to chapter 12.40 RCW; and repealing RCW 12.40.110."

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

Senator Pedersen spoke against adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of striking amendment no. 647 by Senator Padden to Second Substitute House Bill No. 1048.

The motion by Senator Padden did not carry and striking amendment no. 647 was not adopted by voice vote.

MOTION

On motion of Senator Pedersen, the rules were suspended, Second Substitute House Bill No. 1048 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pedersen and Padden spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1048.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1048 and the bill passed the Senate by the following vote: Yeas, 29; Nays, 19; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, Kuderer, Liias, Lovelett, Mullet, Nguyen, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Takko, Van De Wege, Walsh, Wellman and Wilson, C.

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Holy, Honeyford, King, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson, L. and Zeiger

Excused: Senator McCoy

SECOND SUBSTITUTE HOUSE BILL NO. 1048, 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

HOUSE BILL NO. 1149, by Representatives Jinkins, Griffey, Doglio, Kilduff, Macri, Valdez, Irwin, Dolan, Appleton, Tarleton, Goodman, Orwall, Stanford and Walen

Clarifying requirements to obtain a sexual assault protection

order.

The measure was read the second time.

MOTION

On motion of Senator Pedersen, the rules were suspended, House Bill No. 1149 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pedersen and Padden spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 1149.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1149 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

HOUSE BILL NO. 1149, 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. 1350, by House Committee on Civil Rights & Judiciary (originally sponsored by Kilduff, Irwin, Jinkins, Fey, Leavitt and Ortiz-Self)

Issuing temporary protection orders.

The measure was read the second time.

MOTION

On motion of Senator Pedersen, the rules were suspended, Substitute House Bill No. 1350 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pedersen and Padden spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1350.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1350 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 3; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden,

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Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senators Holy, Honeyford and Warnick
Excused: Senator McCoy

SUBSTITUTE HOUSE BILL NO. 1350, 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. 1480, by House Committee on Environment & Energy (originally sponsored by Fey, Barkis and Jinkins)

Streamlining the permitting process for disposing of dredged materials.

The measure was read the second time.

MOTION

On motion of Senator Carlyle, the rules were suspended, Substitute House Bill No. 1480 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Carlyle spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1480.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1480 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Lias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

SUBSTITUTE HOUSE BILL NO. 1480, 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 JOINT MEMORIAL NO. 4007, by House Committee on Transportation (originally sponsored by Orcutt and Appleton)

Designating the bridge over the Skookumchuck river on state route number 507 as the Regina Clark memorial bridge.

The measure was read the second time.

MOTION

On motion of Senator Hobbs, the rules were suspended, Substitute House Joint Memorial No. 4007 was advanced to third reading, the second reading considered the third and the memorial was placed on final passage.

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

The President declared the question before the Senate to be the final passage of Substitute House Joint Memorial No. 4007.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Joint Memorial No. 4007 and the memorial passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Lias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

SUBSTITUTE HOUSE JOINT MEMORIAL NO. 4007, having received the constitutional majority, was declared passed. There being no objection, the title of the memorial was ordered to stand as the title of the act.

SECOND READING

HOUSE BILL NO. 1092, by Representatives Fey and Jinkins

Concerning the compensation of commissioners of certain metropolitan park districts.

The measure was read the second time.

MOTION

On motion of Senator Conway, the rules were suspended, House Bill No. 1092 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Conway and Short spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 1092.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1092 and the bill passed the Senate by the following vote: Yeas, 42; Nays, 6; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Hunt, Keiser, King, Kuderer, Lias, Lovelett, Mullet, Nguyen, O'Ban, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senators Braun, Honeyford, Padden, Schoesler, Sheldon and Wagoner

Excused: Senator McCoy

HOUSE BILL NO. 1092, 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 THIRD SUBSTITUTE HOUSE BILL NO. 1324, by House Committee on Appropriations (originally sponsored by Chapman, Maycumber, Springer, Chandler, Blake, Stokesbary, Steele, Reeves, Pettigrew, Dolan, Volz, Barkis, Eslick, Lekanoff, Tharinger, Hoff, Jinkins, Kilduff and Leavitt)

Creating the Washington rural development and opportunity zone act.

The measure was read the second time.

MOTION

Senator Mullet moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that while many parts of the state are thriving economically, some rural and distressed communities have struggled to keep pace. These communities represent significant opportunity for economic growth and innovation. However, businesses and entrepreneurs often find it difficult to obtain the capital they need to expand and grow in these areas. Therefore, it is the intent of the legislature to study the creation of a program to incentivize private investments and job creation in rural and distressed communities while ensuring no loss of revenue to the state.

NEW SECTION. Sec. 2. (1) The Washington state institute for public policy must conduct a study on certain programs incentivizing private investment and job creation in rural and distressed communities. In conducting the study, the institute must:

(a) Conduct a fifty-state review on the structure and characteristics of certified capital company programs, new markets tax credit programs, rural jobs programs, and other similar economic development programs in other states; and

(b) Review any available research on these initiatives and, to the extent possible, describe the effects of each type of initiative on employment, earnings, property values, and job creation.

(2) The Washington state institute for public policy must submit a report on its findings to the appropriate committees of the legislature, in compliance with RCW 43.01.036, by July 1, 2020.

NEW SECTION. Sec. 3. (1) The legislature finds that the Washington state forest practices habitat conservation plan was approved in 2006 by the United States fish and wildlife service and the national oceanic and atmospheric administration's marine fisheries service. The legislature further finds that the conservation plan protects habitat of aquatic species, supports economically viable and healthy forests, and creates regulatory stability for landowners. The legislature further finds that funding for the adaptive management program and participation grants are required to implement the forest and fish agreement and meet the

goals of the conservation plan. The legislature further finds that the surcharge on the timber products business and occupation tax rate was agreed to by the forest products industry, tribal leaders, and stakeholders as a way to provide funding and safeguard the future of the conservation plan. The legislature further finds that the forestry industry assumed significant financial obligation with the enactment of this conservation plan, in exchange for operational certainty under the endangered species act. Therefore, the legislature concludes that the timber products business and occupation tax rate and the surcharge should continue until the expiration date of the forest and fish agreement, in 2056.

(2) The legislature finds that Washington has one of the strongest economies in the country. However, the local economies in some rural counties continue to struggle. The legislature further finds that the economic prosperity of our state must be shared by all of our communities. The legislature further finds that forest product sectors provide family-wage jobs in economically struggling areas of the state. The legislature further finds that in 2017 the Washington forest products industry, directly and indirectly, employed one hundred one thousand workers, earning 5.5 billion dollars in wages. Therefore, the legislature concludes that the forest products industries support our local rural economies and contribute towards the effort to lower unemployment rates across the state, especially in rural areas.

Sec. 4. RCW 82.04.260 and 2018 c 164 s 3 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of manufacturing:

(a) Wheat into flour, barley into pearl barley, soybeans into soybean oil, canola into canola oil, canola meal, or canola by-products, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business is equal to the value of the flour, pearl barley, oil, canola meal, or canola by-product manufactured, multiplied by the rate of 0.138 percent;

(b) Beginning July 1, 2025, seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing, to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;

(c)(i) Except as provided otherwise in (c)(iii) of this subsection, from July 1, 2025, until January 1, 2036, dairy products; or selling dairy products that the person has manufactured to purchasers who either transport in the ordinary course of business the goods out of state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product; as to such persons the tax imposed is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.

(ii) For the purposes of this subsection (1)(c), "dairy products" means:

(A) Products, not including any marijuana-infused product,

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that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products, such as whey and casein; and

(B) Products comprised of not less than seventy percent dairy products that qualify under (c)(ii)(A) of this subsection, measured by weight or volume.

(iii) The preferential tax rate provided to taxpayers under this subsection (1)(c) does not apply to sales of dairy products on or after July 1, 2023, where a dairy product is used by the purchaser as an ingredient or component in the manufacturing in Washington of a dairy product;

(d)(i) Beginning July 1, 2025, fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, or selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.

(ii) For purposes of this subsection (1)(d), "fruits" and "vegetables" do not include marijuana, useable marijuana, or marijuana-infused products; and

(e) Wood biomass fuel; as to such persons the amount of tax with respect to the business is equal to the value of wood biomass fuel manufactured, multiplied by the rate of 0.138 percent. For the purposes of this section, "wood biomass fuel" means a liquid or gaseous fuel that is produced from lignocellulosic feedstocks, including wood, forest, ((F:\Journal\2019 Journal\Journal2019\LegDay093\or.doc)) or field residue(±) and dedicated energy crops, and that does not include wood treated with chemical preservations such as creosote, pentachlorophenol, or copper-chrome-arsenic.

(2) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business is equal to the value of the peas split or processed, multiplied by the rate of 0.138 percent.

(3) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(4) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale only and not at retail; as to such persons the tax imposed is equal to the gross proceeds derived from such sales multiplied by the rate of 0.138 percent.

(5) Upon every person engaging within this state in the business of acting as a travel agent or tour operator; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(6) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities is equal to the gross income derived

from such activities multiplied by the rate of 0.275 percent.

(7) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business is equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection are exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(8)(a) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 43.145.010; as to such persons the amount of the tax with respect to such business is equal to the gross income of the business, excluding any fees imposed under chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

(b) If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state must be determined in accordance with the methods of apportionment required under RCW 82.04.460.

(9) Upon every person engaging within this state as an insurance producer or title insurance agent licensed under chapter 48.17 RCW or a surplus line broker licensed under chapter 48.15 RCW; as to such persons, the amount of the tax with respect to such licensed activities is equal to the gross income of such business multiplied by the rate of 0.484 percent.

(10) Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities is equal to the gross income of the business multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5 percent thereafter.

(11)(a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing commercial airplanes, or components of such airplanes, or making sales, at retail or wholesale, of commercial airplanes or components of such airplanes, manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of:

(i) 0.4235 percent from October 1, 2005, through June 30,

2007; and

(ii) 0.2904 percent beginning July 1, 2007.

(b) Beginning July 1, 2008, upon every person who is not eligible to report under the provisions of (a) of this subsection (11) and is engaging within this state in the business of manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes, or making sales, at retail or wholesale, of such tooling manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of 0.2904 percent.

(c) For the purposes of this subsection (11), "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.

(d) In addition to all other requirements under this title, a person reporting under the tax rate provided in this subsection (11) must file a complete annual tax performance report with the department under RCW 82.32.534.

(e)(i) Except as provided in (e)(ii) of this subsection (11), this subsection (11) does not apply on and after July 1, 2040.

(ii) With respect to the manufacturing of commercial airplanes or making sales, at retail or wholesale, of commercial airplanes, this subsection (11) does not apply on and after July 1st of the year in which the department makes a determination that any final assembly or wing assembly of any version or variant of a commercial airplane that is the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850 has been sited outside the state of Washington. This subsection (11)(e)(ii) only applies to the manufacturing or sale of commercial airplanes that are the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850.

(12)(a) Until July 1, ~~((2024))~~ 2036, upon every person engaging within this state in the business of extracting timber or extracting for hire timber; as to such persons the amount of tax with respect to the business is, in the case of extractors, equal to the value of products, including by-products, extracted, or in the case of extractors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, ~~((2024))~~ 2036.

(b) Until July 1, ~~((2024))~~ 2036, upon every person engaging within this state in the business of manufacturing or processing for hire: (i) Timber into timber products or wood products; ~~((¶))~~ (ii) timber products into other timber products or wood products; or (iii) products defined in RCW 19.27.570(1); as to such persons the amount of the tax with respect to the business is, in the case of manufacturers, equal to the value of products, including by-products, manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, ~~((2024))~~ 2036.

(c) Until July 1, ~~((2024))~~ 2036, upon every person engaging within this state in the business of selling at wholesale: (i) Timber extracted by that person; (ii) timber products manufactured by that person from timber or other timber products; ~~((¶))~~ (iii) wood products manufactured by that person from timber or timber products; or (iv) products defined in RCW 19.27.570(1) manufactured by that person as to such persons the amount of the tax with respect to the business is equal to the gross proceeds of sales of the timber, timber products, ~~((¶))~~ wood products, or products defined in RCW 19.27.570(1) multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and

0.2904 percent from July 1, 2007, through June 30, ~~((2024))~~ 2036.

(d) Until July 1, ~~((2024))~~ 2036, upon every person engaging within this state in the business of selling standing timber; as to such persons the amount of the tax with respect to the business is equal to the gross income of the business multiplied by the rate of 0.2904 percent. For purposes of this subsection (12)(d), "selling standing timber" means the sale of timber apart from the land, where the buyer is required to sever the timber within thirty months from the date of the original contract, regardless of the method of payment for the timber and whether title to the timber transfers before, upon, or after severance.

(e) For purposes of this subsection, the following definitions apply:

(i) "Biocomposite surface products" means surface material products containing, by weight or volume, more than fifty percent recycled paper and that also use nonpetroleum-based phenolic resin as a bonding agent.

(ii) "Paper and paper products" means products made of interwoven cellulosic fibers held together largely by hydrogen bonding. "Paper and paper products" includes newsprint; office, printing, fine, and pressure-sensitive papers; paper napkins, towels, and toilet tissue; kraft bag, construction, and other kraft industrial papers; paperboard, liquid packaging containers, containerboard, corrugated, and solid-fiber containers including linerboard and corrugated medium; and related types of cellulosic products containing primarily, by weight or volume, cellulosic materials. "Paper and paper products" does not include books, newspapers, magazines, periodicals, and other printed publications, advertising materials, calendars, and similar types of printed materials.

(iii) "Recycled paper" means paper and paper products having fifty percent or more of their fiber content that comes from postconsumer waste. For purposes of this subsection (12)(e)(iii), "postconsumer waste" means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item.

(iv) "Timber" means forest trees, standing or down, on privately or publicly owned land. "Timber" does not include Christmas trees that are cultivated by agricultural methods or short-rotation hardwoods as defined in RCW 84.33.035.

(v) "Timber products" means:

(A) Logs, wood chips, sawdust, wood waste, and similar products obtained wholly from the processing of timber, short-rotation hardwoods as defined in RCW 84.33.035, or both;

(B) Pulp, including market pulp and pulp derived from recovered paper or paper products; and

(C) Recycled paper, but only when used in the manufacture of biocomposite surface products.

(vi) "Wood products" means paper and paper products; dimensional lumber; engineered wood products such as particleboard, oriented strand board, medium density fiberboard, and plywood; wood doors; wood windows; and biocomposite surface products.

(f) Except for small harvesters as defined in RCW 84.33.035, a person reporting under the tax rate provided in this subsection (12) must file a complete annual tax performance report with the department under RCW 82.32.534.

(g) Nothing in this subsection (12) may be construed to affect the taxation of any activity defined as a retail sale in RCW 82.04.050(2) (b) or (c), defined as a wholesale sale in RCW 82.04.060(2), or taxed under RCW 82.04.280(1)(g).

(13) Upon every person engaging within this state in inspecting, testing, labeling, and storing canned salmon owned by another person, as to such persons, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

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(14)(a) Upon every person engaging within this state in the business of printing a newspaper, publishing a newspaper, or both, the amount of tax on such business is equal to the gross income of the business multiplied by the rate of 0.35 percent until July 1, 2024, and 0.484 percent thereafter.

(b) A person reporting under the tax rate provided in this subsection (14) must file a complete annual tax performance report with the department under RCW 82.32.534.

Sec. 5. RCW 82.04.261 and 2017 c 323 s 501 are each amended to read as follows:

(1) In addition to the taxes imposed under RCW 82.04.260(12), a surcharge is imposed on those persons who are subject to any of the taxes imposed under RCW 82.04.260(12). Except as otherwise provided in this section, the surcharge is equal to 0.052 percent. The surcharge is added to the rates provided in RCW 82.04.260(12) (a), (b), (c), and (d). ~~((The surcharge and this section expire July 1, 2024.))~~

(2) All receipts from the surcharge imposed under this section must be deposited into the forest and fish support account created in RCW 76.09.405.

(3)(a) The surcharge imposed under this section is suspended if:

(i) Receipts from the surcharge total at least eight million dollars during any fiscal biennium; or

(ii) The office of financial management certifies to the department that the federal government has appropriated at least two million dollars for participation in forest and fish report-related activities by federally recognized Indian tribes located within the geographical boundaries of the state of Washington for any federal fiscal year.

(b)(i) The suspension of the surcharge under (a)(i) of this subsection (3) takes effect on the first day of the calendar month that is at least thirty days after the end of the month during which the department determines that receipts from the surcharge total at least eight million dollars during the fiscal biennium. The surcharge is imposed again at the beginning of the following fiscal biennium.

(ii) The suspension of the surcharge under (a)(ii) of this subsection (3) takes effect on the later of the first day of October of any federal fiscal year for which the federal government appropriates at least two million dollars for participation in forest and fish report-related activities by federally recognized Indian tribes located within the geographical boundaries of the state of Washington, or the first day of a calendar month that is at least thirty days following the date that the office of financial management makes a certification to the department under subsection (5) of this section. The surcharge is imposed again on the first day of the following July.

(4)(a) If, by October 1st of any federal fiscal year, the office of financial management certifies to the department that the federal government has appropriated funds for participation in forest and fish report-related activities by federally recognized Indian tribes located within the geographical boundaries of the state of Washington but the amount of the appropriation is less than two million dollars, the department must adjust the surcharge in accordance with this subsection.

(b) The department must adjust the surcharge by an amount that the department estimates will cause the amount of funds deposited into the forest and fish support account for the state fiscal year that begins July 1st and that includes the beginning of the federal fiscal year for which the federal appropriation is made, to be reduced by twice the amount of the federal appropriation for participation in forest and fish report-related activities by federally recognized Indian tribes located within the geographical boundaries of the state of Washington.

(c) Any adjustment in the surcharge takes effect at the beginning of a calendar month that is at least thirty days after the date that the office of financial management makes the certification under subsection (5) of this section.

(d) The surcharge is imposed again at the rate provided in subsection (1) of this section on the first day of the following state fiscal year unless the surcharge is suspended under subsection (3) of this section or adjusted for that fiscal year under this subsection.

(e) Adjustments of the amount of the surcharge by the department are final and may not be used to challenge the validity of the surcharge imposed under this section.

(f) The department must provide timely notice to affected taxpayers of the suspension of the surcharge or an adjustment of the surcharge.

(5) The office of financial management must make the certification to the department as to the status of federal appropriations for tribal participation in forest and fish report-related activities.

(6) This section expires July 1, 2036.

NEW SECTION. Sec. 6. The provisions of RCW 82.32.808 do not apply to sections 4 and 5 of this act.

NEW SECTION. Sec. 7. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2019, in the omnibus appropriations act, this act is null and void."

On page 1, line 2 of the title, after "act;" strike the remainder of the title and insert "amending RCW 82.04.260 and 82.04.261; creating new sections; and providing an expiration date."

WITHDRAWAL OF AMENDMENT

On motion of Senator Van De Wege and without objection, amendment no. 638 by Senator Van De Wege on page 7, line 30 to the committee striking amendment to Engrossed Third Substitute House Bill No. 1324 was withdrawn.

WITHDRAWAL OF AMENDMENT

On motion of Senator Van De Wege and without objection, striking amendment no. 593 by Senator Van De Wege to the committee striking amendment to Engrossed Third Substitute House Bill No. 1324 was withdrawn.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Engrossed Third Substitute House Bill No. 1324.

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

MOTION

On motion of Senator Mullet, the rules were suspended, Engrossed Third Substitute House Bill No. 1324 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Mullet, Wilson, L., Liias and Sheldon spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Third Substitute House Bill No. 1324 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Third Substitute House Bill No. 1324 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 47; Nays, 1; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Lias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senator Hasegawa

Excused: Senator McCoy

ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO. 1324, as amended by the Senate, 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

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

SECOND SUBSTITUTE HOUSE BILL NO. 1166,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1440,
 SUBSTITUTE HOUSE BILL NO. 1469,
 SUBSTITUTE HOUSE BILL NO. 1485,
 HOUSE BILL NO. 1490,
 SUBSTITUTE HOUSE BILL NO. 1512,
 SUBSTITUTE HOUSE BILL NO. 1532,
 HOUSE BILL NO. 1534,
 HOUSE BILL NO. 1554,
 ENGROSSED HOUSE BILL NO. 1563,
 HOUSE BILL NO. 1568,
 ENGROSSED HOUSE BILL NO. 1584,
 SUBSTITUTE HOUSE BILL NO. 1594,
 SUBSTITUTE HOUSE BILL NO. 1605,
 SUBSTITUTE HOUSE BILL NO. 1621,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1643,
 HOUSE BILL NO. 1647,
 HOUSE BILL NO. 1657,
 HOUSE BILL NO. 1673,
 HOUSE BILL NO. 1688,
 SECOND SUBSTITUTE HOUSE BILL NO. 1713,
 SUBSTITUTE HOUSE BILL NO. 1742,
 ENGROSSED HOUSE BILL NO. 1801,
 ENGROSSED HOUSE BILL NO. 1846,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1849,
 HOUSE BILL NO. 1866,
 HOUSE BILL NO. 1908,
 HOUSE BILL NO. 1913,
 SUBSTITUTE HOUSE BILL NO. 1930,
 HOUSE BILL NO. 1934,
 HOUSE BILL NO. 1980,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1994,
 SUBSTITUTE HOUSE BILL NO. 2044,
 and HOUSE BILL NO. 2058.

SECOND READING

SUBSTITUTE HOUSE BILL NO. 1295, by House Committee on Capital Budget (originally sponsored by Tharinger)

Concerning public works contracting procedures.

The measure was read the second time.

MOTION

On motion of Senator Hunt, the rules were suspended, Substitute House Bill No. 1295 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Hunt and Zeiger spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1295.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1295 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Lias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

SUBSTITUTE HOUSE BILL NO. 1295, 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

HOUSE BILL NO. 1380, by Representatives Pellicciotti, Goodman, Pettigrew, Chapman, Ormsby, Reeves and Macri

Providing an aggravating circumstance for assault against a utility worker.

The measure was read the second time.

MOTION

On motion of Senator Pedersen, the rules were suspended, House Bill No. 1380 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pedersen, Padden and King spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 1380.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1380 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 1; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown,

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Carlyle, Cleveland, Conway, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O’Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senator Darneille

Excused: Senator McCoy

HOUSE BILL NO. 1380, 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. 1415, by House Committee on Appropriations (originally sponsored by Schmick and Cody)

Modifying funding of the medical marijuana authorization database.

The measure was read the second time.

MOTION

On motion of Senator Randall, the rules were suspended, Substitute House Bill No. 1415 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Randall and Rivers spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1415.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1415 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O’Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

SUBSTITUTE HOUSE BILL NO. 1415, 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 SUBSTITUTE HOUSE BILL NO. 1668, by House Committee on Appropriations (originally sponsored by Slatter, Jinkins, DeBolt, Macri, Frame, Robinson, Tharinger, Bergquist, Senn, Cody, Pollet, Young, Davis, Kloba, Ortiz-Self, Lekanoff, Steele, Harris, Ormsby, Stanford, Goodman, Doglio, Fey, Leavitt, Valdez and Hudgins)

Creating the Washington health corps to support health care professionals who provide service in underserved communities.

The measure was read the second time.

MOTION

Senator Liias moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 28B.115.010 and 1989 1st ex.s. c 9 s 716 are each amended to read as follows:

The legislature finds that changes in demographics, the delivery of health care services, and an escalation in the cost of educating health professionals has resulted in shortages of health professionals. A poor distribution of health care professionals has resulted in a surplus of some professionals in some areas of the state and a shortage of others in other parts of the state, such as in the more rural areas and in behavioral health services. The high cost of health professional education requires that health care practitioners command higher incomes to repay the financial obligations incurred to obtain the required training. Health professional shortage areas are often areas that have troubled economies and lower per capita incomes. These areas often require more services because the health care needs are greater due to poverty or because the areas are difficult to service due to geographic circumstances. The salary potentials for shortage areas are often not as favorable when compared to nonshortage areas and practitioners are unable to serve. The legislature further finds that encouraging health professionals to serve in shortage areas is essential to assure continued access to health care for persons living in these parts of the state.

The legislature also finds that one in five adults in the United States experiences mental illness in any given year, but only forty-one percent of adults with a mental health condition received mental health services in 2016, according to the national institute of mental health. The children’s mental health work group found that in 2013, only forty percent of children on medicaid with mental health treatment needs were receiving services. Individuals seeking behavioral health services may have trouble receiving the help they need from health care professionals because behavioral health services are limited due to workforce shortages of behavioral health providers. The legislature further finds that encouraging more health care professionals to practice behavioral health in areas with limited services would benefit the state by creating greater access to behavioral health services and by having more health care professionals experienced in providing behavioral health services.

Therefore, the legislature intends to establish the Washington health corps to encourage more health care professionals to work in underserved areas by providing loan repayment and conditional scholarships in return for completing a service commitment.

Sec. 2. RCW 28B.115.020 and 2013 c 19 s 46 are each amended to read as follows:

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

(1) "Credentialed health care profession" means a health care profession regulated by a disciplining authority in the state of Washington under RCW 18.130.040 or by the pharmacy quality assurance commission under chapter 18.64 RCW and designated by the department in RCW 28B.115.070 as a profession having

shortages of credentialed health care professionals in the state.

(2) "Credentialed health care professional" means a person regulated by a disciplining authority in the state of Washington to practice a health care profession under RCW 18.130.040 or by the pharmacy quality assurance commission under chapter 18.64 RCW.

(3) "Department" means the state department of health.

(4) "Eligible education and training programs" means education and training programs approved by the department that lead to eligibility for a credential as a credentialed health care professional.

(5) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses determined by the office.

(6) "Eligible student" means a student who has been accepted into an eligible education or training program and has a declared intention to serve in a health professional shortage area upon completion of the education or training program.

(7) "Forgiven" or "to forgive" or "forgiveness" means to render health care services in a health professional shortage area or an underserved behavioral health area in the state of Washington in lieu of monetary repayment.

(8) "Health professional shortage areas" means those areas where credentialed health care professionals are in short supply as a result of geographic maldistribution or as the result of a short supply of credentialed health care professionals in specialty health care areas and where vacancies exist in serious numbers that jeopardize patient care and pose a threat to the public health and safety. The department shall determine health professional shortage areas as provided for in RCW 28B.115.070. In making health professional shortage area designations in the state the department may be guided by applicable federal standards for "health manpower shortage areas," and "medically underserved areas," and "medically underserved populations."

(9) "Loan repayment" means a loan that is paid in full or in part if the participant renders health care services in a health professional shortage area or an underserved behavioral health area as defined by the department.

(10) "Nonshortage rural area" means a nonurban area of the state of Washington that has not been designated as a rural physician shortage area. The department shall identify the nonshortage rural areas of the state.

(11) "Office" means the office of student financial assistance.

(12) "Participant" means a credentialed health care professional who has received a loan repayment award and has commenced practice as a credentialed health care provider in a designated health professional shortage area or an underserved behavioral health area or an eligible student who has received a scholarship under this program.

(13) ~~("Program" means the health professional loan repayment and scholarship program.~~

~~(14)~~ "Required service obligation" means an obligation by the participant to provide health care services in a health professional shortage area or an underserved behavioral health area for a period to be established as provided for in this chapter.

~~((15))~~ (14) "Rural physician shortage area" means rural geographic areas where primary care physicians are in short supply as a result of geographic maldistributions and where their limited numbers jeopardize patient care and pose a threat to public health and safety. The department shall designate rural physician shortage areas.

~~((16))~~ (15) "Satisfied" means paid-in-full.

~~((17))~~ (16) "Scholarship" means a loan that is forgiven in whole or in part if the recipient renders health care services in a health professional shortage area or an underserved behavioral

health area.

~~((18))~~ (17) "Sponsoring community" means a rural hospital or hospitals as authorized in chapter 70.41 RCW, a rural health care facility or facilities as authorized in chapter 70.175 RCW, or a city or county government or governments.

(18) "Underserved behavioral health area" means a geographic area, population, or facility that has a shortage of health care professionals providing behavioral health services, as determined by the department.

Sec. 3. RCW 28B.115.030 and 2013 c 298 s 1 are each amended to read as follows:

The Washington health corps is the state's initiative to encourage health care professionals to work in underserved communities. In exchange for service, the health care professional receives assistance with higher education, in the form of loan repayment or a conditional scholarship. The Washington health corps consists of the health professional loan repayment and scholarship program and the behavioral health loan repayment program.

(1) The health professional loan repayment and scholarship program is established for credentialed health professionals and residents serving in health professional shortage areas.

(2) The behavioral health loan repayment program is established for credentialed health professionals serving in underserved behavioral health areas.

(3) The health professional loan repayment and scholarship and the behavioral health loan repayment programs shall be administered by the office. In administering ~~(this)~~ the programs, the office shall:

~~((4))~~ ~~(a)~~(i) Select credentialed health care professionals and residents to participate in the loan repayment portion ~~(of the loan repayment and scholarship program and select eligible students to participate)~~ and in the scholarship portion of the health professional loan repayment and scholarship program; and

(ii) Select credentialed health care participants to participate in the behavioral health loan repayment program;

~~((2))~~ (b) Adopt rules and develop guidelines to administer the programs;

~~((3))~~ (c) Collect and manage repayments from participants who do not meet their service obligations under this chapter;

~~((4))~~ (d) Publicize the program, particularly to maximize participation among individuals in shortage and underserved areas and among populations expected to experience the greatest growth in the workforce;

~~((5))~~ (e) Solicit and accept grants and donations from public and private sources for the programs;

~~((6))~~ (f) Use a competitive procurement to contract with a fund-raiser to solicit and accept grants and donations from private sources for the programs. The fund-raiser shall be paid on a contingency fee basis on a sliding scale but must not exceed fifteen percent of the total amount raised for the programs each year. The fund-raiser shall not be a registered state lobbyist; and

~~((7))~~ (g) Develop criteria for a contract for service in lieu of the service obligation where appropriate, that may be a combination of service and payment.

Sec. 4. RCW 28B.115.040 and 1991 c 332 s 17 are each amended to read as follows:

The department may provide technical assistance to rural communities desiring to become sponsoring communities for the purposes of identification of prospective students for the health professional loan repayment and scholarship program, assisting prospective students to apply to an eligible education and training program, making formal agreements with prospective students to provide credentialed health care services in the community,

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forming agreements between rural communities in a service area to share credentialed health care professionals, and fulfilling any matching requirements.

Sec. 5. RCW 28B.115.050 and 2011 1st sp.s. c 11 s 206 are each amended to read as follows:

The office shall establish a planning committee to assist in developing criteria for the selection of participants for both the health professional loan repayment and scholarship program and the behavioral health loan repayment program. The office shall include on the planning committee representatives of the department, the department of social and health services, appropriate representatives from health care facilities, provider groups, consumers, the state board for community and technical colleges, the superintendent of public instruction, institutions of higher education, representatives from the behavioral health and public health fields, and other appropriate public and private agencies and organizations. The criteria may require that some of the participants meet the definition of "needy student" under RCW 28B.92.030.

Sec. 6. RCW 28B.115.070 and 2017 3rd sp.s. c 1 s 958 are each amended to read as follows:

~~((+))~~ After June 1, 1992, the department, in consultation with the office and the department of social and health services, shall:

~~((+))~~ (1) Determine eligible credentialed health care professions for the purposes of the health professional loan repayment and scholarship program and the behavioral health loan repayment program authorized by this chapter. Eligibility shall be based upon an assessment that determines that there is a shortage or insufficient availability of a credentialed profession so as to jeopardize patient care and pose a threat to the public health and safety. The department shall consider the relative degree of shortages among professions when determining eligibility. The department may add or remove professions from eligibility based upon the determination that a profession is no longer in shortage. Should a profession no longer be eligible, participants or eligible students who have received scholarships shall be eligible to continue to receive scholarships or loan repayments until they are no longer eligible or until their service obligation has been completed;

~~((+))~~ (2) Determine health professional shortage areas for each of the eligible credentialed health care professions; and

(3) Determine underserved behavioral health areas for each of the eligible credentialed health care professions.

~~((2) For the 2017-2019 fiscal biennium, consideration for eligibility shall also be given to registered nursing students who have been accepted into an eligible nursing education program and have declared an intention to teach nursing upon completion of the nursing education program.)~~

Sec. 7. RCW 28B.115.080 and 2011 1st sp.s. c 11 s 208 are each amended to read as follows:

After June 1, 1992, the office, in consultation with the department and the department of social and health services, shall:

(1) Establish the annual award amount for each credentialed health care profession which shall be based upon an assessment of reasonable annual eligible expenses involved in training and education for each credentialed health care profession for both the health professional loan repayment and scholarship program and the behavioral health loan repayment program. The annual award amount may be established at a level less than annual eligible expenses. The annual award amount shall be established by the office for each eligible health profession. The awards shall not be paid for more than a maximum of five years per individual;

(2) Determine any scholarship awards for prospective

physicians in such a manner to require the recipients declare an interest in serving in rural areas of the state of Washington. Preference for scholarships shall be given to students who reside in a rural physician shortage area or a nonshortage rural area of the state prior to admission to the eligible education and training program in medicine. Highest preference shall be given to students seeking admission who are recommended by sponsoring communities and who declare the intent of serving as a physician in a rural area. The office may require the sponsoring community located in a nonshortage rural area to financially contribute to the eligible expenses of a medical student if the student will serve in the nonshortage rural area;

(3) Establish the required service obligation for each credentialed health care profession, which shall be no less than three years or no more than five years, for the health professional loan repayment and scholarship program and the behavioral health loan repayment program. The required service obligation may be based upon the amount of the scholarship or loan repayment award such that higher awards involve longer service obligations on behalf of the participant;

(4) Determine eligible education and training programs for purposes of the scholarship portion of the health professional loan repayment and scholarship program;

(5) Honor loan repayment and scholarship contract terms negotiated between the office and participants prior to May 21, 1991, concerning loan repayment and scholarship award amounts and service obligations authorized under chapter 28B.115(~~;~~ ~~28B.104~~) or 70.180 RCW.

Sec. 8. RCW 28B.115.090 and 2011 1st sp.s. c 11 s 209 are each amended to read as follows:

(1) The office may grant loan repayment and scholarship awards to eligible participants from the funds appropriated ~~((for this purpose))~~ to the health professional loan repayment and scholarship program, or from any private or public funds given to the office for this purpose. The office may grant loan repayment to eligible participants from the funds appropriated to the behavioral health loan repayment program or from any private or public funds given to the office for this purpose. Participants are ineligible to receive loan repayment under the health professional loan repayment and scholarship program or the behavioral health loan repayment program if they have received a scholarship from programs authorized under this chapter or chapter 70.180 RCW or are ineligible to receive a scholarship if they have received loan repayment authorized under this chapter or chapter 28B.115 RCW.

(2) Funds appropriated for the health professional loan repayment and scholarship program, including reasonable administrative costs, may be used by the office for the purposes of loan repayments or scholarships. The office shall annually establish the total amount of funding to be awarded for loan repayments and scholarships and such allocations shall be established based upon the best utilization of funding for that year.

(3) One portion of the funding appropriated for the health professional loan repayment and scholarship program shall be used by the office as a recruitment incentive for communities participating in the community-based recruitment and retention program as authorized by chapter 70.185 RCW; one portion of the funding shall be used by the office as a recruitment incentive for recruitment activities in state-operated institutions, county public health departments and districts, county human service agencies, federal and state contracted community health clinics, and other health care facilities, such as rural hospitals that have been identified by the department, as providing substantial amounts of charity care or publicly subsidized health care; one

portion of the funding shall be used by the office for all other awards. The office shall determine the amount of total funding to be distributed between the three portions.

Sec. 9. RCW 28B.115.100 and 1991 c 332 s 23 are each amended to read as follows:

In providing health care services the participant shall not discriminate against a person on the basis of the person's ability to pay for such services or because payment for the health care services provided to such persons will be made under the insurance program established under part A or B of Title XVIII of the federal social security act or under a state plan for medical assistance including Title XIX of the federal social security act or under the state medical assistance program authorized by chapter 74.09 RCW and agrees to accept assignment under section 18.42(b)(3)(B)(ii) of the federal social security act for all services for which payment may be made under part B of Title XVIII of the federal social security act and enters into an appropriate agreement with the department of social and health services for medical assistance under Title XIX of the federal social security act to provide services to individuals entitled to medical assistance under the plan and enters into appropriate agreements with the department of social and health services for medical care services under chapter 74.09 RCW. Participants found by the ~~(board)~~ office or the department in violation of this section shall be declared ineligible for receiving assistance under the programs authorized by this chapter.

Sec. 10. RCW 28B.115.110 and 2011 1st sp.s. c 11 s 210 are each amended to read as follows:

Participants in the Washington health (professional loan repayment and scholarship program) corps who are awarded loan repayments shall receive payment ~~((from the program))~~ for the purpose of repaying educational loans secured while attending a program of health professional training which led to a credential as a credentialed health professional in the state of Washington.

(1) Participants shall agree to meet the required service obligation ~~((in a designated health professional shortage area)).~~

(2) Repayment shall be limited to eligible educational and living expenses as determined by the office and shall include principal and interest.

(3) Loans from both government and private sources may be repaid by the program. Participants shall agree to allow the office access to loan records and to acquire information from lenders necessary to verify eligibility and to determine payments. Loans may not be renegotiated with lenders to accelerate repayment.

(4) Repayment of loans established pursuant to ~~((this program))~~ the Washington health corps shall begin no later than ninety days after the individual has become a participant. Payments shall be made quarterly, or more frequently if deemed appropriate by the office, to the participant until the loan is repaid or the participant becomes ineligible due to discontinued service in a health professional shortage area or an underserved behavioral health area after the required service obligation when eligibility discontinues, whichever comes first.

(5) Should the participant discontinue service in a health professional shortage area or an underserved behavioral health area, payments against the loans of the participants shall cease to be effective on the date that the participant discontinues service.

(6) Except for circumstances beyond their control, participants who serve less than the required service obligation shall be obligated to repay to the program an amount equal to ~~((twice))~~ the unsatisfied portion of the service obligation, or the total amount paid by the program on their behalf, whichever is less. This amount is due and payable immediately. Participants who are unable to pay the full amount due shall enter into a payment

arrangement with the office, including an arrangement for payment of interest. The maximum period for repayment is ten years. The office shall determine the applicability of this subsection. The interest rate shall be determined by the office and be established by rule.

(7) The office is responsible for the collection of payments made on behalf of participants from the participants who discontinue service before completion of the required service obligation. The office shall exercise due diligence in such collection, maintaining all necessary records to ensure that the maximum amount of payment made on behalf of the participant is recovered. Collection under this section shall be pursued using the full extent of the law, including wage garnishment if necessary.

(8) The office shall not be held responsible for any outstanding payments on principal and interest to any lenders once a participant's eligibility expires.

(9) The office shall temporarily or, in special circumstances, permanently defer the requirements of this section for eligible students as defined in RCW 28B.10.017.

(10) The office shall establish an appeal process by rule.

Sec. 11. RCW 28B.115.120 and 2011 1st sp.s. c 11 s 211 are each amended to read as follows:

(1) Participants in the Washington health (professional loan repayment and scholarship program) corps who are awarded scholarships incur an obligation to repay the scholarship, with penalty and interest, unless they serve the required service obligation in a health professional shortage area in the state of Washington.

(2) The interest rate shall be determined by the office and established by rule. Participants who fail to complete the service obligation shall incur an equalization fee based on the remaining unforgiven balance. The equalization fee shall be added to the remaining balance and repaid by the participant.

(3) The period for repayment shall coincide with the required service obligation, with payments of principal and interest commencing no later than six months from the date the participant completes or discontinues the course of study or completes or discontinues the required postgraduate training. Provisions for deferral of payment shall be determined by the office.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant serves in a health professional shortage area until the entire repayment obligation is satisfied or the borrower ceases to so serve. Should the participant cease to serve in a health professional shortage area of this state before the participant's repayment obligation is completed, payment of the unsatisfied portion of the principal and interest is due and payable immediately.

~~((5))~~ ~~((In addition to the amount determined in subsection (4) of this section, except for circumstances beyond their control, participants who serve less than the required service obligation shall be obliged to pay a penalty of an amount equal to twice the unsatisfied portion of the principal.~~

~~((6))~~ Participants who are unable to pay the full amount due shall enter into a payment arrangement with the office for repayment including interest. The office shall set the maximum period for repayment ~~((is ten years))~~ by rule.

~~((7))~~ (6) The office is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or

its successor agency. The office is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

~~((8))~~ (7) Receipts from the payment of principal or interest or any other subsidies to which the office as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited with the office and shall be used to cover the costs of granting the scholarships, maintaining necessary records, and making collections under subsection ~~((7))~~ (6) of this section. The office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant scholarships to eligible students.

~~((9))~~ (8) Sponsoring communities who financially contribute to the eligible financial expenses of eligible medical students may enter into agreements with the student to require repayment should the student not serve the required service obligation in the community as a primary care physician. The office may develop criteria for the content of such agreements with respect to reasonable provisions and obligations between communities and eligible students.

~~((10))~~ (9) The office may make exceptions to the conditions for participation and repayment obligations should circumstances beyond the control of individual participants warrant such exceptions. The office shall establish an appeal process by rule.

NEW SECTION. Sec. 12. A new section is added to chapter 28B.115 RCW to read as follows:

(1) Any funds appropriated by the legislature for the behavioral health loan repayment program, or any other public or private funds intended for loan repayments under this program, must be placed in the account created by this section.

(2) The behavioral health loan repayment program account is created in the custody of the state treasurer. All receipts from the program must be deposited into the account. Expenditures from the account may be used only for the behavioral health loan repayment program. Only the office, or its designee, may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. Sec. 13. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2019, in the omnibus appropriations act, this act is null and void."

On page 1, line 3 of the title, after "communities;" strike the remainder of the title and insert "amending RCW 28B.115.010, 28B.115.020, 28B.115.030, 28B.115.040, 28B.115.050, 28B.115.070, 28B.115.080, 28B.115.090, 28B.115.100, 28B.115.110, and 28B.115.120; adding a new section to chapter 28B.115 RCW; and creating a new section."

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Second Substitute House Bill No. 1668.

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

MOTION

On motion of Senator Palumbo, the rules were suspended, Second Substitute House Bill No. 1668 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Palumbo and Holy spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1668 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1668 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

SECOND SUBSTITUTE HOUSE BILL NO. 1668, as amended by the Senate, 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. 1075, by House Committee on Consumer Protection & Business (originally sponsored by Kirby and Vick)

Concerning consumer competitive group insurance.

The measure was read the second time.

MOTION

Senator Van De Wege moved that the following striking amendment no. 412 by Senator Van De Wege be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 48.30.140 and 2015 c 272 s 1 are each amended to read as follows:

(1) Except to the extent provided for in an applicable filing with the commissioner then in effect, no insurer, insurance producer, or title insurance agent shall, as an inducement to insurance, or after insurance has been effected, directly or indirectly, offer, promise, allow, give, set off, or pay to the insured or to any employee of the insured, any rebate, discount, abatement, or reduction of premium or any part thereof named in any insurance contract, or any commission thereon, or earnings, profits, dividends, or other benefit, or any other valuable consideration or inducement whatsoever which is not expressly provided for in the policy.

(2) Subsection (1) of this section shall not apply as to commissions paid to a licensed insurance producer, or title insurance agent for insurance placed on that person's own property or risks.

(3) This section shall not apply to the allowance by any marine insurer, or marine insurance producer, to any insured, in connection with marine insurance, of such discount as is sanctioned by custom among marine insurers as being additional to the insurance producer's commission.

(4) This section shall not apply to advertising or promotional programs conducted by insurers or insurance producers whereby prizes, goods, wares, gift cards, gift certificates, or merchandise, not exceeding one hundred dollars in value per person in the aggregate in any twelve-month period, are given to all insureds or prospective insureds under similar qualifying circumstances. This subsection does not apply to title insurers or title insurance agents.

(5) This section does not apply to an offset or reimbursement of all or part of a fee paid to an insurance producer as provided in RCW 48.17.270.

(6)(a) Subsection (1) of this section shall not be construed to prohibit a health carrier or disability insurer from including as part of a group or individual health benefit plan or contract containing health benefits, a wellness program which meets the requirements for an exception from the prohibition against discrimination based on a health factor under the health insurance portability and accountability act (P.L. 104-191; 110 Stat. 1936) and regulations adopted pursuant to that act.

(b) For purposes of this subsection: (i) "Health carrier" and "health benefit plan" have the same meaning as provided in RCW 48.43.005; and (ii) "wellness program" has the same meaning as provided in 45 C.F.R. 146.121(f).

(7) Subsection (1) of this section does not apply to a payment by an insurer to offset documented expenses incurred by a group policyholder in changing coverages from one insurer to another. Insurers shall describe any such payment in the group insurance policy or in an applicable filing with the commissioner. If an implementation credit is given to a group, the implementation credit is part of the premium for the purposes of RCW 48.14.020 and 48.14.0201. This exception to subsection (1) of this section does not apply to "medicare supplemental insurance" or "medicare supplemental insurance policies" as defined in chapter 48.66 RCW.

(8) Subsection (7) of this section does not apply to small groups as defined in RCW 48.43.005.

Sec. 2. RCW 48.30.150 and 2015 c 272 s 2 are each amended to read as follows:

(1) No insurer, insurance producer, title insurance agent, or other person shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, or sell, buy, or offer or promise to buy or give, or promise, or allow to, or on behalf of, the insured or prospective insured in any manner whatsoever:

(a) Any shares of stock or other securities issued or at any time to be issued on any interest therein or rights thereto; or

(b) Any special advisory board contract, or other contract, agreement, or understanding of any kind, offering, providing for, or promising any profits or special returns or special dividends; or

(c) Any prizes, goods, wares, gift cards, gift certificates, or merchandise of an aggregate value in excess of one hundred dollars per person in the aggregate in any consecutive twelve-month period. This subsection (1)(c) does not apply to title insurers or title insurance agents.

(2) Subsection (1) of this section shall not be deemed to prohibit the sale or purchase of securities as a condition to or in connection with surety insurance insuring the performance of an obligation as part of a plan of financing found by the commissioner to be designed and operated in good faith primarily for the purpose of such financing, nor shall it be deemed to prohibit the sale of redeemable securities of a registered investment company in the same transaction in which life insurance is sold.

(3)(a) Subsection (1) of this section shall not be deemed to prohibit a health carrier or disability insurer from including as part

of a group or individual health benefit plan or contract providing health benefits, a wellness program which meets the requirements for an exception from the prohibition against discrimination based on a health factor under the health insurance portability and accountability act (P.L. 104-191; 110 Stat. 1936) and regulations adopted pursuant to that act.

(b) For purposes of this subsection: (i) "Health carrier" and "health benefit plan" have the same meaning as provided in RCW 48.43.005; and (ii) "wellness program" has the same meaning as provided in 45 C.F.R. 146.121(f).

(4) Subsection (1) of this section does not prohibit an insurer from issuing any payment to offset documented expenses incurred by a group policyholder in changing coverages from one insurer to another as provided in RCW 48.30.140. If an implementation credit is given to a group, the implementation credit is part of the premium for the purposes of RCW 48.14.020 and 48.14.0201. This exception to subsection (1) of this section does not apply to "medicare supplemental insurance" or "medicare supplemental insurance policies" as defined in chapter 48.66 RCW.

(5) Subsection (4) of this section does not apply to small groups as defined in RCW 48.43.005.

NEW SECTION. Sec. 3. This act takes effect July 1, 2020."

On page 1, line 1 of the title, after "insurance;" strike the remainder of the title and insert "amending RCW 48.30.140 and 48.30.150; and providing an effective date."

Senators Van De Wege and Wilson, L. spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of striking amendment no. 412 by Senator Van De Wege to Substitute House Bill No. 1075.

The motion by Senator Van De Wege carried and striking amendment no. 412 was adopted by voice vote.

MOTION

On motion of Senator Mullet, the rules were suspended, Substitute House Bill No. 1075 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Mullet and Wilson, L. spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1075.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1075 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Erickson, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

SUBSTITUTE HOUSE BILL NO. 1075, as amended by the Senate, having received the constitutional majority, was declared

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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. 1739, by House Committee on Civil Rights & Judiciary (originally sponsored by Valdez, Dolan, Kilduff, Pollet, Bergquist, Frame, Jinkins, Kloba and Macri)

Concerning firearms that are undetectable or untraceable. Revised for 1st Substitute: Addressing undetectable and untraceable firearms.

The measure was read the second time.

MOTION

Senator Pedersen moved that the following amendment no. 599 by Senator Pedersen be adopted:

On page 6, line 38, after "(2)" insert "(a)"
 On page 6, line 39, after "RCW." insert the following:
 "(b)"

Senator Pedersen spoke in favor of adoption of the amendment. The President declared the question before the Senate to be the adoption of amendment no. 599 by Senator Pedersen on page 6, line 38 to Substitute House Bill No. 1739.

The motion by Senator Pedersen carried and amendment no. 599 was adopted by voice vote.

MOTION

On motion of Senator Pedersen, the rules were suspended, Substitute House Bill No. 1739 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Pedersen spoke in favor of passage of the bill.

PERSONAL PRIVILEGE

Senator Becker: "Thank you Mr. President. Well, you know, you've been gone for a little while and other people have stepped in and had to fill your shoes Mr. President. And I just wanted to do a thank you to Senator Keiser. She stood up there and had to rock on her feet a lot because she was getting tired and I really appreciate what she did up there. And I also want to say thank you to Senator Conway. He did a nice job. It was nice to see different faces up there but and a newbie to working in your place, Mr. President, was Senator Hasegawa. And, I have to say, I've already talked to him about this but, it was such a nice thing to have him up there when he would say. 'Thank you.' and 'Please.' And, and let us make messes out here, like I did yesterday, and gave us time to work through things. I really have to say I appreciated each and every one of them and I think we all should say thank you to them."

REPLY BY THE PRESIDENT

President Habib: "I agree. Let's say – and Senator Van De Wege as well. Let's say thank you to all of these folks."

The senate rose and recognized the services as presidents pro tempore of Senators Keiser, Conway and Van De Wege.

POINT OF INQUIRY

Senator Rivers: "I was just wondering if Senator Pedersen would yield to a question?"

Senator Pedersen: "Sure, for the gentlelady from the Eighteenth."

Senator Rivers: "Thank you Senator Peterson. Thank you Mr. President. Senator Peterson, is this body already contained in federal law? Is this piece of legislation, are they contained in federal law?"

Senator Pedersen: "Thank you Senator Rivers. I am not an expert in federal law, but my understanding is that the provisions regarding the undetectable firearms are consistent with current federal law."

Senators Wagoner, Padden and Fortunato spoke against passage of the bill.

Senator Dhingra spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1739 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1739 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 30; Nays, 18; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liiias, Lovelett, Mullet, Nguyen, O'Ban, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Takko, Van De Wege, Wellman, Wilson, C. and Zeiger

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Hawkins, Holy, Honeyford, King, Padden, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick and Wilson, L.

Excused: Senator McCoy

SUBSTITUTE HOUSE BILL NO. 1739, as amended by the Senate, 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 SUBSTITUTE HOUSE BILL NO. 1784, by House Committee on Appropriations (originally sponsored by Kretz, Blake and Shea)

Concerning wildfire prevention.

The measure was read the second time.

MOTION

Senator Short moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 76.06.200 and 2017 c 95 s 1 are each amended to read as follows:

(1) The department must establish a forest health assessment and treatment framework designed to proactively and systematically address the forest health issues facing the state. Specifically, the framework must endeavor to achieve an initial goal of assessing and treating one million acres of land by 2033.

(2) The department must utilize the framework to assess and treat acreage in an incremental fashion each biennium. The framework consists of three elements: Assessment; treatment; and progress review and reporting.

(a) Assessment. Each biennium, the department must identify and assess two hundred thousand acres of fire prone lands and communities that are in need of forest health treatment, including the use of prescribed fire or mechanical treatment, such as thinning.

(i) The scope of the assessment must include lands protected by the department as well as lands outside of the department's fire protection responsibilities that could pose a high risk to department protected lands during a fire.

(ii) The assessment must identify areas in need of treatment, the type or types of treatment recommended, data and planning needs to carry out recommended treatment, and the estimated cost of recommended treatment.

(b) Treatment. Each biennium, the department must review previously completed assessments and prioritize and conduct as many identified treatments as possible using appropriations provided for that specific purpose.

(c) Progress review and reporting. By December 1st of each even-numbered year, the department must provide the appropriate committees of the legislature and the office of financial management with:

(i) A request for appropriations designed to implement the framework in the following biennium, including assessment work and conducting treatments identified in previously completed assessments;

(ii) A prioritized list and brief summary of treatments planned to be conducted under the framework with the requested appropriations, including relevant information from the assessment; and

(iii) A list and brief summary of treatments carried out under the framework in the preceding biennium, including total funding available, costs for completed treatment, and treatment outcomes. The summary must include any barriers to framework implementation and legislative or administrative recommendations to address those barriers.

(3) In developing and implementing the framework, the department must:

(a) Utilize and build on the forest health strategic planning initiated under section 308(11), chapter 36, Laws of 2016 sp. sess., to the maximum extent practicable, to promote the efficient use of resources; ~~(and)~~

(b) Prioritize, to the maximum extent practicable consistent with this section, forest health treatments that are strategically planned to serve the dual benefits of forest health maximization while providing geographically planned tools for wildfire response; and

(c) Establish a forest health advisory committee to assist in developing and implementing the framework. The committee may: (i) Include representation from large and small forest landowners, wildland fire response organizations, milling and log transportation industries, forest collaboratives that may exist in the affected areas, highly affected communities and community preparedness organizations, conservation groups, and other interested parties deemed appropriate by the commissioner; and (ii) consult with relevant local, state, and federal agencies, and

tribes.

(4) In implementing subsection (3)(b) of this section, the department shall attempt to locate and design forest health treatments in such a way as to provide wildfire response personnel with strategically located treated areas to assist with managing fire response. These areas must attempt to maximize the firefighting benefits of natural and artificial geographic features and be located in areas that prioritize the protection of commercially managed lands from fires originating on public land.

(5) The department must establish and implement the forest health assessment and treatment framework within the appropriations specifically provided for this purpose.

Sec. 2. RCW 76.04.015 and 2016 c 109 s 1 are each amended to read as follows:

(1) The department may, at its discretion, appoint trained personnel possessing the necessary qualifications to carry out the duties and supporting functions of the department and may determine their respective salaries.

(2) The department shall have direct charge of and supervision of all matters pertaining to the forest fire service of the state.

(3) The department shall:

(a) Enforce all laws within this chapter;

(b) Be empowered to take charge of and, consistent with RCW 76.04.021, direct the work of suppressing forest fires;

(c)(i) Investigate the origin and cause of all forest fires to determine whether either a criminal act or negligence by any person, firm, or corporation caused the starting, spreading, or existence of the fire. In conducting investigations, the department shall work cooperatively, to the extent possible, with utilities, property owners, and other interested parties to identify and preserve evidence. Except as provided otherwise in this subsection, the department in conducting investigations is authorized, without court order, to take possession or control of relevant evidence found in plain view and belonging to any person, firm, or corporation. To the extent possible, the department shall notify the person, firm, or corporation of its intent to take possession or control of the evidence. The person, firm, or corporation shall be afforded reasonable opportunity to view the evidence and, before the department takes possession or control of the evidence, also shall be afforded reasonable opportunity to examine, document, and photograph it. If the person, firm, or corporation objects in writing to the department's taking possession or control of the evidence, the department must either return the evidence within seven days after the day on which the department is provided with the written objections or obtain a court order authorizing the continued possession or control.

(ii) Absent a court order authorizing otherwise, the department may not take possession or control of evidence over the objection of the owner of the evidence if the evidence is used by the owner in conducting a business or in providing an electric utility service and the department's taking possession or control of the evidence would substantially and materially interfere with the operation of the business or provision of electric utility service.

(iii) Absent a court order authorizing otherwise, the department may not take possession or control of evidence over the objection of an electric utility when the evidence is not owned by the utility but has caused damage to property owned by the utility. However, this subsection (3)(c)(iii) does not apply if the department has notified the utility of its intent to take possession or control of the evidence and provided the utility with reasonable time to examine, document, and photograph the evidence.

(iv) Only personnel qualified to work on electrical equipment may take possession or control of evidence owned or controlled

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by an electric utility;

(d) Furnish notices or information to the public calling attention to forest fire dangers and the penalties for violation of this chapter;

(e) Be familiar with all timbered and cut-over areas of the state, areas where forest health treatments were undertaken on state, federal, or private land, public general transportation roads and public and private logging roads, water bodies, and other features on the landscape relevant in planning a fire response and include those features on a geographic information system for use by fire response personnel to assist in response decision making;

(f) Maximize the effective utilization of local fire suppression assets consistent with RCW 76.04.181; and

(g) Regulate and control the official actions of its employees, the wardens, and the rangers.

(4) The department may:

(a) Authorize all needful and proper expenditures for forest protection;

(b) Adopt rules consistent with this section for the prevention, control, and suppression of forest fires as it considers necessary including but not limited to: Fire equipment and materials; use of personnel; and fire prevention standards and operating conditions including a provision for reducing these conditions where justified by local factors such as location and weather;

(c) Remove at will the commission of any ranger or suspend the authority of any warden;

(d) Inquire into:

(i) The extent, kind, value, and condition of all timberlands within the state;

(ii) The extent to which timberlands are being destroyed by fire and the damage thereon;

(e) Provide fire detection, prevention, presuppression, or suppression services on nonforested public lands managed by the department or another state agency, but only to the extent that providing these services does not interfere with or detract from the obligations set forth in subsection (3) of this section. If the department provides fire detection, prevention, presuppression, or suppression services on nonforested public lands managed by another state agency, the department must be fully reimbursed for the work through a cooperative agreement as provided for in RCW 76.04.135(1).

(5) Any rules adopted under this section for the suppression of forest fires must include a mechanism by which a local fire mobilization radio frequency, consistent with RCW 43.43.963, is identified and made available during the initial response to any forest fire that crosses jurisdictional lines so that all responders have access to communications during the response. Different initial response frequencies may be identified and used as appropriate in different geographic response areas. If the fire radio communication needs escalate beyond the capability of the identified local radio frequency, the use of other available designated interoperability radio frequencies may be used.

(6) When the department considers it to be in the best interest of the state, it may cooperate with any agency of another state, the United States or any agency thereof, the Dominion of Canada or any agency or province thereof, and any county, town, corporation, individual, or Indian tribe within the state of Washington in forest firefighting and patrol.

Sec. 3. RCW 70.94.6514 and 2009 c 118 s 103 are each amended to read as follows:

(1) Consistent with the policy of the state to reduce outdoor burning to the greatest extent practical, outdoor burning shall not be allowed in:

(a) Any area of the state where federal or state ambient air quality standards are exceeded for pollutants emitted by outdoor

burning; or

(b) Any urban growth area as defined by RCW 36.70A.030, or any city of the state having a population greater than ten thousand people if such cities are threatened to exceed state or federal air quality standards, and alternative disposal practices consistent with good solid waste management are reasonably available or practices eliminating production of organic refuse are reasonably available.

(2) Notwithstanding any other provision of this section, outdoor burning may be allowed for the exclusive purpose of managing storm or flood-related debris. The decision to allow burning shall be made by the entity with permitting jurisdiction as determined under RCW 70.94.6534 or 70.94.6518. If outdoor burning is allowed in areas subject to subsection (1)(a) or (b) of this section, a permit shall be required, and a fee may be collected to cover the expenses of administering and enforcing the permit. All conditions and restrictions pursuant to RCW 70.94.6526(1) and 70.94.6512 apply to outdoor burning allowed under this section.

(3)(a) Outdoor burning that is normal, necessary, and customary to ongoing agricultural activities, that is consistent with agricultural burning authorized under RCW 70.94.6528 and 70.94.6532, is allowed within the urban growth area in accordance with RCW 70.94.6528(8)(a).

(b) Outdoor burning of cultivated orchard trees shall be allowed as an ongoing agricultural activity under this section in accordance with RCW 70.94.6528(8)(b).

(4) This section shall not apply to silvicultural burning used to improve or maintain fire dependent ecosystems for rare plants or animals within state, federal, and private natural area preserves, natural resource conservation areas, parks, and other wildlife areas.

(5) Notwithstanding any other provisions of this section, outdoor burning that reduces the risk of a wildfire, or is normal, necessary, and customary to ongoing silvicultural activities consistent with silvicultural burning authorized under RCW 70.94.6534(1), is allowed within the urban growth area in accordance with RCW 70.94.6534. Before issuing a burn permit within the urban growth area for any burn that exceeds one hundred tons of material, the department of natural resources shall consult with department of ecology and condition the issuance and use of such permits to comply with air quality standards established by the department of ecology.

Sec. 4. RCW 70.94.6524 and 2009 c 118 s 301 are each amended to read as follows:

(1) It shall be the responsibility and duty of the department of natural resources, department of ecology, department of agriculture, county fire marshals in consultation with fire districts, and local air pollution control authorities to establish, through regulations, ordinances, or policy, a limited burning permit program.

(2) The permit program shall apply to residential and land clearing burning in the following areas:

(a) In the nonurban areas of any county with an unincorporated population of greater than fifty thousand; and

(b) In any city and urban growth area that is not otherwise prohibited from burning pursuant to RCW 70.94.6514.

(3) The permit program shall apply only to land clearing burning in the nonurban areas of any county with an unincorporated population of less than fifty thousand.

(4) The permit program may be limited to a general permit by rule, or by verbal, written, or electronic approval by the permitting entity.

(5) Notwithstanding any other provision of this section, neither a permit nor the payment of a fee shall be required for outdoor

burning for the purpose of disposal of tumbleweeds blown by wind. Such burning shall not be conducted during an air pollution episode or any stage of impaired air quality declared under RCW 70.94.715. This subsection (5) shall only apply within counties with a population less than two hundred fifty thousand.

(6) Burning shall be prohibited in an area when an alternate technology or method of disposing of the organic refuse is available, reasonably economical, and less harmful to the environment. It is the policy of this state to foster and encourage development of alternate methods or technology for disposing of or reducing the amount of organic refuse.

(7) Incidental agricultural burning must be allowed without applying for any permit and without the payment of any fee if:

(a) The burning is incidental to commercial agricultural activities;

(b) The operator notifies the local fire department within the area where the burning is to be conducted;

(c) The burning does not occur during an air pollution episode or any stage of impaired air quality declared under RCW 70.94.715; and

(d) Only the following items are burned:

(i) Orchard prunings;

(ii) Organic debris along fence lines or irrigation or drainage ditches; or

(iii) Organic debris blown by wind.

(8) As used in this section, "nonurban areas" are unincorporated areas within a county that are not designated as urban growth areas under chapter 36.70A RCW.

(9) Nothing in this section shall require fire districts to enforce air quality requirements related to outdoor burning, unless the fire district enters into an agreement with the department of ecology, department of natural resources, a local air pollution control authority, or other appropriate entity to provide such enforcement.

Sec. 5. RCW 70.94.6534 and 2010 1st sp.s. c 7 s 128 are each amended to read as follows:

(1) The department of natural resources (~~shall have the responsibility~~) is responsible for issuing and regulating burning permits required by it relating to the following activities for the protection of life or property (~~and/or~~) and for the public health, safety, and welfare:

(a) Abating or prevention of a forest fire hazard;

(b) (~~Prevention of a fire hazard~~) Reducing the risk of a wildfire under RCW 70.94.6514(5);

(c) Instruction of public officials in methods of forest firefighting;

(d) Any silvicultural operation to improve the forestlands of the state, including but not limited to forest health and resiliency, decreasing forest insect or disease susceptibility, maintaining or restoring native vegetation, or otherwise enhancing resiliency to fire; and

(e) Silvicultural burning used to improve or maintain fire dependent ecosystems for rare plants or animals within state, federal, and private natural area preserves, natural resource conservation areas, parks, and other wildlife areas.

(2) The department of natural resources shall not retain such authority, but it shall be the responsibility of the appropriate fire protection agency for permitting and regulating outdoor burning on lands where the department of natural resources does not have fire protection responsibility, except for the issuance of permits for reducing the risk of wildfire under RCW 70.94.6514(5). The department of natural resources may enter into cooperative agreements with local fire protection agencies to issue permits for reducing wildfire risk under RCW 70.94.6514(5).

(3) Permit fees shall be assessed for wildfire risk reduction and for silvicultural burning under the jurisdiction of the department

of natural resources and collected by the department of natural resources as provided for in this section. All fees shall be deposited in the air pollution control account, created in RCW 70.94.015. The legislature shall appropriate to the department of natural resources funds from the air pollution control account to enforce and administer the program under this section and RCW 70.94.6536, 70.94.6538, and 70.94.6540. Fees shall be set by rule by the department of natural resources at the level necessary to cover the costs of the program after receiving recommendations on such fees from the public.

Sec. 6. RCW 70.94.6536 and 1995 c 143 s 1 are each amended to read as follows:

(1)(a) The department of natural resources shall administer a program to reduce statewide emissions from silvicultural forest burning so as to achieve the following minimum objectives:

~~((a))~~ (i) Twenty percent reduction by December 31, 1994, providing a ceiling for emissions until December 31, 2000; and

~~((b))~~ (ii) Fifty percent reduction by December 31, 2000, providing a ceiling for emissions thereafter.

(b) Reductions shall be calculated from the average annual emissions level from calendar years 1985 to 1989, using the same methodology for both reduction and base year calculations.

(2)(a) The department of natural resources, within twelve months after May 15, 1991, shall develop a plan, based upon the existing smoke management agreement to carry out the programs as described in this section in the most efficient, cost-effective manner possible. The plan shall be developed in consultation with the department of ecology, public and private landowners engaged in silvicultural forest burning, and representatives of the public.

(b) The plan shall recognize the variations in silvicultural forest burning including, but not limited to, a landowner's responsibility to abate an extreme fire hazard under chapter 76.04 RCW and other objectives of burning, including abating and preventing a fire hazard, geographic region, climate, elevation and slope, proximity to populated areas, (~~and~~) diversity of land ownership, improving forest health and resiliency, decreasing forest insect or disease susceptibility, maintaining or restoring native vegetation, or otherwise enhancing resiliency to fire. The plan shall establish priorities that the department of natural resources shall use to allocate allowable emissions, including but not limited to, forest health and resiliency, silvicultural burning used to improve or maintain fire dependent ecosystems for rare plants or animals within state, federal, and private natural area preserves, natural resource conservation areas, parks, and other wildlife areas. The plan shall also recognize the real costs of the emissions program and recommend equitable fees to cover the costs of the program.

(c) The emission reductions in this section are to apply to all forestlands including those owned and managed by the United States. If the United States does not participate in implementing the plan, the departments of natural resources and ecology shall use all appropriate and available methods or enforcement powers to ensure participation.

(d) The plan shall include a tracking system designed to measure the degree of progress toward the emission reductions goals set in this section. The department of natural resources shall report annually to the department of ecology and the legislature on the status of the plan, emission reductions and progress toward meeting the objectives specified in this section, and the goals of this chapter and chapter 76.04 RCW.

(3) If the December 31, 1994, emission reductions targets in this section are not met, the department of natural resources, in consultation with the department of ecology, shall use its authority granted in this chapter and chapter 76.04 RCW to immediately limit emissions from such burning to the 1994 target

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levels and limit silvicultural forest burning in subsequent years to achieve equal annual incremental reductions so as to achieve the December 31, 2000, target level. If, as a result of the program established in this section, the emission reductions are met in 1994, but are not met by December 31, 2000, the department of natural resources in consultation with the department of ecology shall immediately limit silvicultural forest burning to reduce emissions from such burning to the December 31, 2000, target level in all subsequent years.

(4) Emissions from silvicultural burning in eastern Washington that is conducted for the purpose of restoring forest health or preventing the additional deterioration of forest health are exempt from the reduction targets and calculations in this section if the following conditions are met:

(a) The landowner submits a written request to the department identifying the location of the proposed burning and the nature of the forest health problem to be corrected. The request shall include a brief description of alternatives to silvicultural burning and reasons why the landowner believes the alternatives not to be appropriate.

(b) The department determines that the proposed silvicultural burning operation is being conducted to restore forest health or prevent additional deterioration to forest health; meets the requirements of the state smoke management plan to protect public health, visibility, and the environment; and will not be conducted during an air pollution episode or during periods of impaired air quality in the vicinity of the proposed burn.

(c) Upon approval of the request by the department and before burning, the landowner is encouraged to notify the public in the vicinity of the burn of the general location and approximate time of ignition.

(5) The department of ecology may conduct a limited, seasonal ambient air quality monitoring program to measure the effects of forest health burning conducted under subsection (4) of this section. The monitoring program may be developed in consultation with the department of natural resources, private and public forest landowners, academic experts in forest health issues, and the general public.

Sec. 7. RCW 70.94.6538 and 2009 c 118 s 502 are each amended to read as follows:

The department of natural resources, in granting burning permits for fires for the purposes set forth in RCW 70.94.6534, shall condition the issuance and use of such permits to comply to the extent feasible with air quality standards established by the department of ecology (~~after full consultation with the department of natural resources~~). Such burning shall not cause the state air quality standards to be exceeded in the ambient air up to two thousand feet above ground level over critical areas designated by the department of ecology, otherwise subject to air pollution from other sources. Air quality standards shall be established and published by the department of ecology which shall also establish a procedure for advising the department of natural resources when and where air contaminant levels exceed or threaten to exceed the ambient air standards over such critical areas. The air quality shall be quantitatively measured by the department of ecology or the appropriate local air pollution control authority at established monitoring stations over such designated areas. Further, such permitted burning shall not cause damage to public health or the environment. All permits issued under this section shall be subject to all applicable fees, permitting, penalty, and enforcement provisions of this chapter. The department of natural resources shall set forth smoke dispersal objectives designed consistent with this section to minimize any air pollution from such burning and the procedures necessary to meet those objectives.

The department of natural resources shall encourage more intense utilization in logging and alternative silviculture practices to reduce the need for burning. The department of natural resources shall, whenever practical, encourage landowners to develop and use alternative acceptable disposal methods subject to the following priorities: (1) Slash production minimization, (2) slash utilization, (3) nonburning disposal, (4) silvicultural burning. Such alternative methods shall be evaluated as to the relative impact on air, water, and land pollution, public health, and their financial feasibility.

The department of natural resources shall not issue burning permits and shall revoke previously issued permits at any time in any area where the department of ecology or local board has declared a stage of impaired air quality as defined in RCW 70.94.473.

NEW SECTION. Sec. 8. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2019, in the omnibus appropriations act, this act is null and void."

On page 1, line 1 of the title, after "prevention;" strike the remainder of the title and insert "amending RCW 76.06.200, 76.04.015, 70.94.6514, 70.94.6524, 70.94.6534, 70.94.6536, and 70.94.6538; and creating a new section."

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Second Substitute House Bill No. 1784.

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

MOTION

On motion of Senator Short, the rules were suspended, Second Substitute House Bill No. 1784 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Short spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1784 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1784 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Erickson, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

SECOND SUBSTITUTE HOUSE BILL NO. 1784, as amended by the Senate, 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 SECOND SUBSTITUTE HOUSE BILL NO. 1224, by House Committee on Appropriations (originally sponsored by Robinson, Macri, Ryu, Peterson, Frame, Tharinger, Bergquist, Gregerson, Jinkins, Ortiz-Self, Lovick, Doglio, Stanford, Appleton, Slatter and Wylie)

Concerning prescription drug cost transparency.

The measure was read the second time.

MOTION

Senator Cleveland moved that the following committee striking amendment by the Committee on Ways & Means be not adopted:

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. FINDINGS. The legislature finds that the state of Washington has substantial public interest in the following:

(1) The price and cost of prescription drugs. Washington state is a major purchaser through the department of corrections, the health care authority, and other entities acting on behalf of a state purchaser;

(2) Enacting this chapter to provide notice and disclosure of information relating to the cost and pricing of prescription drugs in order to provide accountability to the state for prescription drug pricing;

(3) Rising drug costs and consumer ability to access prescription drugs; and

(4) Containing prescription drug costs. It is essential to understand the drivers and impacts of these costs, as transparency is typically the first step toward cost containment and greater consumer access to needed prescription drugs.

NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Aggregate retained rebate percentage" means the percentage of all rebates received by a pharmacy benefit manager from all pharmaceutical manufacturers which is not passed on to the pharmacy benefit manager's health carrier clients. An aggregate retained rebate percentage must be expressed without disclosing any identifying information regarding any health plan, prescription drug, or therapeutic class, and must be calculated by dividing:

(a) The aggregate dollar amount of all rebates that the pharmacy benefit manager received during the prior calendar year from all pharmaceutical manufacturers and did not pass through to the pharmacy benefit manager's health carrier clients; by

(b) The aggregate dollar amount of all rebates that the pharmacy benefit manager received during the prior calendar year from all pharmaceutical manufacturers.

(2) "Authority" means the health care authority.

(3) "Covered drug" means any prescription drug that:

(a) A covered manufacturer intends to introduce to the market at a wholesale acquisition cost of ten thousand dollars or more for a course of treatment lasting less than one month or a thirty-day supply, whichever period is longer; or

(b) Is currently on the market, is manufactured by a covered manufacturer, and has a wholesale acquisition cost of more than one hundred dollars for a course of treatment lasting less than one month or a thirty-day supply, and the manufacturer increases the wholesale acquisition cost at least:

(i) Twenty percent, including the proposed increase and the cumulative increase over one calendar year prior to the date of the proposed increase; or

(ii) Fifty percent, including the proposed increase and the cumulative increase over three calendar years prior to the date of the proposed increase.

(4) "Covered manufacturer" means a person, corporation, or other entity engaged in the manufacture of prescription drugs sold in or into Washington state. "Covered manufacturer" does not include a private label distributor or retail pharmacy that sells a drug under the retail pharmacy's store, or a prescription drug repackager.

(5) "Health care provider," "health plan," "health carrier," and "carrier" mean the same as in RCW 48.43.005.

(6) "Pharmacy benefit manager" means the same as in RCW 19.340.010.

(7) "Prescription drug" means a drug regulated under chapter 69.41 or 69.50 RCW, including generic, brand name, specialty drugs, and biological products that are prescribed for outpatient use and distributed in a retail setting.

(8) "Purchaser" means a public or private purchaser of prescription drugs in the state including, but not limited to:

(a) The health care authority;

(b) The department of labor and industries;

(c) The department of corrections;

(d) The department of social and health services;

(e) Health plans; and

(f) Pharmacy benefit managers.

(9) "Qualifying price increase" means a price increase described in subsection (3)(b) of this section.

(10) "Wholesale acquisition cost" or "price" means, with respect to a prescription drug, the manufacturer's list price for the drug to wholesalers or direct purchasers in the United States, excluding any discounts, rebates, or reductions in price, for the most recent month for which the information is available, as reported in wholesale price guides or other publications of prescription drug pricing.

NEW SECTION. Sec. 3. HEALTH CARRIER REPORTING. Beginning October 1, 2019, and on a yearly basis thereafter, a health carrier must submit to the authority the following prescription drug cost and utilization data for the previous calendar year for each health plan it offers in the state:

(1) The twenty-five prescription drugs most frequently prescribed by health care providers participating in the plan's network;

(2) The twenty-five costliest prescription drugs expressed as a percentage of total plan prescription drug spending, and the plan's total spending for each of these prescription drugs;

(3) The twenty-five drugs with the highest year-over-year increase in wholesale acquisition cost, excluding drugs made available for the first time that plan year, and the percentages of the increases for each of these prescription drugs;

(4) The portion of the premium that is attributable to each of the following categories of covered prescription drugs, after accounting for all rebates and discounts:

(a) Brand name drugs;

(b) Generic drugs; and

(c) Specialty drugs;

(5) The year-over-year increase, calculated on a per member, per month basis and expressed as a percentage, in the total annual cost of each category of covered drugs listed in subsection (4) of this section, after accounting for all rebates and discounts;

(6) A comparison, calculated on a per member, per month basis, of the year-over-year increase in the cost of covered drugs to the year-over-year increase in the costs of other contributors to

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premiums, after accounting for all rebates and discounts;

(7) The name of each covered specialty drug; and

(8) The names of the twenty-five most frequently prescribed drugs for which the health plan received rebates from pharmaceutical manufacturers.

NEW SECTION. Sec. 4. PHARMACY BENEFIT MANAGER REPORTING. Beginning October 1, 2019, and on a yearly basis thereafter, a pharmacy benefit manager must submit to the authority the following prescription drug data for the previous calendar year:

(1) The aggregate dollar amount of all rebates and fees received from pharmaceutical manufacturers for prescription drugs that were covered by the pharmacy benefit manager's health carrier clients during the calendar year, and are attributable to patient utilization of such drugs during the calendar year;

(2) The aggregate dollar amount of all rebates and fees received by the pharmacy benefit manager from pharmaceutical manufacturers that are not passed through to the health carrier clients; and

(3) The aggregate retained rebate percentage.

NEW SECTION. Sec. 5. MANUFACTURER REPORTING. (1) Beginning October 1, 2019, a covered manufacturer must submit to the authority the following data for each covered drug:

(a) A description of the specific financial and nonfinancial factors used to make the decision to set or increase the wholesale acquisition cost of the drug. In the event of a price increase, a covered manufacturer must also submit the amount of the increase and an explanation of how these factors explain the increase in the wholesale acquisition cost of the drug;

(b) The patent expiration date of the drug if it is under patent;

(c) Whether the drug is a multiple source drug, an innovator multiple source drug, a noninnovator multiple source drug, or a single source drug;

(d) The itemized cost for production and sales, including the annual manufacturing costs, annual marketing and advertising costs, total research and development costs, total costs of clinical trials and regulation, and total cost for acquisition of the drug; and

(e) The total financial assistance given by the manufacturer through assistance programs, rebates, and coupons.

(2) For all qualifying price increases of existing drugs, a manufacturer must submit the year the drug was introduced to market and the wholesale acquisition cost of the drug at the time of introduction.

(3) If a manufacturer increases the price of an existing drug it has manufactured for the previous five years or more, it must submit a schedule of wholesale acquisition cost increases for the drug for the previous five years.

(4) If a manufacturer acquired the drug within the previous five years, it must submit:

(a) The wholesale acquisition cost of the drug at the time of acquisition and in the calendar year prior to acquisition; and

(b) The name of the company from which the drug was acquired, the date acquired, and the purchase price.

(5) Except as provided in subsection (6) of this section, a covered manufacturer must submit the information required by this section:

(a) At least sixty days in advance of a qualifying price increase for a covered drug; and

(b) Within thirty days of release of a new covered drug to the market.

(6) For any drug approved under section 505(j) of the federal food, drug, and cosmetic act, as it existed on the effective date of this section, or a biosimilar approved under section 351(k) of the

federal public health service act, as it existed on the effective date of this section, if submitting data in accordance with subsection (5)(a) of this section is not practicable sixty days before the price increase, that submission must be made as soon as practicable but not later than the date of the price increase.

(7) The information submitted pursuant to this section is not subject to public disclosure under chapter 42.56 RCW and is considered a trade secret as defined in RCW 19.108.010.

NEW SECTION. Sec. 6. MANUFACTURER NOTICE OF NEW DRUG APPLICATIONS. (1) Beginning October 1, 2019, a manufacturer must submit written notice, in a form and manner specified by the authority, informing the authority that the manufacturer has filed with the FDA:

(a) A new drug application or biologics license application for a pipeline drug; or

(b) A biologics license application for a biological product.

(2) The notice must be filed within sixty days of the manufacturer receiving the applicable FDA approval date.

(3) Upon receipt of the notice, the authority may request from the manufacturer the following information if it believes the drug will have a significant impact on state expenditures:

(a) The primary disease, condition, or therapeutic area studied in connection with the new drug, and whether the drug is therapeutically indicated for such disease, condition, or therapeutic area;

(b) Each route of administration studied for the drug;

(c) Clinical trial comparators for the drug;

(d) The date at which the FDA must complete its review of the drug application pursuant to the federal prescription drug user fee act of 1992 (106 Stat. 4491; P.L. 102-571);

(e) Whether the FDA has designated the drug an orphan drug, a fast track product, or a breakthrough therapy; and

(f) Whether the FDA has designated the drug for accelerated approval, priority review, or if the drug contains a new molecular entity.

(4) A manufacturer may limit the information reported pursuant to this section to that which is otherwise in the public domain or publicly reported.

(5) The information collected pursuant to this section is not subject to public disclosure under chapter 42.56 RCW.

NEW SECTION. Sec. 7. REPORTING TO PURCHASERS. (1)(a) Beginning October 1, 2019, a manufacturer of a covered drug must notify purchasers of a qualifying price increase in writing at least sixty days prior to the planned effective date of the increase. The notice must include:

(i) The date of the increase, the current wholesale acquisition cost of the prescription drug, and the dollar amount of the future increase in the wholesale acquisition cost of the prescription drug; and

(ii) A statement regarding whether a change or improvement in the drug necessitates the price increase. If so, the manufacturer shall describe the change or improvement.

(b) If a pharmacy benefit manager receives a notice of an increase in wholesale acquisition cost consistent with (a) of this subsection, it shall notify its large contracting public and private purchasers of the increase. For the purposes of this section, a "large purchaser" means a purchaser that provides coverage to more than five hundred covered lives.

(2) The data submitted under this section must be made publicly available on the authority's web site.

(3) For any drug approved under section 505(j) of the federal food, drug, and cosmetic act, as it existed on the effective date of this section, or a biosimilar approved under section 351(k) of the federal public health service act, as it existed on the effective date

of this section, if notification is not practicable sixty days before the price increase, that submission must be made as soon as practicable but not later than the date of the price increase.

NEW SECTION. Sec. 8. PHARMACY SERVICES ADMINISTRATIVE ORGANIZATION REPORTING. (1) Beginning October 1, 2019, and on a yearly basis thereafter, a pharmacy services administrative organization representing a pharmacy or pharmacy chain in the state must submit to the authority the following data from the previous calendar year:

(a) The negotiated reimbursement rate of the twenty-five prescription drugs with the highest reimbursement rate;

(b) The twenty-five prescription drugs with the largest year-to-year change in reimbursement rate, expressed as a percentage and dollar amount; and

(c) The schedule of fees charged to pharmacies for the services provided by the pharmacy services administrative organization.

(2) Any pharmacy services administrative organization whose revenue is generated from flat service fees not connected to drug prices or volume, and paid by the pharmacy, is exempt from reporting.

NEW SECTION. Sec. 9. DATA COLLECTION AND ANNUAL REPORT. (1) The authority shall compile and analyze the data submitted by health carriers, pharmacy benefit managers, manufacturers, and pharmacy services administrative organizations under sections 3, 4, 5, and 8 of this act and prepare an annual report for the public and the legislature synthesizing the data to demonstrate the overall impact that drug costs, rebates, and other discounts have on health care premiums.

(2) The data in the report must be aggregated and must not reveal information specific to individual health carriers, pharmacy benefit managers, or pharmacy services administrative organizations.

(3) Beginning January 1, 2020, and by each January 1st thereafter, the authority must publish the report on its web site.

(4) Except for the report, the authority shall keep confidential all of the information provided pursuant to sections 3, 4, 5, and 8 of this act, and analysis of that information. The information and analysis is not subject to public disclosure under chapter 42.56 RCW and is considered a trade secret as defined in RCW 19.108.010.

NEW SECTION. Sec. 10. ENFORCEMENT. The authority may assess a fine of up to one thousand dollars per day for failure to comply with the requirements of sections 3 through 8 of this act. The assessment of a fine under this section is subject to review under the administrative procedure act, chapter 34.05 RCW. Fines collected under this section must be deposited in the medicaid fraud penalty account created in RCW 74.09.215.

NEW SECTION. Sec. 11. The authority must contact the California office of statewide health planning and development and the Oregon department of consumer and business services to develop strategies to reduce prescription drug costs and increase prescription drug cost transparency. The authority must make recommendations to the legislature for implementing joint state strategies, which may include a joint purchasing agreement, by January 1, 2020.

NEW SECTION. Sec. 12. RULE MAKING. The authority may adopt any rules necessary to implement the requirements of this chapter.

Sec. 13. RCW 74.09.215 and 2013 2nd sp.s. c 4 s 1902, 2013 2nd sp.s. c 4 s 997, and 2013 2nd sp.s. c 4 s 995 are each reenacted and amended to read as follows:

The medicaid fraud penalty account is created in the state

treasury. All receipts from civil penalties collected under RCW 74.09.210, all receipts received under judgments or settlements that originated under a filing under the federal false claims act, all receipts from fines received pursuant to section 10 of this act, and all receipts received under judgments or settlements that originated under the state medicaid fraud false claims act, chapter 74.66 RCW, must be deposited into the account. Moneys in the account may be spent only after appropriation and must be used only for medicaid services, fraud detection and prevention activities, recovery of improper payments, for other medicaid fraud enforcement activities, and the prescription monitoring program established in chapter 70.225 RCW. For the 2013-2015 fiscal biennium, moneys in the account may be spent on inpatient and outpatient rebasing and conversion to the tenth version of the international classification of diseases. For the 2011-2013 fiscal biennium, moneys in the account may be spent on inpatient and outpatient rebasing.

NEW SECTION. Sec. 14. Sections 1 through 12 of this act constitute a new chapter in Title 43 RCW."

On page 1, line 1 of the title, after "transparency;" strike the remainder of the title and insert "reenacting and amending RCW 74.09.215; adding a new chapter to Title 43 RCW; and prescribing penalties."

The President declared the question before the Senate to be the motion to not adopt the committee striking amendment by the Committee on Ways & Means to Engrossed Second Substitute House Bill No. 1224.

The motion by Senator Cleveland carried and the committee striking amendment was not adopted by voice vote.

MOTION

Senator Cleveland moved that the following committee striking amendment by the Committee on Health & Long Term Care be not adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. FINDINGS. The legislature finds that the state of Washington has substantial public interest in the following:

(1) The price and cost of prescription drugs. Washington state is a major purchaser through the department of corrections, the health care authority, and other entities acting on behalf of a state purchaser;

(2) Enacting this chapter to provide notice and disclosure of information relating to the cost and pricing of prescription drugs in order to provide accountability to the state for prescription drug pricing;

(3) Rising drug costs and consumer ability to access prescription drugs; and

(4) Containing prescription drug costs. It is essential to understand the drivers and impacts of these costs, as transparency is typically the first step toward cost containment and greater consumer access to needed prescription drugs.

NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Aggregate retained rebate percentage" means the percentage of all rebates received by a pharmacy benefit manager from all pharmaceutical manufacturers which is not passed on to the pharmacy benefit manager's health carrier clients. An aggregate retained rebate percentage must be expressed without

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disclosing any identifying information regarding any health plan, prescription drug, or therapeutic class, and must be calculated by dividing:

(a) The aggregate dollar amount of all rebates that the pharmacy benefit manager received during the prior calendar year from all pharmaceutical manufacturers and did not pass through to the pharmacy benefit manager's health carrier clients; by

(b) The aggregate dollar amount of all rebates that the pharmacy benefit manager received during the prior calendar year from all pharmaceutical manufacturers.

(2) "Authority" means the health care authority.

(3) "Covered drug" means any prescription drug that:

(a) A covered manufacturer intends to introduce to the market at a wholesale acquisition cost of ten thousand dollars or more for a course of treatment lasting less than one month or a thirty-day supply, whichever period is longer; or

(b) Is currently on the market, is manufactured by a covered manufacturer, and has a wholesale acquisition cost of more than one hundred dollars for a course of treatment lasting less than one month or a thirty-day supply, and the manufacturer increases the wholesale acquisition cost at least:

(i) Twenty percent, including the proposed increase and the cumulative increase over one calendar year prior to the date of the proposed increase; or

(ii) Fifty percent, including the proposed increase and the cumulative increase over three calendar years prior to the date of the proposed increase.

(4) "Covered manufacturer" means a person, corporation, or other entity engaged in the manufacture of prescription drugs sold in or into Washington state. "Covered manufacturer" does not include a private label distributor or retail pharmacy that sells a drug under the retail pharmacy's store, or a prescription drug repackager.

(5) "Health care provider," "health plan," "health carrier," and "carrier" mean the same as in RCW 48.43.005.

(6) "Pharmacy benefit manager" means the same as in RCW 19.340.010.

(7) "Prescription drug" means a drug regulated under chapter 69.41 or 69.50 RCW, including generic, brand name, specialty drugs, and biological products that are prescribed for outpatient use and distributed in a retail setting.

(8) "Purchaser" means a public or private purchaser of prescription drugs in the state including, but not limited to:

(a) The health care authority;

(b) The department of labor and industries;

(c) The department of corrections;

(d) The department of social and health services;

(e) Health plans; and

(f) Pharmacy benefit managers.

(9) "Qualifying price increase" means a price increase described in subsection (3)(b) of this section.

(10) "Wholesale acquisition cost" or "price" means, with respect to a prescription drug, the manufacturer's list price for the drug to wholesalers or direct purchasers in the United States, excluding any discounts, rebates, or reductions in price, for the most recent month for which the information is available, as reported in wholesale price guides or other publications of prescription drug pricing.

NEW SECTION. Sec. 3. HEALTH CARRIER REPORTING. Beginning October 1, 2019, and on a yearly basis thereafter, a health carrier must submit to the authority the following prescription drug cost and utilization data for the previous calendar year for each health plan it offers in the state:

(1) The twenty-five prescription drugs most frequently prescribed by health care providers participating in the plan's

network;

(2) The twenty-five costliest prescription drugs expressed as a percentage of total plan prescription drug spending, and the plan's total spending for each of these prescription drugs;

(3) The twenty-five drugs with the highest year-over-year increase in wholesale acquisition cost, excluding drugs made available for the first time that plan year, and the percentages of the increases for each of these prescription drugs;

(4) The portion of the premium that is attributable to each of the following categories of covered prescription drugs, after accounting for all rebates and discounts:

(a) Brand name drugs;

(b) Generic drugs; and

(c) Specialty drugs;

(5) The year-over-year increase, calculated on a per member, per month basis and expressed as a percentage, in the total annual cost of each category of covered drugs listed in subsection (4) of this section, after accounting for all rebates and discounts;

(6) A comparison, calculated on a per member, per month basis, of the year-over-year increase in the cost of covered drugs to the year-over-year increase in the costs of other contributors to premiums, after accounting for all rebates and discounts;

(7) The name of each covered specialty drug; and

(8) The names of the twenty-five most frequently prescribed drugs for which the health plan received rebates from pharmaceutical manufacturers.

NEW SECTION. Sec. 4. PHARMACY BENEFIT MANAGER REPORTING. Beginning October 1, 2019, and on a yearly basis thereafter, a pharmacy benefit manager must submit to the authority the following prescription drug data for the previous calendar year:

(1) The aggregate dollar amount of all rebates and fees received from pharmaceutical manufacturers for prescription drugs that were covered by the pharmacy benefit manager's health carrier clients during the calendar year, and are attributable to patient utilization of such drugs during the calendar year;

(2) The aggregate dollar amount of all rebates and fees received by the pharmacy benefit manager from pharmaceutical manufacturers that are not passed through to the health carrier clients; and

(3) The aggregate retained rebate percentage.

NEW SECTION. Sec. 5. MANUFACTURER REPORTING. (1) Beginning October 1, 2019, a covered manufacturer must submit to the authority the following data for each covered drug:

(a) A description of the specific financial and nonfinancial factors used to make the decision to set or increase the wholesale acquisition cost of the drug. In the event of a price increase, a covered manufacturer must also submit the amount of the increase and an explanation of how these factors explain the increase in the wholesale acquisition cost of the drug;

(b) The patent expiration date of the drug if it is under patent;

(c) Whether the drug is a multiple source drug, an innovator multiple source drug, a noninnovator multiple source drug, or a single source drug;

(d) The itemized cost for production and sales, including the annual manufacturing costs, annual marketing and advertising costs, total research and development costs, total costs of clinical trials and regulation, and total cost for acquisition of the drug; and

(e) The total financial assistance given by the manufacturer through assistance programs, rebates, and coupons.

(2) For all qualifying price increases of existing drugs, a manufacturer must submit the year the drug was introduced to market and the wholesale acquisition cost of the drug at the time

of introduction.

(3) If a manufacturer increases the price of an existing drug it has manufactured for the previous five years or more, it must submit a schedule of wholesale acquisition cost increases for the drug for the previous five years.

(4) If a manufacturer acquired the drug within the previous five years, it must submit:

(a) The wholesale acquisition cost of the drug at the time of acquisition and in the calendar year prior to acquisition; and

(b) The name of the company from which the drug was acquired, the date acquired, and the purchase price.

(5) A covered manufacturer must submit the information required by this section:

(a) At least sixty days in advance of a qualifying price increase for a covered drug; and

(b) Within thirty days of release of a new covered drug to the market.

NEW SECTION. Sec. 6. REPORTING TO PURCHASERS. (1)(a) Beginning October 1, 2019, a manufacturer of a covered drug must notify purchasers of a qualifying price increase in writing at least sixty days prior to the planned effective date of the increase. The notice must include:

(i) The date of the increase, the current wholesale acquisition cost of the prescription drug, and the dollar amount of the future increase in the wholesale acquisition cost of the prescription drug; and

(ii) A statement regarding whether a change or improvement in the drug necessitates the price increase. If so, the manufacturer shall describe the change or improvement.

(b) If a pharmacy benefit manager receives a notice of an increase in wholesale acquisition cost consistent with (a) of this subsection, it shall notify its large contracting public and private purchasers of the increase. For the purposes of this section, a "large purchaser" means a purchaser that provides coverage to more than five hundred covered lives.

(2) The data submitted under this section must be made publicly available on the authority's web site.

(3) For any drug approved under section 505(j) of the federal food, drug, and cosmetic act, as it existed on the effective date of this section, or a biosimilar approved under section 351(k) of the federal public health service act, as it existed on the effective date of this section, if notification is not practicable sixty days before the price increase, that submission must be made as soon as practicable but not later than the date of the price increase.

NEW SECTION. Sec. 7. PHARMACY SERVICES ADMINISTRATIVE ORGANIZATION REPORTING. (1) Beginning October 1, 2019, and on a yearly basis thereafter, a pharmacy services administrative organization representing a pharmacy or pharmacy chain in the state must submit to the authority the following data from the previous calendar year:

(a) The negotiated reimbursement rate of the twenty-five prescription drugs with the highest reimbursement rate;

(b) The twenty-five prescription drugs with the largest year-to-year change in reimbursement rate, expressed as a percentage and dollar amount; and

(c) The schedule of fees charged to pharmacies for the services provided by the pharmacy services administrative organization.

(2) Any pharmacy services administrative organization whose revenue is generated from flat service fees not connected to drug prices or volume, and paid by the pharmacy, is exempt from reporting.

NEW SECTION. Sec. 8. DATA COLLECTION AND ANNUAL REPORT. (1) The authority shall compile and analyze the data submitted by health carriers, pharmacy benefit

managers, manufacturers, and pharmacy services administrative organizations under sections 3, 4, 5, and 7 of this act and prepare an annual report for the public and the legislature synthesizing the data to demonstrate the overall impact that drug costs, rebates, and other discounts have on health care premiums.

(2) The data in the report must be aggregated and must not reveal information specific to individual health carriers, pharmacy benefit managers, or pharmacy services administrative organizations.

(3) Beginning January 1, 2020, and by each January 1st thereafter, the authority must publish the report on its web site.

(4) Except for the report, the authority shall keep confidential all of the information provided pursuant to sections 3, 4, 5, and 7 of this act, and analysis of that information. The information and analysis is not subject to public disclosure under chapter 42.56 RCW and is considered a trade secret as defined in RCW 19.108.010.

NEW SECTION. Sec. 9. ENFORCEMENT. The authority may assess a fine of up to one thousand dollars per day for failure to comply with the requirements of sections 3 through 7 of this act. The assessment of a fine under this section is subject to review under the administrative procedure act, chapter 34.05 RCW. Fines collected under this section must be deposited in the medicaid fraud penalty account created in RCW 74.09.215.

NEW SECTION. Sec. 10. RULE MAKING. The authority may adopt any rules necessary to implement the requirements of this chapter.

Sec. 11. RCW 74.09.215 and 2013 2nd sp.s. c 4 s 1902, 2013 2nd sp.s. c 4 s 997, and 2013 2nd sp.s. c 4 s 995 are each reenacted and amended to read as follows:

The medicaid fraud penalty account is created in the state treasury. All receipts from civil penalties collected under RCW 74.09.210, all receipts received under judgments or settlements that originated under a filing under the federal false claims act, all receipts from fines received pursuant to section 9 of this act, and all receipts received under judgments or settlements that originated under the state medicaid fraud false claims act, chapter 74.66 RCW, must be deposited into the account. Moneys in the account may be spent only after appropriation and must be used only for medicaid services, fraud detection and prevention activities, recovery of improper payments, for other medicaid fraud enforcement activities, and the prescription monitoring program established in chapter 70.225 RCW. For the 2013-2015 fiscal biennium, moneys in the account may be spent on inpatient and outpatient rebasing and conversion to the tenth version of the international classification of diseases. For the 2011-2013 fiscal biennium, moneys in the account may be spent on inpatient and outpatient rebasing.

NEW SECTION. Sec. 12. Sections 1 through 10 of this act constitute a new chapter in Title 43 RCW."

On page 1, line 1 of the title, after "transparency;" strike the remainder of the title and insert "reenacting and amending RCW 74.09.215; adding a new chapter to Title 43 RCW; and prescribing penalties."

The President declared the question before the Senate to be the motion to not adopt the committee striking amendment by the Committee on Health & Long Term Care to Engrossed Second Substitute House Bill No. 1224.

The motion by Senator Cleveland carried and the committee striking amendment was not adopted by voice vote.

MOTION

Senator Rivers moved that the following striking amendment no. 667 by Senators Rivers and Mullet be adopted:

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. FINDINGS. The legislature finds that the state of Washington has substantial public interest in the following:

(1) The price and cost of prescription drugs. Washington state is a major purchaser through the department of corrections, the health care authority, and other entities acting on behalf of a state purchaser;

(2) Enacting this chapter to provide notice and disclosure of information relating to the cost and pricing of prescription drugs in order to provide accountability to the state for prescription drug pricing;

(3) Rising drug costs and consumer ability to access prescription drugs; and

(4) Containing prescription drug costs. It is essential to understand the drivers and impacts of these costs, as transparency is typically the first step toward cost containment and greater consumer access to needed prescription drugs.

NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Aggregate retained rebate percentage" means the percentage of all rebates received by a pharmacy benefit manager from all pharmaceutical manufacturers which is not passed on to the pharmacy benefit manager's health carrier clients. An aggregate retained rebate percentage must be expressed without disclosing any identifying information regarding any health plan, prescription drug, or therapeutic class, and must be calculated by dividing:

(a) The aggregate dollar amount of all rebates that the pharmacy benefit manager received during the prior calendar year from all pharmaceutical manufacturers and did not pass through to the pharmacy benefit manager's health carrier clients; by

(b) The aggregate dollar amount of all rebates that the pharmacy benefit manager received during the prior calendar year from all pharmaceutical manufacturers.

(2) "Authority" means the health care authority.

(3) "Covered drug" means any prescription drug that:

(a) A covered manufacturer intends to introduce to the market at a wholesale acquisition cost of ten thousand dollars or more for a course of treatment lasting less than one month or a thirty-day supply, whichever period is longer; or

(b) Is currently on the market, is manufactured by a covered manufacturer, and has a wholesale acquisition cost of more than one hundred dollars for a course of treatment lasting less than one month or a thirty-day supply, and, taking into account only price increases that take effect after the effective date of this section, the manufacturer increases the wholesale acquisition cost at least:

(i) Twenty percent, including the proposed increase and the cumulative increase over one calendar year prior to the date of the proposed increase; or

(ii) Fifty percent, including the proposed increase and the cumulative increase over three calendar years prior to the date of the proposed increase.

(4) "Covered manufacturer" means a person, corporation, or other entity engaged in the manufacture of prescription drugs sold in or into Washington state. "Covered manufacturer" does not include a private label distributor or retail pharmacy that sells a drug under the retail pharmacy's store, or a prescription drug

repackager.

(5) "Health care provider," "health plan," "health carrier," and "carrier" mean the same as in RCW 48.43.005.

(6) "Pharmacy benefit manager" means the same as in RCW 19.340.010.

(7) "Prescription drug" means a drug regulated under chapter 69.41 or 69.50 RCW, including generic, brand name, specialty drugs, and biological products that are prescribed for outpatient use and distributed in a retail setting.

(8) "Qualifying price increase" means a price increase described in subsection (3)(b) of this section.

(9) "Wholesale acquisition cost" or "price" means, with respect to a prescription drug, the manufacturer's list price for the drug to wholesalers or direct purchasers in the United States, excluding any discounts, rebates, or reductions in price, for the most recent month for which the information is available, as reported in wholesale price guides or other publications of prescription drug pricing.

NEW SECTION. Sec. 3. HEALTH CARRIER REPORTING. Beginning October 1, 2019, and on a yearly basis thereafter, a health carrier must submit to the authority the following prescription drug cost and utilization data for the previous calendar year for each health plan it offers in the state:

(1) The twenty-five prescription drugs most frequently prescribed by health care providers participating in the plan's network;

(2) The twenty-five costliest prescription drugs expressed as a percentage of total plan prescription drug spending, and the plan's total spending for each of these prescription drugs;

(3) The twenty-five drugs with the highest year-over-year increase in wholesale acquisition cost, excluding drugs made available for the first time that plan year, and the percentages of the increases for each of these prescription drugs;

(4) The portion of the premium that is attributable to each of the following categories of covered prescription drugs, after accounting for all rebates and discounts:

(a) Brand name drugs;

(b) Generic drugs; and

(c) Specialty drugs;

(5) The year-over-year increase, calculated on a per member, per month basis and expressed as a percentage, in the total annual cost of each category of covered drugs listed in subsection (4) of this section, after accounting for all rebates and discounts;

(6) A comparison, calculated on a per member, per month basis, of the year-over-year increase in the cost of covered drugs to the year-over-year increase in the costs of other contributors to premiums, after accounting for all rebates and discounts;

(7) The name of each covered specialty drug; and

(8) The names of the twenty-five most frequently prescribed drugs for which the health plan received rebates from pharmaceutical manufacturers.

NEW SECTION. Sec. 4. PHARMACY BENEFIT MANAGER REPORTING. Beginning October 1, 2019, and on a yearly basis thereafter, a pharmacy benefit manager must submit to the authority the following prescription drug data for the previous calendar year:

(1) The aggregate dollar amount of all rebates and fees received from pharmaceutical manufacturers for prescription drugs that were covered by the pharmacy benefit manager's health carrier clients during the calendar year, and are attributable to patient utilization of such drugs during the calendar year;

(2) The aggregate dollar amount of all rebates and fees received by the pharmacy benefit manager from pharmaceutical manufacturers that are not passed through to the health carrier

clients; and

(3) The aggregate retained rebate percentage.

NEW SECTION. Sec. 5. MANUFACTURER REPORTING. (1) Beginning October 1, 2019, a covered manufacturer must submit to the authority the following data for each covered drug:

(a) A description of the specific financial and nonfinancial factors used to make the decision to set or increase the wholesale acquisition cost of the drug. In the event of a price increase, a covered manufacturer must also submit the amount of the increase and an explanation of how these factors explain the increase in the wholesale acquisition cost of the drug;

(b) The patent expiration date of the drug if it is under patent;

(c) Whether the drug is a multiple source drug, an innovator multiple source drug, a noninnovator multiple source drug, or a single source drug;

(d) The itemized cost for production and sales, including the annual manufacturing costs, annual marketing and advertising costs, total research and development costs, total costs of clinical trials and regulation, and total cost for acquisition of the drug; and

(e) The total financial assistance given by the manufacturer through assistance programs, rebates, and coupons.

(2) For all qualifying price increases of existing drugs, a manufacturer must submit the year the drug was introduced to market and the wholesale acquisition cost of the drug at the time of introduction.

(3) If a manufacturer increases the price of an existing drug it has manufactured for the previous five years or more, it must submit a schedule of wholesale acquisition cost increases for the drug for the previous five years.

(4) If a manufacturer acquired the drug within the previous five years, it must submit:

(a) The wholesale acquisition cost of the drug at the time of acquisition and in the calendar year prior to acquisition; and

(b) The name of the company from which the drug was acquired, the date acquired, and the purchase price.

(5) Except as provided in subsection (6) of this section, a covered manufacturer must submit the information required by this section:

(a) At least sixty days in advance of a qualifying price increase for a covered drug; and

(b) Within thirty days of release of a new covered drug to the market.

(6) For any drug approved under section 505(j) of the federal food, drug, and cosmetic act, as it existed on the effective date of this section, or a biosimilar approved under section 351(k) of the federal public health service act, as it existed on the effective date of this section, if submitting data in accordance with subsection (5)(a) of this section is not practicable sixty days before the price increase, that submission must be made as soon as practicable but not later than the date of the price increase.

(7) The information submitted pursuant to this section is not subject to public disclosure under chapter 42.56 RCW and is considered a trade secret as defined in RCW 19.108.010.

NEW SECTION. Sec. 6. MANUFACTURER NOTICE OF NEW DRUG APPLICATIONS. (1) Beginning October 1, 2019, a manufacturer must submit written notice, in a form and manner specified by the authority, informing the authority that the manufacturer has filed with the FDA:

(a) A new drug application or biologics license application for a pipeline drug; or

(b) A biologics license application for a biological product.

(2) The notice must be filed within sixty days of the manufacturer receiving the applicable FDA approval date.

(3) Upon receipt of the notice, the authority may request from the manufacturer the following information if it believes the drug will have a significant impact on state expenditures:

(a) The primary disease, condition, or therapeutic area studied in connection with the new drug, and whether the drug is therapeutically indicated for such disease, condition, or therapeutic area;

(b) Each route of administration studied for the drug;

(c) Clinical trial comparators for the drug;

(d) The date at which the FDA must complete its review of the drug application pursuant to the federal prescription drug user fee act of 1992 (106 Stat. 4491; P.L. 102-571);

(e) Whether the FDA has designated the drug an orphan drug, a fast track product, or a breakthrough therapy; and

(f) Whether the FDA has designated the drug for accelerated approval, priority review, or if the drug contains a new molecular entity.

(4) A manufacturer may limit the information reported pursuant to this section to that which is otherwise in the public domain or publicly reported.

(5) The information collected pursuant to this section is not subject to public disclosure under chapter 42.56 RCW and is considered a trade secret as defined in RCW 19.108.010.

NEW SECTION. Sec. 7. MANUFACTURER NOTICE OF PRICE INCREASES. (1) Beginning October 1, 2019, a manufacturer of a covered drug must notify the authority of a qualifying price increase in writing at least sixty days prior to the planned effective date of the increase. The notice must include:

(a) The date of the increase, the current wholesale acquisition cost of the prescription drug, and the dollar amount of the future increase in the wholesale acquisition cost of the prescription drug; and

(b) A statement regarding whether a change or improvement in the drug necessitates the price increase. If so, the manufacturer shall describe the change or improvement.

(2) For any drug approved under section 505(j) of the federal food, drug, and cosmetic act, as it existed on the effective date of this section, or a biosimilar approved under section 351(k) of the federal public health service act, as it existed on the effective date of this section, if notification is not practicable sixty days before the price increase, that submission must be made as soon as practicable but not later than the date of the price increase.

(3) The information submitted pursuant to this section shall not be subject to public disclosure under chapter 42.56 RCW and is considered a trade secret as defined in RCW 19.108.010.

NEW SECTION. Sec. 8. PHARMACY SERVICES ADMINISTRATIVE ORGANIZATION REPORTING. (1) Beginning October 1, 2019, and on a yearly basis thereafter, a pharmacy services administrative organization representing a pharmacy or pharmacy chain in the state must submit to the authority the following data from the previous calendar year:

(a) The negotiated reimbursement rate of the twenty-five prescription drugs with the highest reimbursement rate;

(b) The twenty-five prescription drugs with the largest year-to-year change in reimbursement rate, expressed as a percentage and dollar amount; and

(c) The schedule of fees charged to pharmacies for the services provided by the pharmacy services administrative organization.

(2) Any pharmacy services administrative organization whose revenue is generated from flat service fees not connected to drug prices or volume, and paid by the pharmacy, is exempt from reporting.

NEW SECTION. Sec. 9. DATA COLLECTION AND ANNUAL REPORT. (1) The authority shall compile and

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analyze the data submitted by health carriers, pharmacy benefit managers, manufacturers, and pharmacy services administrative organizations under sections 3, 4, 5, and 8 of this act and prepare an annual report for the public and the legislature synthesizing the data to demonstrate the overall impact that drug costs, rebates, and other discounts have on health care premiums.

(2) The data in the report must be aggregated and must not reveal information specific to individual health carriers, pharmacy benefit managers, pharmacy services administrative organizations, individual prescription drugs, individual classes of prescription drugs, individual manufacturers, or discount amounts paid in connection with individual prescription drugs. Data submitted under sections 3, 4, 5, and 8 of this act may not be released in any manner that has the potential to compromise the financial, competitive, confidential, or proprietary nature of the data.

(3) Beginning January 1, 2020, and by each January 1st thereafter, the authority must publish the report on its web site.

(4) Except for the report, the authority shall keep confidential all of the information provided pursuant to sections 3, 4, 5, and 8 of this act, and analysis of that information. The information and analysis is not subject to public disclosure under chapter 42.56 RCW and is considered a trade secret as defined in RCW 19.108.010.

NEW SECTION. Sec. 10. ENFORCEMENT. The authority may assess a fine of up to one thousand dollars per day for failure to comply with the requirements of sections 3 through 8 of this act. The assessment of a fine under this section is subject to review under the administrative procedure act, chapter 34.05 RCW. Fines collected under this section must be deposited in the medicaid fraud penalty account created in RCW 74.09.215.

NEW SECTION. Sec. 11. The authority must contact the California office of statewide health planning and development and the Oregon department of consumer and business services to develop strategies to reduce prescription drug costs and increase prescription drug cost transparency. The authority must make recommendations to the legislature for implementing joint state strategies, which may include a joint purchasing agreement, by January 1, 2020.

NEW SECTION. Sec. 12. RULE MAKING. The authority may adopt any rules necessary to implement the requirements of this chapter.

Sec. 13. RCW 74.09.215 and 2013 2nd sp.s. c 4 s 1902, 2013 2nd sp.s. c 4 s 997, and 2013 2nd sp.s. c 4 s 995 are each reenacted and amended to read as follows:

The medicaid fraud penalty account is created in the state treasury. All receipts from civil penalties collected under RCW 74.09.210, all receipts received under judgments or settlements that originated under a filing under the federal false claims act, all receipts from fines received pursuant to section 10 of this act, and all receipts received under judgments or settlements that originated under the state medicaid fraud false claims act, chapter 74.66 RCW, must be deposited into the account. Moneys in the account may be spent only after appropriation and must be used only for medicaid services, fraud detection and prevention activities, recovery of improper payments, for other medicaid fraud enforcement activities, and the prescription monitoring program established in chapter 70.225 RCW. For the 2013-2015 fiscal biennium, moneys in the account may be spent on inpatient and outpatient rebasing and conversion to the tenth version of the international classification of diseases. For the 2011-2013 fiscal biennium, moneys in the account may be spent on inpatient and outpatient rebasing.

NEW SECTION. Sec. 14. Sections 1 through 12 of this act constitute a new chapter in Title 43 RCW."

On page 1, line 1 of the title, after "transparency;" strike the remainder of the title and insert "reenacting and amending RCW 74.09.215; adding a new chapter to Title 43 RCW; and prescribing penalties."

MOTION

Senator Cleveland moved that the following amendment no. 718 by Senators Cleveland and Keiser be adopted:

On page 5, after line 22, insert the following:

"(8) A manufacturer must make available to patients and prescribing health care providers information concerning financial assistance programs offered to patients by the manufacturer."

Senators Cleveland and Rivers spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 718 by Senators Cleveland and Keiser on page 5, after line 22 to striking amendment no. 667.

The motion by Senator Cleveland carried and amendment no. 718 was adopted by voice vote.

The President declared the question before the Senate to be the adoption of striking amendment no. 667 by Senators Rivers and Mullet as amended to Engrossed Second Substitute House Bill No. 1224.

The motion by Senator Rivers carried and striking amendment no. 667 as amended was adopted by voice vote.

MOTION

On motion of Senator Cleveland, the rules were suspended, Engrossed Second Substitute House Bill No. 1224 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Cleveland, Rivers and Mullet spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1224 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1224 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator McCoy

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1224, as amended by the Senate, 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

At 3:37 p.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 4:33 p.m. by President Habib.

SECOND READING

SECOND SUBSTITUTE HOUSE BILL NO. 1087, by House Committee on Appropriations (originally sponsored by Jinkins, MacEwen, Cody, Harris, Tharinger, Slatter, Kloba, Ryu, Macri, DeBolt, Bergquist, Doglio, Robinson, Stanford, Stonier, Frame and Leavitt)

Concerning long-term services and supports.

The measure was read the second time.

MOTION

Senator Cleveland moved that the following committee striking amendment by the Committee on Health & Long Term Care be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that:

(1) Long-term care is not covered by medicare or other health insurance plans, and the few private long-term care insurance plans that exist are unaffordable for most people, leaving more than ninety percent of seniors uninsured for long-term care. The current market for long-term care insurance is broken: In 2002, there were one hundred two companies offering long-term care insurance coverage, but today that number is only twelve.

(2) The majority of people over sixty-five years of age will need long-term services and supports within their lifetimes. The senior population has doubled in Washington since 1980, to currently over one million, and will more than double again by 2040. Without access to insurance, seniors must rely on family care and spend their life savings down to poverty levels in order to access long-term care through medicaid. In Washington, more than eight hundred fifty thousand unpaid family caregivers provided care valued at eleven billion dollars in 2015. Furthermore, family caregivers who leave the workforce to provide unpaid long-term services and supports lose an average of three hundred thousand dollars in their own income and health and retirement benefits.

(3) Paying out-of-pocket for long-term care is expensive. In Washington, the average cost for medicaid in-home care is twenty-four thousand dollars per year and the average cost for nursing home care is sixty-five thousand dollars per year. These are costs that most seniors cannot afford.

(4) Seniors and the state will not be able to continue their reliance on family caregivers in the near future. Demographic shifts mean that fewer potential family caregivers will be available in the future. Today, there are around seven potential caregivers for each senior, but by 2030 that ratio will decrease to four potential caregivers for each senior.

(5) Long-term services and supports comprise approximately six percent of the state operating budget, and demand for these

services will double by 2030 to over twelve percent. This will result in an additional six billion dollars in increased near-general fund costs for the state by 2030.

(6) An alternative funding mechanism for long-term care access in Washington state could relieve hardship on families and lessen the burden of medicaid on the state budget. In addition, an alternative funding mechanism could result in positive economic impact to our state through increased state competition and fewer Washingtonians leaving the workforce to provide unpaid care.

(7) The average aging and long-term supports administration medicaid consumer utilizes ninety-six hours of care per month. At current costs, a one hundred dollars per day benefit for three hundred sixty-five days would provide complete financial relief for the average in-home care consumer and substantial relief for the average facility care consumer for a full year or more.

(8) Under current caseload and demographic projections, an alternative funding mechanism for long-term care access could save the medicaid program eight hundred ninety-eight million dollars in the 2051-2053 biennium.

(9) As the state pursues an alternative funding mechanism for long-term care access, the state must continue its commitment to promoting choice in approved services and long-term care settings. Therefore, any alternative funding mechanism program should be structured such that:

(a) Individuals are able to use their benefits for long-term care services in the setting of their choice, whether in the home, a residential community-based setting, or a skilled nursing facility;

(b) The choice of provider types and approved services is the same or greater than currently available through Washington's publicly funded long-term services and supports;

(c) Transitions from private and public funding sources for consumers are seamless; and

(d) Long-term care health status data is collected across all home and community-based settings.

(10) The creation of a long-term care insurance benefit of an established dollar amount per day for three hundred sixty-five days for all eligible Washington employees, paid through an employee payroll premium, is in the best interest of the state of Washington.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Account" means the long-term services and supports trust account created in section 10 of this act.

(2) "Approved service" means long-term services and supports including, but not limited to:

(a) Adult day services;

(b) Care transition coordination;

(c) Memory care;

(d) Adaptive equipment and technology;

(e) Environmental modification;

(f) Personal emergency response system;

(g) Home safety evaluation;

(h) Respite for family caregivers;

(i) Home delivered meals;

(j) Transportation;

(k) Dementia supports;

(l) Education and consultation;

(m) Eligible relative care;

(n) Professional services;

(o) Services that assist paid and unpaid family members caring for eligible individuals, including training for individuals providing care who are not otherwise employed as long-term care workers under RCW 74.39A.074;

(p) In-home personal care;

- (q) Assisted living services;
 - (r) Adult family home services; and
 - (s) Nursing home services.
 - (3) "Benefit unit" means up to one hundred dollars, increasing at a three percent index subject to annual commission approval, paid by the department of social and health services to a long-term services and supports provider as reimbursement for approved services provided to an eligible beneficiary on a specific date.
 - (4) "Commission" means the long-term services and supports trust commission established in section 4 of this act.
 - (5) "Eligible beneficiary" means a qualified individual who is age eighteen or older, residing in the state of Washington, was not disabled before the age of eighteen, has been determined to meet the minimum level of assistance with activities of daily living necessary to receive benefits through the trust program, as established in this chapter, and who has not exhausted the lifetime limit of benefit units.
 - (6) "Employee" has the meaning provided in RCW 50A.04.010.
 - (7) "Employer" has the meaning provided in RCW 50A.04.010.
 - (8) "Employment" has the meaning provided in RCW 50A.04.010.
 - (9) "Long-term services and supports provider" means an entity that meets the qualifications applicable in law to the approved service they provide, including a qualified or certified home care aide, licensed assisted living facility, licensed adult family home, licensed nursing home, licensed in-home services agency, adult day services program, vendor, instructor, qualified family member, or other entities as registered by the department of social and health services.
 - (10) "Premium" or "premiums" means the payments required by section 8 of this act and paid to the employment security department for deposit in the account created in section 10 of this act.
 - (11) "Program" means the long-term services and supports trust program established in this chapter.
 - (12) "Qualified family member" means a relative of an eligible beneficiary qualified to meet requirements established in state law for the approved service they provide that would be required of any other long-term services and supports provider to receive payments from the state.
 - (13) "Qualified individual" means an individual who meets the duration of payment requirements, as established in this chapter.
 - (14) "Wages" has the meaning provided in RCW 50A.04.010, except that all wages are subject to a premium assessment and not limited by the commissioner of the employment security department, as provided under RCW 50A.04.115.
- NEW SECTION. Sec. 3.** (1) The health care authority, the department of social and health services, and the employment security department each have distinct responsibilities in the implementation and administration of the program. In the performance of their activities, they shall actively collaborate to realize program efficiencies and provide persons served by the program with a well-coordinated experience.
- (2) The health care authority shall:
 - (a) Track the use of lifetime benefit units to verify the individual's status as an eligible beneficiary as determined by the department of social and health services;
 - (b) Ensure approved services are provided through audits or service verification processes within the service provider payment system for registered long-term services and supports providers and recoup any inappropriate payments;
 - (c) Establish criteria for the payment of benefits to registered

- long-term services and supports providers under section 7 of this act;
 - (d) Establish rules and procedures for benefit coordination when the eligible beneficiary is also funded for medicaid and other long-term services and supports, including medicare, coverage through the department of labor and industries, and private long-term care coverage; and
 - (e) Adopt rules and procedures necessary to implement and administer the activities specified in this section related to the program.
 - (3) The department of social and health services shall:
 - (a) Make determinations regarding an individual's status as an eligible beneficiary under section 6 of this act;
 - (b) Approve long-term services and supports eligible for payment as approved services under the program, as informed by the commission;
 - (c) Register long-term services and supports providers that meet minimum qualifications;
 - (d) Discontinue the registration of long-term services and supports providers that: (i) Fail to meet the minimum qualifications applicable in law to the approved service that they provide; or (ii) violate the operational standards of the program;
 - (e) Disburse payments of benefits to registered long-term services and supports providers, utilizing and leveraging existing payment systems for the provision of approved services to eligible beneficiaries under section 7 of this act;
 - (f) Prepare and distribute written or electronic materials to qualified individuals, eligible beneficiaries, and the public as deemed necessary by the commission to inform them of program design and updates;
 - (g) Provide customer service and address questions and complaints, including referring individuals to other appropriate agencies;
 - (h) Provide administrative and operational support to the commission;
 - (i) Track data useful in monitoring and informing the program, as identified by the commission; and
 - (j) Adopt rules and procedures necessary to implement and administer the activities specified in this section related to the program.
 - (4) The employment security department shall:
 - (a) Collect and assess employee premiums as provided in section 8 of this act;
 - (b) Assist the commission in monitoring the solvency and financial status of the program;
 - (c) Perform investigations to determine the compliance of premium payments in section 8 of this act in coordination with the same activities conducted under the family and medical leave act, chapter 50A.04 RCW, to the extent possible;
 - (d) Make determinations regarding an individual's status as a qualified individual under section 5 of this act; and
 - (e) Adopt rules and procedures necessary to implement and administer the activities specified in this section related to the program.
- NEW SECTION. Sec. 4.** (1) The long-term services and supports trust commission is established.
- (2) The commission includes:
 - (a) Two members from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives;
 - (b) Two members from each of the two largest caucuses of the senate, appointed by the president of the senate;
 - (c) The commissioner of the employment security department, or the commissioner's designee;
 - (d) The secretary of the department of social and health

services, or the secretary's designee;

(e) The director of the health care authority, or the director's designee, who shall serve as a nonvoting member;

(f) One representative of the organization representing the area agencies on aging;

(g) One representative of a home care association that represents caregivers who provide services to private pay and medicaid clients;

(h) One representative of a union representing long-term care workers;

(i) One representative of an organization representing retired persons;

(j) One representative of an association representing skilled nursing facilities and assisted living providers;

(k) One representative of an association representing adult family home providers;

(l) Two individuals receiving long-term services and supports, or their designees, or representatives of consumers receiving long-term services and supports under the program;

(m) One member who is a worker who is, or will likely be, paying the premium established in section 8 of this act and who is not employed by a long-term services and supports provider; and

(n) One representative of an organization of employers whose members collect, or will likely be collecting, the premium established in section 8 of this act.

(3)(a) Other than the legislators and agency heads identified in subsection (2) of this section, members of the commission are appointed by the governor for terms of two years, except that the governor shall appoint the initial members identified in subsection (2)(f) through (n) of this section to staggered terms not to exceed four years.

(b) The secretary of the department of social and health services, or the secretary's designee, shall serve as chair of the commission. Meetings of the commission are at the call of the chair. A majority of the voting members of the commission shall constitute a quorum for any votes of the commission. Approval of sixty percent of those voting members of the commission who are in attendance is required for the passage of any vote.

(c) Members of the commission and the subcommittee established in subsection (6) of this section must be compensated in accordance with RCW 43.03.250 and must be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060.

(4) Beginning January 1, 2021, the commission shall propose recommendations to the appropriate executive agency or the legislature regarding:

(a) The establishment of criteria for determining that an individual has met the requirements to be a qualified individual as established in section 5 of this act or an eligible beneficiary as established in section 6 of this act;

(b) The establishment of criteria for minimum qualifications for the registration of long-term services and supports providers who provide approved services to eligible beneficiaries;

(c) The establishment of payment maximums for approved services consistent with actuarial soundness which shall not be lower than medicaid payments for comparable services. A service or supply may be limited by dollar amount, duration, or number of visits. The commission shall engage affected stakeholders to develop this recommendation;

(d) Changes to rules or policies to improve the operation of the program;

(e) The annual adjustment of the benefit unit in accordance with the formula established in section 2 of this act;

(f) The preparation of regular actuarial reports on the solvency and financial status of the program and advising the legislature on

actions necessary to maintain trust solvency; and

(g) For the January 1, 2021, report only, recommendations on whether and how to extend coverage to individuals who became disabled before the age of eighteen, including the impact on the financial status and solvency of the trust. The commission shall engage affected stakeholders to develop this recommendation.

(5) The commission shall monitor agency administrative expenses over time. Beginning November 15, 2020, the commission must annually report to the governor and the fiscal committees of the legislature on agency spending for administrative expenses and anticipated administrative expenses as the program shifts into different phases of implementation and operation. The November 15, 2025, report must include recommendations for a method of calculating future agency administrative expenses to limit administrative expenses while providing sufficient funds to adequately operate the program. The agency heads identified in subsection (2) of this section may advise the commission on the reports prepared under this subsection, but must recuse themselves from the commission's process for review, approval, and submission to the legislature.

(6) The commission shall establish an investment strategy subcommittee consisting of the members identified in subsection (2)(a) through (d) of this section as voting members of the subcommittee. In addition, four members appointed by the governor who are considered experienced and qualified in the field of investment shall serve as nonvoting members. The subcommittee shall provide guidance and advice to the state investment board on investment strategies for the account, including seeking counsel and advice on the types of investments that are constitutionally permitted.

NEW SECTION. Sec. 5. (1) The employment security department shall deem a person to be a qualified individual as provided in this chapter if the person has paid the long-term services and supports premiums required by section 8 of this act for the equivalent of either:

(a) A total of ten years without interruption of five or more consecutive years; or

(b) Three years within the last six years.

(2) When deeming a person to be a qualified individual, the employment security department shall require that the person have worked at least two hundred eight hours during each of the ten years in subsection (1)(a) of this section and each of the three years in subsection (1)(b) of this section.

NEW SECTION. Sec. 6. (1) Beginning January 1, 2025, approved services must be available and benefits payable to a registered long-term services and supports provider on behalf of an eligible beneficiary under this section.

(2) A qualified individual may become an eligible beneficiary by filing an application with the department of social and health services and undergoing an eligibility determination which includes an evaluation that the individual requires assistance with at least three activities of daily living. The department of social and health services must engage sufficient qualified assessor capacity, including via contract, so that the determination may be made within forty-five days from receipt of a request by a beneficiary to use a benefit.

(3)(a) An eligible beneficiary may receive approved services and benefits through the program in the form of a benefit unit payable to a registered long-term services and supports provider.

(b) An eligible beneficiary may not receive more than the dollar equivalent of three hundred sixty-five benefit units over the course of the eligible beneficiary's lifetime.

(i) If the department of social and health services reimburses a long-term services and supports provider for approved services

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provided to an eligible beneficiary and the payment is less than the benefit unit, only the portion of the benefit unit that is used shall be taken into consideration when calculating the person's remaining lifetime limit on receipt of benefits.

(ii) Eligible beneficiaries may combine benefit units to receive more approved services per day as long as the total number of lifetime benefit units has not been exceeded.

NEW SECTION. Sec. 7. (1) Benefits provided under this chapter shall be paid periodically and promptly to registered long-term services and supports providers.

(2) Qualified family members may be paid for approved personal care services in the same way as individual providers, through a licensed home care agency, or through a third option if recommended by the commission and adopted by the department of social and health services.

NEW SECTION. Sec. 8. (1) Beginning January 1, 2022, the employment security department shall assess for each individual in employment with an employer a premium based on the amount of the individual's wages. The premium is fifty-eight hundredths of one percent of the individual's wages.

(2)(a) The employer must collect from the employees the premiums provided under this section through payroll deductions and remit the amounts collected to the employment security department.

(b) In collecting employee premiums through payroll deductions, the employer shall act as the agent of the employees and shall remit the amounts to the employment security department as required by this chapter.

(3) Nothing in this chapter requires any party to a collective bargaining agreement in existence on October 19, 2017, to reopen negotiations of the agreement or to apply any of the responsibilities under this chapter unless and until the existing agreement is reopened or renegotiated by the parties or expires.

(4)(a) Premiums shall be collected in the manner and at such intervals as provided in this chapter and directed by the employment security department.

(b) To the extent feasible, the employment security department shall use the premium assessment, collection, and reporting procedures in chapter 50A.04 RCW.

(5) The employment security department shall deposit all premiums collected in this section in the long-term services and supports trust account created in section 10 of this act.

(6) Premiums collected in this section are placed in the trust account for the individuals who become eligible for the program.

NEW SECTION. Sec. 9. (1) Beginning January 1, 2022, any self-employed person, including a sole proprietor, independent contractor, partner, or joint venturer, may elect coverage under this chapter. Those electing coverage under this subsection are responsible for payment of one hundred percent of all premiums assessed to an employee under section 8 of this act. The self-employed person must file a notice of election in writing with the employment security department, in the manner required by the employment security department in rule. The self-employed person is eligible for benefits after paying the long-term services and supports premium for the time required under section 5 of this act.

(2) A self-employed person who has elected coverage may withdraw from coverage, at such times as the employment security department may adopt by rule, by filing a notice of withdrawal in writing with the employment security department, with the withdrawal to take effect not sooner than thirty days after filing the notice with the employment security department.

(3) The employment security department may cancel elective coverage if the self-employed person fails to make required

payments or file reports. The employment security department may collect due and unpaid premiums and may levy an additional premium for the remainder of the period of coverage. The cancellation must be effective no later than thirty days from the date of the notice in writing advising the self-employed person of the cancellation.

(4) Those electing coverage are considered employers or employees where the context so dictates.

(5) For the purposes of this section, "independent contractor" means an individual excluded from the definition of "employment" in section 2(8) of this act.

(6) The employment security department shall adopt rules for determining the hours worked and the wages of individuals who elect coverage under this section and rules for enforcement of this section.

NEW SECTION. Sec. 10. (1) The long-term services and supports trust account is created in the custody of the state treasurer. All receipts from employers under section 8 of this act must be deposited in the account. Expenditures from the account may be used for the administrative activities of the department of social and health services, the health care authority, and the employment security department. Benefits associated with the program must be disbursed from the account by the department of social and health services. Only the secretary of the department of social and health services or the secretary's designee may authorize disbursements from the account. The account is subject to the allotment procedures under chapter 43.88 RCW. An appropriation is required for administrative expenses, but not for benefit payments. The account must provide reimbursement of any amounts from other sources that may have been used for the initial establishment of the program.

(2) The revenue generated pursuant to this chapter shall be utilized to expand long-term care in the state. These funds may not be used either in whole or in part to supplant existing state or county funds for programs that meet the definition of approved services.

(3) The moneys deposited in the account must remain in the account until expended in accordance with the requirements of this chapter. If moneys are appropriated for any purpose other than supporting the long-term services and supports program, the legislature shall notify each qualified individual by mail that the person's premiums have been appropriated for an alternate use, describe the alternate use, and state its plan for restoring the funds so that premiums are not increased and benefits are not reduced.

NEW SECTION. Sec. 11. (1) The department of social and health services shall have the state investment board invest the funds in the account. The state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in the account. All investment and operating costs associated with the investment of money shall be paid under RCW 43.33A.160 and 43.84.160. With the exception of these expenses, the earnings from the investment of the money shall be retained by the accounts.

(2) All investments made by the state investment board shall be made with the degree of judgment and care required under RCW 43.33A.140 and the investment policy established by the state investment board.

(3) As deemed appropriate by the state investment board, money in the account may be commingled for investment with other funds subject to investment by the state investment board.

(4) Members of the state investment board may not be considered an insurer of the funds or assets and are not liable for any action or inaction.

(5) Members of the state investment board are not liable to the

state, to the account, or to any other person as a result of their activities as members, whether ministerial or discretionary, except for willful dishonesty or intentional violations of law. The state investment board in its discretion may purchase liability insurance for members.

(6) The authority to establish all policies relating to the account, other than the investment policies as provided in subsections (1) through (3) of this section, resides with the department of social and health services acting in accordance with the principles set forth in this chapter. With the exception of expenses of the state investment board under subsection (1) of this section, disbursements from the account shall be made only on the authorization of the department of social and health services or its designee, and moneys in the account may be spent only for the purposes specified in this chapter.

(7) The state investment board shall routinely consult and communicate with the department of social and health services on the investment policy, earnings of the accounts, and related needs of the program.

NEW SECTION. Sec. 12. (1) Determinations made by the health care authority or the department of social and health services under this chapter, including determinations regarding functional eligibility or related to registration of long-term services and supports providers, are subject to appeal in accordance with chapter 34.05 RCW. In addition, the standards and procedures adopted for these appeals must address the following:

- (a) Timelines;
- (b) Eligibility and benefit determination;
- (c) Judicial review; and
- (d) Fees.

(2) Determinations made by the employment security department under this chapter are subject to appeal in accordance with the appeal procedures under chapter 50A.04 RCW. The employment security department shall adopt standards and procedures for appeals for persons aggrieved by any determination or redetermination made by the department. The standards and procedures must be consistent with those adopted for the family and medical leave program under chapter 50A.04 RCW and must address topics including:

- (a) Premium liability;
- (b) Premium collection;
- (c) Judicial review; and
- (d) Fees.

NEW SECTION. Sec. 13. The department of social and health services must:

(1) Seek access to medicare data from the federal centers for medicare and medicaid services to analyze the potential savings in medicare expenditures due to the operation of the program;

(2) Apply for a demonstration waiver from the federal centers for medicare and medicaid services to allow for the state to share in the savings generated in the federal match for medicaid long-term services and supports and medicare due to the operation of the program;

(3) Submit a report, in compliance with RCW 43.01.036, on the status of the waiver to the office of financial management and the appropriate committees of the legislature by December 1, 2022.

NEW SECTION. Sec. 14. Beginning December 1, 2026, and annually thereafter, and in compliance with RCW 43.01.036, the commission must report to the legislature on the program, including:

- (1) Projected and actual program participation;
- (2) Adequacy of premium rates;

(3) Fund balances;

(4) Benefits paid;

(5) Demographic information on program participants, including age, gender, race, ethnicity, geographic distribution by county, legislative district, and employment sector; and

(6) The extent to which the operation of the program has resulted in savings to the medicaid program by avoiding costs that would have otherwise been the responsibility of the state.

NEW SECTION. Sec. 15. Any benefits used by an individual under this chapter are not income or resources for any determinations of eligibility for any other state program or benefit, for medicaid, for a state-federal program, or for any other means-tested program.

NEW SECTION. Sec. 16. Nothing in this chapter creates an entitlement for a person to receive, or requires a state agency to provide, case management services including, but not limited to, case management services under chapter 74.39A RCW.

NEW SECTION. Sec. 17. A new section is added to chapter 44.28 RCW to read as follows:

By December 1, 2032, the joint legislative audit and review committee must report on the performance of the long-term services and supports trust commission established in section 4 of this act in providing oversight to the long-term services and supports trust program and make recommendations to the legislature on ways to improve the functioning, efficiency, and membership, as well as whether the long-term services and supports trust commission should continue to exist or should expire.

Sec. 18. RCW 74.39A.076 and 2018 c 220 s 1 are each amended to read as follows:

(1) Beginning January 7, 2012, except for long-term care workers exempt from certification under RCW 18.88B.041(1)(a):

(a) A biological, step, or adoptive parent who is the individual provider only for ~~((his or her))~~ the person's developmentally disabled son or daughter must receive twelve hours of training relevant to the needs of adults with developmental disabilities within the first one hundred twenty days after becoming an individual provider.

(b) A spouse or registered domestic partner who is a long-term care worker only for a spouse or domestic partner, pursuant to the long-term services and supports trust program established in chapter 50A.--- RCW (the new chapter created in section 21 of this act), must receive fifteen hours of basic training, and at least six hours of additional focused training based on the care-receiving spouse's or partner's needs, within the first one hundred twenty days after becoming a long-term care worker.

(c) A person working as an individual provider who (i) provides respite care services only for individuals with developmental disabilities receiving services under Title 71A RCW or only for individuals who receive services under this chapter, and (ii) works three hundred hours or less in any calendar year, must complete fourteen hours of training within the first one hundred twenty days after becoming an individual provider. Five of the fourteen hours must be completed before becoming eligible to provide care, including two hours of orientation training regarding the caregiving role and terms of employment and three hours of safety training. The training partnership identified in RCW 74.39A.360 must offer at least twelve of the fourteen hours online, and five of those online hours must be individually selected from elective courses.

~~((c))~~ (d) Individual providers identified in ~~((c))~~ (d)(i) or (ii) of this subsection must complete thirty-five hours of training within the first one hundred twenty days after becoming an

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individual provider. Five of the thirty-five hours must be completed before becoming eligible to provide care. Two of these five hours shall be devoted to an orientation training regarding an individual provider's role as caregiver and the applicable terms of employment, and three hours shall be devoted to safety training, including basic safety precautions, emergency procedures, and infection control. Individual providers subject to this requirement include:

(i) An individual provider caring only for ~~((his or her))~~ the individual provider's biological, step, or adoptive child or parent unless covered by (a) of this subsection; and

(ii) A person working as an individual provider who provides twenty hours or less of care for one person in any calendar month.

(2) In computing the time periods in this section, the first day is the date of hire.

(3) Only training curriculum approved by the department may be used to fulfill the training requirements specified in this section. The department shall only approve training curriculum that:

(a) Has been developed with input from consumer and worker representatives; and

(b) Requires comprehensive instruction by qualified instructors.

(4) The department shall adopt rules to implement this section.

Sec. 19. RCW 18.88B.041 and 2015 c 152 s 1 are each amended to read as follows:

(1) The following long-term care workers are not required to become a certified home care aide pursuant to this chapter:

(a)(i)(A) Registered nurses, licensed practical nurses, certified nursing assistants or persons who are in an approved training program for certified nursing assistants under chapter 18.88A RCW, medicare-certified home health aides, or other persons who hold a similar health credential, as determined by the secretary, or persons with special education training and an endorsement granted by the superintendent of public instruction, as described in RCW 28A.300.010, if the secretary determines that the circumstances do not require certification.

(B) A person who was initially hired as a long-term care worker prior to January 7, 2012, and who completes all of ~~((his or her))~~ the training requirements in effect as of the date ((he or she)) the person was hired.

(ii) Individuals exempted by (a)(i) of this subsection may obtain certification as a home care aide without fulfilling the training requirements in RCW 74.39A.074(1)(d)(ii) but must successfully complete a certification examination pursuant to RCW 18.88B.031.

(b) All long-term care workers employed by community residential service businesses.

(c) An individual provider caring only for ~~((his or her))~~ the individual provider's biological, step, or adoptive child or parent.

(d) A person working as an individual provider who provides twenty hours or less of care for one person in any calendar month.

(e) A person working as an individual provider who only provides respite services and works less than three hundred hours in any calendar year.

(f) A long-term care worker providing approved services only for a spouse or registered domestic partner, pursuant to the long-term services and supports trust program established in chapter 50A,--- RCW (the new chapter created in section 21 of this act).

(2) A long-term care worker exempted by this section from the training requirements contained in RCW 74.39A.074 may not be prohibited from enrolling in training pursuant to that section.

(3) The department shall adopt rules to implement this section.

Sec. 20. RCW 43.79A.040 and 2018 c 260 s 28, 2018 c 258 s

4, and 2018 c 127 s 6 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments must occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family and medical leave insurance account, the fish and wildlife federal lands revolving account, the natural resources federal lands revolving account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the Washington history day account, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery

fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees' benefits board insurance reserve fund, ~~((the))~~ the public employees' and retirees' insurance account, ~~((the))~~ the school employees' insurance account, the long-term services and supports trust account, and the radiation perpetual maintenance fund.

(c) The following accounts and funds must receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. Sec. 21. Sections 1 through 16 of this act constitute a new chapter in a new title to be codified as Title 50B RCW."

On page 1, line 1 of the title, after "supports;" strike the remainder of the title and insert "amending RCW 74.39A.076 and 18.88B.041; reenacting and amending RCW 43.79A.040; adding a new section to chapter 44.28 RCW; and adding a new title to the Revised Code of Washington to be codified as Title 50B RCW."

MOTION

Senator Carlyle moved that the following amendment no. 695 by Senator Carlyle be adopted:

On page 1, line 17, after "medicaid." insert "Middle class families are at the greatest risk because most have not saved enough to cover long-term care costs. When seniors reach the point of needing assistance with eating, dressing, and personal care, they must spend down to their last remaining two thousand dollars before they qualify for state assistance, leaving family members in jeopardy for their own future care needs."

On page 2, line 36, after "seamless;" strike "and"

On page 2, line 38, after "settings" insert "; and"

(e) Program design focuses on the need to provide meaningful assistance to middle class families."

On page 3, beginning on line 32, after "dollars" strike all material through "approval," on line 33

On page 3, line 36, after "date." insert "The benefit unit must be adjusted annually at a rate no greater than the Washington state consumer price index, as determined solely by the state actuary. The state actuary, in consultation with the state forecast council and the department of social and health services, using data on relevant economic indicators and program costs, must determine adjustments to the benefit unit to assure benefit adequacy and solvency of the long-term services and supports trust account established in section 10 of this act. In determining adjustments

to the benefit unit, the state actuary must consider the financial balance of program benefits and costs, in addition to sustainability."

On page 6, line 28, after "established." insert "The commission's recommendations and decisions must be guided by the joint goals of maintaining benefit adequacy and maintaining fund solvency and sustainability."

On page 8, line 19, after "(e)" strike "The" and insert "Providing a recommendation to the state actuary for the"

On page 15, beginning on line 17, strike all of section 17 and insert the following:

NEW SECTION. Sec. 17. A new section is added to chapter 43.09 RCW to read as follows:

By December 1, 2032, the state auditor must conduct a comprehensive evaluation of the long-term services and supports trust program established in chapter 50B.--- RCW (the new chapter created in section 21 of this act) and deliver a report, including a conclusion and recommendations for improvement to the legislature regarding:

(1) Program operations, including the performance of the long-term services and supports trust commission established in section 4 of this act;

(2) Program financial status, including solvency, the value of the benefit provided, and the financial balance of program benefits to costs;

(3) The overall efficacy of the program, based on the established goals under this act including, but not limited to:

(a) Delaying middle class families' need to spend to poverty to receive medicaid-funded long-term care;

(b) Strengthening the state economy through improving workforce participation;

(c) Reducing the caseload and expenditures of the state medicaid program on long-term care; and

(d) Obtaining shared savings through a medicaid demonstration waiver."

On page 20, line 20, after "chapter" strike "44.28" and insert "43.09"

Senator Carlyle spoke in favor of adoption of the amendment to the committee striking amendment.

WITHDRAWAL OF AMENDMENT

On motion of Senator Carlyle and without objection, amendment no. 695 by Senator Carlyle on page 1, line 17 to the committee striking amendment was withdrawn.

MOTION

Senator Carlyle moved that the following amendment no. 719 by Senator Carlyle be adopted:

On page 1, line 17, after "medicaid." insert "Middle class families are at the greatest risk because most have not saved enough to cover long-term care costs. When seniors reach the point of needing assistance with eating, dressing, and personal care, they must spend down to their last remaining two thousand dollars before they qualify for state assistance, leaving family members in jeopardy for their own future care needs."

On page 2, line 36, after "seamless;" strike "and"

On page 2, line 38, after "settings" insert "; and"

(e) Program design focuses on the need to provide meaningful assistance to middle class families"

On page 3, beginning on line 32, after "dollars" strike all material through "approval," on line 33

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On page 3, line 36, after "date." insert "The benefit unit must be adjusted annually at a rate no greater than the Washington state consumer price index, as determined solely by the council. Any changes adopted by the council shall be subject to revision by the legislature."

On page 4, line 1, after "(5)" insert "'Council" means the long-term services and supports trust council established in section 5 of this act.

(6)"

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

On page 4, line 31, after "(14)" insert "'State actuary" means the office of state actuary created in RCW 44.44.010.

(15)"

On page 4, line 36, after "services," insert "the office of the state actuary,"

On page 6, line 16, after "commission" insert ", council, and state actuary"

On page 6, after line 26, insert:

"(5) The office of the state actuary shall:

(a) Beginning January 1, 2024, and biennially thereafter, perform an actuarial audit and valuation of the long-term services and supports trust fund. Additional or more frequent actuarial audits and valuations may be performed at the request of the council;

(b) Make recommendations to the council and the legislature on actions necessary to maintain trust solvency. The recommendations must include options to redesign or reduce benefit units, approved services, or both, to prevent or eliminate any unfunded actuarially accrued liability in the trust or to maintain solvency; and

(c) Select and contract for such actuarial, research, technical, and other consultants as the actuary deems necessary to perform its duties under this act."

On page 6, line 28, after "established." insert "The commission's recommendations and decisions must be guided by the joint goals of maintaining benefit adequacy and maintaining fund solvency and sustainability."

On page 8, line 19, after "(e)" strike "The" and insert "Providing a recommendation to the council for the"

On page 8, at the beginning of line 20, strike "the formula established in section 2" and insert "sections 2 and 5"

On page 8, line 21, after "(f)" strike "The" and insert "Assisting the state actuary with the"

On page 9, after line 11, insert the following:

"NEW SECTION. Sec. 5. (1) The long-term services and supports council is established. The council includes the members identified in section 4(2)(a) through (e) of this act and the director of the office of financial management, or the director's designee.

(2) On an annual basis, the council must determine adjustments to the benefit unit as provided in the definition of "benefit unit" in section 2 of this act to assure benefit adequacy and solvency of the long-term services and supports trust account established in section 10 of this act. In determining adjustments to the benefit unit, the council must review the state actuary's actuarial audit and valuation of the trust account, any recommendations by the state actuary and commission, data on relevant economic indicators and program costs, and sustainability.

(3) The director of the office of financial management, or the director's designee, shall serve as chair of the council. The council must meet at least once annually to determine adjustments to the benefit unit as defined in section 2 of this act. Additional meetings of the council are at the call of the chair. A majority of the voting members of the council shall constitute a quorum for any votes of the council. Approval of sixty percent of the

members of the council who are in attendance is required for the passage of any vote. The council may adopt rules for the conduct of meetings, including provisions for meetings and voting to be conducted by telephonic, video, or other conferencing process.

(4) Members of the council must be compensated in accordance with RCW 43.03.250 and must be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060."

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

On page 15, beginning on line 17, strike all of section 17 and insert the following:

"NEW SECTION. Sec. 17. A new section is added to chapter 43.09 RCW to read as follows:

By December 1, 2032, the state auditor must conduct a comprehensive evaluation of the long-term services and supports trust program established in chapter 50B.--- RCW (the new chapter created in section 21 of this act) and deliver a report, including a conclusion and recommendations for improvement to the legislature regarding:

(1) Program operations, including the performance of the long-term services and supports trust commission established in section 4 of this act;

(2) Program financial status, including solvency, the value of the benefit provided, and the financial balance of program benefits to costs;

(3) The overall efficacy of the program, based on the established goals under this act including, but not limited to:

(a) Delaying middle class families' need to spend to poverty to receive medicaid-funded long-term care;

(b) Strengthening the state economy through improving workforce participation;

(c) Reducing the caseload and expenditures of the state medicaid program on long-term care; and

(d) Obtaining shared savings through a medicaid demonstration waiver."

On page 20, after line 13, insert the following:

"Sec. 21. RCW 44.44.040 and 2011 1st sp.s. c 12 s 7 are each amended to read as follows:

The office of the state actuary shall have the following powers and duties:

(1) Perform all actuarial services for the department of retirement systems, including all studies required by law.

(2) Advise the legislature and the governor regarding pension benefit provisions, and funding policies and investment policies of the state investment board.

(3) Consult with the legislature and the governor concerning determination of actuarial assumptions used by the department of retirement systems.

(4) Prepare a report, to be known as the actuarial fiscal note, on each pension bill introduced in the legislature which briefly explains the financial impact of the bill. The actuarial fiscal note shall include: (a) The statutorily required contribution for the biennium and the following twenty-five years; (b) the biennial cost of the increased benefits if these exceed the required contribution; and (c) any change in the present value of the unfunded accrued benefits. An actuarial fiscal note shall also be prepared for all amendments which are offered in committee or on the floor of the house of representatives or the senate to any pension bill. However, a majority of the members present may suspend the requirement for an actuarial fiscal note for amendments offered on the floor of the house of representatives or the senate.

(5) Provide such actuarial services to the legislature as may be

requested from time to time.

(6) Provide staff and assistance to the committee established under RCW 41.04.276.

(7) Provide actuarial assistance to the law enforcement officers' and firefighters' plan 2 retirement board as provided in chapter 2, Laws of 2003. Reimbursement for services shall be made to the state actuary under RCW 39.34.130 and section 5(5), chapter 2, Laws of 2003.

(8) Provide actuarial assistance to the committee on advanced tuition payment pursuant to chapter 28B.95 RCW, including recommending a tuition unit price to the committee on advanced tuition payment to be used in the ensuing enrollment period. Reimbursement for services shall be made to the state actuary under RCW 39.34.130.

(9) Provide actuarial assistance to the long-term services and supports trust council and commission pursuant to chapter 50B.-- RCW (the new chapter created in section 21 of this act). Reimbursement for services shall be made to the state actuary under RCW 39.34.130."

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

On page 20, beginning on line 18, after "74.39A.076" strike all material through "18.88B.041" on line 19 and insert ", 18.88B.041, and 44.44.040"

On page 20, line 20, after "chapter" strike "44.28" and insert "43.09"

Senators Carlyle, Braun and Cleveland spoke in favor of adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 719 by Senator Carlyle on page 1, line 17 to the committee striking amendment.

The motion by Senator Carlyle carried and amendment no. 719 was adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator O'Ban and without objection, amendment no. 651 by Senator O'Ban on page 2, line 39 to the committee striking amendment was withdrawn.

WITHDRAWAL OF AMENDMENT

On motion of Senator Mullet and without objection, amendment no. 614 by Senator Mullet on page 3, line 33 to the committee striking amendment was withdrawn.

WITHDRAWAL OF AMENDMENT

On motion of Senator Braun and without objection, amendment no. 704 by Senator Braun on page 3, line 32 to the committee striking amendment was withdrawn.

WITHDRAWAL OF AMENDMENT

On motion of Senator Mullet and without objection, amendment no. 677 by Senator Mullet on page 3, line 33 to the committee striking amendment was withdrawn.

WITHDRAWAL OF AMENDMENTS

On motion of Senator Braun and without objection, the following amendments by Senator Braun to the committee striking amendment were withdrawn: amendment no. 679 on page 3, line 33; amendment no. 680 on page 3, line 33; amendment no. 683 on page 4, line, 28; amendment no. 684 on

page 6, line 23; amendment no. 685 on page 9, line 11; amendment no. 686 on page 10, line 27; amendment no. 688 on page 12, line 23; amendment no. 694 on page 20, line 16; amendment no. 704 on page 3, line 32; and amendment no. 705 on page 10, line 5.

WITHDRAWAL OF AMENDMENTS

On motion of Senator Short and without objection, the following amendments by Senator Short to the committee striking amendment were withdrawn: amendment no. 681 on page 4, line 2; amendment no. 682 on page 4, line 25; and amendment no. 656 on page 10, line 27.

MOTION

Senator Braun moved that the following amendment no. 720 by Senator Braun be adopted:

On page 8, line 21, after "(f)" insert "A refund of premiums for a deceased qualified individual with a dependent who is an individual with a developmental disability who is dependent for support from a qualified individual. The qualified individual must not have been determined to be an eligible beneficiary by the department of social and health services. The refund shall be deposited into an individual trust account within the developmental disabilities endowment trust fund for the benefit of the dependent with a developmental disability. The commission shall consider:

(i) The value of the refund to be one hundred percent of the current value of the qualified individual's lifetime premium payments at the time that certification of death of the qualified individual is submitted, less any administrative process fees; and

(ii) The criteria for determining whether the individual is developmentally disabled. The determination shall not be based on whether or not the individual with a developmental disability is receiving services under Title 71A RCW, or another state or local program;

(g)"

Reletter the remaining subsection consecutively and correct any internal references accordingly.

Senators Braun and Cleveland spoke in favor of adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 720 by Senator Braun on page 8, line 21 to the committee striking amendment.

The motion by Senator Braun carried and amendment no. 720 was adopted by voice vote.

MOTION

Senator Mullet moved that the following amendment no. 672 by Senator Mullet be adopted:

On page 8, line 23, after "solvency" strike "; and" and insert ". The commission shall provide the office of the state actuary with all actuarial reports for review. The office of the state actuary shall provide any recommendations to the commission and the legislature on actions necessary to maintain trust solvency;"

On page 8, line 28, after "recommendation" insert "; and

(h) For the January 1, 2021, report only, the commission shall consult with the office of the state actuary on the development of an actuarial report of the projected solvency and financial status of the program. The office of the state actuary shall provide any recommendations to the commission and the legislature on

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actions necessary to achieve trust solvency"

On page 20, after line 13, insert the following:

"**Sec. 21.** RCW 44.44.040 and 2011 1st sp.s. c 12 s 7 are each amended to read as follows:

The office of the state actuary shall have the following powers and duties:

(1) Perform all actuarial services for the department of retirement systems, including all studies required by law.

(2) Advise the legislature and the governor regarding pension benefit provisions, and funding policies and investment policies of the state investment board.

(3) Consult with the legislature and the governor concerning determination of actuarial assumptions used by the department of retirement systems.

(4) Prepare a report, to be known as the actuarial fiscal note, on each pension bill introduced in the legislature which briefly explains the financial impact of the bill. The actuarial fiscal note shall include: (a) The statutorily required contribution for the biennium and the following twenty-five years; (b) the biennial cost of the increased benefits if these exceed the required contribution; and (c) any change in the present value of the unfunded accrued benefits. An actuarial fiscal note shall also be prepared for all amendments which are offered in committee or on the floor of the house of representatives or the senate to any pension bill. However, a majority of the members present may suspend the requirement for an actuarial fiscal note for amendments offered on the floor of the house of representatives or the senate.

(5) Provide such actuarial services to the legislature as may be requested from time to time.

(6) Provide staff and assistance to the committee established under RCW 41.04.276.

(7) Provide actuarial assistance to the law enforcement officers' and firefighters' plan 2 retirement board as provided in chapter 2, Laws of 2003. Reimbursement for services shall be made to the state actuary under RCW 39.34.130 and section 5(5), chapter 2, Laws of 2003.

(8) Provide actuarial assistance to the committee on advanced tuition payment pursuant to chapter 28B.95 RCW, including recommending a tuition unit price to the committee on advanced tuition payment to be used in the ensuing enrollment period. Reimbursement for services shall be made to the state actuary under RCW 39.34.130.

(9) Provide actuarial assistance to the long-term services and supports trust commission pursuant to chapter 50B.--- RCW (the new chapter created in section 21 of this act). Reimbursement for services shall be made to the state actuary under RCW 39.34.130."

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

On page 20, beginning on line 18, after "74.39A.076" strike "and 18.88B.041" and insert ", 18.88B.041, and 44.44.040"

Senators Mullet, Braun and Cleveland spoke in favor of adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 672 by Senator Mullet on page 8, line 23 to the committee striking amendment.

The motion by Senator Mullet carried and amendment no. 672 was adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator Mullet and without objection, amendment no. 616 by Senator Mullet on page 9, line 22 to the

committee striking amendment was withdrawn.

MOTION

Senator Mullet moved that the following amendment no. 712 by Senator Mullet be adopted:

On page 9, line 22, after "least" strike "two hundred eight" and insert "five hundred"

Senators Mullet and Braun spoke in favor of adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 712 by Senator Mullet on page 9, line 22 to the committee striking amendment.

The motion by Senator Mullet carried and amendment no. 712 was adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator Ericksen and without objection, amendment no. 713 by Senator Ericksen on page 9, line 24 to the committee striking amendment was withdrawn.

WITHDRAWAL OF AMENDMENT

On motion of Senator Ericksen and without objection, amendment no. 722 by Senator Ericksen on page 9, line 24 to the committee striking amendment was withdrawn.

MOTION

Senator Mullet moved that the following amendment no. 617 by Senator Mullet be adopted:

On page 10, beginning on line 4, after "beneficiary may" strike all material through "lifetime." on line 6 and insert "receive up to one hundred eighty benefit units over the course of the eligible beneficiary's lifetime if the total number of years used to determine that the individual has met the requirements to be a qualified individual as established in section 5 of this act is less than ten years. An eligible beneficiary may receive up to three hundred sixty-five benefit units over the course of the eligible beneficiary's lifetime if the total number of years used to determine that the individual has met the requirements to be a qualified individual as established in section 5 of this act is ten years or greater."

Senators Mullet and Braun spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Cleveland spoke against adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 617 by Senator Mullet on page 10, line 4 to the committee striking amendment.

The motion by Senator Mullet did not carry and amendment no. 617 was not adopted by a rising vote.

MOTION

Senator Braun moved that the following amendment no. 721 by Senator Braun be adopted:

On page 10, line 27, after "The" strike "premium" and insert "initial premium rate"

On page 10, line 28, after "wages." insert "Beginning January 1, 2024, and biennially thereafter, the premium rate shall be set by the pension funding council at a rate no greater than fifty-eight hundredths of one percent. In addition, the pension funding council must set the premium rate at the lowest amount necessary to maintain the actuarial solvency of the long-term services and supports trust account created in section 10 of this act in accordance with recognized insurance principles and designed to attempt to limit fluctuations in the premium rate. To facilitate the premium rate setting the office of the state actuary must perform a biennial actuarial audit and valuation of the fund and make recommendations to the pension funding council."

Senators Braun and Cleveland spoke in favor of adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 721 by Senator Braun on page 10, line 27 to the committee striking amendment.

The motion by Senator Braun carried and amendment no. 721 was adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator Fortunato and without objection, amendment no. 619 by Senator Fortunato on page 11, line 13 to the committee striking amendment was withdrawn.

MOTION

Senator Takko moved that the following amendment no. 621 by Senator Takko be adopted:

On page 11, after line 13, insert the following:

"(7) An employee who demonstrates that the employee has long-term care insurance is exempt from the premium assessment in this section."

Senators Takko, Cleveland and Braun spoke in favor of adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 621 by Senator Takko on page 11, line 13 to the committee striking amendment.

The motion by Senator Takko carried and amendment no. 621 was adopted by voice vote.

MOTION

Senator O'Ban moved that the following amendment no. 687 by Senator O'Ban be adopted:

On page 11, after line 13, insert the following:

"(7) If the premiums established in this section are increased, the legislature shall notify each qualified individual by mail that the person's premiums have been increased, describe the reason for increasing the premiums, and describe the plan for restoring the funds so that premiums are returned to fifty-eight hundredths of one percent of the individual's wages."

Senators O'Ban and Cleveland spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Bailey spoke on adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 687 by Senator O'Ban on page 11, line 13 to the committee striking amendment.

The motion by Senator O'Ban carried and amendment no. 687

was adopted by voice vote.

MOTION

Senator O'Ban moved that the following amendment no. 655 by Senator O'Ban be adopted:

On page 12, after line 36, insert the following:

"(4) If program costs exceed the funds available in the account, any funds received pursuant to the demonstration waiver in section 13 of this act or any savings to the medicaid program identified through the activities in section 14 of this act must be deposited in the account and utilized before the premiums established in section 8 of this act are increased."

Senator O'Ban spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Cleveland spoke against adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 655 by Senator O'Ban on page 12, line 36 to the committee striking amendment.

The motion by Senator O'Ban did not carry and amendment no. 655 was not adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator Braun and without objection, amendment no. 689 by Senator Braun on page 20, line 13 to the committee striking amendment was withdrawn.

MOTION

Senator Sheldon moved that the following amendment no. 691 by Senator Short be adopted:

On page 20, after line 16, insert the following:

"NEW SECTION. **Sec. 22.** The secretary of state shall submit this act to the people for their adoption and ratification, or rejection, at the next general election to be held in this state, in accordance with Article II, section 1 of the state Constitution and the laws adopted to facilitate its operation."

On page 20, line 20, after "RCW;" strike "and" and on line 21, after "RCW" insert "; and creating a new section"

Senators Sheldon, Walsh and Short spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Cleveland spoke against adoption of the amendment to the committee striking amendment.

Senator Short demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

Senator Ericksen spoke in favor of adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Short on page 20, line 16 to the committee striking amendment.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Short and the amendment was not adopted by the following vote: Yeas, 23; Nays, 25; Absent, 0; Excused, 1.

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Voting yea: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Hawkins, Hobbs, Holy, Honeyford, King, Mullet, O’Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick, Wilson, L. and Zeiger

majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

Voting nay: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Liias, Lovelett, Nguyen, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Takko, Van De Wege, Wellman and Wilson, C.

SIGNED BY THE PRESIDENT

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

Excused: Senator McCoy.

SUBSTITUTE SENATE BILL NO. 5003,
SENATE BILL NO. 5119,
SUBSTITUTE SENATE BILL NO. 5163,
SENATE BILL NO. 5310,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5311,
and SUBSTITUTE SENATE BILL NO. 5638.

WITHDRAWAL OF AMENDMENT

On motion of Senator Schoesler and without objection, amendment no. 692 by Senator Schoesler on page 20, line 16 to the committee striking amendment was withdrawn.

SECOND READING

WITHDRAWAL OF AMENDMENT

On motion of Senator Schoesler and without objection, amendment no. 693 by Senator Schoesler on page 20, line 16 to the committee striking amendment was withdrawn.

SUBSTITUTE HOUSE BILL NO. 1196, by House Committee on Appropriations (originally sponsored by Riccelli, Steele, Stonier, Fitzgibbon, Ortiz-Self, Tarleton, Doglio, Schmick, Eslick, Lovick, Fey, Shea, Tharinger and Goodman)

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Health & Long Term Care as amended to Second Substitute House Bill No. 1087.

Allowing for the year round observation of daylight saving time.

The motion by Senator Cleveland carried and the committee striking amendment as amended was adopted by voice vote.

The measure was read the second time.

MOTION

MOTION

On motion of Senator Cleveland, the rules were suspended, Second Substitute House Bill No. 1087 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Hunt moved that the following committee striking amendment by the Committee on State Government, Tribal Relations & Elections be adopted:

Senators Cleveland, Frockt and Palumbo spoke in favor of passage of the bill.

Strike everything after the enacting clause and insert the following:

Senators Braun, Schoesler, Becker, Ericksen, Fortunato, Sheldon, Walsh, Wagoner and Bailey spoke against passage of the bill.

"NEW SECTION. Sec. 1. A new section is added to chapter 1.20 RCW to read as follows:

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1087 as amended by the Senate.

Under federal law as it exists on the effective date of this section, states are not permitted to observe daylight saving time year round. If the United States congress amends federal law to authorize states to observe daylight saving time year round, the legislature intends that Washington state make daylight saving time the permanent time of the state and all of its political subdivisions.

ROLL CALL

NEW SECTION. Sec. 2. A new section is added to chapter 1.20 RCW to read as follows:

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1087 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 26; Nays, 22; Absent, 0; Excused, 1.

(1) The time of the state of Washington and all of its political subdivisions is Pacific daylight time throughout the calendar year, as determined by reference to coordinated universal time.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Liias, Lovelett, Nguyen, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Takko, Van De Wege, Warnick, Wellman and Wilson, C.

(2) Pacific daylight time within the state is that of the fifth zone designated by federal law as Pacific Standard Time, 15 U.S.C. Secs. 261 and 263, advanced by one hour.

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Hawkins, Hobbs, Holy, Honeyford, King, Mullet, O’Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Walsh, Wilson, L. and Zeiger

Sec. 3. RCW 35A.21.190 and 1967 ex.s. c 119 s 35A.21.190 are each amended to read as follows:

Excused: Senator McCoy

No code city shall adopt any provision for the observance of daylight saving time other than as authorized by ((~~RCW 1.20.050 and 1.20.051~~)) **section 2 of this act.**

SECOND SUBSTITUTE HOUSE BILL NO. 1087, as amended by the Senate, having received the constitutional

NEW SECTION. Sec. 4. The following acts or parts of acts are each repealed:

- (1)RCW 1.20.050 (Standard time—Daylight saving time) and 1953 c 2 s 1;
- (2)RCW 1.20.051 (Daylight saving time) and 2018 c 22 s 2, 1963 c 14 s 1, & 1961 c 3 s 1; and

(3)RCW 1.20.--- and 2019 c . . . s 1 (section 1 of this act).

NEW SECTION. Sec. 5. (1) Sections 2 through 4 of this act take effect on the first Sunday in November following the effective date of federal authorization to observe daylight saving time year-round, except if the effective date of federal authorization to observe daylight saving time year-round occurs on or after October 1st but before the first Sunday in November, sections 2 through 4 of this act take effect on the first Sunday in November in the following year.

(2) The governor shall provide written notice of the effective date of sections 2 through 4 of this act 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 governor."

On page 1, line 1 of the title, after "round;" strike the remainder of the title and insert "amending RCW 35A.21.190; adding new sections to chapter 1.20 RCW; repealing RCW 1.20.050, 1.20.051, and 1.20.---; and providing a contingent effective date."

MOTION

Senator Honeyford moved that the following amendment no. 618 by Senator Honeyford be adopted:

Beginning on page 1, after line 11, strike all material through "governor." on page 2, line 15 and insert the following:

"**Sec. 2.** RCW 1.20.051 and 2018 c 22 s 2 are each amended to read as follows:

~~(At two o'clock antemeridian Pacific Standard Time of the second Sunday in March each year the time of the state of Washington shall be advanced one hour, and at two o'clock antemeridian Pacific Standard Time of the first Sunday in November in each year the time of the state of Washington shall, by the retarding of one hour, be returned to Pacific Standard Time--)~~ (1) The standard time for the state of Washington is the zone designated by the United States department of transportation for the state of Washington under the uniform time act, 15 U.S.C. Secs. 261 and 263, as determined by reference to coordinated universal time.

(2) The standard time within the state shall advance by one hour commencing at two o'clock antemeridian on the second Sunday in March each year and ending at two o'clock antemeridian on the first Sunday in November each year.

(3) If the United States congress amends 15 U.S.C. Sec. 260a to authorize states to observe daylight saving time year-round, it is the intent of the legislature that daylight saving time be the year-round standard time of the entire state and all of its political subdivisions.

Sec. 3. RCW 35A.21.190 and 1967 ex.s. c 119 s 35A.21.190 are each amended to read as follows:

No code city shall adopt any provision for the observance of daylight saving time other than as authorized by RCW ~~((1.20.050 and))~~ 1.20.051.

NEW SECTION. Sec. 4. A new section is added to chapter 1.20 RCW to read as follows:

(1) The time of the state of Washington and all of its political subdivisions is Pacific daylight time throughout the calendar year, as determined by reference to coordinated universal time.

(2) Pacific daylight time within the state is that of the fifth zone designated by federal law as Pacific Standard Time, 15 U.S.C. Secs. 261 and 263, advanced by one hour.

Sec. 5. RCW 35A.21.190 and 2019 c ... s 3 (section 3 of this act) are each amended to read as follows:

No code city shall adopt any provision for the observance of daylight saving time other than as authorized by ~~(RCW~~

~~1.20.051))~~ section 4 of this act.

NEW SECTION. Sec. 6. RCW 1.20.051 (Daylight saving time) and 2018 c 22 s 2, 1963 c 14 s 1, & 1961 c 3 s 1 are each repealed.

NEW SECTION. Sec. 7. RCW 1.20.050 (Standard time—Daylight saving time) and 1953 c 2 s 1 are each repealed.

NEW SECTION. Sec. 8. (1) Sections 4 through 6 of this act take effect on the first Sunday in November following the effective date of federal authorization to observe daylight saving time year-round, except if the effective date of federal authorization to observe daylight saving time year-round occurs on or after October 1st but before the first Sunday in November, sections 4 through 6 of this act take effect on the first Sunday in November in the following year.

(2) The governor shall provide written notice of the effective date of sections 4 through 6 of this act 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 governor."

On page 2, line 17, after "insert" strike all material through "date." on line 19 and insert "amending RCW 1.20.051, 35A.21.190, and 35A.21.190; adding new sections to chapter 1.20 RCW; repealing RCW 1.20.051 and 1.20.050; and providing a contingent effective date."

Senator Honeyford spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Hunt spoke against adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 618 by Senator Honeyford on page 1, after line 11 to Substitute House Bill No. 1196.

The motion by Senator Honeyford did not carry and amendment no. 618 was not adopted by voice vote.

MOTION

Senator Mullet moved that the following amendment no. 608 by Senator Mullet be adopted:

On page 2, after line 15, insert the following:

NEW SECTION. Sec. 6. The secretary of state shall submit this act to the people for their adoption and ratification, or rejection, at the next general election to be held in this state, in accordance with Article II, section 1 of the state Constitution and the laws adopted to facilitate its operation."

On page 2, line 19, after "1.20.---;" strike "and" and after "date" insert "; and providing for submission of this act to a vote of the people"

Senators Mullet and Honeyford spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Van De Wege spoke against adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 608 by Senator Mullet on page 2, after line 15 to Substitute House Bill No. 1196.

The motion by Senator Mullet did not carry and amendment no. 608 was not adopted by a rising vote.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on State Government, Tribal Relations & Elections to Second Substitute House Bill No. 1087.

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

MOTION

On motion of Senator Hunt, the rules were suspended, Substitute House Bill No. 1196 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1196 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1196 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 2; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Erickson, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Lias, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senators Lovelett and Sheldon

Excused: Senator McCoy

SUBSTITUTE HOUSE BILL NO. 1196, as amended by the Senate, 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

At 6:09 p.m., on motion of Senator Lias, the Senate was declared to be at ease subject to the call of the President for the purposes of dinner and caucus.

Senator Hasegawa announced a meeting of the Democratic Caucus at 6:45 p.m.

EVENING SESSION

The Senate was called to order at 8:14 p.m. by President Habib.

SECOND READING

SUBSTITUTE HOUSE BILL NO. 1155, by House Committee on Appropriations (originally sponsored by Riccelli, Appleton, Sells, Chapman, Fitzgibbon, Cody, Pellicciotti, Frame, Sullivan, Wylie, Jinkins, Orwall, Valdez, Ortiz-Self, Stonier, Thai, Lovick, Reeves, Doglio, Pollet, Bergquist, Santos, Macri, Goodman, Robinson and Stanford)

Concerning meal and rest breaks and mandatory overtime for certain health care employees.

The measure was read the second time.

MOTION

Senator Dhingra moved that the following committee striking amendment by the Committee on Labor & Commerce be not adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 49.12 RCW to read as follows:

(1) An employer shall provide employees with meal and rest periods as required by law, subject to the following:

(a) Rest periods may be taken at any point during each work period during which the employee is required to receive a rest period;

(b) Meal and rest periods must be uninterrupted, and an employer may not require an employee to take intermittent meal or rest periods. This subsection (1)(b) does not apply when there is:

(i) An unforeseeable emergent circumstance, as defined in RCW 49.28.130; or

(ii) A clinical circumstance that may lead to patient harm without the specific skill or expertise of the employee taking a meal or rest period, or that raises the acuity of the unit to which the employee is assigned such that the employee is needed back from break to avoid patient harm; and

(c) For any rest break that is interrupted under the provisions of (b) of this subsection, the employee must be given another additional full uninterrupted rest break at the earliest reasonable time during the employee's shift.

(2) For the purposes of this section, the brief use of a restroom or the brief consumption of food or a beverage does not constitute a rest break.

(3) The employer shall record when an employee takes or misses a meal or rest period and maintain these records as required by the department.

(4) For purposes of this section, the following terms have the following meanings:

(a) "Employee" means a person who:

(i) Is employed by a health care facility;

(ii) Is involved in direct patient care activities or clinical services;

(iii) Receives an hourly wage or is covered by a collective bargaining agreement; and

(iv) Is a licensed practical nurse or registered nurse licensed under chapter 18.79 RCW, a surgical technologist registered under chapter 18.215 RCW, a diagnostic radiologic technologist or cardiovascular invasive specialist certified under chapter 18.84 RCW, a respiratory care practitioner licensed under chapter 18.89 RCW, or a nursing assistant-certified as defined in RCW 18.88A.020.

(b) "Employer" means hospitals licensed under chapter 70.41 RCW.

Sec. 2. RCW 49.28.130 and 2011 c 251 s 1 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW 49.28.140 and 49.28.150 unless the context clearly requires otherwise.

(1)(a) "Employee" means a ~~((licensed practical nurse or a registered nurse licensed under chapter 18.79 RCW))~~ person who:

(i) Is employed by a health care facility ((who));

(ii) Is involved in direct patient care activities or clinical services ((and));

(iii) Receives an hourly wage or is covered by a collective bargaining agreement; and

(iv) Is a licensed practical nurse or registered nurse licensed

under chapter 18.79 RCW, a surgical technologist registered under chapter 18.215 RCW, a diagnostic radiologic technologist or cardiovascular invasive specialist certified under chapter 18.84 RCW, a respiratory care practitioner licensed under chapter 18.89 RCW, or a certified nursing assistant as defined in RCW 18.88A.020.

(b) "Employee" does not mean a person who:

(i) Is employed by a health care facility as defined in subsection (3)(a)(v) of this section; and

(ii) Is a surgical technologist registered under chapter 18.215 RCW, a diagnostic radiologic technologist or cardiovascular invasive specialist certified under chapter 18.84 RCW, a respiratory care practitioner licensed under chapter 18.89 RCW, or a certified nursing assistant as defined in RCW 18.88A.020.

(2) "Employer" means an individual, partnership, association, corporation, the state, a political subdivision of the state, or person or group of persons, acting directly or indirectly in the interest of a health care facility.

(3)(a) "Health care facility" means the following facilities, or any part of the facility, including such facilities if owned and operated by a political subdivision or instrumentality of the state, that operate on a twenty-four hours per day, seven days per week basis:

- (i) Hospices licensed under chapter 70.127 RCW;
- (ii) Hospitals licensed under chapter 70.41 RCW;
- (iii) Rural health care facilities as defined in RCW 70.175.020;
- (iv) Psychiatric hospitals licensed under chapter 71.12 RCW;

or

(v) Facilities owned and operated by the department of corrections or by a governing unit as defined in RCW 70.48.020 in a correctional institution as defined in RCW 9.94.049 that provide health care services ~~((to inmates as defined in RCW 72.09.015)).~~

(b) If a nursing home regulated under chapter 18.51 RCW or a home health agency regulated under chapter 70.127 RCW is operating under the license of a health care facility, the nursing home or home health agency is considered part of the health care facility for the purposes of this subsection.

(4) "Overtime" means the hours worked in excess of an agreed upon, predetermined, regularly scheduled shift within a twenty-four hour period not to exceed twelve hours in a twenty-four hour period or eighty hours in a consecutive fourteen-day period.

(5) "On-call time" means time spent by an employee who is not working on the premises of the place of employment but who is compensated for availability or who, as a condition of employment, has agreed to be available to return to the premises of the place of employment on short notice if the need arises.

(6) "Reasonable efforts" means that the employer, to the extent reasonably possible, does all of the following but is unable to obtain staffing coverage:

(a) Seeks individuals to volunteer to work extra time from all available qualified staff who are working;

(b) Contacts qualified employees who have made themselves available to work extra time;

(c) Seeks the use of per diem staff; and

(d) Seeks personnel from a contracted temporary agency when such staffing is permitted by law or an applicable collective bargaining agreement, and when the employer regularly uses a contracted temporary agency.

(7) "Unforeseeable emergent circumstance" means (a) any unforeseen declared national, state, or municipal emergency; (b) when a health care facility disaster plan is activated; or (c) any unforeseen disaster or other catastrophic event which substantially affects or increases the need for health care services.

Sec. 3. RCW 49.28.140 and 2002 c 112 s 3 are each amended

to read as follows:

(1) No employee of a health care facility may be required to work overtime. Attempts to compel or force employees to work overtime are contrary to public policy, and any such requirement contained in a contract, agreement, or understanding is void.

(2) The acceptance by any employee of overtime is strictly voluntary, and the refusal of an employee to accept such overtime work is not grounds for discrimination, dismissal, discharge, or any other penalty, threat of reports for discipline, or employment decision adverse to the employee.

(3) The employer may not use prescheduled on-call time to fill chronic or foreseeable staff shortages.

(4) This section does not apply to overtime work that occurs:

(a) Because of any unforeseeable emergent circumstance;

(b) Because of prescheduled on-call time necessary for immediate and unanticipated patient care emergencies;

(c) When the employer documents that the employer has used reasonable efforts to obtain staffing. An employer has not used reasonable efforts if overtime work is used to fill vacancies resulting from chronic staff shortages; or

(d) When an employee is required to work overtime to complete a patient care procedure already in progress where the absence of the employee could have an adverse effect on the patient. The employer may not schedule nonemergency procedures that would require mandatory overtime.

(5) Employees may not voluntarily work more than sixty hours in a seven-day period for a health care facility.

(6) This section does not apply to sexual assault nurse examiners or organ transplant teams who work on a prescheduled on-call basis.

NEW SECTION. Sec. 4. A new section is added to chapter 49.12 RCW to read as follows:

Pursuant to RCW 49.12.105, an employer may apply to the director for a variance of the elements of chapter . . . , Laws of 2019 (this act)."

On page 1, line 2 of the title, after "employees;" strike the remainder of the title and insert "amending RCW 49.28.130 and 49.28.140; and adding new sections to chapter 49.12 RCW."

The President declared the question before the Senate to be to be the motion to not adopt the committee striking amendment by the Committee on Labor & Commerce to Substitute House Bill No. 1155.

The motion by Senator Dhingra carried and the committee striking amendment was not adopted by voice vote.

MOTION

On motion of Senator Rivers, Senator Holy was excused.

MOTION

Senator Dhingra moved that the following striking amendment no. 668 by Senator Dhingra be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 49.12 RCW to read as follows:

(1) An employer shall provide employees with meal and rest periods as required by law, subject to the following:

(a) Rest periods must be scheduled at any point during each work period during which the employee is required to receive a rest period;

(b) Employers must provide employees with uninterrupted

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meal and rest breaks. This subsection (1)(b) does not apply in the case of:

(i) An unforeseeable emergent circumstance, as defined in RCW 49.28.130; or

(ii) A clinical circumstance, as determined by the employee, employer, or employer's designee, that may lead to a significant adverse effect on the patient's condition:

(A) Without the knowledge, specific skill, or ability of the employee on break; or

(B) Due to an unforeseen or unavoidable event relating to patient care delivery requiring immediate action that could not be planned for by an employer;

(c) For any rest break that is interrupted before ten complete minutes by an employer or employer's designee under the provisions of (b)(ii) of this subsection, the employee must be given an additional ten minute uninterrupted rest break at the earliest reasonable time during the work period during which the employee is required to receive a rest period. If the elements of this subsection are met, a rest break shall be considered taken for the purposes of the minimum wage act as defined by chapter 49.46 RCW.

(2) The employer shall provide a mechanism to record when an employee misses a meal or rest period and maintain these records.

(3) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Employee" means a person who:

(i) Is employed by a health care facility;

(ii) Is involved in direct patient care activities or clinical services;

(iii) Receives an hourly wage or is covered by a collective bargaining agreement;

(iv) Is a licensed practical nurse or registered nurse licensed under chapter 18.79 RCW, a surgical technologist registered under chapter 18.215 RCW, a diagnostic radiologic technologist or cardiovascular invasive specialist certified under chapter 18.84 RCW, a respiratory care practitioner licensed under chapter 18.89 RCW, or a nursing assistant-certified as defined in RCW 18.88A.020.

(b) "Employer" means hospitals licensed under chapter 70.41 RCW, except that hospitals certified as a critical access hospital under 42 U.S.C. Sec. 1395i-4 or hospitals with fewer than twenty-five acute care beds in operation are excluded until July 1, 2020.

Sec. 2. RCW 49.28.130 and 2011 c 251 s 1 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW 49.28.140 and 49.28.150 unless the context clearly requires otherwise.

(1)(a) "Employee" means a ~~((licensed practical nurse or a registered nurse licensed under chapter 18.79 RCW))~~ person who:

(i) Is employed by a health care facility ((who));

(ii) Is involved in direct patient care activities or clinical services ((and));

(iii) Receives an hourly wage or is covered by a collective bargaining agreement;

(iv) Is a licensed practical nurse or registered nurse licensed under chapter 18.79 RCW; and

(v) Beginning July 1, 2020, is a surgical technologist registered under chapter 18.215 RCW, a diagnostic radiologic technologist or cardiovascular invasive specialist certified under chapter 18.84 RCW, a respiratory care practitioner licensed under chapter 18.89 RCW, or a nursing assistant-certified as defined in RCW 18.88A.020.

(b) "Employee" does not mean a person who:

(i) Is employed by a health care facility as defined in subsection (3)(a)(v) of this section; and

(ii) Is a surgical technologist registered under chapter 18.215 RCW, a diagnostic radiologic technologist or cardiovascular invasive specialist certified under chapter 18.84 RCW, a respiratory care practitioner licensed under chapter 18.89 RCW, or a certified nursing assistant as defined in RCW 18.88A.020.

(2) "Employer" means an individual, partnership, association, corporation, the state, a political subdivision of the state, or person or group of persons, acting directly or indirectly in the interest of a health care facility.

(3)(a) "Health care facility" means the following facilities, or any part of the facility, including such facilities if owned and operated by a political subdivision or instrumentality of the state, that operate on a twenty-four hours per day, seven days per week basis:

(i) Hospices licensed under chapter 70.127 RCW;

(ii) Hospitals licensed under chapter 70.41 RCW, except that until July 1, 2020, the provisions of section 3, chapter . . . , Laws of 2019 (section 3 of this act) do not apply to hospitals certified as a critical access hospital under 42 U.S.C. Sec. 1395i-4 or hospitals with fewer than twenty-five acute care beds in operation;

(iii) Rural health care facilities as defined in RCW 70.175.020;

(iv) Psychiatric hospitals licensed under chapter 71.12 RCW; or

(v) Facilities owned and operated by the department of corrections or by a governing unit as defined in RCW 70.48.020 in a correctional institution as defined in RCW 9.94.049 that provide health care services ~~((to inmates as defined in RCW 72.09.015)).~~

(b) If a nursing home regulated under chapter 18.51 RCW or a home health agency regulated under chapter 70.127 RCW is operating under the license of a health care facility, the nursing home or home health agency is considered part of the health care facility for the purposes of this subsection.

(4) "Overtime" means the hours worked in excess of an agreed upon, predetermined, regularly scheduled shift within a twenty-four hour period not to exceed twelve hours in a twenty-four hour period or eighty hours in a consecutive fourteen-day period.

(5) "On-call time" means time spent by an employee who is not working on the premises of the place of employment but who is compensated for availability or who, as a condition of employment, has agreed to be available to return to the premises of the place of employment on short notice if the need arises.

(6) "Reasonable efforts" means that the employer, to the extent reasonably possible, does all of the following but is unable to obtain staffing coverage:

(a) Seeks individuals to volunteer to work extra time from all available qualified staff who are working;

(b) Contacts qualified employees who have made themselves available to work extra time;

(c) Seeks the use of per diem staff; and

(d) Seeks personnel from a contracted temporary agency when such staffing is permitted by law or an applicable collective bargaining agreement, and when the employer regularly uses a contracted temporary agency.

(7) "Unforeseeable emergent circumstance" means (a) any unforeseen declared national, state, or municipal emergency; (b) when a health care facility disaster plan is activated; or (c) any unforeseen disaster or other catastrophic event which substantially affects or increases the need for health care services.

Sec. 3. RCW 49.28.140 and 2002 c 112 s 3 are each amended to read as follows:

(1) No employee of a health care facility may be required to work overtime. Attempts to compel or force employees to work overtime are contrary to public policy, and any such requirement

contained in a contract, agreement, or understanding is void.

(2) The acceptance by any employee of overtime is strictly voluntary, and the refusal of an employee to accept such overtime work is not grounds for discrimination, dismissal, discharge, or any other penalty, threat of reports for discipline, or employment decision adverse to the employee.

(3) This section does not apply to overtime work that occurs:

(a) Because of any unforeseeable emergent circumstance;

(b) Because of prescheduled on-call time, subject to the following:

(i) Mandatory prescheduled on-call time may not be used in lieu of scheduling employees to work regularly scheduled shifts when a staffing plan indicates the need for a scheduled shift; and

(ii) Mandatory prescheduled on-call time may not be used to address regular changes in patient census or acuity or expected increases in the number of employees not reporting for predetermined scheduled shifts;

(c) When the employer documents that the employer has used reasonable efforts to obtain staffing. An employer has not used reasonable efforts if overtime work is used to fill vacancies resulting from chronic staff shortages; or

(d) When an employee is required to work overtime to complete a patient care procedure already in progress where the absence of the employee could have an adverse effect on the patient.

(4) An employee accepting overtime who works more than twelve consecutive hours shall be provided the option to have at least eight consecutive hours of uninterrupted time off from work following the time worked.

NEW SECTION. Sec. 4. This act takes effect January 1, 2020."

On page 1, line 2 of the title, after "employees;" strike the remainder of the title and insert "amending RCW 49.28.130 and 49.28.140; adding a new section to chapter 49.12 RCW; and providing an effective date."

MOTION

Senator King moved that the following amendment no. 724 by Senators King, Cleveland, Fortunato, Hobbs, Mullet, Takko and Van De Wege be adopted:

On page 2, line 1, after "(3)" strike all material through "otherwise." on line 2, and insert "For purposes of this section, the following terms have the following meanings:"

On page 2, line 8, after "agreement;" insert "and"

On page 2, line 16, after "except" strike all material through "July 1, 2020" on line 18, and insert "for:

(i) Hospitals certified as a critical access hospital under 42 U.S.C. Sec. 1395i-4; or

(ii) Hospitals with fewer than twenty-five acute care beds in operation"

On page 2, beginning on line 19 strike all of section 2.

Re-number remaining sections.

On page 4, line 37, after "staffing plan", strike all material through "shifts" on page 5, line 2, and insert "developed as required in RCW 70.41.420 indicates the need for a scheduled shift. Mandatory prescheduled on-call may not be used to address regular changes in patient census or acuity or expected increases in the number of employees not reporting for predetermined scheduled shifts, as determined by a staffing plan developed as required in RCW 70.41.420.

(ii) The requirements of (b)(i) of this subsection do not apply to:

(A) Hospitals certified as a critical access hospital under 42 U.S.C. Sec. 1395i-4; or

(B) Hospitals with fewer than twenty-five acute care beds in operation"

On page 5, line 16, after "RCW" strike "49.28.130 and"

Senators King, Cleveland, Walsh, Warnick and Conway spoke in favor of adoption of the amendment to the striking amendment.

Senators Dhingra, Keiser, Saldaña and Lovelett spoke against adoption of the amendment to the striking amendment.

Senator Conway demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

Senator Ericksen spoke on adoption of the amendment to the striking amendment.

Senators Hasegawa and Randall spoke against adoption of the amendment to the striking amendment.

POINT OF ORDER

Senator Walsh: "I would prefer not to have her impugn the motives of my hospital workers at my critical access hospitals, who frankly don't like this."

RULING BY THE PRESIDENT

President Habib: "Senator Randall, I'm going to ask you to continue. Let's just try to keep this respectful. We've had a wonder-, we've done difficult bills today and we've managed to stay civil. It is getting late. Senator Randall please continue your remarks."

Senator Randall spoke against adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senators King, Cleveland, Fortunato, Hobbs, Mullet, Takko and Van De Wege on page 2, line 1 to the striking amendment.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senators King, Cleveland, Fortunato, Hobbs, Mullet, Takko and Van De Wege and the amendment was adopted by the following vote: Yeas, 26; Nays, 21; Absent, 0; Excused, 2.

Voting yea: Senators Bailey, Becker, Braun, Brown, Cleveland, Ericksen, Fortunato, Hawkins, Hobbs, Honeyford, King, Mullet, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, L. and Zeiger

Voting nay: Senators Billig, Carlyle, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Lias, Lovelett, Nguyen, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon and Wilson, C.

Excused: Senators Holy and McCoy.

MOTION

Senator Walsh moved that the following amendment no. 725 by Senator Walsh be adopted:

On page 3, line 35, after "scheduled shift" strike all material through "period" on line 37 and insert "~~((within a twenty-four hour period not to exceed twelve hours in a twenty-four hour period or eighty hours in a consecutive fourteen-day period))~~"

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On page 5, line 10, after "An employee" strike all material through "worked" on line 13 and insert "is prohibited from working more than eight hours in a twenty-four hour period for a health care facility"

Senators Walsh, Becker and Saldaña spoke in favor of adoption of the amendment to the striking amendment.

Senator Keiser spoke against adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of amendment no. 725 by Senator Walsh on page 3, line 35 to the striking amendment.

The motion by Senator Walsh carried and amendment no. 725 was adopted by voice vote.

MOTION

Senator Wellman moved that the following amendment no. 727 by Senator Wellman be adopted:

On page 5, line 13 after "worked." insert "(5) Employees may not voluntarily work more than sixty hours in a seven-day period for a health care facility."

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

The President declared the question before the Senate to be the adoption of amendment no. 727 by Senator Wellman on page 5, line 13 to the striking amendment.

The motion by Senator Wellman did not carry and amendment no. 727 was not adopted by voice vote.

The President declared the question before the Senate to be the adoption of striking amendment no. 668 by Senator Dhingra as amended to Substitute House Bill No. 1155.

The motion by Senator Dhingra carried and striking amendment no. 668 as amended was adopted by voice vote.

MOTION

On motion of Senator Keiser, the rules were suspended, Substitute House Bill No. 1155 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Keiser and Dhingra spoke in favor of passage of the bill.

Senator Wagoner spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1155 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1155 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 30; Nays, 18; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hobbs, Holy, Hunt, Keiser, Kuderer, Liias, Lovelett, Mullet, Nguyen, O'Ban, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Takko, Van De Wege, Wellman and Wilson, C.

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen, Hawkins, Honeyford, King, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick, Wilson, L. and Zeiger

Excused: Senator McCoy

SUBSTITUTE HOUSE BILL NO. 1155, as amended by the Senate, 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

At 8:54 p.m., on motion of Senator Liias, the Senate adjourned until 10:00 o'clock a.m. Wednesday, April 17, 2019.

CYRUS HABIB, President of the Senate

BRAD HENDRICKSON, Secretary of the Senate

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Messages.....	2	President Signed.....	19
President Signed.....	10	1584-E	
1432		Messages.....	2
Messages.....	2	President Signed.....	19
President Signed.....	10	1594-S	

Messages	2	1849-SE	
President Signed.....	19	Messages	2
1605-S		President Signed.....	19
Messages	2	1856-S	
President Signed.....	19	Second Reading	6
1621-S		Third Reading Final Passage	7
Messages	2	1866	
President Signed.....	19	Messages	2
1643-SE		President Signed.....	19
Messages	2	1908	
President Signed.....	19	Messages	2
1647		President Signed.....	19
Messages	2	1913	
President Signed.....	19	Messages	2
1657		President Signed.....	19
Messages	2	1930-S	
President Signed.....	19	Messages	2
1668-S2		President Signed.....	19
Other Action.....	24	1934	
Second Reading	20	Messages	2
Third Reading Final Passage	24	President Signed.....	19
1673		1980	
Messages	2	Messages	2
President Signed.....	19	President Signed.....	19
1688		1994-SE	
Messages	2	Messages	2
President Signed.....	19	President Signed.....	19
1713-S2		2044-S	
Messages	2	Messages	2
President Signed.....	19	President Signed.....	19
1739-S		2058	
Second Reading	26	Messages	2
Third Reading Final Passage	26	President Signed.....	19
1742-S		2144	
Messages	2	Messages	1
President Signed.....	19	4007-S	
1784-S2		Second Reading	14
Other Action.....	30	Third Reading Final Passage	14
Second Reading	27	5003-S	
Third Reading Final Passage	31	Messages	1
1793-SE		President Signed.....	50
Messages	11	5119	
1801-E		Messages	1
Messages	2	President Signed.....	50
President Signed.....	19	5124	
1846-E		Messages	1
Messages	2	5131-SE	
President Signed.....	19	Messages	1

