

ONE HUNDRED SECOND DAY

MORNING SESSION

Senate Chamber, Olympia  
Thursday, April 25, 2019

The Senate was called to order at 11:01 a.m. by the President of the Senate, Lt. Governor Habib presiding. The Secretary called the roll and announced to the President that all senators were present.

The Sergeant at Arms Color Guard consisting of Pages Miss Nalani Hall and Mr. Brandon Petersen, presented the Colors.

Page Mr. Blaine Keese led the Senate in the Pledge of Allegiance.

The prayer was offered by Reverend Dr. Stuart Dugan, Head Pastor of Lacey Presbyterian Church.

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.

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:

ENGROSSED SECOND SUBSTITUTE  
SENATE BILL NO. 5276.

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

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

REPORTS OF STANDING COMMITTEES

April 24, 2019

E2SHB 2042 Prime Sponsor, Committee on Finance:  
Advancing green transportation adoption. Reported by  
Committee on Transportation

MAJORITY recommendation: Do pass as amended.  
Signed by Senators Wilson, C.; Randall; Nguyen; Lovelett;  
Das; Cleveland; Saldaña, Vice Chair Hobbs, Chair.

MINORITY recommendation: Do not pass. Signed by  
Senators Padden; O'Ban; Fortunato; Sheldon, Assistant  
Ranking Member; King, Ranking Member and Zeiger.

Referred to Committee on Rules for second reading.

MOTION

On motion of Senator Liias, the measure listed on the Standing Committee report was referred to the committee as designated.

MOTION

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

MESSAGES FROM THE HOUSE

April 24, 2019

MR. PRESIDENT:  
The Speaker has signed:

SUBSTITUTE SENATE BILL NO. 5010,  
SUBSTITUTE SENATE BILL NO. 5017,  
SECOND SUBSTITUTE SENATE BILL NO. 5021,  
SENATE BILL NO. 5022,  
SUBSTITUTE SENATE BILL NO. 5023,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5027,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5035,  
SUBSTITUTE SENATE BILL NO. 5063,  
SENATE BILL NO. 5088,  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5127,  
SENATE BILL NO. 5132,  
SUBSTITUTE SENATE BILL NO. 5166,  
SUBSTITUTE SENATE BILL NO. 5181,  
SENATE BILL NO. 5205,  
ENGROSSED SENATE BILL NO. 5210,  
SUBSTITUTE SENATE BILL NO. 5212,  
SUBSTITUTE SENATE BILL NO. 5218,  
SENATE BILL NO. 5233,  
SENATE BILL NO. 5300,  
ENGROSSED SENATE BILL NO. 5334,  
ENGROSSED SECOND SUBSTITUTE  
SENATE BILL NO. 5432,  
SUBSTITUTE SENATE BILL NO. 5689,  
SECOND SUBSTITUTE SENATE BILL NO. 5903,

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

April 24, 2019

MR. PRESIDENT:  
The Speaker has signed:

SUBSTITUTE HOUSE BILL NO. 1071,  
SUBSTITUTE HOUSE BILL NO. 1075,  
ENGROSSED SECOND SUBSTITUTE  
HOUSE BILL NO. 1112,  
HOUSE BILL NO. 1133,  
HOUSE BILL NO. 1176,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1379,  
ENGROSSED SECOND SUBSTITUTE  
HOUSE BILL NO. 1599,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1692,  
ENGROSSED HOUSE BILL NO. 1756,  
HOUSE BILL NO. 1792,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2018,  
SUBSTITUTE HOUSE BILL NO. 2049,  
HOUSE BILL NO. 2052,

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

April 24, 2019

MR. PRESIDENT:

The Speaker has signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5001,  
 SUBSTITUTE SENATE BILL NO. 5012,  
 SUBSTITUTE SENATE BILL NO. 5106,  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5383,  
 SUBSTITUTE SENATE BILL NO. 5405,  
 SECOND SUBSTITUTE SENATE BILL NO. 5433,  
 SECOND SUBSTITUTE SENATE BILL NO. 5437,  
 ENGROSSED SECOND SUBSTITUTE  
 SENATE BILL NO. 5438,  
 SENATE BILL NO. 5508,  
 SUBSTITUTE SENATE BILL NO. 5550,  
 ENGROSSED SENATE BILL NO. 5573,  
 SECOND SUBSTITUTE SENATE BILL NO. 5577,  
 SUBSTITUTE SENATE BILL NO. 5670,  
 SUBSTITUTE SENATE BILL NO. 5723,  
 SENATE BILL NO. 5918,

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

April 24, 2019

MR. PRESIDENT:

The Speaker has signed:

SUBSTITUTE SENATE BILL NO. 5089,  
 SENATE BILL NO. 5107,  
 ENGROSSED SECOND SUBSTITUTE  
 SENATE BILL NO. 5116,  
 SUBSTITUTE SENATE BILL NO. 5135,  
 SENATE BILL NO. 5145,  
 SUBSTITUTE SENATE BILL NO. 5151,  
 ENGROSSED SECOND SUBSTITUTE  
 SENATE BILL NO. 5223,  
 SENATE BILL NO. 5227,  
 ENGROSSED SECOND SUBSTITUTE  
 SENATE BILL NO. 5397,  
 SENATE BILL NO. 5415,  
 SUBSTITUTE SENATE BILL NO. 5552,  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5579,  
 SUBSTITUTE SENATE BILL NO. 5597,  
 SENATE BILL NO. 5651,  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5688,  
 SECOND SUBSTITUTE SENATE BILL NO. 5718,

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

April 24, 2019

MR. PRESIDENT:

The House has adopted the report of the Conference Committee on SUBSTITUTE HOUSE BILL NO. 1155 and has passed the bill as recommended by the Conference Committee. and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

April 24, 2019

MR. PRESIDENT:

The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

HOUSE BILL NO. 1016,  
 SUBSTITUTE HOUSE BILL NO. 1083,  
 ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO. 1324,  
 ENGROSSED SECOND SUBSTITUTE  
 HOUSE BILL NO. 1593,

SECOND SUBSTITUTE HOUSE BILL NO. 1767,  
 SECOND SUBSTITUTE HOUSE BILL NO. 1907,  
 ENGROSSED SECOND SUBSTITUTE  
 HOUSE BILL NO. 1923,  
 ENGROSSED HOUSE BILL NO. 2067,

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 6022 by Senators Zeiger and Padden

AN ACT Relating to fentanyl; amending RCW 9A.42.100; and prescribing penalties.

Referred to Committee on Law & Justice.

SB 6023 by Senators Zeiger, Wellman, Padden, Short and Mullet

AN ACT Relating to parenting plans; amending RCW 26.09.002, 26.09.015, 26.09.187, 26.09.197, 26.09.260, and 2.56.180; and reenacting and amending RCW 26.09.004.

Referred to Committee on Law & Justice.

MOTION

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

MOTION

At 11:09 a.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

---

AFTERNOON SESSION

---

The Senate was called to order at 12:52 p.m. by President Habib.

MOTION

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

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Warnick moved that Robert Nellams, Senate Gubernatorial Appointment No. 9062, be confirmed as a member of the Central Washington University Board of Trustees.

Senator Warnick spoke in favor of the motion.

MOTION

On motion of Senator Bailey, Senator Rivers was excused.

APPOINTMENT OF ROBERT NELLAMS

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

The President declared the question before the Senate to be the confirmation of Robert Nellams, Senate Gubernatorial Appointment No. 9062, as a member of the Central Washington University Board of Trustees.

The Secretary called the roll on the confirmation of Robert Nellams, Senate Gubernatorial Appointment No. 9062, as a member of the Central Washington University Board of Trustees 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, Erickson, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator Rivers

Robert Nellams, Senate Gubernatorial Appointment No. 9062, having received the constitutional majority was declared confirmed as a member of the Central Washington University Board of Trustees.

MOTION

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

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2015, by House Committee on Capital Budget (originally sponsored by Doglio, DeBolt, Dolan, Walsh, Blake, Springer, Tarleton and Pollet)

Providing funding for the Washington state library-archives building and operations of library and archives facilities.

The measure was read the second time.

MOTION

Senator Frockt 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.** (1) The legislature finds that the current facilities housing the Washington state archives, Washington state library, Washington state corporations and charities office, and the state elections office is in need of modernization and update. This is due to these vital programs being housed in obsolete and crowded facilities that do not meet modern standards for the functions performed in each.

(2) It is the intent of the secretary of state and the legislature to preserve and protect the state's vital records and collections, provide convenient service to the public, be excellent stewards of state funds, and house staff and collections in a state of the art, energy efficient building owned and operated by the office of the secretary of state. This will be accomplished by constructing a new building funded by a financing contract entered into by the secretary of state pursuant to chapter 39.94 RCW. The principal and interest requirements of the financing contract will be

serviced by existing rents, existing fees, and a new fee on documents recorded at county recording offices.

(3) This building, to be known as the library-archives building, will replace the existing state archives, the existing leased library location, the existing leased elections office, and the corporations and charities building on Capitol Way in addition to consolidating other archival structures. The consolidation of facilities will create efficiency under RCW 43.82.010(6) and convenience for customers with the eventual goal of housing all functions of the various divisions of the office of the secretary of state.

**NEW SECTION. Sec. 2.** A new section is added to chapter 43.07 RCW to read as follows:

The secretary of state's office shall own and operate the library-archives building. The secretary of state's office is authorized to enter into a long-term land lease from the port of Olympia for a period of up to seventy-five years. To comply with the provisions of this section, this project is exempt from the provisions of RCW 43.82.010.

**Sec. 3.** RCW 36.18.010 and 2015 3rd sp.s. c 28 s 1 are each amended to read as follows:

County auditors or recording officers shall collect the following fees for their official services:

(1) For recording instruments, for the first page eight and one-half by fourteen inches or less, five dollars; for each additional page eight and one-half by fourteen inches or less, one dollar. The fee for recording multiple transactions contained in one instrument will be calculated for each transaction requiring separate indexing as required under RCW 65.04.050 as follows: The fee for each title or transaction is the same fee as the first page of any additional recorded document; the fee for additional pages is the same fee as for any additional pages for any recorded document; the fee for the additional pages may be collected only once and may not be collected for each title or transaction;

(2) For preparing and certifying copies, for the first page eight and one-half by fourteen inches or less, three dollars; for each additional page eight and one-half by fourteen inches or less, one dollar;

(3) For preparing noncertified copies, for each page eight and one-half by fourteen inches or less, one dollar;

(4) For administering an oath or taking an affidavit, with or without seal, two dollars;

(5) For issuing a marriage license, eight dollars, (this fee includes taking necessary affidavits, filing returns, indexing, and transmittal of a record of the marriage to the state registrar of vital statistics) plus an additional five dollar fee for use and support of the prevention of child abuse and neglect activities to be transmitted monthly to the state treasurer and deposited in the state general fund plus an additional ten dollar fee to be transmitted monthly to the state treasurer and deposited in the state general fund. The legislature intends to appropriate an amount at least equal to the revenue generated by this fee for the purposes of the displaced homemaker act, chapter 28B.04 RCW;

(6) For searching records per hour, eight dollars;

(7) For recording plats, fifty cents for each lot except cemetery plats for which the charge shall be twenty-five cents per lot; also one dollar for each acknowledgment, dedication, and description: PROVIDED, That there shall be a minimum fee of twenty-five dollars per plat;

(8) For recording of miscellaneous records not listed above, for the first page eight and one-half by fourteen inches or less, five dollars; for each additional page eight and one-half by fourteen inches or less, one dollar;

(9) For modernization and improvement of the recording and indexing system, a surcharge as provided in RCW 36.22.170;

(10) For recording an emergency nonstandard document as provided in RCW 65.04.047, fifty dollars, in addition to all other applicable recording fees;

(11) For recording instruments, a three dollar surcharge to be deposited into the Washington state (~~heritage center~~) library operations account created in RCW 43.07.129;

(12) ~~For recording instruments, a two dollar surcharge to be deposited into the Washington state library-archives building account created in section 9 of this act until the financing contract entered into by the secretary of state for the Washington state library-archives building is paid in full;~~

(13) For recording instruments, a surcharge as provided in RCW 36.22.178; and

~~((13))~~ (14) For recording instruments, except for documents recording a birth, marriage, divorce, or death or any documents otherwise exempted from a recording fee under state law, a surcharge as provided in RCW 36.22.179.

**Sec. 4.** RCW 36.22.175 and 2017 c 303 s 7 are each amended to read as follows:

(1)(a) In addition to any other charge authorized by law, the county auditor shall charge a surcharge of one dollar per instrument for each document recorded. Revenue generated through this surcharge shall be transmitted monthly to the state treasurer for deposit in the local government archives account under RCW 40.14.024. These funds shall be used solely for providing records schedule compliance, security microfilm inspection and storage, archival preservation, cataloging, and indexing for local government records and digital data and access to those records and data through the regional branch archives of the division of archives and records management.

(b) The division of archives and records management within the office of the secretary of state shall provide records management training for local governments and shall establish a competitive grant program to solicit and prioritize project proposals from local governments for potential funding to be paid for by funds from the auditor surcharge and tax warrant surcharge revenues. Application for specific projects may be made by local government agencies only. The state archivist in consultation with the advisory committee established under RCW 40.14.027 shall adopt rules governing project eligibility, evaluation, awarding of grants, and other criteria including requirements for records management training for grant recipients.

(2) The advisory committee established under RCW 40.14.027 shall review grant proposals and establish a prioritized list of projects to be considered for funding by January 1st of each even-numbered year, beginning in 2002. The evaluation of proposals and development of the prioritized list must be developed through open public meetings. Funding for projects shall be granted according to the ranking of each application on the prioritized list and projects will be funded only to the extent that funds are available. A grant award may have an effective date other than the date the project is placed on the prioritized list.

(3)~~((3))~~ In addition to any other surcharge authorized by law, the county auditor shall charge a surcharge of one dollar per instrument for every document recorded after January 1, 2002. Revenue generated through this surcharge shall be transmitted to the state treasurer monthly for deposit in the ~~(local government archives account under RCW 40.14.024 to be used exclusively for: (i) The construction and improvement of a specialized regional facility located in eastern Washington designed to serve the archives, records management, and digital data management needs of local government; and (ii) payment of the certificate of participation issued for the Washington state heritage center to the extent there is an excess fund balance in the account and fees generated under RCW 36.18.010 and 43.07.128 are insufficient~~

~~to meet debt service payments on the certificate of participation.~~

~~(b) To the extent the facilities are used for the storage and retrieval of state agency records and digital data, that portion of the construction of such facilities used for state government records and data shall be supported by other charges and fees paid by state agencies and shall not be supported by the surcharge authorized in this subsection, except that to the extent there is an excess fund balance in the account and fees generated under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments for the Washington state heritage center, the local government archives account under RCW 40.14.024 may be used for the Washington state heritage center.~~

~~(c) At such time that all debt service from construction of the specialized regional archive facility located in eastern Washington has been paid,) following accounts, fifty percent of the surcharge authorized by this subsection shall be reverted to the ((centennial document preservation and modernization)) local government archives account as prescribed in RCW ~~((36.22.170))~~ 40.14.024 for maintenance and operation of the specialized regional archive facility located in eastern Washington and fifty percent of the surcharge authorized by this section shall be reverted to the ~~((state treasurer for deposit in the public records efficiency, preservation, and access account to serve the archives, records management, and digital data management needs of local government, except that the state treasurer shall not revert funds to the centennial document preservation and modernization account and to the public records efficiency, preservation, and access account if fees generated under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments on the Washington state heritage center))~~ account created in section 9 of this act for payment of the financing contract entered into by the secretary of state for the Washington state library-archives building.~~

(4) In addition to any other surcharge authorized by law, the county auditor shall charge a surcharge of one dollar per instrument for every document recorded. Revenue generated through this surcharge shall be transmitted to the state treasurer monthly for deposit in the local government archives account under RCW 40.14.024 to be used exclusively for the competitive grant program in RCW 40.14.026, and for the attorney general's consultation program and state archivist's training services authorized in RCW 42.56.570.

**Sec. 5.** RCW 36.22.175 and 2011 1st sp.s. c 50 s 931 are each amended to read as follows:

(1)(a) In addition to any other charge authorized by law, the county auditor shall charge a surcharge of one dollar per instrument for each document recorded. Revenue generated through this surcharge shall be transmitted monthly to the state treasurer for deposit in the local government archives account under RCW 40.14.024. These funds shall be used solely for providing records scheduling, security microfilm inspection and storage, archival preservation, cataloging, and indexing for local government records and digital data and access to those records and data through the regional branch archives of the division of archives and records management.

(b) The division of archives and records management within the office of the secretary of state shall provide records management training for local governments and shall establish a competitive grant program to solicit and prioritize project proposals from local governments for potential funding to be paid for by funds from the auditor surcharge and tax warrant surcharge revenues. Application for specific projects may be made by local government agencies only. The state archivist in consultation with the advisory committee established under RCW 40.14.027 shall adopt rules governing project eligibility, evaluation,

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

awarding of grants, and other criteria including requirements for records management training for grant recipients.

(2) The advisory committee established under RCW 40.14.027 shall review grant proposals and establish a prioritized list of projects to be considered for funding by January 1st of each even-numbered year, beginning in 2002. The evaluation of proposals and development of the prioritized list must be developed through open public meetings. Funding for projects shall be granted according to the ranking of each application on the prioritized list and projects will be funded only to the extent that funds are available. A grant award may have an effective date other than the date the project is placed on the prioritized list.

(3)~~((a))~~ In addition to any other surcharge authorized by law, the county auditor shall charge a surcharge of one dollar per instrument for every document recorded after January 1, 2002. Revenue generated through this surcharge shall be transmitted to the state treasurer monthly for deposit in the ~~((local government archives account under RCW 40.14.024 to be used exclusively for: (i) The construction and improvement of a specialized regional facility located in eastern Washington designed to serve the archives, records management, and digital data management needs of local government; and (ii) payment of the certificate of participation issued for the Washington state heritage center to the extent there is an excess fund balance in the account and fees generated under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments on the certificate of participation.~~

~~(b) To the extent the facilities are used for the storage and retrieval of state agency records and digital data, that portion of the construction of such facilities used for state government records and data shall be supported by other charges and fees paid by state agencies and shall not be supported by the surcharge authorized in this subsection, except that to the extent there is an excess fund balance in the account and fees generated under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments for the Washington state heritage center, the local government archives account under RCW 40.14.024 may be used for the Washington state heritage center.~~

~~(c) At such time that all debt service from construction of the specialized regional archive facility located in eastern Washington has been paid:) following accounts, fifty percent of the surcharge authorized by this subsection shall be reverted to the ~~((centennial document preservation and modernization)) local government archives account as prescribed in RCW ((36.22.170)) 40.14.024 for maintenance and operation of the specialized regional archive facility located in eastern Washington and fifty percent of the surcharge authorized by this section shall be reverted to the ~~((state treasurer for deposit in the public records efficiency, preservation, and access account to serve the archives, records management, and digital data management needs of local government, except that the state treasurer shall not revert funds to the centennial document preservation and modernization account and to the public records efficiency, preservation, and access account if fees generated under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments on the Washington state heritage center)) account created in section 9 of this act for payment of the financing contract entered into by the secretary of state for the Washington state library-archives building.~~~~~~

**Sec. 6.** RCW 43.07.128 and 2007 c 523 s 1 are each amended to read as follows:

(1) In addition to other required filing fees, the secretary of state shall collect a fee of five dollars at the time of filing for:

(a) Articles of incorporation for domestic corporations or applications for certificates of authority for foreign corporations under Title 23B RCW;

(b) Certificates of formation for domestic limited liability companies or registrations of foreign limited liability companies under chapter 25.15 RCW;

(c) Registrations of foreign and domestic partnerships and limited liability partnerships under chapter 25.05 RCW;

(d) Certificates of limited partnership(F:\Journal\2019 Journal\Journal2019\LegDay102\s.doc) s and registration(F:\Journal\2019

Journal\Journal2019\LegDay102\s.doc) s of foreign limited partnerships under chapter 25.10 RCW; and

(e) Registrations of trademarks under chapter 19.77 RCW.

(2) Moneys received under subsection (1) of this section must be deposited into the ~~((Washington state heritage center))~~ library operations account created in RCW 43.07.129.

**Sec. 7.** RCW 43.07.129 and 2012 2nd sp.s. c 7 s 917 are each amended to read as follows:

The Washington state ~~((heritage center))~~ library operations account is created in the custody of the state treasurer. All moneys received under RCW 36.18.010(11) and 43.07.128 must be deposited in the account. Expenditures from the account may be made only for the following purposes:

(1) Payment of the ~~((certificate of participation issued))~~ financing contract entered into by the secretary of state for the Washington state ~~((heritage center))~~ library-archives building;

(2) Capital maintenance of the Washington state ~~((heritage center))~~ library-archives building and the specialized regional facility located in eastern Washington designed to serve the archives, records management, and digital data management needs of local government; and

(3) Program operations that serve the public, relate to the collections and exhibits housed in the Washington state ~~((heritage center))~~ library-archives building, or fulfill the missions of the state archives~~((s))~~ and state library~~((, and capital museum)).~~

Only the secretary of state or the secretary of state's designee may authorize expenditures from the account. An appropriation is not required for expenditures, but the account is subject to allotment procedures under chapter 43.88 RCW. ~~((During the 2011-2013 fiscal biennium, the legislature may appropriate from the Washington state heritage center account for the purposes of state arts, historical, and library programs. Additionally, during the 2011-2013 fiscal biennium, the legislature may transfer from the Washington state heritage center account to the state general fund such amounts as reflect the excess fund balance of the fund.))~~

**Sec. 8.** RCW 43.07.370 and 2009 c 71 s 1 are each amended to read as follows:

(1) The secretary of state may solicit and accept gifts, grants, conveyances, bequests, and devises of real or personal property, or both, in trust or otherwise, and sell, lease, exchange, invest, or expend these donations or the proceeds, rents, profits, and income from the donations except as limited by the donor's terms.

(2) Moneys received under this section may be used only for the following purposes:

(a) Conducting the Washington state legacy project;

(b) Archival activities;

(c) Washington state library activities;

(d) Development, construction, and operation of the Washington state ~~((heritage center))~~ library-archives building; and

(e) Donation of Washington state flags.

(3)(a) Moneys received under subsection (2)(a) through (c) of this section must be deposited in the Washington state legacy project, state library, and archives account established in RCW 43.07.380.

(b) Moneys received under subsection (2)(d) of this section must be deposited in the Washington state ~~((heritage center))~~ library-archives building account created in ~~((RCW 43.07.129))~~ section 9 of this act.

(c) Moneys received under subsection (2)(e) of this section must be deposited in the Washington state flag account created in RCW 43.07.388.

(4) The secretary of state shall adopt rules to govern and protect the receipt and expenditure of the proceeds.

**NEW SECTION. Sec. 9.** A new section is added to chapter 43.07 RCW to read as follows:

The Washington state library-archives building account is created in the custody of the state treasurer. All moneys received under RCW 36.18.010(12), 36.22.175(3), and 43.07.370(3) must be deposited in the account. Expenditures from the account may be made only for the purposes of payment of the financing contract entered into by the secretary of state for the Washington state library-archives building. Only the secretary of state or the secretary of state's designee may authorize expenditures from the account. An appropriation is not required for expenditures, but the account is subject to allotment procedures under chapter 43.88 RCW.

**Sec. 10.** 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))~~ library-archives building 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, ~~((and))~~ the radiation perpetual maintenance fund, and the library operations account.

(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. 11.** Section 4 of this act expires June 30, 2020.

**NEW SECTION. Sec. 12.** Section 5 of this act takes effect June 30, 2020."

On page 1, line 3 of the title, after "facilities;" strike the remainder of the title and insert "amending RCW 36.18.010, 36.22.175, 36.22.175, 43.07.128, 43.07.129, and 43.07.370; reenacting and amending RCW 43.79A.040; adding new sections to chapter 43.07 RCW; creating a new section; providing an effective date; and providing an expiration date."

The President declared the question before the Senate to be the

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

adoption of the committee striking amendment by the Committee on Ways & Means to Engrossed Substitute House Bill No. 2015.

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

#### MOTION

On motion of Senator Frockt, the rules were suspended, Engrossed Substitute House Bill No. 2015 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 Frockt spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 2015 as amended by the Senate.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 2015 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 41; Nays, 7; Absent, 0; Excused, 1.

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

Voting nay: Senators Ericksen, Fortunato, O'Ban, Padden, Schoesler, Sheldon and Short

Excused: Senator Rivers

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2015, 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. 2024, by House Committee on Finance (originally sponsored by Robinson and Cody)

Concerning deductions of incentive payments under the medicaid program established within 42 C.F.R. 438.6(b)(2) and Sec. 1115 medicaid demonstration project number 11-W-00304/0.

The measure was read the second time.

#### MOTION

On motion of Senator Frockt, the rules were suspended, Substitute House Bill No. 2024 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Frockt 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. 2024.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2024 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, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator Rivers

SUBSTITUTE HOUSE BILL NO. 2024, 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. 1385, by Representatives Springer, Kretz, Blake, Chandler, Gregerson and Walsh

Exempting United States food and drug administration nonpublic information from disclosure under the state public disclosure act.

The measure was read the second time.

#### MOTION

On motion of Senator Hunt, the rules were suspended, House Bill No. 1385 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 House Bill No. 1385.

#### ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1385 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, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator Rivers

HOUSE BILL NO. 1385, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1667, by House Committee on Appropriations (originally sponsored by Springer, Walsh, Appleton, Peterson, Smith and Griffey)

Concerning public records request administration.

The measure was read the second time.

## MOTION

Senator Hunt 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 40.14.026 and 2017 c 303 s 6 are each amended to read as follows:

(1) The division of archives and records management in the office of the secretary of state must establish and administer a competitive grant program for local agencies to improve technology information systems for public record retention, management, and disclosure, and any related training. The division of archives and records management may use up to six percent of amounts appropriated for the program for administration of the grant program. ~~((The program in this subsection ceases to exist June 30, 2020.))~~

(2) Any local agency may apply to the grant program. The division of archives and records management in the office of the secretary of state must award grants annually. The division of archives and records management must consult with the chief information officer to develop the criteria for grant recipient selection with a preference given to small local governmental agencies based on the applicant agency's need and ability to improve its information technology systems for public record retention, management, and disclosure. The division of archives and records management may award grants for specific hardware, software, equipment, technology services management and training needs, indexing for local records and digital data, and other resources for improving information technology systems. To the extent possible, information technology systems, processes, training, and other resources for improving information technology systems for records retention and distribution may be replicated and shared with other governmental entities. Grants are provided for one-time investments and are not an ongoing source of revenue for operation or management costs. A grantee may not supplant local funding with grant funding provided by the office of the secretary of state. ~~((The program in this subsection ceases to exist June 30, 2020.))~~

(3) The joint legislative audit and review committee must conduct a review of the attorney general's consultation program and the state archivist's training services created under section 4, chapter 303, Laws of 2017, and the local government competitive grant program created under this section. The review must include:

(a)(i) Information on the number of local governments served, the types of consultation and training provided, and the implementation of any practices adopted from the attorney general's consultation program and the state archivist's training services; and

(ii) The effectiveness of the consultation program and the training services in providing assistance for local governments; and

(b)(i) Information on the number of local governments that applied for and participated in the competitive grant program under this section, the amount of funding awarded through the grant program, and how such funding was used; and

(ii) The effectiveness of the grant program in improving local government technology information systems for public records retention, management, disclosure, and training.

(4) Each agency shall maintain a log of public records requests submitted to and processed by the agency, which shall include but not be limited to the following information for each request: The

identity of the requestor if provided by the requestor, the date the request was received, the text of the original request, a description of the records produced in response to the request, a description of the records redacted or withheld and the reasons therefor, and the date of the final disposition of the request. The log must be retained by the agency in accordance with the relevant record retention schedule established under this chapter, and shall be a public record subject to disclosure under chapter 42.56 RCW.

(5) To improve best practices for dissemination of public records, each agency with actual staff and legal costs associated with fulfilling public records requests of at least one hundred thousand dollars during the prior fiscal year must, and each agency with such estimated costs of less than one hundred thousand dollars during the prior fiscal year may, report to the joint legislative audit and review committee by July 1st of each subsequent year the following metrics, measured over the preceding year:

~~(a) ((An identification of leading practices and processes for records management and retention, including technological upgrades, and what percentage of those leading practices and processes were implemented by the agency;~~

~~(b) The average length of time taken to acknowledge receipt of a public records request;~~

~~(c) The proportion of requests where the agency provided the requested records within five days of receipt of the request compared to the proportion of requests where the agency provided an estimate of an anticipated response time beyond five days of receipt of the request;~~

~~(d) A comparison of the agency's average initial estimate provided for full disclosure of responsive records with the actual time when all responsive records were fully disclosed, including whether the agency sent subsequent estimates of an anticipated response time;~~

~~(e)) The number of requests where the agency provided the requested records within five days of receiving the request.~~

~~(b) The number of requests where the agency provided a time estimate for providing responsive records beyond five days after receiving the request.~~

~~(c) The average and median number of days from receipt of request to the date the request is closed.~~

~~(d) The number of requests where the agency formally sought additional clarification from the requestor;~~

~~((#)) (e) The number of requests denied in full or in part and the most common reasons for denying requests;~~

~~((#)) (f) The number of requests abandoned by requestors;~~

~~((#)) (g) To the extent the information is known by the agency, requests by type of requestor, including individuals, law firms, organizations, insurers, governments, incarcerated persons, the media, anonymous requestors, current or former employees, and others;~~

~~((#)) (h) Which portion of requests were fulfilled electronically compared to requests fulfilled by physical records;~~

~~((#)) (i) The number of requests where the agency ~~((was required to scan)) scanned physical records electronically to fulfill disclosure;~~~~

~~((#)) (j) The total estimated agency staff time spent on each individual request;~~

~~((#)) (k) The estimated costs incurred by the agency in fulfilling records requests, including costs for staff compensation and legal review, and a measure of the average cost per request;~~

~~((#)) (l) The number of claims filed alleging a violation of chapter 42.56 RCW or other public records statutes in the past year involving the agency, categorized by type and exemption at issue, if applicable;~~

~~((#)) (m) The costs incurred by the agency litigating claims alleging a violation of chapter 42.56 RCW or other public records~~

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

statutes in the past year, including any penalties imposed on the agency;

~~((e))~~ ~~(n)~~ The costs incurred by the agency with managing and retaining records, including staff compensation and purchases of equipment, hardware, software, and services to manage and retain public records ~~((or otherwise assist in the fulfillment of public records requests)); and~~

~~((f))~~ ~~(o)~~ Expenses recovered by the agency from requestors for fulfilling public records requests, including any customized service charges~~(; and~~

~~(q) Measures of requestor satisfaction with agency responses, communication, and processes relating to the fulfillment of public records requests).~~

(6) The joint legislative audit and review committee must consult with state and local agencies to develop a reporting method and clearly define standardized metrics in accordance with this section.

(7) By December 1, 2019, the joint legislative audit and review committee must report to the legislature on its findings from the review, including recommendations on whether the competitive grant program, the attorney general's consultation program, and the state archivist's training services should continue or be allowed to expire.

**Sec. 2.** RCW 42.56.570 and 2017 c 303 s 4 are each amended to read as follows:

(1) The attorney general's office shall publish, and update when appropriate, a pamphlet, written in plain language, explaining this chapter.

(2) The attorney general, by February 1, 2006, shall adopt by rule advisory model rules for state and local agencies, as defined in RCW 42.56.010, addressing the following subjects:

- (a) Providing fullest assistance to requestors;
- (b) Fulfilling large requests in the most efficient manner;
- (c) Fulfilling requests for electronic records; and
- (d) Any other issues pertaining to public disclosure as determined by the attorney general.

(3) The attorney general, in his or her discretion, may from time to time revise the model ~~((rule(s)))~~ rules.

(4) Local agencies should consult the advisory model rules when establishing local ordinances for compliance with the requirements and responsibilities of this chapter.

(5) ~~((Until June 30, 2020,))~~ The attorney general must establish a consultation program to provide information for developing best practices for local agencies requesting assistance in compliance with this chapter including, but not limited to: Responding to records requests, seeking additional public and private resources for developing and updating technology information services, and mitigating liability and costs of compliance. The attorney general may develop the program in conjunction with the advisory model rule and may collaborate with the chief information officer, the state archivist, and other relevant agencies and organizations in developing and managing the program. ~~((The program in this subsection ceases to exist June 30, 2020.))~~

(6) ~~((Until June 30, 2020,))~~ The state archivist must offer and provide consultation and training services for local agencies on improving record retention practices.

**Sec. 3.** RCW 36.22.175 and 2011 1st sp.s. c 50 s 931 are each amended to read as follows:

(1)(a) In addition to any other charge authorized by law, the county auditor shall charge a surcharge of one dollar per instrument for each document recorded. Revenue generated through this surcharge shall be transmitted monthly to the state treasurer for deposit in the local government archives account under RCW 40.14.024. These funds shall be used solely for

providing records scheduling, security microfilm inspection and storage, archival preservation, cataloging, and indexing for local government records and digital data and access to those records and data through the regional branch archives of the division of archives and records management.

(b) The division of archives and records management within the office of the secretary of state shall provide records management training for local governments and shall establish a competitive grant program to solicit and prioritize project proposals from local governments for potential funding to be paid for by funds from the auditor surcharge and tax warrant surcharge revenues. Application for specific projects may be made by local government agencies only. The state archivist in consultation with the advisory committee established under RCW 40.14.027 shall adopt rules governing project eligibility, evaluation, awarding of grants, and other criteria including requirements for records management training for grant recipients.

(2) The advisory committee established under RCW 40.14.027 shall review grant proposals and establish a prioritized list of projects to be considered for funding by January 1st of each even-numbered year, beginning in 2002. The evaluation of proposals and development of the prioritized list must be developed through open public meetings. Funding for projects shall be granted according to the ranking of each application on the prioritized list and projects will be funded only to the extent that funds are available. A grant award may have an effective date other than the date the project is placed on the prioritized list.

(3)(a) In addition to any other surcharge authorized by law, the county auditor shall charge a surcharge of one dollar per instrument for every document recorded after January 1, 2002. Revenue generated through this surcharge shall be transmitted to the state treasurer monthly for deposit in the local government archives account under RCW 40.14.024 to be used exclusively for: (i) The construction and improvement of a specialized regional facility located in eastern Washington designed to serve the archives, records management, and digital data management needs of local government; and (ii) payment of the certificate of participation issued for the Washington state heritage center to the extent there is an excess fund balance in the account and fees generated under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments on the certificate of participation.

(b) To the extent the facilities are used for the storage and retrieval of state agency records and digital data, that portion of the construction of such facilities used for state government records and data shall be supported by other charges and fees paid by state agencies and shall not be supported by the surcharge authorized in this subsection, except that to the extent there is an excess fund balance in the account and fees generated under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments for the Washington state heritage center, the local government archives account under RCW 40.14.024 may be used for the Washington state heritage center.

(c) At such time that all debt service from construction of the specialized regional archive facility located in eastern Washington has been paid, fifty percent of the surcharge authorized by this subsection shall be reverted to the centennial document preservation and modernization account as prescribed in RCW 36.22.170 and fifty percent of the surcharge authorized by this section shall be reverted to the state treasurer for deposit in the public records efficiency, preservation, and access account to serve the archives, records management, and digital data management needs of local government, except that the state treasurer shall not revert funds to the centennial document preservation and modernization account and to the public records efficiency, preservation, and access account if fees generated

under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments on the Washington state heritage center.

(4) In addition to any other surcharge authorized by law, the county auditor shall charge a surcharge of one dollar per instrument for every document recorded. Revenue generated through this surcharge shall be transmitted to the state treasurer monthly for deposit in the local government archives account under RCW 40.14.024 to be used exclusively for the competitive grant program in RCW 40.14.026, and for the attorney general's consultation program and state archivist's training services authorized in RCW 42.56.570.

**NEW SECTION. Sec. 4.** Section 3 of this act takes effect June 30, 2020."

On page 1, line 1 of the title, after "administration;" strike the remainder of the title and insert "amending RCW 40.14.026, 42.56.570, and 36.22.175; and providing an effective date."

#### MOTION

Senator Padden moved that the following amendment no. 771 by Senator Padden be adopted:

On page 7, after line 27, insert the following:

**"NEW SECTION. Sec. 4.** A new section is added to chapter 42.56 RCW to read as follows:

The name and address of a person that participates in the Washington state patrol bump-fire stock buy-back program are exempt from disclosure under this chapter."

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

Senators Padden, Takko, O'Ban and Fortunato 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.

#### POINT OF ORDER

Senator Liias: "Thank you Mr. President. While I appreciate the content of amendment no. 771 and support it, the bill before us deals with public records administration at the Secretary of State's Office and the Attorney General's Office. It would appear that this is amending the public records act which is not covered under the scope and object of the underlying bill."

Senator Padden: "Well, the only thing I would say is we are dealing with the same chapter of the RCW. And I think this covers it."

#### RULING BY THE PRESIDENT

President Habib: "In responding to the point of order raised by Senator Liias, I find that the amendment proposed by Senator Padden to the Ways & Means striker does fall outside the scope and object of the underlying bill. The underlying bill is, relates to the administration of public records and does not add or remove certain categories of information or parties to public disclosure. And so the amendment which seeks to exempt a certain class of information from public disclosure does not fit within the scope and object of what is, ultimately, an administrative bill. So, that amendment is ruled out of order."

#### MOTION

On motion of Senator Kuderer, Senator Pedersen was excused.

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 Substitute House Bill No. 1667.

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, Engrossed Substitute House Bill No. 1667 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 Zeiger spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1667 as amended by the Senate.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1667 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

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, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senators Pedersen and Rivers

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1667, 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

HOUSE BILL NO. 2035, by Representatives Lovick and Frame

Concerning taxes on in-state broadcasters.

The measure was read the second time.

#### MOTION

On motion of Senator Frockt, the rules were suspended, House Bill No. 2035 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Frockt 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. 2035.

#### ROLL CALL

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

The Secretary called the roll on the final passage of House Bill No. 2035 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 1; 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, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Absent: Senator Rolfes

Excused: Senator Rivers

HOUSE BILL NO. 2035, 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

SENATE BILL NO. 5362, by Senators Wilson, L., Hobbs, King and Rivers

Addressing the creation of a deferred prosecution program for nonpayment of license fees and taxes for vehicle, vessel, and aircraft registrations. Revised for 1st Substitute: Creating a deferred finding program for nonpayment of license fees and taxes for vehicle, vessel, and aircraft registrations.

MOTION

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

MOTIONS

On motion of Senator Wilson, L., Substitute Senate Bill No. 5362 was substituted for Senate Bill No. 5362 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Wilson, L., the rules were suspended, Substitute Senate Bill No. 5362 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator 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 Senate Bill No. 5362.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5362 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, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator Rivers

SUBSTITUTE SENATE BILL NO. 5362, 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:

SENATE BILL NO. 5054,  
 SENATE BILL NO. 5179,  
 SENATE BILL NO. 5266,  
 SUBSTITUTE SENATE BILL NO. 5266,  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5272,  
 ENGROSSED SECOND SUBSTITUTE  
 SENATE BILL NO. 5284,  
 SECOND SUBSTITUTE SENATE BILL NO. 5287,  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5298,  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5318,  
 SUBSTITUTE SENATE BILL NO. 5324,  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5330,  
 ENGROSSED SECOND SUBSTITUTE  
 SENATE BILL NO. 5356,  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5410,  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5418,  
 SUBSTITUTE SENATE BILL NO. 5425,  
 and ENGROSSED SENATE BILL NO. 5429.

MOTION

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

MESSAGES FROM THE HOUSE

April 25, 2019

MR. PRESIDENT:  
 The Speaker has signed:

SENATE BILL NO. 5199,  
 ENGROSSED SECOND SUBSTITUTE  
 SENATE BILL NO. 5276,  
 and the same are herewith transmitted.  
 NONA SNELL, Deputy Chief Clerk

April 25, 2019

MR. PRESIDENT:  
 The House has passed:

ENGROSSED HOUSE BILL NO. 1789,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2161,  
 and the same are herewith transmitted.  
 NONA SNELL, Deputy Chief Clerk

April 25, 2019

MR. PRESIDENT:  
 The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

ENGROSSED SECOND SUBSTITUTE  
 HOUSE BILL NO. 1139,  
 SUBSTITUTE HOUSE BILL NO. 1436,  
 SECOND SUBSTITUTE HOUSE BILL NO. 1893,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2097,  
 and the same are herewith transmitted.  
 NONA SNELL, Deputy Chief Clerk

April 25, 2019

MR. PRESIDENT:  
 The Speaker has signed:

SECOND SUBSTITUTE HOUSE BILL NO. 1087,  
 SUBSTITUTE HOUSE BILL NO. 1196,

SECOND SUBSTITUTE HOUSE BILL NO. 1216,  
 SUBSTITUTE HOUSE BILL NO. 1225,  
 ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO. 1257,  
 SECOND SUBSTITUTE HOUSE BILL NO. 1394,  
 SECOND SUBSTITUTE HOUSE BILL NO. 1444,  
 HOUSE BILL NO. 1462,  
 ENGROSSED HOUSE BILL NO. 1465,  
 SUBSTITUTE HOUSE BILL NO. 1476,  
 HOUSE BILL NO. 1505,  
 ENGROSSED HOUSE BILL NO. 1564,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1578,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1582,  
 ENGROSSED HOUSE BILL NO. 1638,  
 ENGROSSED HOUSE BILL NO. 1706,  
 SUBSTITUTE HOUSE BILL NO. 1739,  
 SUBSTITUTE HOUSE BILL NO. 1786,  
 ENGROSSED SECOND SUBSTITUTE  
 HOUSE BILL NO. 1874,

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

#### MESSAGE FROM THE HOUSE

April 24, 2019

MR. PRESIDENT:

The House receded from its amendment(s) to SECOND SUBSTITUTE SENATE BILL NO. 5082. Under suspension of the rules, the bill was returned to second reading for the purposes of amendment(s). The House adopted the following amendment(s): 5082-S2 AMH SANT H3054.1, and passed the bill as amended by the House.

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** A new section is added to chapter 28A.300 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the social emotional learning committee is created to promote and expand social-emotional learning. Social-emotional learning will help students build awareness and skills in managing emotions, setting goals, establishing relationships, and making responsible decisions that support success in school and life.

(2) At a minimum, the committee shall:

(a) Develop and implement a statewide framework for social-emotional learning that is trauma-informed, culturally sustaining, and developmentally appropriate;

(b) Review and update as needed the standards and benchmarks for social-emotional learning and the developmental indicators for grades kindergarten through twelve and confirm they are evidence-based;

(c) Align the standards and benchmarks for social-emotional learning with other relevant standards and guidelines including the health and physical education K-12 learning standards and the early learning and development guidelines;

(d) Advise the office of the superintendent of public instruction's duty under section 2 of this act;

(e) Identify best practices or guidance for schools implementing the standards, benchmarks, and developmental indicators for social-emotional learning;

(f) Identify professional development opportunities for teachers and educational staff and review, update, and align as needed the social-emotional learning online education module;

(g) Consider systems for collecting data about social-emotional learning and monitoring implementation efforts;

(h) Identify strategies to improve coordination between early

learning, K-12 education, youth-serving community partners and culturally-based providers, and higher education regarding social-emotional learning; and

(i) Engage with stakeholders and seek feedback.

(3) The committee must consist of the following members:

(a) Four members appointed by the governor in consultation with the state ethnic commissions, who represent the following populations: African Americans, Hispanic Americans, Asian Americans, and Pacific Islander Americans; and

(b) One representative from the educational opportunity gap oversight and accountability committee created in RCW 28A.300.136.

(4) The governor and the tribes are encouraged to jointly designate a total of two members to serve on the committee who have experience working in and with schools: One member from east of the crest of the Cascade mountains; and one member from west of the crest of the Cascade mountains.

(5) Additional members of the committee must be appointed by the office of the superintendent of public instruction to serve on the committee. Additional members must include:

(a) One representative from the department of children, youth, and families;

(b) Two representatives from the office of the superintendent of public instruction: One with expertise in student support services; and one with expertise in curriculum and instruction;

(c) One representative from the office of the education ombuds;

(d) One representative from the state board of education;

(e) One representative from the health care authority's division of behavioral health and recovery;

(f) One higher educational faculty member with expertise in social-emotional learning;

(g) One currently employed K-12 educator;

(h) One currently employed K-12 administrator;

(i) One school psychologist;

(j) One school social worker;

(k) One school counselor;

(l) One school nurse;

(m) One mental health counselor;

(n) One representative from a school parent organization;

(o) One member from a rural school district;

(p) One representative from the educational service districts;

(q) One representative from a coalition of members who educate about and advocate for access to social-emotional learning and skill development;

(r) One representative from a statewide expanded learning opportunities intermediary;

(s) One representative from a nonprofit organization with expertise in developing social-emotional curricula;

(t) One representative from a foundation that supports social-emotional learning; and

(u) One representative from a coalition of youth-serving organizations working together to improve outcomes for young people.

(6) The members of the committee shall select the chairs or cochairs of the committee.

(7) In addition to other meetings, the committee shall have a joint meeting once a year with the educational opportunity gap oversight and accountability committee created in RCW 28A.300.136.

(8) The office of the superintendent of public instruction shall provide staff support for the committee.

(9) Members of the committee shall serve without compensation but must be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(10) Beginning June 1, 2021, and annually thereafter, the committee shall provide a progress report, in compliance with

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

RCW 43.01.036, to the governor and appropriate committees of the legislature. The report must include accomplishments, state-level data regarding implementation of social-emotional learning, identification of systemic barriers or policy changes necessary to promote and expand social-emotional learning, and recommendations.

**NEW SECTION. Sec. 2.** A new section is added to chapter 28A.300 RCW to read as follows:

(1) The office of the superintendent of public instruction shall review the recommendations of the social-emotional learning work group convened as directed in the 2017 omnibus appropriations act and the recommendations of the social emotional learning committee created in section 1 of this act. The office of the superintendent of public instruction shall adopt social-emotional learning standards and benchmarks by January 1, 2020, and revise the social-emotional learning standards and benchmarks as appropriate.

(2) The office of the superintendent of public instruction shall align the programs it oversees with the standards for social-emotional learning and integrate the standards where appropriate.

**Sec. 3.** RCW 28A.410.270 and 2017 3rd sp.s. c 26 s 4 are each amended to read as follows:

(1)(a) The Washington professional educator standards board shall adopt a set of articulated teacher knowledge, skill, and performance standards for effective teaching that are evidence-based, measurable, meaningful, and documented in high quality research as being associated with improved student learning. The standards shall be calibrated for each level along the entire career continuum.

(b) In developing the standards, the board shall, to the extent possible, incorporate standards for cultural competency along the entire continuum. For the purposes of this subsection, "cultural competency" includes knowledge of student cultural histories and contexts, as well as family norms and values in different cultures; knowledge and skills in accessing community resources and community and parent outreach; and skills in adapting instruction to students' experiences and identifying cultural contexts for individual students.

~~((b))~~ (c) By January 1, 2020, in order to ensure that teachers can recognize signs of emotional or behavioral distress in students and appropriately refer students for assistance and support, the Washington professional educator standards board shall incorporate along the entire continuum the social-emotional learning standards and benchmarks recommended by the social emotional learning benchmarks work group in its October 1, 2016, final report titled, "addressing social emotional learning in Washington's K-12 public schools." In incorporating the social-emotional learning standards and benchmarks, the Washington professional educator standards board must include related competencies, such as trauma-informed practices, consideration of adverse childhood experiences, mental health literacy, antibullying strategies, and culturally sustaining practices.

(2) The Washington professional educator standards board shall adopt a definition of master teacher, with a comparable level of increased competency between professional certification level and master level as between professional certification level and national board certification. Within the definition established by the Washington professional educator standards board, teachers certified through the national board for professional teaching standards shall be considered master teachers.

~~((2))~~ (3) The Washington professional educator standards board shall maintain a uniform, statewide, valid, and reliable classroom-based means of evaluating teacher effectiveness as a culminating measure at the preservice level that is to be used

during the student-teaching field experience. This assessment shall include multiple measures of teacher performance in classrooms, evidence of positive impact on student learning, and shall include review of artifacts, such as use of a variety of assessment and instructional strategies, and student work.

~~((3))~~ (4) Award of a professional certificate shall be based on a minimum of two years of successful teaching experience as defined by the board, and may not require candidates to enroll in a professional certification program.

~~((4))~~ (5) Educator preparation programs approved to offer the residency teaching certificate shall be required to demonstrate how the program produces effective teachers as evidenced by the measures established under this section and other criteria established by the Washington professional educator standards board.

**NEW SECTION. Sec. 4.** A new section is added to chapter 28A.410 RCW to read as follows:

By January 1, 2020, in order to ensure that principals can recognize signs of emotional or behavioral distress in students and appropriately refer students for assistance and support, the Washington professional educator standards board shall incorporate into principal knowledge, skill, and performance standards the social-emotional learning standards, benchmarks, and related competencies described in RCW 28A.410.270.

**Sec. 5.** RCW 28A.413.050 and 2017 c 237 s 6 are each amended to read as follows:

(1) The board shall adopt state standards of practice for paraeducators that are based on the recommendations of the paraeducator work group established in chapter 136, Laws of 2014. These standards must include:

~~((1))~~ (a) Supporting instructional opportunities;  
~~((2))~~ (b) Demonstrating professionalism and ethical practices;

~~((3))~~ (c) Supporting a positive and safe learning environment;  
~~((4))~~ (d) Communicating effectively and participating in the team process; and

~~((5))~~ (e) Demonstrating cultural competency aligned with standards developed by the professional educator standards board under RCW 28A.410.270.

(2) By January 1, 2020, in order to ensure that paraeducators can recognize signs of emotional or behavioral distress in students and appropriately refer students for assistance and support, the board shall incorporate into the standards of practice for paraeducators adopted under subsection (1) of this section the social-emotional learning standards, benchmarks, and related competencies described in RCW 28A.410.270.

**NEW SECTION. Sec. 6.** A new section is added to chapter 28A.300 RCW to read as follows:

Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction must create and publish on its web site a list of resources available for professional development of school district staff on the following topics: Social-emotional learning, trauma-informed practices, recognition and response to emotional or behavioral distress, consideration of adverse childhood experiences, mental health literacy, antibullying strategies, and culturally sustaining practices. The office of the superintendent of public instruction must include in the list the professional development opportunities and resources identified by the social emotional learning committee created under section 1 of this act.

**NEW SECTION. Sec. 7.** A new section is added to chapter 28A.415 RCW to read as follows:

Beginning in the 2020-21 school year, and every other school

year thereafter, school districts must use one of the professional learning days funded under RCW 28A.150.415 to train school district staff on one or more of the following topics: Social-emotional learning, trauma-informed practices, using the model plan developed under RCW 28A.320.1271 related to recognition and response to emotional or behavioral distress, consideration of adverse childhood experiences, mental health literacy, antibullying strategies, and culturally sustaining practices.

**NEW SECTION. Sec. 8.** A new section is added to chapter 28A.410 RCW to read as follows:

The Washington professional educator standards board must periodically review approved preparation programs to assess whether and to what extent the programs are meeting knowledge, skill, and performance standards, and publish on its web site the results of the review in a format that facilitates program comparison.

**NEW SECTION. Sec. 9.** 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."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

#### MOTION

Senator McCoy moved that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5082.

Senator McCoy spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator McCoy that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5082.

The motion by Senator McCoy carried and the Senate concurred in the House amendment(s) to Second Substitute Senate Bill No. 5082 by voice vote.

The President declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5082, as amended by the House.

#### ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5082, as amended by the House, 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, Hobbs, Hunt, Keiser, Kuderer, Liias, Lovelett, McCoy, 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, Hawkins, Holy, Honeyford, King, O'Ban, Padden, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson, L. and Zeiger

Excused: Senator Rivers

SECOND SUBSTITUTE SENATE BILL NO. 5082, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### MESSAGE FROM THE HOUSE

April 24, 2019

MR. PRESIDENT:

The House insists on its position regarding the House amendment(s) to ENGROSSED SENATE BILL NO. 5274 and asks the Senate to concur thereon and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

#### MOTION

Senator Hasegawa moved that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5274.

Senators Hasegawa and O'Ban spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Hasegawa that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5274.

The motion by Senator Hasegawa carried and the Senate concurred in the House amendment(s) to Engrossed Senate Bill No. 5274 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5274, as amended by the House.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5274, as amended by the House, 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, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator Rivers

ENGROSSED SENATE BILL NO. 5274, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### MESSAGE FROM THE HOUSE

April 23, 2019

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to HOUSE BILL NO. 1499 and asks the Senate to recede therefrom. and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

#### MOTION

Senator Takko moved that the Senate recede from its position on the Senate amendments to House Bill No. 1499.

Senator Takko spoke in favor of the motion.

Senator Schoesler spoke against the motion.

Senator Short moved that the Senate recede from its position on the Senate amendments for the purposes of amendment.

President Habib: "Senator Short there is already a motion to recede before the Senate right now so we have to vote on that motion to recede, then, based on the disposition of that, then we, you will have some options."

The President declared the question before the Senate to be motion by Senator Takko that the Senate recede from its position on the Senate amendments to House Bill No. 1499.

The motion by Senator Takko carried and the Senate receded from its position on the Senate amendments to House Bill No. 1499 by a rising vote.

MOTION

Senator Short moved that the rules be suspended and House Bill No. 1499 be returned to second reading for the purposes of amendment.

Senator Liias objected.

The President declared the question before the Senate to be the motion by Senator Short that House Bill No. 1499 be returned to second reading for the purposes of amendment.

The motion by Senator Short did not carry and the bill was not returned to second reading by voice vote.

The President declared the question before the Senate to be the final passage of House Bill No. 1499 without Senate amendments.

ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1499 without Senate amendments 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, Darnelle, Das, Dhingra, Frockt, Hasegawa, Hobbs, Holy, Hunt, Keiser, Kuderer, Liias, Lovelett, McCoy, 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, Hawkins, Honeyford, King, O'Ban, Padden, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson, L. and Zeiger

Excused: Senator Rivers

HOUSE BILL NO. 1499, without Senate amendments, 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.

MESSAGE FROM THE HOUSE

April 23, 2019

MR. PRESIDENT:

The House insists on its position regarding the House amendment(s) to SUBSTITUTE SENATE BILL NO. 5025 and asks the Senate to concur thereon. and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Kuderer moved that the Senate refuse to concur and insist on its position on the House amendment(s) to Substitute

Senate Bill No. 5025 and ask the House to recede therefrom.

Senators Kuderer and Zeiger spoke in favor of the motion.

The President declared the question before the Senate to be motion by Senator Kuderer that the Senate refuse to concur and insist on its position on the House amendment(s) to Substitute Senate Bill No. 5025 and ask the House to recede therefrom.

The motion by Senator Kuderer carried and the Senate refused to concur and insisted on its position in the Senate amendment(s) to Substitute Senate Bill No. 5025 and asked the House to recede therefrom by voice vote.

The senate resumed consideration of Substitute House Bill No. 1170 which had been deferred on the previous legislative day.

MESSAGE FROM THE HOUSE

April 23, 2019

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to SUBSTITUTE HOUSE BILL NO. 1170 and asks the Senate for a conference thereon. The Speaker has appointed the following members as conferees; Representatives: Goodman, Griffey, Springer

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

On motion of Senator Hunt, the Senate granted the request of the House for a conference on Substitute House Bill No. 1170 and the Senate amendment(s) thereto.

APPOINTMENT OF CONFERENCE COMMITTEE

The President appointed as members of the Conference Committee on Substitute House Bill No. 1170 and the House amendment(s) there to: Senators Hasegawa, Hunt and Zeiger.

MOTION

On motion of Senator Liias, the appointments to the conference committee were confirmed by voice vote.

The senate resumed consideration of Substitute House Bill No. 1195 which had been deferred on the previous legislative day.

MESSAGE FROM THE HOUSE

April 23, 2019

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to SUBSTITUTE HOUSE BILL NO. 1195 and asks the Senate for a conference thereon. The Speaker has appointed the following members as conferees; Representatives: Hudgins, Gregerson, Walsh

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Hunt moved that the Senate recede from its position in the Senate amendment(s) to Substitute House Bill No. 1195.

The President declared the question before the Senate to be motion by Senator Hunt that the Senate recede from its position in the Senate amendment(s) to Substitute House Bill No. 1195.

The motion by Senator Hunt carried and the Senate receded

from its position in the Senate amendment(s) to Substitute House Bill No. 1195 by voice vote.

#### MOTIONS

On motion of Senator Hunt, the rules were suspended and Substitute House Bill No. 1195 was returned to second reading for the purposes of amendment.

Senator Hunt moved that the following striking amendment no. 781 by Senator Hunt be adopted:

Strike everything after the enacting clause and insert the following:

**NEW SECTION. Sec. 1.** The legislature finds that passage of chapter 304, Laws of 2018 (Engrossed Substitute House Bill No. 2938) and chapter 111, Laws of 2018 (Substitute Senate Bill No. 5991) was an important step in achieving the goals of reforming campaign finance reporting and oversight, including simplifying the reporting and enforcement processes to promote administrative efficiencies. Much has been accomplished in the short time the public disclosure commission has implemented these new laws. However, some additional improvements were identified by the legislature, stakeholders, and the public disclosure commission, that are necessary to further implement these goals and the purpose of the state campaign finance law. Additional refinements to the law will help to ensure the public disclosure commission may continue to provide transparency of election campaign funding activities, meaningful guidance to participants in the political process, and enforcement that is timely, fair, and focused on improving compliance.

**Sec. 2.** RCW 42.17A.001 and 1975 1st ex.s. c 294 s 1 are each amended to read as follows:

It is hereby declared by the sovereign people to be the public policy of the state of Washington:

(1) That political campaign and lobbying contributions and expenditures be fully disclosed to the public and that secrecy is to be avoided.

(2) That the people have the right to expect from their elected representatives at all levels of government the utmost of integrity, honesty, and fairness in their dealings.

(3) That the people shall be assured that the private financial dealings of their public officials, and of candidates for those offices, present no conflict of interest between the public trust and private interest.

(4) That our representative form of government is founded on a belief that those entrusted with the offices of government have nothing to fear from full public disclosure of their financial and business holdings, provided those officials deal honestly and fairly with the people.

(5) That public confidence in government at all levels is essential and must be promoted by all possible means.

(6) That public confidence in government at all levels can best be sustained by assuring the people of the impartiality and honesty of the officials in all public transactions and decisions.

(7) That the concept of attempting to increase financial participation of individual contributors in political campaigns is encouraged by the passage of the Revenue Act of 1971 by the Congress of the United States, and in consequence thereof, it is desirable to have implementing legislation at the state level.

(8) That the concepts of disclosure and limitation of election campaign financing are established by the passage of the Federal Election Campaign Act of 1971 by the Congress of the United States, and in consequence thereof it is desirable to have implementing legislation at the state level.

(9) That small contributions by individual contributors are to be encouraged, and that not requiring the reporting of small contributions may tend to encourage such contributions.

(10) That the public's right to know of the financing of political campaigns and lobbying and the financial affairs of elected officials and candidates far outweighs any right that these matters remain secret and private.

(11) That, mindful of the right of individuals to privacy and of the desirability of the efficient administration of government, full access to information concerning the conduct of government on every level must be assured as a fundamental and necessary precondition to the sound governance of a free society.

The provisions of this chapter shall be liberally construed to promote complete disclosure of all information respecting the financing of political campaigns and lobbying, and the financial affairs of elected officials and candidates, and full access to public records so as to assure continuing public confidence of fairness of elections and governmental processes, and so as to assure that the public interest will be fully protected. In promoting such complete disclosure, however, this chapter shall be enforced so as to ~~((insure))~~ ensure that the information disclosed will not be misused for arbitrary and capricious purposes and to ~~((insure))~~ ensure that all persons reporting under this chapter will be protected from harassment and unfounded allegations based on information they have freely disclosed.

**Sec. 3.** RCW 42.17A.005 and 2018 c 304 s 2 and 2018 c 111 s 3 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Actual malice" means to act with knowledge of falsity or with reckless disregard as to truth or falsity.

~~((2))~~ ~~("Actual violation" means a violation of this chapter that is not a remedial violation or technical correction.~~

~~((3))~~ "Agency" includes all state agencies and all local agencies. "State agency" includes every state office, department, division, bureau, board, commission, or other state agency. "Local agency" includes every county, city, town, municipal corporation, quasi-municipal corporation, or special purpose district, or any office, department, division, bureau, board, commission, or agency thereof, or other local public agency.

~~((4))~~ ~~(3)~~ "Authorized committee" means the political committee authorized by a candidate, or by the public official against whom recall charges have been filed, to accept contributions or make expenditures on behalf of the candidate or public official.

~~((5))~~ ~~(4)~~ "Ballot proposition" means any "measure" as defined by RCW 29A.04.091, or any initiative, recall, or referendum proposition proposed to be submitted to the voters of the state or any municipal corporation, political subdivision, or other voting constituency from and after the time when the proposition has been initially filed with the appropriate election officer of that constituency before its circulation for signatures.

~~((6))~~ ~~(5)~~ "Benefit" means a commercial, proprietary, financial, economic, or monetary advantage, or the avoidance of a commercial, proprietary, financial, economic, or monetary disadvantage.

~~((7))~~ ~~(6)~~ "Bona fide political party" means:

(a) An organization that has been recognized as a minor political party by the secretary of state;

(b) The governing body of the state organization of a major political party, as defined in RCW 29A.04.086, that is the body authorized by the charter or bylaws of the party to exercise authority on behalf of the state party; or

(c) The county central committee or legislative district committee of a major political party. There may be only one

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

legislative district committee for each party in each legislative district.

~~((8))~~ (7) "Books of account" means:

(a) In the case of a campaign or political committee, a ledger or similar listing of contributions, expenditures, and debts, such as a campaign or committee is required to file regularly with the commission, current as of the most recent business day; or

(b) In the case of a commercial advertiser, details of political advertising or electioneering communications provided by the advertiser, including the names and addresses of persons from whom it accepted political advertising or electioneering communications, the exact nature and extent of the services rendered and the total cost and the manner of payment for the services.

~~((9))~~ (8) "Candidate" means any individual who seeks nomination for election or election to public office. An individual seeks nomination or election when ~~((he or she))~~ the individual first:

(a) Receives contributions or makes expenditures or reserves space or facilities with intent to promote ~~((his or her))~~ the individual's candidacy for office;

(b) Announces publicly or files for office;

(c) Purchases commercial advertising space or broadcast time to promote ~~((his or her))~~ the individual's candidacy; or

(d) Gives ~~((his or her))~~ consent to another person to take on behalf of the individual any of the actions in (a) or (c) of this subsection.

~~((10))~~ (9) "Caucus political committee" means a political committee organized and maintained by the members of a major political party in the state senate or state house of representatives.

~~((11))~~ (10) "Commercial advertiser" means any person ~~((who))~~ that sells the service of communicating messages or producing ~~((printed))~~ material for broadcast or distribution to the general public or segments of the general public whether through ~~((the use of))~~ brochures, fliers, newspapers, magazines, television ~~((and))~~ radio ~~((stations))~~, billboards ~~((companies))~~, direct mail advertising ~~((companies))~~, printing ~~((companies))~~, paid internet or digital communications, or ~~((otherwise))~~ any other means of mass communications used for the purpose of appealing, directly or indirectly, for votes or for financial or other support in any election campaign.

~~((12))~~ (11) "Commission" means the agency established under RCW 42.17A.100.

~~((13))~~ (12) "Committee" unless the context indicates otherwise, includes ~~((any))~~ a political committee such as a candidate, ballot ~~((measure))~~ proposition, recall, political, or continuing political committee.

~~((14))~~ (13) "Compensation" unless the context requires a narrower meaning, includes payment in any form for real or personal property or services of any kind. For the purpose of compliance with RCW 42.17A.710, "compensation" does not include per diem allowances or other payments made by a governmental entity to reimburse a public official for expenses incurred while the official is engaged in the official business of the governmental entity.

~~((15))~~ (14) "Continuing political committee" means a political committee that is an organization of continuing existence not ~~((established))~~ limited to participation in ~~((anticipation of))~~ any particular election campaign or election cycle.

~~((16))~~ (15)(a) "Contribution" includes:

(i) A loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds ~~((between political committees))~~, or anything of value, including personal and professional services for less than full consideration;

(ii) An expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political or incidental committee, the person or persons named on the candidate's or committee's registration form who direct expenditures on behalf of the candidate or committee, or their agents;

(iii) The financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, digital, or other form of political advertising or electioneering communication prepared by a candidate, a political or incidental committee, or its authorized agent;

(iv) Sums paid for tickets to fund-raising events such as dinners and parties, except for the actual cost of the consumables furnished at the event.

(b) "Contribution" does not include:

(i) ~~((Legally))~~ Accrued interest on money deposited in a political or incidental committee's account;

(ii) Ordinary home hospitality;

(iii) A contribution received by a candidate or political or incidental committee that is returned to the contributor within ten business days of the date on which it is received by the candidate or political or incidental committee;

(iv) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is of ~~((primary))~~ interest to the ~~((general))~~ public, that is in a news medium controlled by a person whose business is that news medium, and that is not controlled by a candidate or a political or incidental committee;

(v) An internal political communication primarily limited to the members of or contributors to a political party organization or political or incidental committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;

(vi) The rendering of personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses personally incurred by volunteer campaign workers not in excess of fifty dollars personally paid for by the worker. "Volunteer services," for the purposes of this subsection, means services or labor for which the individual is not compensated by any person;

(vii) Messages in the form of reader boards, banners, or yard or window signs displayed on a person's own property or property occupied by a person. However, a facility used for such political advertising for which a rental charge is normally made must be reported as an in-kind contribution and counts toward ~~((s))~~ any applicable contribution limit of the person providing the facility;

(viii) Legal or accounting services rendered to or on behalf of:

(A) A political party or caucus political committee if the person paying for the services is the regular employer of the person rendering such services; or

(B) A candidate or an authorized committee if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of ensuring compliance with state election or public disclosure laws; or

(ix) The performance of ministerial functions by a person on behalf of two or more candidates or political or incidental committees either as volunteer services defined in (b)(vi) of this subsection or for payment by the candidate or political or incidental committee for whom the services are performed as long as:

(A) The person performs solely ministerial functions;

(B) A person who is paid by two or more candidates or political or incidental committees is identified by the candidates and political committees on whose behalf services are performed as part of their respective statements of organization under RCW

42.17A.205; and

(C) The person does not disclose, except as required by law, any information regarding a candidate's or committee's plans, projects, activities, or needs, or regarding a candidate's or committee's contributions or expenditures that is not already publicly available from campaign reports filed with the commission, or otherwise engage in activity that constitutes a contribution under (a)(ii) of this subsection.

A person who performs ministerial functions under this subsection ~~((16))~~ (15)(b)(ix) is not considered an agent of the candidate or committee as long as ~~((he or she))~~ the person has no authority to authorize expenditures or make decisions on behalf of the candidate or committee.

(c) Contributions other than money or its equivalent are deemed to have a monetary value equivalent to the fair market value of the contribution. Services or property or rights furnished at less than their fair market value for the purpose of assisting any candidate or political committee are deemed a contribution. Such a contribution must be reported as an in-kind contribution at its fair market value and counts towards any applicable contribution limit of the provider.

~~((17))~~ (16) "Depository" means a bank, mutual savings bank, savings and loan association, or credit union doing business in this state.

~~((18))~~ (17) "Elected official" means any person elected at a general or special election to any public office, and any person appointed to fill a vacancy in any such office.

~~((19))~~ (18) "Election" includes any primary, general, or special election for public office and any election in which a ballot proposition is submitted to the voters. An election in which the qualifications for voting include other than those requirements set forth in Article VI, section 1 (Amendment 63) of the Constitution of the state of Washington shall not be considered an election for purposes of this chapter.

~~((20))~~ (19) "Election campaign" means any campaign in support of or in opposition to a candidate for election to public office and any campaign in support of, or in opposition to, a ballot proposition.

~~((21))~~ (20) "Election cycle" means the period beginning on the first day of January after the date of the last previous general election for the office that the candidate seeks and ending on December 31st after the next election for the office. In the case of a special election to fill a vacancy in an office, "election cycle" means the period beginning on the day the vacancy occurs and ending on December 31st after the special election.

~~((22))~~ (21)(a) "Electioneering communication" means any broadcast, cable, or satellite television, radio transmission, digital communication, United States postal service mailing, billboard, newspaper, or periodical that:

(i) Clearly identifies a candidate for a state, local, or judicial office either by specifically naming the candidate, or identifying the candidate without using the candidate's name;

(ii) Is broadcast, transmitted electronically or by other means, mailed, erected, distributed, or otherwise published within sixty days before any election for that office in the jurisdiction in which the candidate is seeking election; and

(iii) Either alone, or in combination with one or more communications identifying the candidate by the same sponsor during the sixty days before an election, has a fair market value or cost of one thousand dollars or more.

(b) "Electioneering communication" does not include:

(i) Usual and customary advertising of a business owned by a candidate, even if the candidate is mentioned in the advertising when the candidate has been regularly mentioned in that advertising appearing at least twelve months preceding ~~((his or her))~~ the candidate becoming a candidate;

(ii) Advertising for candidate debates or forums when the advertising is paid for by or on behalf of the debate or forum sponsor, so long as two or more candidates for the same position have been invited to participate in the debate or forum;

(iii) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is:

(A) Of ~~((primary))~~ interest to the ~~((general))~~ public;

(B) In a news medium controlled by a person whose business is that news medium; and

(C) Not a medium controlled by a candidate or a political or incidental committee;

(iv) Slate cards and sample ballots;

(v) Advertising for books, films, dissertations, or similar works (A) written by a candidate when the candidate entered into a contract for such publications or media at least twelve months before becoming a candidate, or (B) written about a candidate;

(vi) Public service announcements;

(vii) An internal political communication primarily limited to the members of or contributors to a political party organization or political or incidental committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;

(viii) An expenditure by or contribution to the authorized committee of a candidate for state, local, or judicial office; or

(ix) Any other communication exempted by the commission through rule consistent with the intent of this chapter.

~~((23))~~ (22) "Expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. "Expenditure" also includes a promise to pay, a payment, or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For the purposes of this chapter, agreements to make expenditures, contracts, and promises to pay may be reported as estimated obligations until actual payment is made. "Expenditure" shall not include the partial or complete repayment by a candidate or political or incidental committee of the principal of a loan, the receipt of which loan has been properly reported.

~~((24))~~ (23) "Final report" means the report described as a final report in RCW 42.17A.235~~((8))~~ (11)(a).

~~((25))~~ (24) "General election" for the purposes of RCW 42.17A.405 means the election that results in the election of a person to a state or local office. It does not include a primary.

~~((26))~~ (25) "Gift" has the definition in RCW 42.52.010.

~~((27))~~ (26) "Immediate family" includes the spouse or domestic partner, dependent children, and other dependent relatives, if living in the household. For the purposes of the definition of "intermediary" in this section, "immediate family" means an individual's spouse or domestic partner, and child, stepchild, grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual and the spouse or the domestic partner of any such person and a child, stepchild, grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual's spouse or domestic partner and the spouse or the domestic partner of any such person.

~~((28))~~ (27) "Incidental committee" means any nonprofit organization not otherwise defined as a political committee but that may incidentally make a contribution or an expenditure in excess of the reporting thresholds in RCW 42.17A.235, directly or through a political committee. Any nonprofit organization is not an incidental committee if it is only remitting payments through the nonprofit organization in an aggregated form and the

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

nonprofit organization is not required to report those payments in accordance with this chapter.

~~((29))~~ (28) "Incumbent" means a person who is in present possession of an elected office.

~~((30))~~ (29)(a) "Independent expenditure" means an expenditure that has each of the following elements:

(i) It is made in support of or in opposition to a candidate for office by a person who is not:

- (A) A candidate for that office;
- (B) An authorized committee of that candidate for that office; and

(C) A person who has received the candidate's encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;

(ii) It is made in support of or in opposition to a candidate for office by a person with whom the candidate has not collaborated for the purpose of making the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;

(iii) The expenditure pays in whole or in part for political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies the candidate without using the candidate's name; and

(iv) The expenditure, alone or in conjunction with another expenditure or other expenditures of the same person in support of or opposition to that candidate, has a value of ~~((one half the contribution limit from an individual per election))~~ one thousand dollars or more. A series of expenditures, each of which is under ~~((one half the contribution limit from an individual per election))~~ one thousand dollars, constitutes one independent expenditure if their cumulative value is ~~((one half the contribution limit from an individual per election))~~ one thousand dollars or more.

(b) "Independent expenditure" does not include: Ordinary home hospitality; communications with journalists or editorial staff designed to elicit a news item, feature, commentary, or editorial in a regularly scheduled news medium that is of primary interest to the general public, controlled by a person whose business is that news medium, and not controlled by a candidate or a political committee; participation in the creation of a publicly funded voters pamphlet statement in written or video form; an internal political communication primarily limited to contributors to a political party organization or political action committee, the officers, management staff, and stockholders of a corporation or similar enterprise, or the members of a labor organization or other membership organization; or the rendering of personal services of the sort commonly performed by volunteer campaign workers or incidental expenses personally incurred by volunteer campaign workers not in excess of two hundred fifty dollars personally paid for by the worker.

~~((31))~~ (30)(a) "Intermediary" means an individual who transmits a contribution to a candidate or committee from another person unless the contribution is from the individual's employer, immediate family, or an association to which the individual belongs.

(b) A treasurer or a candidate is not an intermediary for purposes of the committee that the treasurer or candidate serves.

(c) A professional fund-raiser is not an intermediary if the fund-raiser is compensated for fund-raising services at the usual and customary rate.

(d) A volunteer hosting a fund-raising event at the individual's home is not an intermediary for purposes of that event.

~~((32))~~ (31) "Legislation" means bills, resolutions, motions,

amendments, nominations, and other matters pending or proposed in either house of the state legislature, and includes any other matter that may be the subject of action by either house or any committee of the legislature and all bills and resolutions that, having passed both houses, are pending approval by the governor.

~~((33))~~ (32) "Legislative office" means the office of a member of the state house of representatives or the office of a member of the state senate.

~~((34))~~ (33) "Lobby" and "lobbying" each mean attempting to influence the passage or defeat of any legislation by the legislature of the state of Washington, or the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency under the state administrative procedure act, chapter 34.05 RCW. Neither "lobby" nor "lobbying" includes an association's or other organization's act of communicating with the members of that association or organization.

~~((35))~~ (34) "Lobbyist" includes any person who lobbies either ~~((in his or her))~~ on the person's own or another's behalf.

~~((36))~~ (35) "Lobbyist's employer" means the person or persons by whom a lobbyist is employed and all persons by whom ~~((he or she))~~ the lobbyist is compensated for acting as a lobbyist.

~~((37))~~ (36) "Ministerial functions" means an act or duty carried out as part of the duties of an administrative office without exercise of personal judgment or discretion.

~~((38))~~ (37) "Participate" means that, with respect to a particular election, an entity:

(a) Makes either a monetary or in-kind contribution to a candidate;

(b) Makes an independent expenditure or electioneering communication in support of or opposition to a candidate;

(c) Endorses a candidate before contributions are made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent;

(d) Makes a recommendation regarding whether a candidate should be supported or opposed before a contribution is made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent; or

(e) Directly or indirectly collaborates or consults with a subsidiary corporation or local unit on matters relating to the support of or opposition to a candidate, including, but not limited to, the amount of a contribution, when a contribution should be given, and what assistance, services or independent expenditures, or electioneering communications, if any, will be made or should be made in support of or opposition to a candidate.

~~((39))~~ (38) "Person" includes an individual, partnership, joint venture, public or private corporation, association, federal, state, or local governmental entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.

~~((40))~~ (39) "Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, digital communication, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support or opposition in any election campaign.

~~((41))~~ (40) "Political committee" means any person (except a candidate or an individual dealing with ~~((his or her))~~ the candidate's or individual's own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.

~~((42))~~ (41) "Primary" for the purposes of RCW 42.17A.405 means the procedure for nominating a candidate to state or local office under chapter 29A.52 RCW or any other primary for an

election that uses, in large measure, the procedures established in chapter 29A.52 RCW.

~~((43))~~ (42) "Public office" means any federal, state, judicial, county, city, town, school district, port district, special district, or other state political subdivision elective office.

~~((44))~~ (43) "Public record" has the definition in RCW 42.56.010.

~~((45))~~ (44) "Recall campaign" means the period of time beginning on the date of the filing of recall charges under RCW 29A.56.120 and ending thirty days after the recall election.

~~((46))~~ (45) "~~Remedial~~ Remediable violation" means any violation of this chapter that:

(a) Involved expenditures or contributions totaling no more than the contribution limits set out under RCW 42.17A.405(2) per election, or one thousand dollars if there is no statutory limit;

(b) Occurred:

(i) More than thirty days before an election, where the commission entered into an agreement to resolve the matter; or

(ii) At any time where the violation did not constitute a material violation because it was inadvertent and minor or otherwise has been cured and, after consideration of all the circumstances, further proceedings would not serve the purposes of this chapter;

(c) Does not materially ~~((affect))~~ harm the public interest, beyond the harm to the policy of this chapter inherent in any violation; and

(d) Involved:

(i) A person who:

(A) Took corrective action within five business days after the commission first notified the person of noncompliance, or where the commission did not provide notice and filed a required report within twenty-one days after the report was due to be filed; and

(B) Substantially met the filing deadline for all other required reports within the immediately preceding twelve-month period; or

(ii) A candidate who:

(A) Lost the election in question; and

(B) Did not receive contributions over one hundred times the contribution limit in aggregate per election during the campaign in question.

~~((47))~~ (46)(a) "Sponsor" for purposes of an electioneering communications, independent expenditures, or political advertising means the person paying for the electioneering communication, independent expenditure, or political advertising. If a person acts as an agent for another or is reimbursed by another for the payment, the original source of the payment is the sponsor.

(b) "Sponsor," for purposes of a political or incidental committee, means any person, except an authorized committee, to whom any of the following applies:

(i) The committee receives eighty percent or more of its contributions either from the person or from the person's members, officers, employees, or shareholders;

(ii) The person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees.

~~((48))~~ (47) "Sponsored committee" means a committee, other than an authorized committee, that has one or more sponsors.

~~((49))~~ (48) "State office" means state legislative office or the office of governor, lieutenant governor, secretary of state, attorney general, commissioner of public lands, insurance commissioner, superintendent of public instruction, state auditor, or state treasurer.

~~((50))~~ (49) "State official" means a person who holds a state office.

~~((51))~~ (50) "Surplus funds" mean, in the case of a political committee or candidate, the balance of contributions that remain

in the possession or control of that committee or candidate subsequent to the election for which the contributions were received, and that are in excess of the amount necessary to pay remaining debts or expenses incurred by the committee or candidate with respect to that election. In the case of a continuing political committee, "surplus funds" mean those contributions remaining in the possession or control of the committee that are in excess of the amount necessary to pay all remaining debts or expenses when it makes its final report under RCW 42.17A.255.

~~((52))~~ (51) "Technical correction" means the correction of a minor or ministerial error in a required report that does not materially ~~((impact))~~ harm the public interest and needs to be corrected for the report to be in full compliance with the requirements of this chapter.

~~((53))~~ (52) "Treasurer" and "deputy treasurer" mean the individuals appointed by a candidate or political or incidental committee, pursuant to RCW 42.17A.210, to perform the duties specified in that section.

(53) "Violation" means a violation of this chapter that is not a remediable violation, minor violation, or an error classified by the commission as appropriate to address by a technical correction.

**Sec. 4.** RCW 42.17A.055 and 2018 c 304 s 3 are each amended to read as follows:

(1) For each required report, as technology permits, the commission shall make an electronic reporting tool available to ~~((candidates, public officials, and political committees that))~~ all those who are required to file that report(s) under this chapter ~~((an electronic filing alternative for submitting financial affairs reports, contribution reports, and expenditure reports)).~~

(2) ~~((The commission shall make available to lobbyists and lobbyists' employers required to file reports under RCW 42.17A.600, 42.17A.615, 42.17A.625, or 42.17A.630 an electronic filing alternative for submitting these reports.~~

(3) State agencies required to report under RCW 42.17A.635 must file all reports electronically.

~~((4) The commission shall make available to candidates, public officials, political committees, lobbyists, and lobbyists' employers an electronic copy of the appropriate reporting forms at no charge.~~

(5) All persons required to file reports under this chapter must file them electronically where the commission has provided an electronic option. The executive director may make exceptions on a case-by-case basis for persons who lack the technological ability to file reports electronically.

(3) If the electronic filing system provided by the commission is inoperable for any period of time, the commission must keep a record of the date and time of each instance and post outages on its web site. If a report is due on a day the electronic filing system is inoperable, it is not late if filed the first business day the system is back in operation. The commission must provide notice to all reporting entities when the system is back in operation.

~~((6))~~ (4) All persons required to file reports under this chapter shall, at the time of initial filing, provide the commission an email address, or other electronic contact information, that shall constitute the official address for purposes of all communications from the commission. The person required to file one or more reports must provide any new ~~((email address))~~ electronic contact information to the commission within ten days, if the address has changed from that listed on the most recent report. Committees must provide the committee treasurer's electronic contact information to the commission. Committees must also provide any new electronic contact information for the committee's treasurer to the commission within ten days of the change. The executive director may waive the ~~((email))~~ electronic contact information requirement and allow use of a postal address, ~~((or))~~

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

upon the ((basis)) showing of hardship.

~~((7) The commission must publish a calendar of significant reporting dates on its web site.)~~

**Sec. 5.** RCW 42.17A.065 and 2010 c 204 s 204 are each amended to read as follows:

By July 1st of each year, the commission shall calculate the following performance measures, provide a copy of the performance measures to the governor and appropriate legislative committees, and make the performance measures available to the public:

(1) The average number of days that elapse between the commission's receipt of reports filed under RCW 42.17A.205, 42.17A.225, 42.17A.235, ~~((and)) 42.17A.255, 42.17A.265, 42.17A.600, 42.17A.615, 42.17A.625, and 42.17A.630~~ and the time that the report, a copy of the report, or a copy of the data or information included in the report, is first accessible to the general public (a) in the commission's office, and (b) via the commission's web site;

~~(2) ((The average number of days that elapse between the commission's receipt of reports filed under RCW 42.17A.265 and the time that the report, a copy of the report, or a copy of the data or information included in the report, is first accessible to the general public (a) in the commission's office, and (b) via the commission's web site;~~

~~(3) The average number of days that elapse between the commission's receipt of reports filed under RCW 42.17A.600, 42.17A.615, 42.17A.625, and 42.17A.630 and the time that the report, a copy of the report, or a copy of the data or information included in the report, is first accessible to the general public (a) in the commission's office, and (b) via the commission's web site;~~

~~(4) The percentage of candidates, categorized as statewide, legislative, or local, that have used each of the following methods to file reports under RCW 42.17A.235 or 42.17A.265: (a) Hard copy paper format; or (b) electronic format via the Internet;~~

~~(5) The percentage of continuing political committees that have used each of the following methods to file reports under RCW 42.17A.225 or 42.17A.265: (a) Hard copy paper format; or (b) electronic format via the Internet; and~~

~~(6)) The percentage of ((lobbyists and lobbyists' employers that)) filers pursuant to RCW 42.17A.055 who have used ((each of the following methods to file reports under RCW 42.17A.600, 42.17A.615, 42.17A.625, or 42.17A.630)): (a) Hard copy paper format; or (b) electronic format ((via the Internet)).~~

**Sec. 6.** RCW 42.17A.100 and 2010 c 204 s 301 are each amended to read as follows:

(1) The public disclosure commission is established. The commission shall be composed of five ~~((members))~~ commissioners appointed by the governor, with the consent of the senate. The commission shall have the authority and duties as set forth in this chapter. All appointees shall be persons of the highest integrity and qualifications. No more than three ~~((members))~~ commissioners shall have an identification with the same political party.

(2) The term of each ~~((member))~~ commissioner shall be five years, which may continue until a successor is appointed, but may not exceed an additional twelve months. No ~~((member))~~ commissioner is eligible for appointment to more than one full term. Any ~~((member))~~ commissioner may be removed by the governor, but only upon grounds of neglect of duty or misconduct in office.

(3)(a) During ((his or her)) a commissioner's tenure, ((a member of the commission)) the commissioner is prohibited from engaging in any of the following activities, either within or outside the state of Washington:

~~((a))~~ (i) Holding or campaigning for elective office;

~~((b))~~ (ii) Serving as an officer of any political party or political committee;

~~((c))~~ (iii) Permitting ((his or her)) the commissioner's name to be used in support of or in opposition to a candidate or proposition;

~~((d))~~ (iv) Soliciting or making contributions to a candidate or in support of or in opposition to any candidate or proposition;

~~((e))~~ (v) Participating in any way in any election campaign; or

~~((f))~~ (vi) Lobbying, employing, or assisting a lobbyist, except that a ((member)) commissioner or the staff of the commission may lobby to the limited extent permitted by RCW 42.17A.635 on matters directly affecting this chapter.

(b) This subsection is not intended to prohibit a commissioner from participating in or supporting nonprofit or other organizations, in the commissioner's private capacity, to the extent such participation is not prohibited under (a) of this subsection.

(c) The provisions of this subsection do not relieve a commissioner of any applicable disqualification and recusal requirements.

(4) A vacancy on the commission shall be filled within thirty days of the vacancy by the governor, with the consent of the senate, and the appointee shall serve for the remaining term of ~~((his or her))~~ the appointee's predecessor. A vacancy shall not impair the powers of the remaining ~~((members))~~ commissioners to exercise all of the powers of the commission.

(5) Three ~~((members of the commission))~~ commissioners shall constitute a quorum. The commission shall elect its own chair and adopt its own rules of procedure in the manner provided in chapter 34.05 RCW.

(6) ~~((Members))~~ Commissioners shall be compensated in accordance with RCW 43.03.250 and shall be reimbursed for travel expenses incurred while engaged in the business of the commission as provided in RCW 43.03.050 and 43.03.060. The compensation provided pursuant to this section shall not be considered salary for purposes of the provisions of any retirement system created under the laws of this state.

**Sec. 7.** RCW 42.17A.105 and 2010 c 204 s 302 are each amended to read as follows:

The commission shall:

(1) Develop and provide forms for the reports and statements required to be made under this chapter;

~~((Prepare and publish a manual setting forth))~~ Provide recommended uniform methods of bookkeeping and reporting for use by persons required to make reports and statements under this chapter;

(3) Compile and maintain a current list of all filed reports and statements;

(4) Investigate whether properly completed statements and reports have been filed within the times required by this chapter;

(5) Upon complaint or upon its own motion, investigate and report apparent violations of this chapter to the appropriate law enforcement authorities;

(6) Conduct a sufficient number of audits and field investigations, as staff capacity permits without impacting the timeliness of addressing alleged violations, to provide a statistically valid finding regarding the degree of compliance with the provisions of this chapter by all required filers. Any documents, records, reports, computer files, papers, or materials provided to the commission for use in conducting audits and investigations must be returned to the candidate, campaign, or political committee from which they were received within one week of the commission's completion of an audit or field

investigation;

(7) Prepare and publish an annual report to the governor as to the effectiveness of this chapter and ~~((its enforcement by appropriate law enforcement authorities))~~ the work of the commission;

(8) Enforce this chapter according to the powers granted it by law;

~~(9) ((Adopt rules governing the arrangement, handling, indexing, and disclosing of those reports required by this chapter to be filed with a county auditor or county elections official. The rules shall:~~

~~(a) Ensure ease of access by the public to the reports; and  
(b) Include, but not be limited to, requirements for indexing the reports by the names of candidates or political committees and by the ballot proposition for or against which a political committee is receiving contributions or making expenditures;~~

~~(10))~~ Adopt rules to carry out the policies of chapter 348, Laws of 2006. The adoption of these rules is not subject to the time restrictions of RCW 42.17A.110(1);

~~((11))~~ (10) Adopt administrative rules establishing requirements for filer participation in any system designed and implemented by the commission for the electronic filing of reports; (and

~~(12))~~ (11) Maintain and make available to the public and political committees of this state a toll-free telephone number;

(12) Operate a web site or contract for the operation of a web site that allows access to reports, copies of reports, or copies of data and information submitted in reports, filed with the commission under RCW 42.17A.205, 42.17A.225, 42.17A.235, 42.17A.255, 42.17A.265, 42.17A.600, 42.17A.615, 42.17A.625, and 42.17A.630;

(13)(a) Attempt to make available via the web site other public records submitted to or generated by the commission that are required by this chapter to be available for public use or inspection;

(b) The statement of financial affairs filed pursuant to RCW 42.17A.700 is subject to public disclosure upon request, but the commission may not post the statements of financial affairs on any web site;

(14) Publish a calendar of significant reporting dates on the commission's web site; and

(15) Establish goals that all reports, copies of reports, or copies of the data or information included in reports, filed under RCW 42.17A.205, 42.17A.225, 42.17A.235, 42.17A.255, 42.17A.265, 42.17A.600, 42.17A.615, 42.17A.625, and 42.17A.630, are submitted:

(a) Using the commission's electronic filing system and must be accessible in the commission's office and on the commission's web site within two business days of the commission's receipt of the report; and

(b) On paper and must be accessible in the commission's office and on the commission's web site within four business days of the actual physical receipt of the report, and not the technical date of filing as provided under RCW 42.17A.140, as specified in rule adopted by the commission.

**Sec. 8.** RCW 42.17A.110 and 2018 c 304 s 4 are each amended to read as follows:

In addition to the duties in RCW 42.17A.105, the commission may:

(1) Adopt, amend, and rescind suitable administrative rules to carry out the policies and purposes of this chapter, which rules shall be adopted under chapter 34.05 RCW. Any rule relating to campaign finance, political advertising, or related forms that would otherwise take effect after June 30th of a general election year shall take effect no earlier than the day following the general

election in that year;

(2) Appoint an executive director and set, within the limits established by the office of financial management under RCW 43.03.028, the executive director's compensation. The executive director shall perform such duties and have such powers as the commission may prescribe and delegate to implement and enforce this chapter efficiently and effectively. The commission shall not delegate its authority to adopt, amend, or rescind rules nor may it delegate authority to determine that ~~((an actual))~~ a violation of this chapter has occurred or to assess penalties for such violations;

(3) Prepare and publish reports and technical studies as in its judgment will tend to promote the purposes of this chapter, including reports and statistics concerning campaign financing, lobbying, financial interests of elected officials, and enforcement of this chapter;

(4) Conduct, as it deems appropriate, audits and field investigations;

(5) Make public the time and date of any formal hearing set to determine whether a violation has occurred, the question or questions to be considered, and the results thereof;

(6) Administer oaths and affirmations, issue subpoenas, and compel attendance, take evidence, and require the production of any records relevant to any investigation authorized under this chapter, or any other proceeding under this chapter;

(7) Adopt a code of fair campaign practices;

(8) Adopt rules relieving candidates or political committees of obligations to comply with ~~((the))~~ election campaign provisions of this chapter, if they have not received contributions nor made expenditures in connection with any election campaign of more than five thousand dollars; ~~((and))~~

(9) Develop and provide to filers a system for certification of reports required under this chapter which are transmitted ~~((by facsimile or))~~ electronically to the commission. Implementation of the program is contingent on the availability of funds; and

(10) Make available and keep current on its web site a glossary of all defined terms in this chapter and in rules adopted by the commission.

**NEW SECTION. Sec. 9.** A new section is added to chapter 42.17A RCW to read as follows:

(1) The commission may apply for and obtain a superior court order approving and authorizing a subpoena in advance of its issuance. The application may be made in Thurston county, the county where the subpoenaed person resides or is found, or the county where the subpoenaed documents, records, or evidence are located. The application must:

(a) State that an order is sought under this section;

(b) Adequately specify the documents, records, evidence, or testimony; and

(c) Include a declaration made under oath that an investigation is being conducted for a lawfully authorized purpose related to an investigation within the commission's authority and that the subpoenaed documents, records, evidence, or testimony are reasonably related to an investigation within the commission's authority.

(2) When an application under this section is made to the satisfaction of the court, the court must issue an order approving the subpoena. An order under this subsection constitutes authority of law for the agency to subpoena the documents, records, evidence, or testimony.

(3) The commission may seek approval and a court may issue an order under this section without prior notice to any person, including the person to whom the subpoena is directed and the person who is the subject of an investigation. An application for court approval is subject to the fee and process set forth in RCW 36.18.012(3).

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

**Sec. 10.** RCW 42.17A.120 and 2010 c 204 s 304 are each amended to read as follows:

(1) The commission may suspend or modify any of the reporting requirements of this chapter if it finds that literal application of this chapter works a manifestly unreasonable hardship in a particular case and the suspension or modification will not frustrate the purposes of this chapter. The commission may suspend or modify reporting requirements only to the extent necessary to substantially relieve the hardship and only after a hearing is held and the suspension or modification receives approval ~~((from a majority of the commission. The commission shall act to suspend or modify any reporting requirements:~~

~~(a) Only if it determines that facts exist that are clear and convincing proof of the findings required under this section; and~~

~~(b) Only to the extent necessary to substantially relieve the hardship)).~~ A suspension or modification of the financial affairs reporting requirements in RCW 42.17A.710 may be approved for an elected official's term of office or for up to three years for an executive state officer. If a material change in the applicant's circumstances or relevant information occurs or has occurred, the applicant must request a modification at least one month prior to the next filing deadline rather than at the conclusion of the term.

(2) A manifestly unreasonable hardship exists if reporting the name of an entity required to be reported under RCW 42.17A.710(1)(g)(ii) would be likely to adversely affect the competitive position of any entity in which the person filing the report, or any member of ~~((his or her))~~ the person's immediate family, holds any office, directorship, general partnership interest, or an ownership interest of ten percent or more.

(3) Requests for ~~((renewals of))~~ reporting modifications may be heard in a brief adjudicative proceeding as set forth in RCW 34.05.482 through 34.05.494 and in accordance with the standards established in this section. ~~((No initial request may be heard in a brief adjudicative proceeding. No request for renewal may be heard in a brief adjudicative proceeding if the initial request was granted more than three years previously or if the applicant is holding an office or position of employment different from the office or position held when the initial request was granted.))~~ The commission, the commission chair acting as presiding officer, or another commissioner appointed by the chair to serve as presiding officer, may preside over a brief adjudicatory proceeding. If a modification is requested by a filer because of a concern for personal safety, the information submitted regarding that safety concern shall not be made public prior to, or at, the hearing on the request. Any information provided or prepared for the modification hearing shall remain exempt from public disclosure under this chapter and chapter 42.56 RCW to the extent it is determined at the hearing that disclosure of such information would present a personal safety risk to a reasonable person.

(4) If the commission, or presiding officer, grants a modification request, the commission or presiding officer may apply the modification retroactively to previously filed reports. In that event, previously reported information of the kind that is no longer being reported is confidential and exempt from public disclosure under this chapter and chapter 42.56 RCW.

(5) Any citizen has standing to bring an action in Thurston county superior court to contest the propriety of any order entered under this section within one year from the date of the entry of the order.

~~((5))~~ (6) The commission shall adopt rules governing the proceedings.

**Sec. 11.** RCW 42.17A.125 and 2011 c 60 s 21 are each amended to read as follows:

~~((1) At the beginning of each even numbered calendar year, the commission shall increase or decrease the dollar amounts in~~

~~RCW 42.17A.005(26), 42.17A.405, 42.17A.410, 42.17A.445(3), 42.17A.475, and 42.17A.630(1) based on changes in economic conditions as reflected in the inflationary index recommended by the office of financial management. The new dollar amounts established by the commission under this section shall be rounded off to amounts as judged most convenient for public understanding and so as to be within ten percent of the target amount equal to the base amount provided in this chapter multiplied by the increase in the inflationary index since July 2008.~~

~~(2) The commission may revise,))~~ At least once every five years, but no more often than every two years, the commission must consider whether to revise the monetary contribution limits and reporting thresholds and ((reporting)) code values of this chapter. If the commission chooses to make revisions, the revisions shall be only for the purpose of recognizing economic changes as reflected by an inflationary index recommended by the office of financial management, and may be rounded off to amounts as determined by the commission to be most accessible for public understanding. The revisions shall be guided by the change in the index for the period commencing with the month of December preceding the last revision and concluding with the month of December preceding the month the revision is adopted. As to each of the three general categories of this chapter, reports of campaign finance, reports of lobbyist activity, and reports of the financial affairs of elected and appointed officials, the revisions shall equally affect all thresholds within each category. The revisions authorized by this subsection shall reflect economic changes from the time of the last legislative enactment affecting the respective code or threshold.

~~((3))~~ Revisions made in accordance with ~~((subsections (1) and (2) of))~~ this section shall be adopted as rules ~~((under))~~ in accordance with chapter 34.05 RCW.

**Sec. 12.** RCW 42.17A.135 and 2010 c 204 s 307 are each amended to read as follows:

(1) Except as provided in subsections (2), (3), and (7) of this section, the reporting provisions of this chapter do not apply to:

(a) Candidates, elected officials, and agencies in political subdivisions with ~~((less))~~ fewer than ~~((one))~~ two thousand registered voters as of the date of the most recent general election in the jurisdiction;

(b) Political committees formed to support or oppose candidates or ballot propositions in such political subdivisions; or

(c) Persons making independent expenditures in support of or opposition to such ballot propositions.

(2) The reporting provisions of this chapter apply in any exempt political subdivision from which a "petition for disclosure" containing the valid signatures of fifteen percent of the number of registered voters, as of the date of the most recent general election in the political subdivision, is filed with the commission. The commission shall by rule prescribe the form of the petition. After the signatures are gathered, the petition shall be presented to the auditor or elections officer of the county, or counties, in which the political subdivision is located. The auditor or elections officer shall verify the signatures and certify to the commission that the petition contains no less than the required number of valid signatures. The commission, upon receipt of a valid petition, shall order every known affected person in the political subdivision to file the initially required statement and reports within fourteen days of the date of the order.

(3) The reporting provisions of this chapter apply in any exempt political subdivision that by ordinance, resolution, or other official action has petitioned the commission to make the provisions applicable to elected officials and candidates of the exempt political subdivision. A copy of the action shall be sent to

the commission. If the commission finds the petition to be a valid action of the appropriate governing body or authority, the commission shall order every known affected person in the political subdivision to file the initially required statement and reports within fourteen days of the date of the order.

(4) The commission shall void any order issued by it pursuant to subsection (2) or (3) of this section when, at least four years after issuing the order, the commission is presented a petition or official action so requesting from the affected political subdivision. Such petition or official action shall meet the respective requirements of subsection (2) or (3) of this section.

(5) Any petition for disclosure, ordinance, resolution, or official action of an agency petitioning the commission to void the exemption in RCW 42.17A.200(3) shall not be considered unless it has been filed with the commission:

(a) In the case of a ballot (~~(measure)~~) proposition, at least sixty days before the date of any election in which campaign finance reporting is to be required;

(b) In the case of a candidate, at least sixty days before the first day on which a person may file a declaration of candidacy for any election in which campaign finance reporting is to be required.

(6) Any person exempted from reporting under this chapter may at (~~his or her~~) the person's option file the statement and reports.

(7) The reporting provisions of this chapter apply to a candidate in any political subdivision if the candidate receives or expects to receive five thousand dollars or more in contributions.

**Sec. 13.** RCW 42.17A.140 and 2010 c 204 s 308 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, the date of receipt of any properly addressed application, report, statement, notice, or payment required to be made under the provisions of this chapter is the date shown by the post office cancellation mark on the envelope of the submitted material. The provisions of this section do not apply to reports required to be delivered under RCW 42.17A.265 and 42.17A.625.

(2) When a report is filed electronically with the commission, it is deemed to have been received on the file transfer date. The commission shall notify the filer of receipt of the electronically filed report. Such notification may be sent by mail(~~, facsimile,~~) or (~~(electronic mail)~~) electronically. If the notification of receipt of the electronically filed report is not received by the filer, the filer may offer (~~his or her own~~) proof of sending the report, and such proof shall be treated as if it were a receipt sent by the commission. Electronic filing may be used for purposes of filing the special reports required to be delivered under RCW 42.17A.265 and 42.17A.625.

**Sec. 14.** RCW 42.17A.205 and 2011 c 145 s 3 are each amended to read as follows:

(1) Every political committee shall file a statement of organization with the commission. The statement must be filed within two weeks after organization or within two weeks after the date the committee first has the expectation of receiving contributions or making expenditures in any election campaign, whichever is earlier. A political committee organized within the last three weeks before an election and having the expectation of receiving contributions or making expenditures during and for that election campaign shall file a statement of organization within three business days after its organization or when it first has the expectation of receiving contributions or making expenditures in the election campaign.

(2) The statement of organization shall include but not be limited to:

(a) The name (~~(and)~~), address, and electronic contact

information of the committee;

(b) The names (~~(and)~~), addresses, and electronic contact information of all related or affiliated committees or other persons, and the nature of the relationship or affiliation;

(c) The names, addresses, and titles of its officers; or if it has no officers, the names, addresses, and titles of its responsible leaders;

(d) The name (~~(and)~~), address, and electronic contact information of its treasurer and depository;

(e) A statement whether the committee is a continuing one;

(f) The name, office sought, and party affiliation of each candidate whom the committee is supporting or opposing, and, if the committee is supporting the entire ticket of any party, the name of the party;

(g) The ballot proposition concerned, if any, and whether the committee is in favor of or opposed to such proposition;

(h) What distribution of surplus funds will be made, in accordance with RCW 42.17A.430, in the event of dissolution;

(i) (~~The street address of the place and the hours during which the committee will make available for public inspection its books of account and all reports filed in accordance with RCW 42.17A.235;~~

~~(j)~~) Such other information as the commission may by (~~(regulation)~~) rule prescribe, in keeping with the policies and purposes of this chapter;

~~(k)~~) (j) The name, address, and title of any person who authorizes expenditures or makes decisions on behalf of the candidate or committee; and

~~(l)~~) (k) The name, address, and title of any person who is paid by or is a volunteer for a candidate or political committee to perform ministerial functions and who performs ministerial functions on behalf of two or more candidates or committees.

(3) No two political committees may have the same name.

(4) Any material change in information previously submitted in a statement of organization shall be reported to the commission within the ten days following the change.

(5) As used in this section, the "name" of a sponsored committee must include the name of the person (~~(that)~~) who is the sponsor of the committee. If more than one person meets the definition of sponsor, the name of the committee must include the name of at least one sponsor, but may include the names of other sponsors. A person may sponsor only one political committee for the same elected office or same ballot (~~(measure)~~) proposition per election cycle.

**Sec. 15.** RCW 42.17A.207 and 2018 c 111 s 4 are each amended to read as follows:

(1)(a) An incidental committee must file a statement of organization with the commission within two weeks after the date the committee first:

(i) Has the expectation of making (~~(contributions or)~~) any expenditures aggregating at least twenty-five thousand dollars in a calendar year in any election campaign, or to a political committee; and

(ii) Is required to disclose a payment received under RCW 42.17A.240(2)(~~(c)~~) (d).

(b) If an incidental committee first meets the criteria requiring filing a statement of organization as specified in (a) of this subsection in the last three weeks before an election, then it must file the statement of organization within three business days.

(2) The statement of organization must include but is not limited to:

(a) The name (~~(and)~~), address, and electronic contact information of the committee;

(b) The names and addresses of all related or affiliated political or incidental committees or other persons, and the nature of the

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

relationship or affiliation;

(c) The names, addresses, and titles of its officers; or if it has no officers, the names, addresses, and titles of its responsible leaders and the name of the person designated as the treasurer of the incidental committee;

(d) The name, office sought, and party affiliation of each candidate whom the committee is supporting or opposing if the committee contributes directly to a candidate and, if donating to a political committee, the name and address of that political committee;

(e) The ballot proposition concerned, if any, and whether the committee is in favor of or opposed to such proposition; and

(f) Such other information as the commission may by rule prescribe, in keeping with the policies and purposes of this chapter.

(3) Any material change in information previously submitted in a statement of organization must be reported to the commission within the ten days following the change.

**Sec. 16.** RCW 42.17A.210 and 2010 c 205 s 2 and 2010 c 204 s 403 are each reenacted and amended to read as follows:

(1) Each candidate, within two weeks after becoming a candidate, and each political committee, at the time it is required to file a statement of organization, shall designate and file with the commission the name and address of one legally competent individual, who may be the candidate, to serve as a treasurer.

(2) A candidate, a political committee, or a treasurer may appoint as many deputy treasurers as is considered necessary and shall file the names and addresses of the deputy treasurers with the commission.

(3)(a) A candidate or political committee may at any time remove a treasurer or deputy treasurer.

(b) In the event of the death, resignation, removal, or change of a treasurer or deputy treasurer, the candidate or political committee shall designate and file with the commission the name and address of any successor.

(4) No treasurer or deputy treasurer may be deemed to be in compliance with the provisions of this chapter until ~~((his or her))~~ the treasurer's or deputy treasurer's name ((and)), address, and electronic contact information is filed with the commission.

**Sec. 17.** RCW 42.17A.215 and 2010 c 204 s 404 are each amended to read as follows:

Each candidate and each political committee shall designate and file with the commission ~~((and the appropriate county elections officer))~~ the name and address of not more than one depository for each county in which the campaign is conducted in which the candidate's or political committee's accounts are maintained and the name of the account or accounts maintained in that depository on behalf of the candidate or political committee. The candidate or political committee may at any time change the designated depository and shall file with the commission ~~((and the appropriate county elections officer))~~ the same information for the successor depository as for the original depository. The candidate or political committee may not be deemed in compliance with the provisions of this chapter until the information required for the depository is filed with the commission ~~((and the appropriate county elections officer))~~.

**Sec. 18.** RCW 42.17A.225 and 2018 c 304 s 6 are each amended to read as follows:

(1) In addition to the provisions of this section, a continuing political committee shall file and report on the same conditions and at the same times as any other committee in accordance with the provisions of RCW 42.17A.205, 42.17A.210, and 42.17A.220.

(2) A continuing political committee shall file with the

commission a report on the tenth day of each month detailing expenditures made and contributions received for the preceding calendar month. This report need only be filed if either the total contributions received or total expenditures made since the last such report exceed two hundred dollars. The report shall be on a form supplied by the commission and shall include the following information:

(a) The information required by RCW 42.17A.240;

(b) Each expenditure made to retire previously accumulated debts of the committee identified by recipient, amount, and date of payments;

(c) Other information the commission shall prescribe by rule.

(3) If a continuing political committee makes a contribution in support of or in opposition to a candidate or ballot proposition within sixty days before the date that the candidate or ballot proposition will be voted upon, the committee shall report pursuant to RCW 42.17A.235.

(4)(a) A continuing political committee shall file reports as required by this chapter until the committee has ceased to function and intends to dissolve, at which time, when there is no outstanding debt or obligation and the committee is concluded in all respects, a final report shall be filed. Upon submitting a final report, the continuing political committee so intending to dissolve must file notice of intent to dissolve with the commission and the commission must post the notice on its web site.

(b) The continuing political committee may dissolve sixty days after it files its notice to dissolve, only if:

(i) The continuing political committee does not make any expenditures other than those related to the dissolution process or engage in any political activity or any other activities that generate additional reporting requirements under this chapter after filing such notice;

(ii) No complaint or court action, pursuant to this chapter, is pending against the continuing political committee; and

(iii) All penalties assessed by the commission or court order ~~((are))~~ have been paid by the continuing political committee.

(c) The continuing political committee must continue to report regularly as required under this chapter until all the conditions under (b) of this subsection are resolved.

~~((The treasurer may not close the continuing political committee's bank account before the political committee has dissolved.~~

~~((e)))~~ Upon dissolution, the commission must issue an acknowledgment of dissolution, the duties of the treasurer shall cease, and there shall be no further obligations under this chapter. Dissolution does not absolve the candidate or board of the committee from responsibility for any future obligations resulting from the finding after dissolution of a violation committed prior to dissolution.

(5) The treasurer shall maintain books of account, current within five business days, that accurately reflect all contributions and expenditures. During the ten calendar days immediately preceding the date of any election that the committee has received any contributions or made any expenditures, the books of account shall be kept current within one business day and shall be open for public inspection in the same manner as provided for candidates and other political committees in RCW 42.17A.235(6).

(6) All reports filed pursuant to this section shall be certified as correct by the treasurer.

(7) The treasurer shall preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred.

**Sec. 19.** RCW 42.17A.230 and 2010 c 205 s 5 and 2010 c 204

s 407 are each reenacted and amended to read as follows:

(1) Fund-raising activities meeting the standards of subsection (2) of this section may be reported in accordance with the provisions of this section in lieu of reporting in accordance with RCW 42.17A.235.

(2) Standards:

(a) The activity consists of one or more of the following:

(i) A sale of goods or services sold at a reasonable approximation of the fair market value of each item or service; or

(ii) A gambling operation that is licensed, conducted, or operated in accordance with the provisions of chapter 9.46 RCW; or

(iii) A gathering where food and beverages are purchased and the price of admission or the per person charge for the food and beverages is no more than twenty-five dollars; or

(iv) A concert, dance, theater performance, or similar entertainment event and the price of admission is no more than twenty-five dollars; or

(v) An auction or similar sale for which the total fair market value or cost of items donated by any person is no more than fifty dollars; and

(b) No person responsible for receiving money at the fund-raising activity knowingly accepts payments from a single person at or from such an activity to the candidate or committee aggregating more than fifty dollars unless the name and address of the person making the payment, together with the amount paid to the candidate or committee, are disclosed in the report filed pursuant to subsection (6) of this section; and

(c) Any other standards established by rule of the commission to prevent frustration of the purposes of this chapter.

(3) All funds received from a fund-raising activity that conforms with subsection (2) of this section must be deposited in the depository within five business days of receipt by the treasurer or deputy treasurer.

(4) At the time reports are required under RCW 42.17A.235, the treasurer or deputy treasurer making the deposit shall file with the commission a report of the fund-raising activity which must contain the following information:

(a) The date of the activity;

(b) A precise description of the fund-raising methods used in the activity; and

(c) The total amount of cash receipts from persons, each of whom paid no more than fifty dollars.

(5) The treasurer or deputy treasurer shall certify the report is correct.

(6) The treasurer shall report pursuant to RCW 42.17A.235 and 42.17A.240:

(a) The name and address and the amount contributed by each person contributing goods or services with a fair market value of more than fifty dollars to a fund-raising activity reported under subsection (4) of this section; and

(b) The name and address and the amount paid by each person whose identity can be ascertained, who made a contribution to the candidate or committee aggregating more than fifty dollars at or from such a fund-raising activity.

**Sec. 20.** RCW 42.17A.235 and 2018 c 304 s 7 and 2018 c 111 s 5 are each reenacted and amended to read as follows:

(1)(a) In addition to the information required under RCW 42.17A.205 and 42.17A.210, each candidate or political committee must file with the commission a report of all contributions received and expenditures made as a political committee on the next reporting date pursuant to the timeline established in this section.

(b) In addition to the information required under RCW (~~42.17A.205~~) 42.17A.207 and 42.17A.210, on the day an

incidental committee files a statement of organization with the commission, each incidental committee must file with the commission a report of any election campaign expenditures under RCW 42.17A.240(6), as well as the source of the ten largest cumulative payments of ten thousand dollars or greater it received in the current calendar year from a single person, including any persons tied as the tenth largest source of payments it received, if any.

(2) Each treasurer of a candidate or political committee, or an incidental committee, required to file a statement of organization under this chapter, shall file with the commission a report, for each election in which a candidate (~~(or)~~), political committee, or incidental committee is participating, containing the information required by RCW 42.17A.240 at the following intervals:

(a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held; and

(b) On the tenth day of the first full month after the election.

(3)(a) Each treasurer of a candidate or political committee shall file with the commission a report on the tenth day of each month during which the candidate or political committee is not participating in an election campaign, only if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars.

~~(For an)~~ (b) Each incidental committee(,) shall file with the commission a report on the tenth day of each month during which the incidental committee is not otherwise required to report under this section only if the committee has:

~~((A))~~ (i) Received a payment that would change the information required under RCW 42.17A.240(2)(~~(or)~~) (d) as included in its last report; or

~~((B))~~ (ii) Made any election campaign expenditure reportable under RCW 42.17A.240(6) since its last report, and the total election campaign expenditures made since the last report exceed two hundred dollars.

(4) The report filed twenty-one days before the election shall report all contributions received and expenditures made as of the end of one business day before the date of the report. The report filed seven days before the election shall report all contributions received and expenditures made as of the end of one business day before the date of the report. Reports filed on the tenth day of the month shall report all contributions received and expenditures made from the closing date of the last report filed through the last day of the month preceding the date of the current report.

(5) For the period beginning the first day of the fourth month preceding the date of the special election, or for the period beginning the first day of the fifth month before the date of the general election, and ending on the date of that special or general election, each Monday the treasurer for a candidate or a political committee shall file with the commission a report of each bank deposit made during the previous seven calendar days. The report shall contain the name of each person contributing the funds and the amount contributed by each person. However, persons who contribute no more than twenty-five dollars in the aggregate are not required to be identified in the report. A copy of the report shall be retained by the treasurer for (~~his or her~~) the treasurer's records. In the event of deposits made by candidates, political committee members, or paid staff other than the treasurer, the copy shall be immediately provided to the treasurer for (~~his or her~~) the treasurer's records. Each report shall be certified as correct by the treasurer.

(6)(a) The treasurer for a candidate or a political committee shall maintain books of account accurately reflecting all contributions and expenditures on a current basis within five business days of receipt or expenditure. During the ten calendar

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

days immediately preceding the date of the election the books of account shall be kept current within one business day. As specified in the political committee's statement of organization filed under RCW 42.17A.205, the books of account must be open for public inspection by appointment at a place agreed upon by both the treasurer and the requestor, for inspections between 9:00 a.m. and 5:00 p.m. on any day from the tenth calendar day immediately before the election through the day immediately before the election, other than Saturday, Sunday, or a legal holiday. It is a violation of this chapter for a candidate or political committee to refuse to allow and keep an appointment for an inspection to be conducted during these authorized times and days. The appointment must be allowed at an authorized time and day for such inspections that is within forty-eight hours of the time and day that is requested for the inspection. The treasurer may provide digital access or copies of the books of account in lieu of scheduling an appointment at a designated place for inspection. If the treasurer and requestor are unable to agree on a location and the treasurer has not provided digital access to the books of account, the default location for an appointment shall be a place of public accommodation selected by the treasurer within a reasonable distance from the treasurer's office.

(b) At the time of making the appointment, a person wishing to inspect the books of account must provide the treasurer the name and telephone number of the person wishing to inspect the books of account. The person inspecting the books of account must show photo identification before the inspection begins.

(c) A treasurer may refuse to show the books of account to any person who does not make an appointment or provide the required identification. The commission may issue limited rules to modify the requirements set forth in this section in consideration of other technology and best practices.

(7) Copies of all reports filed pursuant to this section shall be readily available for public inspection by appointment, pursuant to subsection (6) of this section.

(8) The treasurer or candidate shall preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than ~~((two))~~ five calendar years following the year during which the transaction occurred or for any longer period as otherwise required by law.

(9) All reports filed pursuant to subsection (1) or (2) of this section shall be certified as correct by the candidate and the treasurer.

(10) Where there is not a pending complaint concerning a report, it is not evidence of a violation of this section to submit an amended report within twenty-one days of filing an ~~((underlying))~~ initial report if:

(a) The report is accurately amended;

(b) The ~~((corrected))~~ amended report is filed more than thirty days before an election;

(c) The total aggregate dollar amount of the adjustment for the ~~((individual))~~ amended report is within three times the contribution limit per election or two hundred dollars, whichever is greater; and

(d) The committee reported all information that was available to it at the time of filing, or made a good-faith effort to do so, or if a refund of a contribution or expenditure is being reported.

(11)(a) When there is no outstanding debt or obligation, the campaign fund is closed, the campaign is concluded in all respects, and the political committee has ceased to function and intends to dissolve, the treasurer shall file a final report. Upon submitting a final report, the political committee so intending to dissolve must file notice of intent to dissolve with the commission and the commission must post the notice on its web site.

(b) Any political committee may dissolve sixty days after it

files its notice to dissolve, only if:

(i) The political committee does not make any expenditures other than those related to the dissolution process or engage in any political activity or any other activities that generate additional reporting requirements under this chapter after filing such notice;

(ii) No complaint or court action under this chapter is pending against the political committee; and

(iii) All penalties assessed by the commission or court order ~~((are))~~ have been paid by the political committee.

(c) The political committee must continue to report regularly as required under this chapter until all the conditions under (b) of this subsection are resolved.

~~((The treasurer may not close the political committee's bank account before the political committee has dissolved.~~

~~((e))~~ Upon dissolution, the commission must issue an acknowledgment of dissolution, the duties of the treasurer shall cease, and there shall be no further obligations under this chapter. Dissolution does not absolve the candidate or board of the committee from responsibility for any future obligations resulting from the finding after dissolution of a violation committed prior to dissolution.

~~((9))~~ (12) The commission must adopt rules for the dissolution of incidental committees.

**Sec. 21.** RCW 42.17A.240 and 2018 c 304 s 8 and 2018 c 111 s 6 are each reenacted and amended to read as follows:

Each report required under RCW 42.17A.235 (1) ~~((and (2)))~~ through (4) must be certified as correct by the treasurer and the candidate and shall disclose the following, except ~~((that the commission may suspend or modify reporting requirements for contributions received by an incidental committee in cases of manifestly unreasonable hardship under RCW 42.17A.120))~~ an incidental committee only must disclose and certify as correct the information required under subsections (2)(d) and (6) of this section:

(1) The funds on hand at the beginning of the period;

(2) The name and address of each person who has made one or more contributions during the period, together with the money value and date of each contribution and the aggregate value of all contributions received from each person during the campaign, or in the case of a continuing political committee, the current calendar year, with the following exceptions:

(a) Pledges in the aggregate of less than one hundred dollars from any one person need not be reported;

(b) Income that results from a fund-raising activity conducted in accordance with RCW 42.17A.230 may be reported as one lump sum, with the exception of that portion received from persons whose names and addresses are required to be included in the report required by RCW 42.17A.230;

~~((b))~~ (c) Contributions of no more than twenty-five dollars in the aggregate from any one person during the election campaign may be reported as one lump sum if the treasurer maintains a separate and private list of the name, address, and amount of each such contributor;

~~((e))~~ (d) Payments received by an incidental committee from any one person need not be reported unless the person is one of the committee's ten largest sources of payments received, including any persons tied as the tenth largest source of payments received, during the current calendar year, and the value of the cumulative payments received from that person during the current calendar year is ten thousand dollars or greater. For payments to incidental committees from multiple persons received in aggregated form, any payment of more than ten thousand dollars from any single person must be reported, but the aggregated payment itself may not be reported. The commission may suspend

or modify reporting requirements for payments received by an incidental committee in cases of manifestly unreasonable hardship under this chapter;

~~((d))~~ (e) Payments from private foundations organized under section 501(c)(3) of the internal revenue code to an incidental committee do not have to be reported if:

(i) The private foundation is contracting with the incidental committee for a specific purpose other than election campaign purposes;

(ii) Use of the funds for election campaign purposes is explicitly prohibited by contract; and

(iii) Funding from the private foundation represents less than twenty-five percent of the incidental committee's total budget;

~~((e) For purposes of this subsection.)~~ (f) Commentary or analysis on a ballot ~~((measure))~~ proposition by an incidental committee is not considered a contribution if it does not advocate specifically to vote for or against the ballot ~~((measure))~~ proposition; and

~~((f))~~ (g) The money value of contributions of postage is the face value of the postage;

(3) Each loan, promissory note, or security instrument to be used by or for the benefit of the candidate or political committee made by any person, including the names and addresses of the lender and each person liable directly, indirectly or contingently and the date and amount of each such loan, promissory note, or security instrument;

(4) All other contributions not otherwise listed or exempted;

(5) The name and address of each candidate or political committee to which any transfer of funds was made, including the amounts and dates of the transfers;

(6) The name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period covered by this report, the amount, date, and purpose of each expenditure, and the total sum of all expenditures. An incidental committee only must report on expenditures, made and reportable as contributions as defined in RCW 42.17A.005, to election campaigns. For purposes of this subsection, commentary or analysis on a ballot ~~((measure))~~ proposition by an incidental committee is not considered an expenditure if it does not advocate specifically to vote for or against the ballot ~~((measure))~~ proposition;

(7) The name ~~((and))~~, address, and electronic contact information of each person ~~((directly compensated))~~ to whom an expenditure was made for soliciting or procuring signatures on an initiative or referendum petition, the amount of the compensation to each person, and the total expenditures made for this purpose. Such expenditures shall be reported under this subsection in addition to what is required to be reported under subsection (6) of this section;

(8)(a) The name and address of any person and the amount owed for any debt with a value of more than seven hundred fifty dollars that has not been paid for any invoices submitted, goods received, or services performed, within five business days during the period within thirty days before an election, or within ten business days during any other period.

(b) For purposes of this subsection, debt does not include~~((~~

~~((or~~ regularly recurring expenditures of the same amount that have already been reported at least once and that are not late or outstanding~~((or~~

~~((or~~ Any obligations already reported to pay for goods and services made by a third party on behalf of a candidate or political committee after the original payment or debt to that party has been reported);

(9) The surplus or deficit of contributions over expenditures;

(10) The disposition made in accordance with RCW 42.17A.430 of any surplus funds; and

(11) Any other information required by the commission by rule in conformance with the policies and purposes of this chapter.

**Sec. 22.** RCW 42.17A.255 and 2011 c 60 s 24 are each amended to read as follows:

(1) For the purposes of this section the term "independent expenditure" means any expenditure that is made in support of or in opposition to any candidate or ballot proposition and is not otherwise required to be reported pursuant to RCW ~~((42.17A.220))~~ 42.17A.225, 42.17A.235, and 42.17A.240. "Independent expenditure" does not include: An internal political communication primarily limited to the contributors to a political party organization or political action committee, or the officers, management staff, and stockholders of a corporation or similar enterprise, or the members of a labor organization or other membership organization; or the rendering of personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses personally incurred by volunteer campaign workers not in excess of fifty dollars personally paid for by the worker. "Volunteer services," for the purposes of this section, means services or labor for which the individual is not compensated by any person.

(2) Within five days after the date of making an independent expenditure that by itself or when added to all other such independent expenditures made during the same election campaign by the same person equals one hundred dollars or more, or within five days after the date of making an independent expenditure for which no reasonable estimate of monetary value is practicable, whichever occurs first, the person who made the independent expenditure shall file with the commission an initial report of all independent expenditures made during the campaign prior to and including such date.

(3) At the following intervals each person who is required to file an initial report pursuant to subsection (2) of this section shall file with the commission a further report of the independent expenditures made since the date of the last report:

(a) On the twenty-first day and the seventh day preceding the date on which the election is held; and

(b) On the tenth day of the first month after the election; and

(c) On the tenth day of each month in which no other reports are required to be filed pursuant to this section. However, the further reports required by this subsection (3) shall only be filed if the reporting person has made an independent expenditure since the date of the last previous report filed.

The report filed pursuant to ~~((paragraph))~~ (a) of this subsection (3) shall be the final report, and upon submitting such final report the duties of the reporting person shall cease, and there shall be no obligation to make any further reports.

(4) All reports filed pursuant to this section shall be certified as correct by the reporting person.

(5) Each report required by subsections (2) and (3) of this section shall disclose for the period beginning at the end of the period for the last previous report filed or, in the case of an initial report, beginning at the time of the first independent expenditure, and ending not more than one business day before the date the report is due:

(a) The name ~~((and))~~, address, and electronic contact information of the person filing the report;

(b) The name and address of each person to whom an independent expenditure was made in the aggregate amount of more than fifty dollars, and the amount, date, and purpose of each such expenditure. If no reasonable estimate of the monetary value of a particular independent expenditure is practicable, it is sufficient to report instead a precise description of services, property, or rights furnished through the expenditure and where appropriate to attach a copy of the item produced or distributed

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

by the expenditure;

(c) The total sum of all independent expenditures made during the campaign to date; and

(d) Such other information as shall be required by the commission by rule in conformance with the policies and purposes of this chapter.

**Sec. 23.** RCW 42.17A.260 and 2010 c 204 s 413 are each amended to read as follows:

(1) The sponsor of political advertising (~~(who)~~) shall file a special report to the commission within twenty-four hours of, or on the first working day after, the date the political advertising is first published, mailed, or otherwise presented to the public, if the political advertising:

(a) Is published, mailed, or otherwise presented to the public within twenty-one days of an election(~~(publishes, mails, or otherwise presents to the public political advertising supporting or opposing a candidate or ballot proposition that qualifies as an independent expenditure with a fair market value of one thousand dollars or more shall deliver, either electronically or in written form, a special report to the commission within twenty-four hours of, or on the first working day after, the date the political advertising is first published, mailed, or otherwise presented to the public)); and~~

(b) Either:

(i) Qualifies as an independent expenditure with a fair market value or actual cost of one thousand dollars or more, for political advertising supporting or opposing a candidate; or

(ii) Has a fair market value or actual cost of one thousand dollars or more, for political advertising supporting or opposing a ballot proposition.

(2) If a sponsor is required to file a special report under this section, the sponsor shall also deliver to the commission within the delivery period established in subsection (1) of this section a special report for each subsequent independent expenditure of any size supporting or opposing the same candidate who was the subject of the previous independent expenditure, supporting or opposing that candidate's opponent, or, in the case of a subsequent expenditure of any size made in support of or in opposition to a ballot proposition not otherwise required to be reported pursuant to RCW 42.17A.225, 42.17A.235, or 42.17A.240, supporting or opposing the same ballot proposition that was the subject of the previous (~~independent~~) expenditure.

(3) The special report must include:

(a) The name and address of the person making the expenditure;

(b) The name and address of the person to whom the expenditure was made;

(c) A detailed description of the expenditure;

(d) The date the expenditure was made and the date the political advertising was first published or otherwise presented to the public;

(e) The amount of the expenditure;

(f) The name of the candidate supported or opposed by the expenditure, the office being sought by the candidate, and whether the expenditure supports or opposes the candidate; or the name of the ballot proposition supported or opposed by the expenditure and whether the expenditure supports or opposes the ballot proposition; and

(g) Any other information the commission may require by rule.

(4) All persons required to report under RCW 42.17A.225, 42.17A.235, 42.17A.240, 42.17A.255, and 42.17A.305 are subject to the requirements of this section. The commission may determine that reports filed pursuant to this section also satisfy the requirements of RCW 42.17A.255.

(5) The sponsor of independent expenditures supporting a

candidate or opposing that candidate's opponent required to report under this section shall file with each required report an affidavit or declaration of the person responsible for making the independent expenditure that the expenditure was not made in cooperation, consultation, or concert with, or at the request or suggestion of, the candidate, the candidate's authorized committee, or the candidate's agent, or with the encouragement or approval of the candidate, the candidate's authorized committee, or the candidate's agent.

**Sec. 24.** RCW 42.17A.265 and 2010 c 204 s 414 are each amended to read as follows:

(1) Treasurers shall prepare and deliver to the commission a special report when a contribution or aggregate of contributions totals one thousand dollars or more, is from a single person or entity, and is received during a special reporting period.

(2) A political committee shall prepare and deliver to the commission a special report when it makes a contribution or an aggregate of contributions to a single entity that totals one thousand dollars or more during a special reporting period.

(3) An aggregate of contributions includes only those contributions made to or received from a single entity during any one special reporting period. Any subsequent contribution of any size made to or received from the same person or entity during the special reporting period must also be reported.

(4) Special reporting periods, for purposes of this section, include:

(a) The period beginning on the day after the last report required by RCW 42.17A.235 and 42.17A.240 to be filed before a primary and concluding on the end of the day before that primary;

(b) The period twenty-one days preceding a general election; and

(c) An aggregate of contributions includes only those contributions received from a single entity during any one special reporting period or made by the contributing political committee to a single entity during any one special reporting period.

(5) If a campaign treasurer files a special report under this section for one or more contributions received from a single entity during a special reporting period, the treasurer shall also file a special report under this section for each subsequent contribution of any size which is received from that entity during the special reporting period. If a political committee files a special report under this section for a contribution or contributions made to a single entity during a special reporting period, the political committee shall also file a special report for each subsequent contribution of any size which is made to that entity during the special reporting period.

(6) Special reports required by this section shall be delivered electronically, or in written form (~~(including but not limited to mailgram, telegram, or nightletter. The special report may be transmitted orally by telephone to the commission if the written form of the report is postmarked and mailed to the commission or the electronic filing is transferred to the commission within the delivery periods established in (a) and (b) of this subsection)) if an electronic alternative is not available.~~

(a) The special report required of a contribution recipient under subsection (1) of this section shall be delivered to the commission within forty-eight hours of the time, or on the first working day after: The contribution of one thousand dollars or more is received by the candidate or treasurer; the aggregate received by the candidate or treasurer first equals one thousand dollars or more; or any subsequent contribution from the same source is received by the candidate or treasurer.

(b) The special report required of a contributor under subsection (2) of this section or RCW 42.17A.625 shall be

delivered to the commission, and the candidate or political committee to whom the contribution or contributions are made, within twenty-four hours of the time, or on the first working day after: The contribution is made; the aggregate of contributions made first equals one thousand dollars or more; or any subsequent contribution to the same person or entity is made.

- (7) The special report shall include:
- (a) The amount of the contribution or contributions;
  - (b) The date or dates of receipt;
  - (c) The name and address of the donor;
  - (d) The name and address of the recipient; and
  - (e) Any other information the commission may by rule require.

(8) Contributions reported under this section shall also be reported as required by other provisions of this chapter.

(9) The commission shall prepare daily a summary of the special reports made under this section and RCW 42.17A.625.

(10) Contributions governed by this section include, but are not limited to, contributions made or received indirectly through a third party or entity whether the contributions are or are not reported to the commission as earmarked contributions under RCW 42.17A.270.

**Sec. 25.** RCW 42.17A.305 and 2010 c 204 s 502 are each amended to read as follows:

(1) A payment for or promise to pay for any electioneering communication shall be reported to the commission by the sponsor on forms the commission shall develop by rule to include, at a minimum, the following information:

- (a) Name and address of the sponsor;
- (b) Source of funds for the communication, including:
  - (i) General treasury funds. The name and address of businesses, unions, groups, associations, or other organizations using general treasury funds for the communication, however, if a business, union, group, association, or other organization undertakes a special solicitation of its members or other persons for an electioneering communication, or it otherwise receives funds for an electioneering communication, that entity shall report pursuant to (b)(ii) of this subsection;
  - (ii) Special solicitations and other funds. The name, address, and, for individuals, occupation and employer, of a person whose funds were used to pay for the electioneering communication, along with the amount, if such funds from the person have exceeded two hundred fifty dollars in the aggregate for the electioneering communication; and
  - (iii) Any other source information required or exempted by the commission by rule;

(c) Name and address of the person to whom an electioneering communication related expenditure was made;

(d) A detailed description of each expenditure of more than one hundred dollars;

(e) The date the expenditure was made and the date the electioneering communication was first broadcast, transmitted, mailed, erected, distributed, or otherwise published;

(f) The amount of the expenditure;

(g) The name of each candidate clearly identified in the electioneering communication, the office being sought by each candidate, and the amount of the expenditure attributable to each candidate; and

(h) Any other information the commission may require or exempt by rule.

(2) Electioneering communications shall be reported as follows: The sponsor of an electioneering communication shall report to the commission within twenty-four hours of, or on the first working day after, the date the electioneering communication is broadcast, transmitted, mailed, erected, distributed, digitally or otherwise, or otherwise published.

(3) Electioneering communications shall be reported electronically by the sponsor using software provided or approved by the commission. The commission may make exceptions on a case-by-case basis for a sponsor who lacks the technological ability to file reports using the electronic means provided or approved by the commission.

(4) All persons required to report under RCW 42.17A.225, 42.17A.235, 42.17A.240, and 42.17A.255 are subject to the requirements of this section, although the commission may determine by rule that persons filing according to those sections may be exempt from reporting some of the information otherwise required by this section. The commission may determine that reports filed pursuant to this section also satisfy the requirements of RCW 42.17A.255 and 42.17A.260.

(5) Failure of any sponsor to report electronically under this section shall be a violation of this chapter.

**Sec. 26.** RCW 42.17A.345 and 2010 c 204 s 508 are each amended to read as follows:

(1) Each commercial advertiser who has accepted or provided political advertising or electioneering communications during the election campaign shall maintain ~~((documents and))~~ current books of account and related materials as provided by rule that shall be open for public inspection during normal business hours during the campaign and for a period of no less than ~~((three))~~ five years after the date of the applicable election. The documents and books of account shall specify:

- (a) The names and addresses of persons from whom it accepted political advertising or electioneering communications;
- (b) The exact nature and extent of the services rendered; and
- (c) The total cost and the manner of payment for the services.

(2) At the request of the commission, each commercial advertiser required to comply with subsection (1) of this section shall ~~((deliver))~~ provide to the commission copies of the information that must be maintained and be open for public inspection pursuant to subsection (1) of this section.

**Sec. 27.** RCW 42.17A.420 and 2018 c 111 s 7 are each amended to read as follows:

(1) It is a violation of this chapter for any person to make, or for any candidate or political committee to accept from any one person, contributions reportable under RCW 42.17A.240 in the aggregate exceeding fifty thousand dollars for any campaign for statewide office or exceeding five thousand dollars for any other campaign subject to the provisions of this chapter within twenty-one days of a general election. This subsection does not apply to: (a) Contributions made by, or accepted from, a bona fide political party as defined in this chapter, excluding the county central committee or legislative district committee~~((—This subsection does not apply to))~~;

(b) Contributions made to, or received by, a ballot proposition committee; or

(c) Payments received by an incidental committee.

(2) Contributions governed by this section include, but are not limited to, contributions made or received indirectly through a third party or entity whether the contributions are or are not reported to the commission as earmarked contributions under RCW 42.17A.270.

**Sec. 28.** RCW 42.17A.475 and 2010 c 204 s 611 are each amended to read as follows:

(1) A person may not make a contribution of more than ~~((eighty))~~ one hundred dollars, other than an in-kind contribution, except by a written instrument containing the name of the donor and the name of the payee.

(2) A political committee may not make a contribution, other

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

than in-kind, except by a written instrument containing the name of the donor and the name of the payee.

**Sec. 29.** RCW 42.17A.600 and 2010 c 204 s 801 are each amended to read as follows:

(1) Before lobbying, or within thirty days after being employed as a lobbyist, whichever occurs first, unless exempt under RCW 42.17A.610, a lobbyist shall register by filing with the commission a lobbyist registration statement, in such detail as the commission shall prescribe, that includes the following information:

(a) The lobbyist's name, permanent business address, electronic contact information, and any temporary residential and business addresses in Thurston county during the legislative session;

(b) The name, address and occupation or business of the lobbyist's employer;

(c) The duration of the lobbyist's employment;

(d) The compensation to be received for lobbying, the amount to be paid for expenses, and what expenses are to be reimbursed;

(e) Whether the lobbyist is employed solely as a lobbyist or whether the lobbyist is a regular employee performing services for ~~((his or her))~~ the lobbyist's employer which include but are not limited to the influencing of legislation;

(f) The general subject or subjects to be lobbied;

(g) A written authorization from each of the lobbyist's employers confirming such employment;

(h) The name ~~((and))~~, address, and electronic contact information of the person who will have custody of the accounts, bills, receipts, books, papers, and documents required to be kept under this chapter;

(i) If the lobbyist's employer is an entity (including, but not limited to, business and trade associations) whose members include, or which as a representative entity undertakes lobbying activities for, businesses, groups, associations, or organizations, the name and address of each member of such entity or person represented by such entity whose fees, dues, payments, or other consideration paid to such entity during either of the prior two years have exceeded five hundred dollars or who is obligated to or has agreed to pay fees, dues, payments, or other consideration exceeding five hundred dollars to such entity during the current year.

(2) Any lobbyist who receives or is to receive compensation from more than one person for lobbying shall file a separate notice of representation for each person. However, if two or more persons are jointly paying or contributing to the payment of the lobbyist, the lobbyist may file a single statement detailing the name, business address, and occupation of each person paying or contributing and the respective amounts to be paid or contributed.

(3) Whenever a change, modification, or termination of the lobbyist's employment occurs, the lobbyist shall file with the commission an amended registration statement within one week of the change, modification, or termination.

(4) Each registered lobbyist shall file a new registration statement, revised as appropriate, on the second Monday in January of each odd-numbered year. Failure to do so terminates the lobbyist's registration.

**Sec. 30.** RCW 42.17A.605 and 2010 c 204 s 802 are each amended to read as follows:

Each lobbyist shall at the time ~~((he or she))~~ the lobbyist registers submit electronically to the commission a recent photograph of ~~((himself or herself))~~ the lobbyist of a size and format as determined by rule of the commission, together with the name of the lobbyist's employer, the length of ~~((his or her))~~ the lobbyist's employment as a lobbyist before the legislature, a brief

biographical description, and any other information ~~((he or she))~~ the lobbyist may wish to submit not to exceed fifty words in length. The photograph and information shall be published by the commission ~~((at least biennially in a booklet form for distribution to legislators and the public))~~ on its web site.

**Sec. 31.** RCW 42.17A.610 and 2010 c 204 s 803 are each amended to read as follows:

The following persons and activities are exempt from registration and reporting under RCW 42.17A.600, 42.17A.615, and 42.17A.640:

(1) Persons who limit their lobbying activities to appearing before public sessions of committees of the legislature, or public hearings of state agencies;

(2) Activities by lobbyists or other persons whose participation has been solicited by an agency under RCW 34.05.310(2);

(3) News or feature reporting activities and editorial comment by working members of the press, radio, digital media, or television and the publication or dissemination thereof by a newspaper, book publisher, regularly published periodical, radio station, digital platform, or television station;

(4) Persons who lobby without compensation or other consideration for acting as a lobbyist, if the person makes no expenditure for or on behalf of any member of the legislature or elected official or public officer or employee of the state of Washington in connection with such lobbying. The exemption contained in this subsection is intended to permit and encourage citizens of this state to lobby any legislator, public official, or state agency without incurring any registration or reporting obligation provided they do not exceed the limits stated above. Any person exempt under this subsection (4) may at ~~((his or her))~~ the person's option register and report under this chapter;

(5) Persons who restrict their lobbying activities to no more than four days or parts of four days during any three-month period and whose total expenditures during such three-month period for or on behalf of any one or more members of the legislature or state elected officials or public officers or employees of the state of Washington in connection with such lobbying do not exceed twenty-five dollars. The commission shall adopt rules to require disclosure by persons exempt under this subsection or their employers or entities which sponsor or coordinate the lobbying activities of such persons if it determines that such regulations are necessary to prevent frustration of the purposes of this chapter. Any person exempt under this subsection (5) may at ~~((his or her))~~ the person's option register and report under this chapter;

(6) The governor;

(7) The lieutenant governor;

(8) Except as provided by RCW 42.17A.635(1), members of the legislature;

(9) Except as provided by RCW 42.17A.635(1), persons employed by the legislature for the purpose of aiding in the preparation or enactment of legislation or the performance of legislative duties;

(10) Elected officials, and officers and employees of any agency reporting under RCW 42.17A.635(5).

**Sec. 32.** RCW 42.17A.615 and 2010 c 204 s 804 are each amended to read as follows:

(1) Any lobbyist registered under RCW 42.17A.600 and any person who lobbies shall file electronically with the commission monthly reports of ~~((his or her))~~ the lobbyist's or person's lobbying activities. The reports shall be made in the form and manner prescribed by the commission and must be signed by the lobbyist. The monthly report shall be filed within fifteen days after the last day of the calendar month covered by the report.

(2) The monthly report shall contain:

(a) The totals of all expenditures for lobbying activities made or incurred by the lobbyist or on behalf of the lobbyist by the lobbyist's employer during the period covered by the report. Expenditure totals for lobbying activities shall be segregated according to financial category, including compensation; food and refreshments; living accommodations; advertising; travel; contributions; and other expenses or services. Each individual expenditure of more than twenty-five dollars for entertainment shall be identified by date, place, amount, and the names of all persons taking part in the entertainment, along with the dollar amount attributable to each person, including the lobbyist's portion.

(b) In the case of a lobbyist employed by more than one employer, the proportionate amount of expenditures in each category incurred on behalf of each of the lobbyist's employers.

(c) An itemized listing of each contribution of money or of tangible or intangible personal property, whether contributed by the lobbyist personally or delivered or transmitted by the lobbyist, to any candidate, elected official, or officer or employee of any agency, or any political committee supporting or opposing any ballot proposition, or for or on behalf of any candidate, elected official, or officer or employee of any agency, or any political committee supporting or opposing any ballot proposition. All contributions made to, or for the benefit of, any candidate, elected official, or officer or employee of any agency, or any political committee supporting or opposing any ballot proposition shall be identified by date, amount, and the name of the candidate, elected official, or officer or employee of any agency, or any political committee supporting or opposing any ballot proposition receiving, or to be benefited by each such contribution.

(d) The subject matter of proposed legislation or other legislative activity or rule making under chapter 34.05 RCW, the state administrative procedure act, and the state agency considering the same, which the lobbyist has been engaged in supporting or opposing during the reporting period, unless exempt under RCW 42.17A.610(2).

(e) A listing of each payment for an item specified in RCW 42.52.150(5) in excess of fifty dollars and each item specified in RCW 42.52.010(~~(10)~~) (9) (d) and (f) made to a state elected official, state officer, or state employee. Each item shall be identified by recipient, date, and approximate value of the item.

(f) The total expenditures paid or incurred during the reporting period by the lobbyist for lobbying purposes, whether through or on behalf of a lobbyist or otherwise, for (i) political advertising as defined in RCW 42.17A.005; and (ii) public relations, telemarketing, polling, or similar activities if the activities, directly or indirectly, are intended, designed, or calculated to influence legislation or the adoption or rejection of a rule, standard, or rate by an agency under the administrative procedure act. The report shall specify the amount, the person to whom the amount was paid, and a brief description of the activity.

(3) Lobbyists are not required to report the following:

(a) Unreimbursed personal living and travel expenses not incurred directly for lobbying;

(b) Any expenses incurred for (~~his or her~~) the lobbyist's own living accommodations;

(c) Any expenses incurred for (~~his or her~~) the lobbyist's own travel to and from hearings of the legislature;

(d) Any expenses incurred for telephone, and any office expenses, including rent and salaries and wages paid for staff and secretarial assistance.

(4) The commission may adopt rules to vary the content of lobbyist reports to address specific circumstances, consistent with this section. Lobbyist reports are subject to audit by the commission.

**Sec. 33.** RCW 42.17A.630 and 2010 c 204 s 807 are each amended to read as follows:

(1) Every employer of a lobbyist registered under this chapter during the preceding calendar year and every person other than an individual (~~that~~) who made contributions aggregating to more than sixteen thousand dollars or independent expenditures aggregating to more than eight hundred dollars during the preceding calendar year shall file with the commission on or before the last day of February of each year a statement disclosing for the preceding calendar year the following information:

(a) The name of each state elected official and the name of each candidate for state office who was elected to the office and any member of the immediate family of those persons to whom the person reporting has paid any compensation in the amount of eight hundred dollars or more during the preceding calendar year for personal employment or professional services, including professional services rendered by a corporation, partnership, joint venture, association, union, or other entity in which the person holds any office, directorship, or any general partnership interest, or an ownership interest of ten percent or more, the value of the compensation in accordance with the reporting provisions set out in RCW 42.17A.710(~~(2)~~) (3), and the consideration given or provided in exchange for the compensation.

(b) The name of each state elected official, successful candidate for state office, or members of (~~his or her~~) the official's or candidate's immediate family to whom the person reporting made expenditures, directly or indirectly, either through a lobbyist or otherwise, the amount of the expenditures and the purpose for the expenditures. For the purposes of this subsection, "expenditure" shall not include any expenditure made by the employer in the ordinary course of business if the expenditure is not made for the purpose of influencing, honoring, or benefiting the elected official, successful candidate, or member of his immediate family, as an elected official or candidate.

(c) The total expenditures made by the person reporting for lobbying purposes, whether through or on behalf of a registered lobbyist or otherwise.

(d) All contributions made to a political committee supporting or opposing a candidate for state office, or to a political committee supporting or opposing a statewide ballot proposition. Such contributions shall be identified by the name and the address of the recipient and the aggregate amount contributed to each such recipient.

(e) The name and address of each registered lobbyist employed by the person reporting and the total expenditures made by the person reporting for each lobbyist for lobbying purposes.

(f) The names, offices sought, and party affiliations of candidates for state offices supported or opposed by independent expenditures of the person reporting and the amount of each such expenditure.

(g) The identifying proposition number and a brief description of any statewide ballot proposition supported or opposed by expenditures not reported under (d) of this subsection and the amount of each such expenditure.

(h) Any other information the commission prescribes by rule.

(2)(a) Except as provided in (b) of this subsection, an employer of a lobbyist registered under this chapter shall file a special report with the commission if the employer makes a contribution or contributions aggregating more than one hundred dollars in a calendar month to any one of the following: A candidate, elected official, officer or employee of an agency, or political committee. The report shall identify the date and amount of each such contribution and the name of the candidate, elected official, agency officer or employee, or political committee receiving the contribution or to be benefited by the contribution. The report shall be filed on a form prescribed by the commission and shall

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

be filed within fifteen days after the last day of the calendar month during which the contribution was made.

(b) The provisions of (a) of this subsection do not apply to a contribution that is made through a registered lobbyist and reportable under RCW 42.17A.425.

**Sec. 34.** RCW 42.17A.655 and 2010 c 204 s 812 are each amended to read as follows:

(1) A person required to register as a lobbyist under RCW 42.17A.600 shall substantiate financial reports required to be made under this chapter with accounts, bills, receipts, books, papers, and other necessary documents and records. All such documents must be obtained and preserved for a period of at least five years from the date of filing the statement containing such items and shall be made available for inspection by the commission at any time. If the terms of the lobbyist's employment contract require that these records be turned over to ~~((his or her))~~ the lobbyist's employer, responsibility for the preservation and inspection of these records under this subsection shall be with such employer.

(2) A person required to register as a lobbyist under RCW 42.17A.600 shall not:

(a) Engage in any lobbying activity before registering as a lobbyist;

(b) Knowingly deceive or attempt to deceive a legislator regarding the facts pertaining to any pending or proposed legislation;

(c) Cause or influence the introduction of a bill or amendment to that bill for the purpose of later being employed to secure its defeat;

(d) Knowingly represent an interest adverse to ~~((his or her))~~ the lobbyist's employer without full disclosure of the adverse interest to the employer and obtaining the employer's written consent;

(e) Exercise any undue influence, extortion, or unlawful retaliation upon any legislator due to the legislator's position or vote on any pending or proposed legislation;

(f) Enter into any agreement, arrangement, or understanding in which any portion of ~~((his or her))~~ the lobbyist's compensation is or will be contingent upon ~~((his or her))~~ the lobbyist's success in influencing legislation.

(3) A violation by a lobbyist of this section shall be cause for revocation of ~~((his or her))~~ the lobbyist's registration, and may subject the lobbyist and the lobbyist's employer, if the employer aids, abets, ratifies, or confirms the violation, to other civil liabilities as provided by this chapter.

**Sec. 35.** RCW 42.17A.700 and 2010 c 204 s 901 are each amended to read as follows:

(1) After January 1st and before April 15th of each year, every elected official and every executive state officer who served for any portion of the preceding year shall electronically file with the commission a statement of financial affairs for the preceding calendar year or for that portion of the year served. ~~((However, any local elected official whose term of office ends on December 31st shall file the statement required to be filed by this section for the final year of his or her term.))~~ Any official or officer in office for any period of time in a calendar year, but not in office as of January 1st of the following year, may electronically file either within sixty days of leaving office or during the January 1st through April 15th reporting period of that following year. Such filing must include information for the portion of the current calendar year for which the official or officer was in office.

(2) Within two weeks of becoming a candidate, every candidate shall file with the commission a statement of financial affairs for the preceding twelve months.

(3) Within two weeks of appointment, every person appointed

to a vacancy in an elective office or executive state officer position during the months of January through November shall file with the commission a statement of financial affairs for the preceding twelve months, except as provided in subsection (4) of this section. For appointments made in December, the appointee must file the statement of financial affairs between January 1st and January 15th of the immediate following year for the preceding twelve-month period ending on December 31st.

(4) A statement of a candidate or appointee filed during the period from January 1st to April 15th shall cover the period from January 1st of the preceding calendar year to the time of candidacy or appointment if the filing of the statement would relieve the individual of a prior obligation to file a statement covering the entire preceding calendar year.

(5) No individual may be required to file more than once in any calendar year.

(6) Each statement of financial affairs filed under this section shall be sworn as to its truth and accuracy.

(7) Every elected official and every executive state officer shall file with their statement of financial affairs a statement certifying that they have read and are familiar with RCW 42.17A.555 or 42.52.180, whichever is applicable.

(8) For the purposes of this section, the term "executive state officer" includes those listed in RCW 42.17A.705.

(9) This section does not apply to incumbents or candidates for a federal office or the office of precinct committee officer.

**Sec. 36.** RCW 42.17A.710 and 2010 c 204 s 903 are each amended to read as follows:

(1) The statement of financial affairs required by RCW 42.17A.700 shall disclose the following information for the reporting individual and each member of ~~((his or her))~~ the reporting individual's immediate family:

(a) Occupation, name of employer, and business address;

(b) Each bank account, savings account, and insurance policy in which a direct financial interest was held that exceeds twenty thousand dollars at any time during the reporting period; each other item of intangible personal property in which a direct financial interest was held that exceeds two thousand dollars during the reporting period; the name, address, and nature of the entity; and the nature and highest value of each direct financial interest during the reporting period;

(c) The name and address of each creditor to whom the value of two thousand dollars or more was owed; the original amount of each debt to each creditor; the amount of each debt owed to each creditor as of the date of filing; the terms of repayment of each debt; and the security given, if any, for each such debt. Debts arising from a "retail installment transaction" as defined in chapter 63.14 RCW (retail installment sales act) need not be reported;

(d) Every public or private office, directorship, and position held as trustee; except that an elected official or executive state officer need not report the elected official's or executive state officer's service on a governmental board, commission, association, or functional equivalent, when such service is part of the elected official's or executive state officer's official duties;

(e) All persons for whom any legislation, rule, rate, or standard has been prepared, promoted, or opposed for current or deferred compensation. For the purposes of this subsection, "compensation" does not include payments made to the person reporting by the governmental entity for which the person serves as an elected official or state executive officer or professional staff member for ~~((his or her))~~ the person's service in office; the description of such actual or proposed legislation, rules, rates, or standards; and the amount of current or deferred compensation paid or promised to be paid;

(f) The name and address of each governmental entity, corporation, partnership, joint venture, sole proprietorship, association, union, or other business or commercial entity from whom compensation has been received in any form of a total value of two thousand dollars or more; the value of the compensation; and the consideration given or performed in exchange for the compensation;

(g) The name of any corporation, partnership, joint venture, association, union, or other entity in which is held any office, directorship, or any general partnership interest, or an ownership interest of ten percent or more; the name or title of that office, directorship, or partnership; the nature of ownership interest; and:

(i) With respect to a governmental unit in which the official seeks or holds any office or position, if the entity has received compensation in any form during the preceding twelve months from the governmental unit, the value of the compensation and the consideration given or performed in exchange for the compensation; and (ii) the name of each governmental unit, corporation, partnership, joint venture, sole proprietorship, association, union, or other business or commercial entity from which the entity has received compensation in any form in the amount of ten thousand dollars or more during the preceding twelve months and the consideration given or performed in exchange for the compensation. As used in (g)(ii) of this subsection, "compensation" does not include payment for water and other utility services at rates approved by the Washington state utilities and transportation commission or the legislative authority of the public entity providing the service. With respect to any bank or commercial lending institution in which is held any office, directorship, partnership interest, or ownership interest, it shall only be necessary to report either the name, address, and occupation of every director and officer of the bank or commercial lending institution and the average monthly balance of each account held during the preceding twelve months by the bank or commercial lending institution from the governmental entity for which the individual is an official or candidate or professional staff member, or all interest paid by a borrower on loans from and all interest paid to a depositor by the bank or commercial lending institution if the interest exceeds two thousand four hundred dollars;

(h) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds ten thousand dollars in which any direct financial interest was acquired during the preceding calendar year, and a statement of the amount and nature of the financial interest and of the consideration given in exchange for that interest;

(i) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds ten thousand dollars in which any direct financial interest was divested during the preceding calendar year, and a statement of the amount and nature of the consideration received in exchange for that interest, and the name and address of the person furnishing the consideration;

(j) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds ten thousand dollars in which a direct financial interest was held. If a description of the property has been included in a report previously filed, the property may be listed, for purposes of this subsection (1)(j), by reference to the previously filed report;

(k) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds twenty thousand dollars, in which a corporation, partnership, firm,

enterprise, or other entity had a direct financial interest, in which corporation, partnership, firm, or enterprise a ten percent or greater ownership interest was held;

(l) A list of each occasion, specifying date, donor, and amount, at which food and beverage in excess of fifty dollars was accepted under RCW 42.52.150(5);

(m) A list of each occasion, specifying date, donor, and amount, at which items specified in RCW 42.52.010(~~(4)~~) (9) (d) and (f) were accepted; and

(n) Such other information as the commission may deem necessary in order to properly carry out the purposes and policies of this chapter, as the commission shall prescribe by rule.

(2)(a) When judges, prosecutors, sheriffs, or their immediate family members are required to disclose real property that is the personal residence of the judge, prosecutor, or sheriff, the requirements of subsection (1)(h) through (k) of this section may be satisfied for that property by substituting:

(i) The city or town;

(ii) The type of residence, such as a single-family or multifamily residence, and the nature of ownership; and

(iii) Such other identifying information the commission prescribes by rule for the mailing address where the property is located.

(b) Nothing in this subsection relieves the judge, prosecutor, or sheriff of any other applicable obligations to disclose potential conflicts or to recuse oneself.

(3)(a) Where an amount is required to be reported under subsection (1)(a) through (m) of this section, it (~~shall be sufficient to comply with the requirement to report whether the amount is less than four thousand dollars, at least four thousand dollars but less than twenty thousand dollars, at least twenty thousand dollars but less than forty thousand dollars, at least forty thousand dollars but less than one hundred thousand dollars, or one hundred thousand dollars or more.~~) may be reported within a range as provided in (b) of this subsection.

(b)

<u>Code A</u>	<u>Less than thirty thousand dollars;</u>
<u>Code B</u>	<u>At least thirty thousand dollars, but less than sixty thousand dollars;</u>
<u>Code C</u>	<u>At least sixty thousand dollars, but less than one hundred thousand dollars;</u>
<u>Code D</u>	<u>At least one hundred thousand dollars, but less than two hundred thousand dollars;</u>
<u>Code E</u>	<u>At least two hundred thousand dollars, but less than five hundred thousand dollars;</u>
<u>Code F</u>	<u>At least five hundred thousand dollars, but less than seven hundred and fifty thousand dollars;</u>
<u>Code G</u>	<u>At least seven hundred fifty thousand dollars, but less than one million dollars; or</u>
<u>Code H</u>	<u>One million dollars or more.</u>

(c) An amount of stock may be reported by number of shares instead of by market value. No provision of this subsection may be interpreted to prevent any person from filing more information or more detailed information than required.

~~((3))~~ (4) Items of value given to an official's or employee's spouse, domestic partner, or family member are attributable to the official or employee, except the item is not attributable if an independent business, family, or social relationship exists between the donor and the spouse, domestic partner, or family member.

**Sec. 37.** RCW 42.17A.750 and 2018 c 304 s 12 are each amended to read as follows:

(1) In addition to the penalties in subsection (2) of this section, and any other remedies provided by law, one or more of the following civil remedies and sanctions may be imposed by court order in addition to any other remedies provided by law:

(a) If the court finds that the violation of any provision of this chapter by any candidate (~~(or political)~~), committee, or incidental committee probably affected the outcome of any election, the result of that election may be held void and a special election held within sixty days of the finding. Any action to void an election shall be commenced within one year of the date of the election in question. It is intended that this remedy be imposed freely in all appropriate cases to protect the right of the electorate to an informed and knowledgeable vote.

(b) If any lobbyist or sponsor of any grass roots lobbying campaign violates any of the provisions of this chapter, (~~his or her~~) the lobbyist's or sponsor's registration may be revoked or suspended and (~~he or she~~) the lobbyist or sponsor may be enjoined from receiving compensation or making expenditures for lobbying. The imposition of a sanction shall not excuse the lobbyist from filing statements and reports required by this chapter.

(c) A person who violates any of the provisions of this chapter may be subject to a civil penalty of not more than ten thousand dollars for each violation. However, a person or entity who violates RCW 42.17A.405 may be subject to a civil penalty of ten thousand dollars or three times the amount of the contribution illegally made or accepted, whichever is greater.

(d) When assessing a civil penalty, the court may consider the nature of the violation and any relevant circumstances, including the following factors:

(i) The respondent's compliance history, including whether the noncompliance was isolated or limited in nature, indicative of systematic or ongoing problems, or part of a pattern of violations by the respondent, resulted from a knowing or intentional effort to conceal, deceive or mislead, or from collusive behavior, or in the case of a political committee or other entity, part of a pattern of violations by the respondent's officers, staff, principal decision makers, consultants, or sponsoring organization;

(ii) The impact on the public, including whether the noncompliance deprived the public of timely or accurate information during a time-sensitive period or otherwise had a significant or material impact on the public;

(iii) Experience with campaign finance law and procedures or the financing, staffing, or size of the respondent's campaign or organization;

(iv) The amount of financial activity by the respondent during the statement period or election cycle;

(v) Whether the late or unreported activity was within three times the contribution limit per election, including in proportion to the total amount of expenditures by the respondent in the campaign or statement period;

(vi) Whether the respondent or any person benefited politically or economically from the noncompliance;

(vii) Whether there was a personal emergency or illness of the respondent or member of (~~his or her~~) the respondent's immediate family;

(viii) Whether other emergencies such as fire, flood, or utility failure prevented filing;

(ix) Whether there was commission staff or equipment error, including technical problems at the commission that prevented or delayed electronic filing;

(x) The respondent's demonstrated good-faith uncertainty concerning commission staff guidance or instructions;

(xi) Whether the respondent is a first-time filer;

(xii) Good faith efforts to comply, including consultation with

commission staff prior to initiation of enforcement action and cooperation with commission staff during enforcement action and a demonstrated wish to acknowledge and take responsibility for the violation;

(xiii) Penalties imposed in factually similar cases; and

(xiv) Other factors relevant to the particular case.

(e) A person who fails to file a properly completed statement or report within the time required by this chapter may be subject to a civil penalty of ten dollars per day for each day each delinquency continues.

(f) Each state agency director who knowingly fails to file statements required by RCW 42.17A.635 shall be subject to personal liability in the form of a civil penalty in the amount of one hundred dollars per statement. These penalties are in addition to any other civil remedies or sanctions imposed on the agency.

(g) A person who fails to report a contribution or expenditure as required by this chapter may be subject to a civil penalty equivalent to the amount not reported as required.

(h) Any state agency official, officer, or employee who is responsible for or knowingly directs or expends public funds in violation of RCW 42.17A.635 (2) or (3) may be subject to personal liability in the form of a civil penalty in an amount that is at least equivalent to the amount of public funds expended in the violation.

(i) The court may enjoin any person to prevent the doing of any act herein prohibited, or to compel the performance of any act required herein.

(2) The commission may refer the following violations for criminal prosecution:

(a) A person who, with actual malice, violates a provision of this chapter is guilty of a misdemeanor under chapter 9.92 RCW;

(b) A person who, within a five-year period, with actual malice, violates three or more provisions of this chapter is guilty of a gross misdemeanor under chapter 9.92 RCW; and

(c) A person who, with actual malice, procures or offers any false or forged document to be filed, registered, or recorded with the commission under this chapter is guilty of a class C felony under chapter 9.94A RCW.

**Sec. 38.** RCW 42.17A.755 and 2018 c 304 s 13 are each amended to read as follows:

(1) The commission may initiate or respond to a complaint, request a technical correction, or otherwise resolve matters of compliance with this chapter, in accordance with this section. If a complaint is filed with or initiated by the commission, the commission must:

(a) Dismiss the complaint or otherwise resolve the matter in accordance with subsection (2) of this section, as appropriate under the circumstances after conducting a preliminary review;

(b) Initiate an investigation to determine whether (~~an actual~~) a violation has occurred, conduct hearings, and issue and enforce an appropriate order, in accordance with chapter 34.05 RCW and subsection (3) of this section; or

(c) Refer the matter to the attorney general, in accordance with subsection (4) of this section.

(2)(a) For complaints of (~~remedial~~) remediable violations or requests for technical corrections, the commission may, by rule, delegate authority to its executive director to resolve these matters in accordance with subsection (1)(a) of this section, provided the executive director consistently applies such authority.

(b) The commission shall, by rule, develop additional processes by which a respondent may agree by stipulation to any allegations and pay a penalty subject to a schedule of violations and penalties, unless waived by the commission as provided for in this section. Any stipulation must be referred to the commission for review. If approved or modified by the commission, agreed to by the parties,

and the respondent complies with all requirements set forth in the stipulation, the matter is then considered resolved and no further action or review is allowed.

(3) If the commission initiates an investigation, an initial hearing must be held within ninety days of the complaint being filed. Following an investigation, in cases where it chooses to determine whether ~~((an actual))~~ a violation has occurred, the commission shall hold a hearing pursuant to the administrative procedure act, chapter 34.05 RCW. Any order that the commission issues under this section shall be pursuant to such a hearing.

(a) The person against whom an order is directed under this section shall be designated as the respondent. The order may require the respondent to cease and desist from the activity that constitutes a violation and in addition, or alternatively, may impose one or more of the remedies provided in RCW 42.17A.750(1) (b) through (h), or other requirements as the commission determines appropriate to effectuate the purposes of this chapter.

(b) The commission may assess a penalty in an amount not to exceed ten thousand dollars per violation, unless the parties stipulate otherwise. Any order that the commission issues under this section that imposes a financial penalty must be made pursuant to a hearing, held in accordance with the administrative procedure act, chapter 34.05 RCW.

(c) The commission has the authority to waive a penalty for a first-time ~~((actual))~~ violation. A second ~~((actual))~~ violation of the same requirement by the same person, regardless if the person or individual committed the ~~((actual))~~ violation for a different political committee or incidental committee, shall result in a penalty. Successive ~~((actual))~~ violations of the same requirement shall result in successively increased penalties. The commission may suspend any portion of an assessed penalty contingent on future compliance with this chapter. The commission must create a schedule to enhance penalties based on repeat ~~((actual))~~ violations by the person.

(d) Any order issued by the commission is subject to judicial review under the administrative procedure act, chapter 34.05 RCW. If the commission's order is not satisfied and no petition for review is filed within thirty days, the commission may petition a court of competent jurisdiction of any county in which a petition for review could be filed under that jurisdiction, for an order of enforcement. Proceedings in connection with the commission's petition shall be in accordance with RCW 42.17A.760.

(4) In lieu of holding a hearing or issuing an order under this section, the commission may refer the matter to the attorney general consistent with this section, when the commission believes:

(a) Additional authority is needed to ensure full compliance with this chapter;

(b) An ~~((actual))~~ apparent violation potentially warrants a penalty greater than the commission's penalty authority; or

(c) The maximum penalty the commission is able to levy is not enough to address the severity of the violation.

(5) Prior to filing a citizen's action under RCW 42.17A.775, a person who has filed a complaint pursuant to this section must provide written notice to the attorney general if the commission does not, within 90 days of the complaint being filed with the commission, take action pursuant to subsection (1) of this section. A person must simultaneously provide a copy of the written notice to the commission.

**Sec. 39.** RCW 42.17A.765 and 2018 c 304 s 14 are each amended to read as follows:

(1)(a) ~~((Only after a matter is referred by the commission, under RCW 42.17A.755.))~~ The attorney general may bring civil

actions in the name of the state for any appropriate civil remedy, including but not limited to the special remedies provided in RCW 42.17A.750~~((:))~~ upon:

(i) Referral by the commission pursuant to RCW 42.17A.755(4);

(ii) Receipt of a notice provided in accordance with RCW 42.17A.755(5); or

(iii) Receipt of a notice of intent to commence a citizen's action, as provided under RCW 42.17A.775(3).

(b) Within forty-five days of receiving a referral from the commission or notice of the commission's failure to take action provided in accordance with RCW 42.17A.755(5), or within ten days of receiving a citizen's action notice, the attorney general must ~~((provide notice of his or her))~~ publish a decision whether to commence an action on the attorney general's office web site ~~((within forty five days of receiving the referral, which constitutes state action for purposes of this chapter)).~~ Publication of the decision within the forty-five day period, or ten-day period, whichever is applicable, shall preclude a citizen's action pursuant to RCW 42.17A.775.

~~((b))~~ (c) The attorney general should use the enforcement powers in this section in a consistent manner that provides guidance in complying with the provisions of this chapter to candidates, political committees, or other individuals subject to the regulations of this chapter.

(2) The attorney general may investigate or cause to be investigated the activities of any person who there is reason to believe is or has been acting in violation of this chapter, and may require any such person or any other person reasonably believed to have information concerning the activities of such person to appear at a time and place designated in the county in which such person resides or is found, to give such information under oath and to produce all accounts, bills, receipts, books, paper and documents which may be relevant or material to any investigation authorized under this chapter.

(3) When the attorney general requires the attendance of any person to obtain such information or produce the accounts, bills, receipts, books, papers, and documents that may be relevant or material to any investigation authorized under this chapter, ~~((he or she))~~ the attorney general shall issue an order setting forth the time when and the place where attendance is required and shall cause the same to be delivered to or sent by registered mail to the person at least fourteen days before the date fixed for attendance. The order shall have the same force and effect as a subpoena, shall be effective statewide, and, upon application of the attorney general, obedience to the order may be enforced by any superior court judge in the county where the person receiving it resides or is found, in the same manner as though the order were a subpoena. The court, after hearing, for good cause, and upon application of any person aggrieved by the order, shall have the right to alter, amend, revise, suspend, or postpone all or any part of its provisions. In any case where the order is not enforced by the court according to its terms, the reasons for the court's actions shall be clearly stated in writing, and the action shall be subject to review by the appellate courts by certiorari or other appropriate proceeding.

**Sec. 40.** RCW 42.17A.775 and 2018 c 304 s 16 are each amended to read as follows:

(1) A person who has reason to believe that a provision of this chapter is being or has been violated may bring a citizen's action in the name of the state, in accordance with the procedures of this section.

(2) A citizen's action may be brought and prosecuted only if the person first has filed a complaint with the commission and:

(a) The commission has not taken action authorized under

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

RCW 42.17A.755(1) within ninety days of the complaint being filed with the commission~~(and)~~, and the person who initially filed the complaint with the commission provided written notice to the attorney general in accordance with RCW 42.17A.755(5) and the attorney general has not commenced an action, or published a decision whether to commence action pursuant to RCW 42.17A.765(1)(b), within forty-five days of receiving the notice;

(b) For matters referred to the attorney general within ninety days of the commission receiving the complaint, the attorney general has not commenced an action, or published a decision whether to commence an action pursuant to RCW 42.17A.765(1)(b), within forty-five days of receiving referral from the commission; and

(c) The person who initially filed the complaint with the commission has provided notice of a citizen's action in accordance with subsection (3) of this section and the commission or the attorney general has not commenced action within the ten days provided under subsection (3) of this section.

(3) To initiate the citizen's action, after meeting the requirements under subsection (2) (a) and (b) of this section, a person must notify the attorney general and the commission that ~~(he or she)~~ the person will commence a citizen's action within ten days if the commission does not take action authorized under RCW 42.17A.755(1), or ~~(if applicable,)~~ the attorney general does not commence an action or publish a decision whether to commence an action pursuant to RCW 42.17A.765(1)(b). The attorney general and the commission must notify the other of its decision whether to commence an action.

(4) The citizen's action must be commenced within two years after the date when the alleged violation occurred and may not be commenced against a committee or incidental committee before the end of such period if the committee or incidental committee has received an acknowledgment of dissolution.

(5) If the person who brings the citizen's action prevails, the judgment awarded shall escheat to the state, but he or she shall be entitled to be reimbursed by the state for reasonable costs and reasonable attorneys' fees the person incurred. In the case of a citizen's action that is dismissed and that the court also finds was brought without reasonable cause, the court may order the person commencing the action to pay all trial costs and reasonable attorneys' fees incurred by the defendant.

**Sec. 41.** RCW 42.17A.785 and 2018 c 304 s 18 are each amended to read as follows:

(1) The public disclosure transparency account is created in the state treasury. All receipts from penalties, sanctions, or other remedies collected pursuant to enforcement actions ~~((#))~~, settlements, judgments, or otherwise under this chapter, including any fees or costs awarded to the state, must be deposited into the account. Moneys in the account may be spent only after appropriation. Moneys in the account may be used only for the implementation of chapter 304, Laws of 2018 and duties under this chapter, and may not be used to supplant general fund appropriations to the commission.

(2) Any fees and costs awarded pursuant to RCW 42.17A.775(5) may not be deposited into the public disclosure transparency account or reimbursed from the account or otherwise by the state. Payment and collection of any such fees and costs are the sole responsibility of the person commencing the action and the defendant.

**NEW SECTION. Sec. 42.** The following acts or parts of acts are each repealed:

(1)RCW 42.17A.050 (Web site for commission documents) and 2010 c 204 s 201, 1999 c 401 s 9, & 1994 c 40 s 2;

(2)RCW 42.17A.061 (Access goals) and 2010 c 204 s 203, 2000 c 237 s 5, & 1999 c 401 s 2; and

(3)RCW 42.17A.245 (Electronic filing—When required) and 2011 c 145 s 4, 2010 c 204 s 410, 2000 c 237 s 4, & 1999 c 401 s 12.

**NEW SECTION. Sec. 43.** Sections 35 and 36 of this act take effect January 1, 2020.

**NEW SECTION. Sec. 44.** Except for sections 35 and 36 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

On page 1, line 2 of the title, after "enforcement;" strike the remainder of the title and insert "amending RCW 42.17A.001, 42.17A.055, 42.17A.065, 42.17A.100, 42.17A.105, 42.17A.110, 42.17A.120, 42.17A.125, 42.17A.135, 42.17A.140, 42.17A.205, 42.17A.207, 42.17A.215, 42.17A.225, 42.17A.255, 42.17A.260, 42.17A.265, 42.17A.305, 42.17A.345, 42.17A.420, 42.17A.475, 42.17A.600, 42.17A.605, 42.17A.610, 42.17A.615, 42.17A.630, 42.17A.655, 42.17A.700, 42.17A.710, 42.17A.750, 42.17A.755, 42.17A.765, 42.17A.775, and 42.17A.785; reenacting and amending RCW 42.17A.005, 42.17A.210, 42.17A.230, 42.17A.235, and 42.17A.240; adding a new section to chapter 42.17A RCW; creating a new section; repealing RCW 42.17A.050, 42.17A.061, and 42.17A.245; providing an effective date; and declaring an emergency."

Senators Hunt and Zeiger 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. 781 by Senator Hunt to Substitute House Bill No. 1195.

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

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1195 as amended by the Senate.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1195 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 34; Nays, 14; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Billig, Braun, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, Kuderer, Lias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Pedersen, Randall, Rolfes, Saldaña, Salomon, Sheldon, Takko, Van De Wege, Warnick, Wellman, Wilson, C. and Zeiger

Voting nay: Senators Becker, Brown, Ericksen, Fortunato, Holy, Honeyford, King, Padden, Palumbo, Schoesler, Short, Wagoner, Walsh and Wilson, L.

Excused: Senator Rivers

SUBSTITUTE HOUSE BILL NO. 1195, 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.

#### RULING BY THE PRESIDENT

President Habib: "I'm just going to take a moment to give everyone a little parliamentary pause. Just for the information of

members, because I know there has been some confusion about this, when we – when there is a motion to concur, the time to debate that motion to concur and any issues you would have with the bill, if that concurrence were to hang, is right then at that time. So I will grant wide latitude if members want to talk, not only about the amendments that we're concurring with, but also, you know, talk about how, 'Well if this does hang, here's why I wouldn't like the underlying bill, blah, blah, blah.' So, that's the time to do it. There's not going to be time then for a final passage debate once the, if the concurrence motion does prevail. Similarly, if a bill is returned, if the rules are suspended and the bill is returned to second reading for the purpose of an amendment, then the time to debate the bill as amended, any objections or favorable feelings you have, is right then at that time, because that is under a rule suspension. We're not going to go to third reading again. We're just going to go after that, if that amendment hangs, we're going to go straight to a final passage vote, just like we did right there. So just be aware – and if you have any parliamentary questions, feel free to ask us or raise a point of order at the time. Thank you."

REPORT OF THE CONFERENCE COMMITTEE  
Engrossed Second Substitute House Bill No. 1224  
April 25, 2019

MR. PRESIDENT:

MR. SPEAKER:

We of your conference committee, to whom was referred Engrossed Second Substitute House Bill No. 1224, have had the same under consideration and recommend that all previous amendments not be adopted and that the following striking amendment 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) "Authority" means the health care authority.

(2) "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.

(3) "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.

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

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

(6) "Pharmacy services administrative organization" means an entity that contracts with a pharmacy to act as the pharmacy's agent with respect to matters involving a pharmacy benefit manager, third-party payor, or other entities, including negotiating, executing, or administering contracts with the pharmacy benefit manager, third-party payor, or other entities and provides administrative services to pharmacies.

(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 (2)(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

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

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.** (1) By March 1st of each year, a pharmacy benefit manager must submit to the authority the following data from the previous calendar year:

(a) All discounts, including the total dollar amount and percentage discount, and all rebates received from a manufacturer for each drug on the pharmacy benefit manager's formularies;

(b) The total dollar amount of all discounts and rebates that are retained by the pharmacy benefit manager for each drug on the pharmacy benefit manager's formularies;

(c) Actual total reimbursement amounts for each drug the pharmacy benefit manager pays retail pharmacies after all direct and indirect administrative and other fees that have been retrospectively charged to the pharmacies are applied;

(d) The negotiated price health plans pay the pharmacy benefit manager for each drug on the pharmacy benefit manager's formularies;

(e) The amount, terms, and conditions relating to copayments, reimbursement options, and other payments or fees associated with a prescription drug benefit plan;

(f) Disclosure of any ownership interest the pharmacy benefit manager has in a pharmacy or health plan with which it conducts business; and

(g) The results of any appeal filed pursuant to RCW 19.340.100(3).

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

(3) The authority may examine or audit the financial records of a pharmacy benefit manager for purposes of ensuring the information submitted under this section is accurate. Information the authority acquires in an examination of financial records pursuant to this subsection is proprietary and confidential.

**NEW SECTION. Sec. 5. PHARMACY BENEFIT MANAGER COMPLIANCE.** (1) No later than March 1st of each calendar year, each pharmacy benefit manager must file with the authority, in the form and detail as required by the authority, a report for the preceding calendar year stating that the pharmacy benefit manager is in compliance with this chapter.

(2) A pharmacy benefit manager may not cause or knowingly permit the use of any advertisement, promotion, solicitation, representation, proposal, or offer that is untrue, deceptive, or misleading.

(3) An employer-sponsored self-funded health plan or a Taft-Hartley trust health plan may voluntarily provide the data described in subsection (1) of this section.

**NEW SECTION. Sec. 6. 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 possible sixty days before the price increase, that submission must be made as soon as known 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.

**NEW SECTION. Sec. 7. 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. 8. 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 possible sixty days before the price increase, that submission must be made as soon as known but not later than the date of the price increase.

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

(4) By December 1, 2020, the authority must provide recommendations on how to provide advance notice of price increases to purchasers consistent with state and federal law.

**NEW SECTION. Sec. 9. 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. 10. 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 pursuant to this chapter 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.

(3) Beginning January 1, 2021, and by each January 1st thereafter, the authority must publish the report on its web site.

(4) Except for the report, and as provided in subsection (5) of this section, the authority shall keep confidential all data

submitted pursuant to sections 3 through 9 of this act.

(5) For purposes of public policy, upon request of a legislator, the authority must provide all data provided pursuant to sections 3 through 9 of this act and any analysis prepared by the authority. Any information provided pursuant to this subsection must be kept confidential within the legislature and may not be publicly released.

(6) The data collected pursuant to this chapter is not subject to public disclosure under chapter 42.56 RCW.

**NEW SECTION. Sec. 11. 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 9 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. 12.** 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. 13. RULE MAKING.** The authority may adopt any rules necessary to implement the requirements of this chapter.

**Sec. 14.** 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 11 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. 15.** Sections 1 through 13 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."

And the bill do pass as recommended by the conference committee.

Signed by Senators Cleveland, Mullet and Rivers; Representatives Macri, Robinson and Schmick.

MOTION

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

Senator Cleveland moved that the Report of the Conference Committee on Engrossed Second Substitute House Bill No. 1224 be adopted.

Senators Cleveland, O’Ban, Keiser and Mullet spoke in favor of passage of the motion.

The President declared the question before the Senate to be the motion by Senator Cleveland that the Report of the Conference Committee on Engrossed Second Substitute House Bill No. 1224 be adopted.

The motion by Senator Cleveland carried and the Report of the Conference Committee was adopted by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1224, as recommended by the Conference Committee.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1224, as recommended by the Conference Committee, 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, McCoy, Mullet, Nguyen, O’Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator Rivers

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1224, as recommended by the Conference Committee, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

PERSONAL PRIVILEGE

Senator Keiser: “I’d like to note that today is Worker Memorial Day. It’s an annual event and here it’s happening right now in our city, at the Department of Labor and Industries. They are reading the names of the workers who have died in the last year on the job. There are, in this state alone, fifty-eight workers – sixty-eight workers who died from accidents on the job and another twenty-three workers who died from occupational illnesses this year. That’s a total of ninety-one people in our state who passed away today, or, this year and what is being memorialized today and what is really sad, of course, is that virtually all of these deaths are preventable. They don’t have to happen. Every one of you probably have someone being, whose name is being read over at the Department of Labor and Industries Building right now. Somebody in your district. Somebody who you know. Many of us had heard about Joe Arrants, who had worked on the 520 bridge as a young carpenter who fell, who left a family, and whose bill will be signed by the governor tomorrow, Senate Bill 5119, with his wife Heather and young children there. It was called ‘Joe’s bill.’ You probably remember that. You may remember the incident just this year one of my constituents was working at her chiropractic office and in Burién, Gabriella Reyes Dominguez, fifty one years old, shot by a stray bullet, died on the job. It’s a time of memoriam for these people and, Mr. President, may I request a moment of silence for these workers?”

MOMENT OF SILENCE

At the request of Senator Keiser, the Senate rose and observed a moment of silence in memory of all Washington workers who died from workplace injuries and illnesses throughout the last year.

PERSONAL PRIVILEGE

Senator Conway: “I agree with everything that was said. I just want to correct, actually Worker Memorial Day is April the 28<sup>th</sup> and many of our communities will also be celebrating the Worker Memorial Day. So, I asked my colleagues here to pay attention to that because I know many of our local groups do celebrate that as well. So, urge your support for this effort. Thank you.”

MOTION

At 2:18 p.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

Senator McCoy announced a meeting of the Democratic caucus immediately upon going at ease as well as a photograph of the members of the Democratic Caucus at the bar of the senate at the conclusion of caucus.

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

----

The Senate was called to order at 4:27 p.m. by President Habib.

MESSAGES FROM THE HOUSE

April 25, 2019

MR. PRESIDENT:

The House has passed:

SENATE BILL NO. 5359,  
SUBSTITUTE SENATE BILL NO. 5734,  
and the same are herewith transmitted.  
NONA SNELL, Deputy Chief Clerk

April 25, 2019

MR. PRESIDENT:

The House has passed:

SUBSTITUTE HOUSE BILL NO. 1652,  
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

MOTION

Senator Salomon moved that Douglass Jackson, Senate Gubernatorial Appointment No. 9108, be confirmed as a member of the Shoreline Community College Board of Trustees.

Senator Salomon spoke in favor of the motion.

MOTION

On motion of Senator Schoesler, Senator Rivers was excused.

## APPOINTMENT OF DOUGLASS JACKSON

April 17, 2019

The President declared the question before the Senate to be the confirmation of Douglass Jackson, Senate Gubernatorial Appointment No. 9108, as a member of the Shoreline Community College Board of Trustees.

The Secretary called the roll on the confirmation of Douglass Jackson, Senate Gubernatorial Appointment No. 9108, as a member of the Shoreline Community College Board of Trustees 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, Erickson, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator Rivers

Douglass Jackson, Senate Gubernatorial Appointment No. 9108, having received the constitutional majority was declared confirmed as a member of the Shoreline Community College Board of Trustees.

## MOTION

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

## SUPPLEMENTAL INTRODUCTION AND FIRST READING

EHB 1789 by Representatives Fey, Barkis, Irwin, Dent, Young, Mead, Chambers, Stanford, Ryu, Calder, Springer, Walsh, Kloba, Kirby, Wylie, Griffey, Stokesbary, Vick, Appleton, Lovick, Ortiz-Self, Schmick, Steele, Dye, Doglio, Goodman and Santos  
AN ACT Relating to making adjustments to the service and filing fees for vehicle subagents and county auditors; amending RCW 46.17.040, 46.17.005, and 46.68.400; and creating a new section.

Referred to Committee on Transportation.

ESHB 2161 by House Committee on Transportation (originally sponsored by Fey and Fitzgibbon)  
AN ACT Relating to concerning ferry vessel procurement; amending RCW 47.60.810 and 47.60.315; and adding a new section to chapter 47.60 RCW.

Placed on 2<sup>nd</sup> Reading Calendar.

## 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 reverted to the fourth order of business.

## MESSAGE FROM THE HOUSE

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5652 with the following amendment(s): 5652-S AMH TR H2818.1

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 46.55.090 and 1995 c 360 s 4 are each amended to read as follows:

(1) All vehicles impounded shall be taken to the nearest storage location that has been inspected and is listed on the application filed with the department.

(2) All vehicles and stored personal belongings shall be handled and returned in substantially the same condition as they existed before being towed.

(3) ~~((A))~~ For purposes of this subsection, "personal belongings" means personal property and contents in ((the)) a vehicle, with the exception of those items of personal property that are registered or titled with the department((s)). For a period of twenty days from impound, personal belongings shall be kept intact, and shall be returned to the vehicle's owner or agent during normal business hours upon request and presentation of a driver's license or other sufficient identification. ((Personal belongings, with the exception of those items of personal property that are registered or titled with the department, shall not)) A vehicle's owner or agent may retrieve personal belongings from the vehicle and request that the registered tow truck operator store the personal belongings for a period of thirty days from the date of signing a personal belongings storage request form. If a personal belongings storage request form is not submitted, personal belongings not claimed within twenty days from the date of the impound are considered abandoned and may be disposed of at the registered tow truck operator's discretion. If a personal belongings storage request form is submitted to the registered tow truck operator, personal belongings not claimed within thirty days of the date the personal belongings storage request form is submitted are considered abandoned and may be disposed of at the registered tow truck operator's discretion. Abandoned personal belongings may be sold at auction with the vehicle to fulfill a lien against the vehicle. The department shall adopt rules prescribing the content and format of the personal belongings storage request form.

(4) ~~((All personal belongings, with the exception of those items of personal property that are registered or titled with the department, not claimed before the auction shall be turned over to the local law enforcement agency to which the initial notification of impoundment was given. Such personal belongings shall be disposed of pursuant to chapter 63.32 or 63.40 RCW.~~

~~((5))~~ Tow truck drivers shall have a Washington state driver's license endorsed for the appropriate classification under chapter 46.25 RCW or the equivalent issued by another state.

~~((6))~~ (5) Any person who shows proof of ownership or written authorization from the impounded vehicle's registered or legal owner or the vehicle's insurer may view the vehicle without charge during normal business hours.

**Sec. 2.** RCW 46.55.110 and 2017 c 43 s 1 are each amended to read as follows:

(1)(a) When an unauthorized vehicle is impounded, the impounding towing operator shall notify the legal and registered owners of the impoundment of the unauthorized vehicle and the owners of any other items of personal property registered or titled with the department. The notification shall be sent by first-class mail within twenty-four hours after the impoundment to the last known registered and legal owners of the vehicle, and the owners

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

of any other items of personal property registered or titled with the department, as provided by the law enforcement agency, and shall inform the owners of the identity of the person or agency authorizing the impound.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

(b) The notification shall include the name of the impounding tow firm, its address, and telephone number. The notice shall also include the location, time of the impound, and by whose authority the vehicle was impounded. The notice shall also include the written notice of the right of redemption and opportunity for a hearing to contest the validity of the impoundment pursuant to RCW 46.55.120.

Senator Fortunato moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5652.

Senator Fortunato spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Fortunato that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5652.

The motion by Senator Fortunato carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5652 by voice vote.

(c) The notification must include a notice that the registered tow truck operator will store personal belongings found in the vehicle at no cost if the vehicle's owner or agent is present to retrieve the personal belongings from the vehicle and sign a personal belongings storage request form before the date of auction. If the vehicle's owner calls a registered tow truck operator to inquire about the impounded vehicle, the registered tow truck operator shall inform the owner of the owner's ability to retrieve any personal belongings from the vehicle and to request the registered tow truck operator to store the personal belongings by signing a personal belongings storage request form before the date of auction. Registered tow truck operators shall store personal belongings at no cost for thirty days from the date the personal belongings are removed from the vehicle by the owner and the vehicle's owner or agent has signed a personal belongings storage request form. Registered tow truck operators shall maintain a record of any signed personal belongings storage request form.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5652, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5652, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 41; Nays, 7; Absent, 0; Excused, 1.

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

Voting nay: Senators Darneille, Das, Hasegawa, Keiser, Lovelett, Nguyen and Randall

Excused: Senator Rivers

SUBSTITUTE SENATE BILL NO. 5652, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 17, 2019

MR. PRESIDENT:

The House passed SECOND SUBSTITUTE SENATE BILL NO. 5672 with the following amendment(s): 5672-S2 AMH ENGR H2871.E

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A new section is added to chapter 70.128 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the developmental disabilities administration within the department shall work with stakeholders to design and implement services for individuals living in adult family homes who have a primary need of care related to a developmental or intellectual disability. These services must be enhancements or in addition to services currently available, and designed to meet the specific provisions related to the assessment, environment, regulations, provision of care, and training requirements. These services must be enhancements or in addition to services currently available, and designed to support an intentional environment to

(2) In addition, if a suspended license impound has been ordered, the notice must state the length of the impound, the requirement of the posting of a security deposit to ensure payment of the costs of removal, towing, and storage, notification that if the security deposit is not posted the vehicle will immediately be processed and sold at auction as an abandoned vehicle, and the requirements set out in RCW 46.55.120(1)(c) regarding the payment of the costs of removal, towing, and storage as well as providing proof of satisfaction of any penalties, fines, or forfeitures before redemption. The notice must also state that the registered owner is ineligible to purchase the vehicle at the abandoned vehicle auction, if held.

(3) In the case of an abandoned vehicle, or other item of personal property registered or titled with the department, within twenty-four hours after receiving information on the legal and registered owners from the department through the abandoned vehicle report, the tow truck operator shall send by first-class mail a notice of custody and sale to the legal and registered owners and of the penalties for the traffic infraction littering—abandoned vehicle. The notice must include a notice that the registered tow truck operator will store personal belongings found in the vehicle at no cost if the vehicle's owner or agent is present to retrieve the personal belongings from the vehicle and sign a personal belongings storage request form before the date of auction. The tow truck operator shall obtain a certificate of mailing from the United States postal service when notice is mailed.

(4) If the date on which a notice required by subsection (3) of this section is to be mailed falls upon a Saturday, Sunday, or a postal holiday, the notice may be mailed on the next day that is neither a Saturday, Sunday, nor a postal holiday.

(5) No notices need be sent to the legal or registered owners of an impounded vehicle or other item of personal property registered or titled with the department, if the vehicle or personal property has been redeemed."

Correct the title.

improve resident quality of life, promote resident safety, including protecting safety in relationships between residents, increase resident length of stay, clarify regulations, streamline training requirements, reduce the need for institutional settings, and attract more adult family home providers to develop such highly needed resources. The recommendations for these services must be completed by June 1, 2020, for consideration and implementation in the 2021-2023 biennium.

(2) Subject to the availability of amounts appropriated for this specific purpose, the aging and long-term support administration within the department shall work with stakeholders to design and implement proposed services for individuals living in adult family homes that are dedicated solely to the care of individuals with dementia, including Alzheimer's disease. These services must be enhancements or in addition to services currently available, and designed to include specific provisions related to the assessment, environment, regulations, provision of care, and training requirements. These services must be designed to support an intentional environment to improve resident quality of life, promote resident safety, including protecting safety in relationships between residents, increase resident length of stay, clarify regulations, streamline training requirements, reduce the need for institutional settings, and attract more adult family home providers to develop such highly needed resources. The recommendations for these services must be completed by June 1, 2020, for consideration and implementation in the 2021-2023 biennium.

**Sec. 2.** RCW 70.128.010 and 2007 c 184 s 7 are each amended to read as follows:

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

(1) "Adult family home" means a residential home in which a person or persons provide personal care, special care, room, and board to more than one but not more than six adults who are not related by blood or marriage to the person or persons providing the services.

(2) "Provider" means any person who is licensed under this chapter to operate an adult family home. For the purposes of this section, "person" means any individual, partnership, corporation, association, or limited liability company.

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

(4) "Resident" means an adult in need of personal or special care in an adult family home who is not related to the provider.

(5) "Adults" means persons who have attained the age of eighteen years.

(6) "Home" means an adult family home.

(7) "Imminent danger" means serious physical harm to or death of a resident has occurred, or there is a serious threat to resident life, health, or safety.

(8) "Special care" means care beyond personal care as defined by the department, in rule.

(9) "Capacity" means the maximum number of persons in need of personal or special care permitted in an adult family home at a given time. This number shall include related children or adults in the home and who received special care.

(10) "Resident manager" means a person employed or designated by the provider to manage the adult family home.

(11) "Adult family home licensee" means a provider as defined in this section who does not receive payments from the medicaid and state-funded long-term care programs.

(12) "Adult family home training network" means a nonprofit organization established by the exclusive bargaining representative of adult family homes designated under RCW 41.56.029 with the capacity to provide training, workforce

development, and other services to adult family homes.

**NEW SECTION. Sec. 3.** A new section is added to chapter 70.128 RCW to read as follows:

(1) If the department has any contracts for personal care services with any adult family home represented by an exclusive bargaining representative:

(a) Effective July 1, 2020, training required under this chapter for adult family homes must be available through an adult family home training network.

(b) The exclusive bargaining representative shall designate the adult family home training network.

(c) The parties to the collective bargaining agreement must negotiate a memorandum of understanding to provide for contributions to the adult family home training network. Contributions to the adult family home training network must begin no sooner than January 1, 2020. Contributions to the adult family home training network for fiscal year 2021 must be limited to no more than the amount appropriated for training in the 2019-2021 collective bargaining agreement.

(d) Contributions must be provided to the adult family home training network through a vendor contract executed by the department.

(e) The adult family home training network shall provide reports as required by the department verifying that providers have complied with all training requirements.

(2) Nothing in subsection (1) of this section:

(a) Limits the ability of a department-approved training entity or instructor to provide training to an adult family home provider, resident manager, or caregiver;

(b) Requires that a department-approved training entity or instructor contract with an adult family home training network; or

(c) Prevents an adult family home provider, resident manager, or caregiver from receiving training from a department-approved training entity or instructor.

**NEW SECTION. Sec. 4.** A new section is added to chapter 70.128 RCW to read as follows:

(1) By December 1, 2020, the department shall report to the appropriate committees of the legislature on the status of the adult family home training network.

(2) This section expires July 1, 2021.

**Sec. 5.** RCW 70.128.230 and 2013 c 259 s 5 are each amended to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Caregiver" includes all adult family home resident managers and any person who provides residents with hands-on personal care on behalf of an adult family home, except volunteers who are directly supervised.

(b) "Indirect supervision" means oversight by a person who has demonstrated competency in the core areas or has been fully exempted from the training requirements pursuant to this section and is quickly and easily available to the caregiver, but not necessarily on-site.

(2) Training must have three components: Orientation, basic training, and continuing education. All adult family home providers, resident managers, and employees, or volunteers who routinely interact with residents shall complete orientation. Caregivers shall complete orientation, basic training, and continuing education.

(3) Orientation consists of introductory information on residents' rights, communication skills, fire and life safety, and universal precautions. Orientation must be provided at the facility by appropriate adult family home staff to all adult family home employees before the employees have routine interaction with

residents.

(4) Basic training consists of modules on the core knowledge and skills that caregivers need to learn and understand to effectively and safely provide care to residents. Basic training must be outcome-based, and the effectiveness of the basic training must be measured by demonstrated competency in the core areas through the use of a competency test. Basic training must be completed by caregivers within one hundred twenty days of the date on which they begin to provide hands-on care. Until competency in the core areas has been demonstrated, caregivers shall not provide hands-on personal care to residents without direct supervision.

(5) For adult family homes that serve residents with special needs such as dementia, developmental disabilities, or mental illness, specialty training is required of providers and resident managers.

(a) Specialty training consists of modules on the core knowledge and skills that providers and resident managers need to effectively and safely provide care to residents with special needs. Specialty training should be integrated into basic training wherever appropriate. Specialty training must be outcome-based, and the effectiveness of the specialty training measured by demonstrated competency in the core specialty areas through the use of a competency test.

(b) Specialty training must be completed by providers and resident managers before admitting and serving residents who have been determined to have special needs related to mental illness, dementia, or a developmental disability. Should a resident develop special needs while living in a home without specialty designation, the provider and resident manager have one hundred twenty days to complete specialty training.

(6) Continuing education consists of ongoing delivery of information to caregivers on various topics relevant to the care setting and care needs of residents. Competency testing is not required for continuing education. Continuing education is not required in the same calendar year in which basic or modified basic training is successfully completed. Continuing education is required in each calendar year thereafter. If specialty training is completed, the specialty training applies toward any continuing education requirement for up to two years following the completion of the specialty training.

(7) Persons who successfully ~~((challenge))~~ complete the competency challenge test for basic training are fully exempt from the basic training requirements of this section. Persons who successfully ~~((challenge))~~ complete the specialty training competency challenge test are fully exempt from the specialty training requirements of this section.

(8) (a) Registered nurses and licensed practical nurses licensed under chapter 18.79 RCW are exempt from any continuing education requirement established under this section.

(b) The department may adopt rules that would exempt licensed persons from all or part of the training requirements under this chapter, if they are (i) performing the tasks for which they are licensed and (ii) subject to chapter 18.130 RCW.

(9) In an effort to improve access to training and education and reduce costs, especially for rural communities, the ~~((coordinated system of long term care training and education))~~ adult family home training network must include the use of innovative types of learning strategies such as internet resources, videotapes, and distance learning using satellite technology coordinated through community colleges, private associations, or other entities, as defined by the department.

(10) The adult family home training network shall assist adult family homes that desire to deliver facility-based training with facility designated trainers, or adult family homes that desire to

pool their resources to create shared training systems~~((must be encouraged by the department in their efforts))~~). The department shall develop criteria for reviewing and approving trainers and training materials. The department may approve a curriculum based upon attestation by an adult family home administrator that the adult family home's training curriculum addresses basic and specialty training competencies identified by the department, and shall review a curriculum to verify that it meets these requirements. The department may conduct the review as part of the next regularly scheduled inspection authorized under RCW 70.128.070. The department shall rescind approval of any curriculum if it determines that the curriculum does not meet these requirements.

(11) The department shall adopt rules by September 1, 2002, for the implementation of this section.

(12)(a) Except as provided in (b) of this subsection, the orientation, basic training, specialty training, and continuing education requirements of this section commence September 1, 2002, and shall be applied to (i) employees hired subsequent to September 1, 2002; or (ii) existing employees that on September 1, 2002, have not successfully completed the training requirements under RCW 70.128.120 or 70.128.130 and this section. Existing employees who have not successfully completed the training requirements under RCW 70.128.120 or 70.128.130 shall be subject to all applicable requirements of this section.

(b) Beginning January 7, 2012, long-term care workers, as defined in RCW 74.39A.009, employed by an adult family home are also subject to the training requirements under RCW 74.39A.074.

NEW SECTION. Sec. 6. 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."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Cleveland moved that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5672.

Senators Cleveland and Conway spoke in favor of the motion. Senator O'Ban spoke against the motion.

The President declared the question before the Senate to be the motion by Senator Cleveland that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5672.

The motion by Senator Cleveland carried and the Senate concurred in the House amendment(s) to Second Substitute Senate Bill No. 5672 by voice vote.

The President declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5672, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5672, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 31; Nays, 17; Absent, 0; Excused, 1.

Voting yea: Senators Becker, Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy,

Mullet, Nguyen, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Takko, Van De Wege, Wellman and Wilson, C.

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

Excused: Senator Rivers

SECOND SUBSTITUTE SENATE BILL NO. 5672, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### MOTION

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

#### SECOND READING

SENATE BILL NO. 5993, by Senators Frockt, Billig, Lias and Hunt

Reforming the financial structure of the model toxics control program.

#### MOTION

On motion of Senator Frockt, Substitute Senate Bill No. 5993 was substituted for Senate Bill No. 5993 and the substitute bill was placed on the second reading and read the second time.

#### MOTION

Senator Frockt moved that the following amendment no. 798 by Senators Billig and Frockt be adopted:

On page 1, line 11, after "during the" strike all material through "biennia" and insert "2019-2021 biennium"

On page 2, line 37, after "dollar and" strike "thirty-nine" and insert "nine"

On page 3, line 2, after "as follows" insert ", after first depositing the tax as provided in (c) of this subsection (1)"

On page 3, line 3, after "(i)" strike "Forty-five" and insert "Sixty"

On page 3, line 5, after "(ii)" strike "Forty" and insert "Twenty-five"

On page 3, line 9, after "(c)" insert "Until the beginning of the ensuing biennium after the enactment of an additive transportation funding act, fifty million dollars per biennium to the motor vehicle fund to be used exclusively for transportation stormwater activities and projects. For purposes of this subsection, "additive transportation funding act" means an act in which the combined total of new revenues deposited into the motor vehicle fund and the multimodal transportation account exceed two billion dollars per biennium attributable solely to an increase in revenue from the enactment of the act.

(d)"

Correct any internal references accordingly.

Senator Frockt spoke in favor of adoption of the amendment.

#### POINT OF INQUIRY

Senator Ericksen: "Will the gentleman from the Forty-sixth yield to a question?"

President Habib: "Senator Frockt do you yield to a question? The Senator does not yield to a question. Senator Ericksen please proceed."

Senator Ericksen spoke against adoption of the amendment.  
Senator Hobbs spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 798 by Senators Billig and Frockt on page 1, line 11 to Substitute Senate Bill No. 5993.

The motion by Senator Frockt carried and amendment no. 798 was adopted by voice vote.

#### MOTION

Senator Braun moved that the following amendment no. 774 by Senator Braun be adopted:

On page 2, after line 26, insert the following:

"**Sec. 102.** RCW 82.21.020 and 2002 c 105 s 1 are each amended to read as follows:

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

(1) "Hazardous substance" means:

(a) Any substance that, on March 1, 2002, is a hazardous substance under section 101(14) of the federal comprehensive environmental response, compensation, and liability act of 1980, 42 U.S.C. Sec. 9601(14), as amended by Public Law 99-499 on October 17, 1986, except that hazardous substance does not include the following noncompound metals when in solid form in a particle larger than one hundred micrometers (0.004 inches) in diameter: Antimony, arsenic, beryllium, cadmium, chromium, copper, lead, nickel, selenium, silver, thallium, or zinc;

(b) Petroleum products;

(c) Any pesticide product required to be registered under section 136a of the federal insecticide, fungicide and rodenticide act, 7 U.S.C. Sec. 136 et seq., as amended by Public Law 104-170 on August 3, 1996; and

(d) Any other substance, category of substance, and any product or category of product determined by the director of ecology by rule to present a threat to human health or the environment if released into the environment. The director of ecology ~~(shall)~~ may not add or delete substances from this definition more often than twice during each calendar year. For tax purposes, changes in this definition ~~(shall)~~ take effect on the first day of the next month that is at least thirty days after the effective date of the rule. The word "product" or "products" as used in this paragraph (d) means an item or items containing both: (i) One or more substances that are hazardous substances under (a), (b), or (c) of this subsection or that are substances or categories of substances determined under this paragraph (d) to present a threat to human health or the environment if released into the environment; and (ii) one or more substances that are not hazardous substances.

(2) "Petroleum product" means plant condensate, lubricating oil, gasoline, ~~(aviation fuel,)~~ kerosene, diesel motor fuel, benzol, fuel oil, residual oil, liquefied or liquefiable gases such as butane, ethane, and propane, and every other product derived from the refining of crude oil, but the term does not include crude oil or aviation fuel.

(3) "Possession" means the control of a hazardous substance located within this state and includes both actual and constructive possession. "Actual possession" occurs when the person with control has physical possession. "Constructive possession" occurs

when the person with control does not have physical possession. "Control" means the power to sell or use a hazardous substance or to authorize the sale or use by another.

(4) "Previously taxed hazardous substance" means a hazardous substance in respect to which a tax has been paid under this chapter and which has not been remanufactured or reprocessed in any manner (other than mere repackaging or recycling for beneficial reuse) since the tax was paid.

(5) "Wholesale value" means fair market wholesale value, determined as nearly as possible according to the wholesale selling price at the place of use of similar substances of like quality and character, in accordance with rules of the department.

(6) Except for terms defined in this section, the definitions in chapters 82.04, 82.08, and 82.12 RCW apply to this chapter.

**Sec. 103.** RCW 82.21.040 and 2015 3rd sp.s. c 6 s 1902 are each amended to read as follows:

The following are exempt from the tax imposed in this chapter:

(1) Any successive possession of a previously taxed hazardous substance. If tax due under this chapter has not been paid with respect to a hazardous substance, the department may collect the tax from any person who has had possession of the hazardous substance. If the tax is paid by any person other than the first person having taxable possession of a hazardous substance, the amount of tax paid (~~shall~~) constitutes a debt owed by the first person having taxable possession to the person who paid the tax(=);

(2) Any possession of a hazardous substance by a natural person under circumstances where the substance is used, or is to be used, for a personal or domestic purpose (and not for any business purpose) by that person or a relative of, or person residing in the same dwelling as, that person(=);

(3) Any possession of a hazardous substance amount which is determined as minimal by the department of ecology and which is possessed by a retailer for the purpose of making sales to ultimate consumers. This exemption does not apply to pesticide or petroleum products(=);

(4) Any possession of alumina or natural gas(=);

(5)(a) Any possession of a hazardous substance as defined in RCW 82.21.020(1)(c) that is solely for use by a farmer or certified applicator as an agricultural crop protection product and warehoused in this state or transported to or from this state, provided that the person possessing the substance does not otherwise use, manufacture, package for sale, or sell the substance in this state.

(b) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(i) "Agricultural crop protection product" means a chemical regulated under the federal insecticide, fungicide, and rodenticide act, 7 U.S.C. Sec. 136 as amended as of September 1, 2015, when used to prevent, destroy, repel, mitigate, or control predators, diseases, weeds, or other pests.

(ii) "Certified applicator" has the same meaning as provided in RCW 17.21.020.

(iii) "Farmer" has the same meaning as in RCW 82.04.213.

(iv) "Manufacturing" includes mixing or combining agricultural crop protection products with other chemicals or other agricultural crop protection products.

(v) "Package for sale" includes transferring agricultural crop protection products from one container to another, including the transfer of fumigants and other liquid or gaseous chemicals from one tank to another.

(vi) "Use" has the same meaning as in RCW 82.12.010(=);

(6) Any possession of aviation fuel; and

(7) Persons or activities (~~which~~) that the state is prohibited from taxing under the United States Constitution."

On page 1, line 2 of the title, after "82.21.010," insert "82.21.020, 82.21.040,"

Senator Braun spoke in favor of adoption of the amendment.

Senator Frockt spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 774 by Senator Braun on page 2, after line 26 to Substitute Senate Bill No. 5993.

The motion by Senator Braun did not carry and amendment no. 774 was not adopted by voice vote.

MOTION

Senator Braun moved that the following amendment no. 797 by Senator Braun be adopted:

On page 2, after line 27, insert the following:

"NEW SECTION. Sec. 201. (1) This section is the tax increase performance statement for the tax increase contained in section 202, chapter . . ., Laws of 2019 (section 202 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax increase.

(2) The legislature categorizes this tax increase as one intended to increase environmental cleanup and remediation without negatively impacting the Washington state economy.

(3) It is the legislature's specific public policy objective to increase funding for programs and projects related to clean air, clean water, and toxic cleanup and prevention, in a way that does not negatively impact the economy in the state of Washington.

(4) If a review finds that the tax increase in section 202, chapter . . ., Laws of 2019 (section 202 of this act) has negatively impacted employment in the petroleum industry, the committee must recommend that the tax increase not be reinstated.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to data provided by the employment security department and the department of revenue."

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

On page 2, line 36, after "2019," insert "and through June 30, 2025,"

On page 2, line 37, after "barrel," insert "Beginning July 1, 2025, the rate of the tax on petroleum products is seventy cents per barrel."

Senators Braun, Ericksen and Wagoner spoke in favor of adoption of the amendment.

Senator Frockt spoke against adoption of the amendment.

Senator Wagoner demanded a roll call.

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

The President declared the question before the Senate to be the adoption of the amendment by Senator Braun on page 2, after line 27 to Substitute Senate Bill No. 5993.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Braun 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, Hawkins, Holy, Honeyford, King, Lovelett, O'Ban,

Padden, Randall, Schoesler, Sheldon, Short, Takko, Wagoner, Walsh, Warnick, Wilson, L. and Zeiger

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

Excused: Senator Rivers.

#### MOTION

Senator Short moved that the following amendment no. 793 by Senators Braun and Short be adopted:

On page 2, line 36, after "(b)" strike "Beginning" and insert "Except as provided in (d) of this subsection (1), beginning"

On page 3, after line 18, insert the following:

"(d) If annual employment in the petroleum refining industry in Washington state declines by more than five percent from calendar year 2019 annual employment in the petroleum refining industry in Washington state, based on employment data for the prior calendar year, then beginning July 1st of the current calendar year, the rate of tax on petroleum products is seventy cents per barrel. Annual employment must be determined using employment data provided by the employment security department to the department of revenue."

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

Senator Frockt spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 793 by Senators Braun and Short on page 2, line 36 to Substitute Senate Bill No. 5993.

The motion by Senator Short did not carry and amendment no. 793 was not adopted by voice vote.

#### MOTION

Senator Braun moved that the following amendment no. 763 by Senator Braun be adopted:

On page 2, line 37, after "is" strike "one dollar and thirty-nine" and insert "seventy"

On page 3, beginning on line 25, strike all of subsection (3) Correct any internal references accordingly.

Senators Braun and Short spoke in favor of adoption of the amendment.

Senator Frockt spoke against adoption of the 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.

Senators Carlyle and Schoesler spoke against adoption of the amendment.

Senator Short withdrew her demand for a roll call.

The President declared the question before the Senate to be the adoption of amendment no. 763 by Senator Braun on page 2, line 37 to Substitute Senate Bill No. 5993.

The motion by Senator Braun did not carry and amendment no. 763 was not adopted by voice vote.

#### MOTION

Senator Ericksen moved that the following amendment no. 794

by Senator Ericksen be adopted:

On page 3, beginning on line 25 strike all material through line 30.

Senator Ericksen spoke in favor of adoption of the amendment. Senator Frockt spoke against adoption of the amendment.

#### REMARKS BY THE PRESIDENT

President Habib: "Senator Frockt, I am going to stop you real quick. I know you are tired and we've all had long nights and long days but we don't 'spew.' We 'speak' on the Senate floor and so please be respectful and I would ask everyone be respectful as debate continues."

Senator Frockt spoke against adoption of the amendment.

Senators Braun and Short spoke in favor of adoption of the amendment.

Senator Short demanded a roll call.

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

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

The President declared the question before the Senate to be the adoption of the amendment by Senator Ericksen on page 3, after line 25 to Substitute Senate Bill No. 5993.

#### ROLL CALL

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, 22; Nays, 26; Absent, 0; Excused, 1.

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

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

Excused: Senator Rivers.

#### WITHDRAWAL OF AMENDMENT

On motion of Senator Frockt and without objection, amendment no. 787 by Senator Frockt on page 5, line 19 to Substitute Senate Bill No. 5993 was withdrawn.

#### MOTION

Senator Frockt moved that the following amendment no. 799 by Senator Frockt be adopted:

On page 5, line 19, after "chapter" insert ", except as provided under RCW 70.105D.---(7) (section 2(7), chapter . . . (SHB 1290), Laws of 2019)"

The President declared the question before the Senate to be the adoption of amendment no. 799 by Senator Frockt on page 5, line 19 to Substitute Senate Bill No. 5993.

The motion by Senator Frockt carried and amendment no. 799 was adopted by voice vote.

MOTION

Senator Ericksen moved that the following amendment no. 791 by Senator Ericksen be adopted:

On page 9, after line 17, insert the following:

"**Sec. 205.** RCW 82.21.040 and 2015 3rd sp.s. c 6 s 1902 are each amended to read as follows:

The following are exempt from the tax imposed in this chapter:

(1) Any successive possession of a previously taxed hazardous substance. If tax due under this chapter has not been paid with respect to a hazardous substance, the department may collect the tax from any person who has had possession of the hazardous substance. If the tax is paid by any person other than the first person having taxable possession of a hazardous substance, the amount of tax paid shall constitute a debt owed by the first person having taxable possession to the person who paid the tax.

(2) Any possession of a hazardous substance by a natural person under circumstances where the substance is used, or is to be used, for a personal or domestic purpose (and not for any business purpose) by that person or a relative of, or person residing in the same dwelling as, that person.

(3) Any possession of a hazardous substance amount which is determined as minimal by the department of ecology and which is possessed by a retailer for the purpose of making sales to ultimate consumers. This exemption does not apply to pesticide or petroleum products.

(4) Any possession of alumina or natural gas.

(5)(a) Any possession of a hazardous substance as defined in RCW 82.21.020(1)(c) that is solely for use by a farmer or certified applicator as an agricultural crop protection product and warehoused in this state or transported to or from this state, provided that the person possessing the substance does not otherwise use, manufacture, package for sale, or sell the substance in this state.

(b) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(i) "Agricultural crop protection product" means a chemical regulated under the federal insecticide, fungicide, and rodenticide act, 7 U.S.C. Sec. 136 as amended as of September 1, 2015, when used to prevent, destroy, repel, mitigate, or control predators, diseases, weeds, or other pests.

(ii) "Certified applicator" has the same meaning as provided in RCW 17.21.020.

(iii) "Farmer" has the same meaning as in RCW 82.04.213.

(iv) "Manufacturing" includes mixing or combining agricultural crop protection products with other chemicals or other agricultural crop protection products.

(v) "Package for sale" includes transferring agricultural crop protection products from one container to another, including the transfer of fumigants and other liquid or gaseous chemicals from one tank to another.

(vi) "Use" has the same meaning as in RCW 82.12.010.

(6) Persons or activities which the state is prohibited from taxing under the United States Constitution.

(7) Any possession of petroleum products subsequently exported from or sold for export from the state."

On page 1, line 2 of the title, after "82.21.030," insert "82.21.040,"

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

Senator Frockt spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 791 by Senator Ericksen on page 9,

after line 17 to Substitute Senate Bill No. 5993.

The motion by Senator Ericksen did not carry and amendment no. 791 was not adopted by voice vote.

MOTION

Senator Warnick moved that the following amendment no. 762 by Senator Warnick be adopted:

On page 30, after line 17, insert the following:

"**NEW SECTION. Sec. 415.** The automatic expiration date provisions of RCW 82.32.805(1)(a) do not apply to section 1902, chapter 6, Laws of 2015 3rd sp. sess."

Re-number the remaining sections consecutively and correct any internal references accordingly.

Senators Warnick, Schoesler and Padden spoke in favor of adoption of the amendment.

Senator Frockt spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 762 by Senator Warnick on page 30, after line 17 to Substitute Senate Bill No. 5993.

The motion by Senator Warnick did not carry and amendment no. 762 was not adopted by a rising vote.

MOTION

Senator Ericksen moved that the following amendment no. 792 by Senator Ericksen be adopted:

On page 30, after line 17, insert the following:

"**NEW SECTION. Sec. 415.** This act is null and void if, during the 2019-2021 fiscal biennium, any funds from the following accounts are transferred to the state general fund: State toxics control account, local toxics control account, environmental legacy stewardship account, model toxics control operating account, model toxics control capital account, or model toxics control stormwater account."

Re-number the remaining sections consecutively and correct any internal references accordingly.

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

Senator Frockt spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 792 by Senator Ericksen on page 30, after line 17 to Substitute Senate Bill No. 5993.

The motion by Senator Ericksen did not carry and amendment no. 792 was not adopted by voice vote.

MOTION

Senator Braun moved that the following amendment no. 796 by Senator Braun be adopted:

On page 30, beginning on line 18, insert the following:

"**Sec. 415.** RCW 43.88.055 and 2012 1st sp.s. c 8 s 1 are each amended to read as follows:

(1) The legislature must adopt a four-year balanced budget as follows:

(a) Beginning in the 2013-2015 fiscal biennium, the legislature shall enact a balanced omnibus operating appropriations bill that leaves, in total, a positive ending fund balance in the general fund and related funds.

(b) Beginning in the 2013-2015 fiscal biennium, the projected maintenance level of the omnibus appropriations bill enacted by the legislature shall not exceed the available fiscal resources for the next ensuing fiscal biennium.

(2) For purposes of this section:

(a) "Available fiscal resources" means the beginning general fund and related fund balances and any fiscal resources estimated for the general fund and related funds, adjusted for enacted legislation, and with forecasted revenues adjusted to the greater of (i) the official general fund and related funds revenue forecast for the ensuing biennium, or (ii) the official general fund and related funds forecast for the second fiscal year of the current fiscal biennium, increased by 4.5 percent for each fiscal year of the ensuing biennium;

(b) "Projected maintenance level" means estimated appropriations necessary to maintain the continuing costs of program and service levels either funded in that appropriations bill or mandated by other state or federal law, and the amount of any general fund moneys projected to be transferred to the budget stabilization account pursuant to Article VII, section 12 of the state Constitution, but does not include in the 2013-2015 and 2015-2017 fiscal biennia the costs related to the enhanced funding under the new definition of basic education as established in chapter 548, Laws of 2009, and affirmed by the decision in *Mathew McCleary et al., v. The State of Washington*, 173 Wn.2d 477, 269 P.3d 227, (2012), from which the short-term exclusion of these obligations is solely for the purposes of calculating this estimate and does not in any way indicate an intent to avoid full funding of these obligations;

(c) "Related funds," as used in this section, means the Washington opportunity pathways account, model toxics control operating account, and the education legacy trust account.

(3) Subsection (1)(a) and (b) of this section does not apply to an appropriations bill that makes net reductions in general fund and related funds appropriations and is enacted between July 1st and February 15th of any fiscal year.

(4) Subsection (1)(b) of this section does not apply in a fiscal biennium in which money is appropriated from the budget stabilization account.

**Sec. 416.** Section 415 of this act takes effect July 1, 2021."

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

On page 1, line 5 of the title, after "90.71.370," insert "43.88.055,"

Senator Braun spoke in favor of adoption of the amendment.

Senator Frockt spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 796 by Senator Braun on page 30, line 18 to Substitute Senate Bill No. 5993.

The motion by Senator Braun did not carry and amendment no. 796 was not adopted by voice vote.

#### MOTION

Senator Braun moved that the following amendment no. 785 by Senator Braun be adopted:

On page 2, after line 27, insert the following:

**"NEW SECTION. Sec. 201.** (1) This section is the tax increase performance statement for the tax increase contained in section 202, chapter . . . , Laws of 2019 (section 202 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax increase.

(2) The legislature categorizes this tax increase as one intended to increase environmental cleanup and remediation without negatively impacting the Washington state economy.

(3) It is the legislature's specific public policy objective to increase funding for programs and projects related to clean air, clean water, and toxic cleanup and prevention, in a way that does not negatively impact the economy in the state of Washington.

(4) If a review finds that the tax increase in section 202, chapter . . . , Laws of 2019 (section 202 of this act) has negatively impacted employment in the petroleum industry, the committee must recommend that the tax increase not be reinstated.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to data provided by the employment security department and the department of revenue."

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

On page 2, line 36, after "2019," insert "and through June 30, 2025."

On page 2, line 37, after "barrel," insert "Beginning July 1, 2025, the rate of the tax on petroleum products is seventy cents per barrel."

Senator Braun spoke in favor of adoption of the amendment.

Senator Frockt spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 785 by Senator Braun on page 31, line 6 to Substitute Senate Bill No. 5993.

The motion by Senator Braun did not carry and amendment no. 785 was not adopted by voice vote.

#### MOTION

On motion of Senator Frockt, the rules were suspended, Engrossed Substitute Senate Bill No. 5993 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Frockt, Carlyle, Palumbo and Conway spoke in favor of passage of the bill.

Senators Ericksen, Sheldon, Wagoner, Schoesler, Bailey and Braun spoke against passage of the bill.

#### MOTION

Senator Keiser demanded that the previous question be put.

The President declared that at least two additional senators joined the demand and the demand was sustained.

The President declared the question before the Senate to be, "Shall the main question be now put?"

The motion by Senator Keiser carried and the previous question was put by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5993.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5993 and the bill passed the Senate by the following vote: Yeas, 27; Nays, 22; Absent, 0; Excused, 0.

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

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen,

ONE HUNDRED SECOND DAY, APRIL 25, 2019  
 Fortunato, Hawkins, Holy, Honeyford, King, O’Ban, Padden,  
 Rivers, Schoesler, Sheldon, Short, Takko, Wagoner, Walsh,  
 Warnick, Wilson, L. and Zeiger

2019 REGULAR SESSION

ENGROSSED SUBSTITUTE SENATE BILL NO. 5993,  
 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 SUBSTITUTE HOUSE BILL NO. 1448,  
 HOUSE BILL NO. 1449,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1450,  
 SUBSTITUTE HOUSE BILL NO. 1480,  
 HOUSE BILL NO. 1486,  
 HOUSE BILL NO. 1516,  
 ENGROSSED SECOND SUBSTITUTE  
 HOUSE BILL NO. 1517,  
 SECOND SUBSTITUTE HOUSE BILL NO. 1528,  
 SUBSTITUTE HOUSE BILL NO. 1531,  
 HOUSE BILL NO. 1533,  
 HOUSE BILL NO. 1537,  
 SUBSTITUTE HOUSE BILL NO. 1545,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1557,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1569,  
 ENGROSSED SENATE BILL NO. 5453,  
 ENGROSSED SECOND SUBSTITUTE  
 SENATE BILL NO. 5497,  
 SENATE BILL NO. 5506,  
 SECOND SUBSTITUTE SENATE BILL NO. 5511,  
 SENATE BILL NO. 5551,  
 SUBSTITUTE SENATE BILL NO. 5560,  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5600.

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:

HOUSE BILL NO. 1026,  
 SUBSTITUTE HOUSE BILL NO. 1041,  
 SECOND SUBSTITUTE HOUSE BILL NO. 1048,  
 HOUSE BILL NO. 1062,  
 SECOND SUBSTITUTE HOUSE BILL NO. 1065,  
 HOUSE BILL NO. 1066,  
 HOUSE BILL NO. 1070,  
 SUBSTITUTE HOUSE BILL NO. 1071,  
 SUBSTITUTE HOUSE BILL NO. 1075,  
 HOUSE BILL NO. 1092,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1094,  
 SUBSTITUTE HOUSE BILL NO. 1095,  
 ENGROSSED SECOND SUBSTITUTE  
 HOUSE BILL NO. 1105,  
 ENGROSSED SECOND SUBSTITUTE  
 HOUSE BILL NO. 1112,  
 ENGROSSED SECOND SUBSTITUTE  
 HOUSE BILL NO. 1114,  
 ENGROSSED HOUSE BILL NO. 1126,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1130,  
 HOUSE BILL NO. 1133,  
 HOUSE BILL NO. 1146,  
 HOUSE BILL NO. 1147,  
 HOUSE BILL NO. 1149,  
 SUBSTITUTE HOUSE BILL NO. 1151,  
 ENGROSSED HOUSE BILL NO. 1175,  
 HOUSE BILL NO. 1176,  
 SUBSTITUTE HOUSE BILL NO. 1197,  
 SUBSTITUTE HOUSE BILL NO. 1239,  
 HOUSE BILL NO. 1252,  
 SUBSTITUTE HOUSE BILL NO. 1284,  
 SUBSTITUTE HOUSE BILL NO. 1295,  
 SUBSTITUTE HOUSE BILL NO. 1302,  
 ENGROSSED SECOND SUBSTITUTE  
 HOUSE BILL NO. 1311,  
 HOUSE BILL NO. 1318,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1325,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1329,  
 SECOND SUBSTITUTE HOUSE BILL NO. 1344,  
 SUBSTITUTE HOUSE BILL NO. 1350,  
 ENGROSSED HOUSE BILL NO. 1354,  
 HOUSE BILL NO. 1366,  
 SUBSTITUTE HOUSE BILL NO. 1377,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1379,  
 HOUSE BILL NO. 1380,  
 ENGROSSED SECOND SUBSTITUTE  
 HOUSE BILL NO. 1391,  
 SUBSTITUTE HOUSE BILL NO. 1415,  
 SECOND SUBSTITUTE HOUSE BILL NO. 1424,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1428,  
 SUBSTITUTE HOUSE BILL NO. 1430,

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

At 7:35 p.m., on motion of Senator Liias, the Senate was  
 declared to be at ease subject to the call of the President.

Senator McCoy announced a meeting of the Democratic  
 Caucus at 8:00 p.m.

Senator Becker announced that a meeting of the Republican  
 Caucus would not be held.

----

The Senate was called to order at 9:09 p.m. by President Habib.

MOTION

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

SECOND SUPPLEMENTAL AND FIRST READING

SHB 1652 by House Committee on Environment & Energy  
 (originally sponsored by Peterson, DeBolt, Goodman,  
 Fitzgibbon, Appleton, Ortiz-Self, Hudgins, Orwall,  
 Jinkins, Sells, Tharinger, Kloba, Senn, Pollet, Stanford,  
 Bergquist and Macri)

AN ACT Relating to paint stewardship; amending RCW  
 43.21B.110; reenacting and amending RCW 42.56.270;  
 adding a new section to chapter 82.04 RCW; adding a new  
 chapter to Title 70 RCW; and prescribing penalties.

Referred to Committee on Ways & Means.

MOTION

On motion of Senator Liias, the measure listed on the Introduction and First Reading report was referred to the committee as designated.

#### 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 passed SUBSTITUTE SENATE BILL NO. 5714 with the following amendment(s): 5714-S AMH PELL H2916.2

Strike everything after the enacting clause and insert the following:

**NEW SECTION. Sec. 1. INTENT.** The legislature recognizes that prosecuting attorneys, law enforcement, and society at large strive for a criminal justice system that minimizes the risk actually innocent people will be convicted. The legislature further recognizes that mistaken identification by witnesses to crime and false testimony by informants who are given benefits in exchange for their testimony have contributed to the conviction of the innocent in Washington state. Through the development of best practices related to the collection of eyewitness evidence and the use of informant witnesses, and the adoption of model guidelines to implement those practices, the legislature aims to improve the quality of such evidence and reduce the risk of wrongful conviction related to these contributing factors.

**NEW SECTION. Sec. 2. EYEWITNESS EVIDENCE WORK GROUP.** (1) The Washington association of sheriffs and police chiefs shall administer a work group for the purpose of maximizing the reliability of eyewitness evidence collected during criminal investigations.

(2) The president of the senate and the speaker of the house of representatives shall jointly appoint the members of the work group to include the following:

- (a) One member representing the senate;
- (b) One member representing the house of representatives;
- (c) The chief of the Washington state patrol or the chief's designee;
- (d) One member representing the criminal justice training commission with expertise in developing law enforcement training curricula;
- (e) The executive director of the Washington association of sheriffs and police chiefs or the executive director's designee;
- (f) Two members representing the Washington association of prosecuting attorneys, each from a diverse geographical location;
- (g) One member representing the Washington defender association;
- (h) One member representing the Washington association of criminal defense lawyers;
- (i) One member representing the Washington innocence project; and
- (j) One member from the scientific community with expertise in eyewitness memory.

(3) The duties of the work group include, but are not limited to:

- (a) Developing model guidelines for the collection of eyewitness evidence consistent with the model policies adopted in 2015 by the Washington association of sheriffs and police

chiefs and the Washington association of prosecuting attorneys. The model guidelines must also: Be based on credible field, academic, or laboratory research on eyewitness memory; be designed to reduce erroneous eyewitness identifications and enhance the reliability and objectivity of eyewitness identifications; and include standards for blind administration of the identification procedure, filler selection, instructions to the witness, and documenting a statement of witness confidence immediately following any positive identification;

(b) Designing law enforcement training for the collection and documentation of eyewitness evidence based on the model guidelines developed pursuant to this subsection; and

(c) In consultation with the University of Washington Tacoma and the criminal justice training commission, designing a pilot project for implementing and evaluating the effectiveness of the training curriculum developed pursuant to this subsection.

(4) The work group shall hold its initial meeting no later than July 31, 2019, and complete the model guidelines, training curriculum, and proposal for the pilot project no later than November 30, 2019.

(5) The work group shall prepare and submit to the appropriate committees of the legislature a report, including a summary of its activities, the model guidelines, training curriculum, proposal for the pilot project, and other related recommendations by November 30, 2019.

(6) The work group shall function within existing resources.

(7) This section expires December 31, 2022.

**NEW SECTION. Sec. 3. INFORMANT RELIABILITY WORK GROUP.** (1) For the purposes of this section, "informant" means any person who: (a) Was previously unconnected with the criminal case as either a witness or a codefendant; (b) claims to have relevant information about the crime; (c) is currently charged with a crime or is facing potential criminal charges or is in custody; and (d) at any time receives consideration in exchange for providing the information or testimony.

(2) The University of Washington school of law, in consultation with the Washington association of prosecuting attorneys and Washington innocence project, shall administer a work group on the reliability of informant testimony. The primary purposes of the work group are to adopt model guidelines and develop a training curriculum based on those guidelines to assist prosecuting attorneys in evaluating the reliability of information or testimony offered by an informant before it is used in connection with any criminal proceeding and in determining adequate preliminary disclosures to the defense.

(3) The president of the senate and the speaker of the house of representatives shall jointly appoint the members of the work group to include the following:

- (a) One member representing the senate;
- (b) One member representing the house of representatives;
- (c) The executive director of the Washington association of sheriffs and police chiefs or the executive director's designee;
- (d) Two members representing the Washington association of prosecuting attorneys, each from a diverse geographical location;
- (e) One member representing the Washington defender association;
- (f) One member representing the Washington association of criminal defense lawyers;
- (g) One member representing the Washington innocence project; and
- (h) One member of the board of the western states information network.

(4) The duties of the work group include, but are not limited to:

- (a) Developing model guidelines for prosecutors to determine

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

whether to use an informant in a criminal proceeding;

(b) Designing and implementing statewide training for prosecutors and defense counsel based on the model guidelines; and

(c) Collecting local protocols required under section 4 of this act.

(5) The work group shall hold its initial meeting no later than July 31, 2019, and complete the model guidelines and training curriculum no later than November 30, 2019.

(6) The work group shall coordinate with the Washington association of prosecuting attorneys, Washington defender association, and Washington association of criminal defense lawyers to make specialized training based on the training curriculum developed pursuant to subsection (4) of this section available to prosecuting attorneys and criminal defense attorneys.

(7) The work group shall prepare and submit to the appropriate committees of the legislature a report including the model guidelines, the training curriculum, and a summary of its work by November 30, 2019.

(8) The work group shall function within existing resources.

(9) This section expires December 31, 2022.

**NEW SECTION. Sec. 4. LOCAL PROTOCOLS FOR THE USE OF INFORMANTS.** (1) No later than December 31, 2020, each county prosecuting attorney shall:

(a) Adopt and implement a written local protocol for the use of informants consistent with the model guidelines developed pursuant to section 3 of this act, and submit a copy of the local protocol to the work group established in section 3 of this act; and

(b) Establish and maintain a central record of informants used in the course of criminal proceedings as well as formal offers to give testimony or other information. This record is the confidential work product of the office of the prosecuting attorney.

(2) If a county prosecutor adopts the model guidelines developed by the work group established under section 3 of this act, it has met the requirements of subsection (1)(a) of this section.

(3) If a county prosecutor chooses to adopt its own local protocol, the protocol must articulate adequate preliminary disclosures to the defense and include a list of procedures for prosecuting attorneys to follow when evaluating the reliability of an informant that includes:

(a) The complete criminal history of the informant including pending criminal charges;

(b) Any consideration provided in exchange for the information or testimony;

(c) Whether the informant's information or testimony was modified or recanted;

(d) The number of times the informant has previously provided information or testimony in exchange for consideration; and

(e) The kind and quality of other evidence corroborating the informant's information or testimony.

(4) Nothing in this section diminishes federal constitutional disclosure obligations to criminal defendants or any related obligations under Washington case law, statutes, or court rules.

(5) For the purposes of this section, "informant" means any person who: (a) Was previously unconnected with the criminal case as either a witness or a codefendant; (b) claims to have relevant information about the crime; (c) is currently charged with a crime or is facing potential criminal charges or is in custody; and (d) at any time receives consideration in exchange for providing the information or testimony.

**NEW SECTION. Sec. 5. JURY INSTRUCTION FOR INFORMANT TESTIMONY.** (1) If the testimony of an informant is admitted in a criminal proceeding, the prosecuting

attorney or defendant may request a jury instruction on exercising caution in evaluating the credibility of an informant. Except when otherwise determined by the court, the instruction should be substantially similar to the following form:

"The testimony of an informant, given on behalf of the [State] [City] [County] in exchange for a legal advantage or other benefit, should be subjected to careful examination in the light of other evidence in the case, and should be acted upon with great caution. You, the jury, must weigh the credibility of his or her testimony. You should not find the defendant guilty upon such testimony alone unless, after carefully considering the testimony, you are satisfied beyond a reasonable doubt of its truth."

(2) For the purposes of this section, "informant" has the same meaning as in section 4 of this act.

**NEW SECTION. Sec. 6.** Sections 1 through 5 of this act constitute a new chapter in Title 10 RCW."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Dhingra moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5714.

Senator Dhingra spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Dhingra that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5714.

The motion by Senator Dhingra carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5714 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5714, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5714, as amended by the House, and the bill passed the Senate 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, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Absent: Senator Walsh

SUBSTITUTE SENATE BILL NO. 5714, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Rivers, Senator Walsh was excused.

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. 1575,  
SECOND SUBSTITUTE HOUSE BILL NO. 1579,  
HOUSE BILL NO. 1589,  
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO.  
1599,  
SUBSTITUTE HOUSE BILL NO. 1602,  
SECOND SUBSTITUTE HOUSE BILL NO. 1603,  
HOUSE BILL NO. 1604,  
SUBSTITUTE HOUSE BILL NO. 1607,  
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO.  
1646,  
SUBSTITUTE HOUSE BILL NO. 1658,  
SECOND SUBSTITUTE HOUSE BILL NO. 1668,  
HOUSE BILL NO. 1672,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1692,  
HOUSE BILL NO. 1714,  
SUBSTITUTE HOUSE BILL NO. 1724,  
HOUSE BILL NO. 1726,  
HOUSE BILL NO. 1727,  
HOUSE BILL NO. 1730,  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1732,  
SUBSTITUTE HOUSE BILL NO. 1734,

#### MESSAGES FROM THE HOUSE

April 25, 2019

MR. PRESIDENT:

The House has passed:

SUBSTITUTE HOUSE BILL NO. 2159,  
and the same is herewith transmitted.  
NONA SNELL, Deputy Chief Clerk

April 25, 2019

MR. PRESIDENT:

The House has passed:

SENATE BILL NO. 5505,  
and the same is herewith transmitted.  
NONA SNELL, Deputy Chief Clerk

April 25, 2019

MR. PRESIDENT:

The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2015,  
and the same is herewith transmitted.  
NONA SNELL, Deputy Chief Clerk

April 25, 2019

MR. PRESIDENT:

The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1696,  
and the same is herewith transmitted.  
NONA SNELL, Deputy Chief Clerk

#### MOTION

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

#### SECOND READING

SENATE BILL NO. 5825, by Senators Hobbs and King

Addressing the tolling of Interstate 405, state route number 167, and state route number 509.

#### MOTION

On motion of Senator Hobbs, Substitute Senate Bill No. 5825 was substituted for Senate Bill No. 5825 and the substitute bill was placed on the second reading and read the second time.

#### MOTION

Senator Zeiger moved that the following striking amendment no. 674 by Senators Palumbo and Zeiger be adopted:

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** (1) The legislature recognizes that the Puget Sound region is faced with growing traffic congestion and must improve mobility for people and goods by maximizing the effectiveness of the freeway system. Investments in the Interstate 405, state route number 167, and state route number 509 corridors are essential for providing benefits for the movement of vehicles and people. Further, the legislature recognizes that in 2015, the passage of the connecting Washington transportation revenue proposal assumed that tolling would be a component of projects on these corridors.

(2) The legislature recognizes that completion of state route number 167 in Pierce county and completion of state route number 509 in King county provide essential connections to the Port of Tacoma and the Port of Seattle and will help ensure people and goods move more reliably through the Puget Sound region. The completion of these corridors, known as the Gateway project, will play an essential role in enhancing the state's economic competitiveness, both nationally and globally.

(3) The legislature acknowledges that as one of the most congested freeway sections in the state, the Interstate 405 and state route number 167 corridors in King county serve as ideal candidates for an express toll lanes network. The express toll lanes network provides a tool for managing the use of high occupancy vehicle lanes while generating funds to improve projects in the corridors.

(4) Therefore, it is the intent of this act to expedite the delivery of the Puget Sound Gateway facility, designate the Puget Sound Gateway project as an eligible toll facility, and authorize the imposition of tolls on the Puget Sound Gateway facility. It is further the intent of this act to direct the department of transportation to develop and operate an express toll lanes network on Interstate 405 from the city of Lynnwood on the north end to the intersection of state route number 167 and state route number 512 on the south end.

**NEW SECTION. Sec. 2.** (1) In order to provide funds necessary for the design, right-of-way, and construction of projects as allowed in sections 11 and 14 of this act, there shall be issued and sold upon the request of the department of transportation up to the following amounts of general obligation bonds of the state of Washington first payable from toll revenue and excise taxes on fuel and vehicle-related fees in accordance with section 5 of this act:

- (a) One billion dollars for the Interstate 405 corridor;
- (b) One hundred sixty million dollars for the state route number 167 corridor; and
- (c) Three hundred forty million dollars for the Puget Sound Gateway facility.

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

(2) For purposes of chapter . . . , Laws of 2019 (this act), "vehicle-related fees" means vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles to be used for highway purposes.

**NEW SECTION. Sec. 3.** Upon the request of the department, the state finance committee shall supervise and provide for the issuance, sale, and retirement of bonds authorized by this act in accordance with chapter 39.42 RCW. Bonds authorized by this act shall be sold in the manner, at time or times, in amounts, and at the price as the state finance committee shall determine. No bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

**NEW SECTION. Sec. 4.** (1) The proceeds from the sale of bonds authorized by:

(a) Section 2(1)(a) of this act shall be deposited in the Interstate 405 express toll lanes account created under RCW 47.56.884;

(b) Section 2(1)(b) of this act shall be deposited in the state route number 167 express toll lanes account created in section 13 of this act; and

(c) Section 2(1)(c) of this act shall be deposited in the Puget Sound Gateway facility account created in section 15 of this act.

(2) The bond proceeds shall be available only for the purposes enumerated in section 2, chapter . . . , Laws of 2019 (section 2 of this act), for the payment of bond anticipation notes or other interim financing, if any, capitalizing interest on the bonds, funding a debt service reserve fund, if any, and for the payment of bond issuance costs, including the costs of underwriting.

**NEW SECTION. Sec. 5.** Bonds issued under the authority of this section and sections 2, 6, and 7 of this act shall distinctly state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay such principal and interest as the same shall become due. The principal of and interest on the bonds shall be first payable in the manner provided in this section and sections 2, 6, and 7 of this act from toll revenue and then from proceeds of excise taxes on fuel and vehicle-related fees to the extent toll revenue is not available for that purpose. Toll revenue and the state excise taxes on fuel imposed by chapter 82.38 RCW and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of this section and sections 2, 6, and 7 of this act, and the legislature agrees to continue to impose these toll charges on the Interstate 405 express toll lanes, the state route number 167 express toll lanes, and on the Puget Sound Gateway facility, and on any other eligible toll facility designated by the legislature and on which the imposition of tolls is authorized by the legislature in respect of the bonds, and excise taxes on fuel and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of this section and sections 2, 6, and 7 of this act.

**NEW SECTION. Sec. 6.** For bonds issued under the authority of this section and sections 2, 5, and 7 of this act, the state treasurer shall first withdraw toll revenue from the appropriate toll account for the facility for which the bonds are issued and sold, and, to the extent toll revenue is not available, excise taxes on fuel and vehicle-related fees and deposit in the toll facility bond retirement account, or a special subaccount in the account, such amounts, and at such times, as are required by the bond proceedings.

Any excise taxes on fuel and vehicle-related fees required for bond retirement or interest on the bonds authorized by this section

and sections 2, 5, and 7 of this act shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on fuel and vehicle-related fees and which is, or may be, appropriated to the department for state highway purposes. Funds required shall never constitute a charge against any other allocations of fuel tax revenues to the state, counties, cities, and towns unless the amount arising from excise taxes on fuel distributed to the state in the motor vehicle fund proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

Any payments for bond retirement or interest on the bonds taken from other revenues from the fuel taxes that are distributable to the state, counties, cities, and towns shall be repaid from available toll revenue in the manner provided in the bond proceedings or, if toll revenue is not available for that purpose, from the first excise taxes on fuel distributed to the motor vehicle fund not required for bond retirement or interest on the bonds. Any excise taxes on fuel required for bond retirement or interest on the bonds authorized by this section and sections 2, 5, and 7 of this act shall be reimbursed to the motor vehicle fund from toll revenue in the manner and with the priority specified in the bond proceedings.

**NEW SECTION. Sec. 7.** Bonds issued under the authority of sections 2, 5, and 6 of this act and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge excise taxes on fuel for the payment of principal and interest thereon shall be an equal charge against the revenues from such excise taxes on fuel.

**Sec. 8.** RCW 47.10.882 and 2011 c 377 s 3 are each amended to read as follows:

The toll facility bond retirement account is created in the state treasury for the purpose of payment of the principal of and interest and premium on bonds. Both principal of and interest on the bonds issued for the purposes of chapter 498, Laws of 2009 (~~and~~), chapter 377, Laws of 2011, and chapter . . . , Laws of 2019 (this act) shall be payable from the toll facility bond retirement account. The state finance committee may provide that special subaccounts be created in the account to facilitate payment of the principal of and interest on the bonds. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings.

**Sec. 9.** RCW 47.10.887 and 2011 c 377 s 5 are each amended to read as follows:

The state finance committee may determine and include in any resolution authorizing the issuance of any bonds under chapter 498, Laws of 2009 (~~and~~), chapter 377, Laws of 2011, and chapter . . . , Laws of 2019 (this act), such terms, provisions, covenants, and conditions as it may deem appropriate in order to assist with the marketing and sale of the bonds, confer rights upon the owners of bonds, and safeguard rights of the owners of bonds including, among other things:

(1) Provisions regarding the maintenance and operation of eligible toll facilities;

(2) The pledges, uses, and priorities of application of toll revenue;

(3) Provisions that bonds shall be payable from and secured solely by toll revenue as provided by RCW 47.10.886, or shall be payable from and secured by both toll revenue and by a pledge of excise taxes on motor vehicle and special fuels and the full faith and credit of the state as provided in RCW 47.10.879 and 47.10.883 through 47.10.885;

(4) Provisions that bonds shall be payable from and secured by both toll revenue and by a pledge of excise taxes on fuel and

vehicle-related fees and the full faith and credit of the state as provided in sections 2 and 5 through 7 of this act;

(5) In consultation with the department of transportation and the tolling authority, financial covenants requiring that the eligible toll facilities must produce specified coverage ratios of toll revenue to debt service on bonds;

~~((5))~~ (6) The purposes and conditions that must be satisfied prior to the issuance of any additional bonds that are to be payable from and secured by any toll revenue on an equal basis with previously issued and outstanding bonds payable from and secured by toll revenue;

~~((6))~~ (7) Provisions that bonds for which any toll revenue are pledged, or for which a pledge of any toll revenue may be reserved, may be structured on a senior, parity, subordinate, or special lien basis in relation to any other bonds for which toll revenue is pledged, with respect to toll revenue only; and

~~((7))~~ (8) Provisions regarding reserves, credit enhancement, liquidity facilities, and payment agreements with respect to bonds.

Notwithstanding the foregoing, covenants and conditions detailing the character of management, maintenance, and operation of eligible toll facilities, insurance for eligible toll facilities, financial management of toll revenue, and disposition of eligible toll facilities must first be approved by the department of transportation.

The owner of any bond may by mandamus or other appropriate proceeding require and compel performance of any duties imposed upon the tolling authority and the department of transportation and their respective officials, including any duties imposed upon or undertaken by them or by their respective officers, agents, and employees, in connection with the construction, maintenance, and operation of eligible toll facilities and in connection with the collection, deposit, investment, application, and disbursement of the proceeds of the bonds and toll revenue.

**Sec. 10.** RCW 47.10.888 and 2011 c 377 s 6 are each amended to read as follows:

(1) For the purposes of chapter 498, Laws of 2009 ~~((and))~~, chapter 377, Laws of 2011, and chapter . . . , Laws of 2019 (this act), "toll revenue" means all toll receipts, all interest income derived from the investment of toll receipts, and any gifts, grants, or other funds received for the benefit of transportation facilities in the state, including eligible toll facilities. However, for the purpose of any pledge of toll revenue to the payment of particular bonds issued under chapter 498, Laws of 2009 ~~((and))~~, chapter 377, Laws of 2011, and chapter . . . , Laws of 2019 (this act), "toll revenue" means and includes only such toll revenue or portion thereof that is pledged to the payment of those bonds in the resolution authorizing the issuance of such bonds. Toll revenue constitutes "fees and revenues derived from the ownership or operation of any undertaking, facility, or project" as that phrase is used in Article VIII, section 1(c)(1) of the state Constitution.

(2) For the purposes of chapter 498, Laws of 2009 ~~((and))~~, chapter 377, Laws of 2011, and chapter . . . , Laws of 2019 (this act), "tolling authority" has the same meaning as in RCW 47.56.810.

**Sec. 11.** RCW 47.56.880 and 2011 c 369 s 3 are each amended to read as follows:

(1) The imposition of tolls for express toll lanes on Interstate 405 between ~~((the junctions with))~~ Interstate 5 on the north end ~~((and NE 6th Street))~~ in the city of ~~((Bellevue))~~ Lynnwood and Interstate 5 on the south end in the city of Tukwila, and for express toll lanes on state route number 167 between Interstate 405 on the north end and state route number 512 on the south end

is authorized~~((;))~~, Interstate 405 ~~((is))~~ and state route number 167 are designated ~~((an))~~ eligible toll ~~((facility))~~ facilities, and toll revenue generated in the respective corridors must only be expended on the Interstate 405 and state route number 167 projects as identified in each corridor's master plan and as allowed under RCW 47.56.820.

(2) Tolls for the express toll lanes must be set as follows:

(a) The schedule of toll rates must be set by the tolling authority pursuant to RCW 47.56.850. Toll rates may vary in amount by time of day, level of traffic congestion within the highway facility, or other criteria, as the tolling authority deems appropriate.

(b) In those locations with two express toll lanes in each direction, the toll rate must be the same in both lanes.

(c) Toll charges may not be assessed on transit buses and vanpools.

(d) The department shall establish performance standards for travel time, speed, and reliability for the express toll lanes project. The department must automatically adjust the toll rate within the schedule established by the tolling authority, using dynamic tolling, to ~~((ensure))~~ maintain the goal that average vehicle speeds in the lanes remain above forty-five miles per hour at least ninety percent of the time during peak hours.

(e) The tolling authority shall periodically review the toll rates against traffic performance of all lanes to determine if the toll rates are effectively maintaining travel time, speed, and reliability on the highway facilities.

(3) ~~((The department may construct and operate express toll lanes on Interstate 405 between the city of Bellevue on the south end and Interstate 5 on the north end. Operation of the express toll lanes may not commence until the department has completed capacity improvements necessary to provide a two lane system from NE 6th Street in the city of Bellevue to state route number 522 and the conversion of the existing high occupancy vehicle lane to an express toll lane between state route number 522 and the city of Lynnwood. Construction of the capacity improvements described in this subsection, including items that enable implementation of express toll lanes such as conduit and other underground features, must begin as soon as practicable. However, any contract term regarding tolling equipment, such as gantries, barriers, or cameras, for Interstate 405 may not take effect unless specific appropriation authority is provided in 2012 stating that funding is provided solely for tolling equipment on Interstate 405.))~~ The department shall work with local jurisdictions to minimize and monitor impacts to local streets and, after consultation with local jurisdictions, recommend mitigation measures to the legislature in those locations where it is appropriate.

(4) The department shall monitor the express toll lanes ~~((project))~~ and shall annually report to the transportation commission and the legislature on the impacts from the project on the following performance measures:

(a) Whether the express toll lanes maintain speeds of forty-five miles per hour at least ninety percent of the time during peak periods, and any alternate metric determined by the department in conjunction with the federal highway administration;

(b) Whether the average traffic speed changed in the general purpose lanes;

(c) Whether transit ridership changed;

(d) Whether the actual use of the express toll lanes is consistent with the projected use;

(e) Whether the express toll lanes generated sufficient revenue to pay for all ~~((Interstate 405))~~ express toll lane-related operating costs; and

(f) Whether travel times and volumes have increased or decreased on adjacent local streets and state highways~~((; and~~

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

~~(g) Whether the actual gross revenues are consistent with projected gross revenues as identified in the fiscal note for Engrossed House Bill No. 1382 distributed by the office of financial management on March 15, 2011.~~

~~(5) If after two years of operation of the express toll lanes on Interstate 405 performance measures listed in subsection (4)(a) and (e) of this section are not being met, the express toll lanes project must be terminated as soon as practicable).~~

~~((6)) (5) The department, in consultation with the transportation commission, shall consider making operational changes necessary to fix any unintended consequences of implementing the express toll lanes ((project)).~~

~~((7)) (6) A violation of the lane restrictions applicable to the express toll lanes established under this section is a traffic infraction.~~

**Sec. 12.** RCW 47.56.884 and 2011 c 369 s 5 are each amended to read as follows:

(1) The Interstate 405 express toll lanes ((operations)) account is created in the motor vehicle fund. ((All revenues received by the department as toll charges collected from Interstate 405 express toll lane users must be deposited into the account))

(2) Deposits to the account must include:

(a) All proceeds of bonds authorized in section 2(1)(a) of this act and loans for the Interstate 405 projects, including capitalized interest;

(b) All tolls and other revenues received from the operation of the Interstate 405 express toll lanes facility, to be deposited at least monthly;

(c) Any interest that may be earned from the deposit or investment of those revenues;

(d) Notwithstanding RCW 47.12.063, proceeds from the sale of any surplus real property acquired for completing the Interstate 405 express toll lanes facility; and

(e) All damages liquidated or otherwise, collected under any contract involving Interstate 405 projects.

(3) Moneys in the account may be spent only after appropriation((-)), consistent with RCW 47.56.820((-); expenditures from the account may be used for debt service, planning, administration, construction, maintenance, operation, repair, rebuilding, enforcement, and the expansion of express toll lanes on Interstate 405)).

(4) The proceeds of the general obligation bonds authorized in section 2(1)(a) of this act shall be used to make progress toward completion of the Interstate 405 master plan. It is the intent of the legislature to first use the bond proceeds for the following projects, in priority order:

(a) Up to six hundred million dollars to design and construct capacity improvements on Interstate 405 between state route number 522 and state route number 527. This project would widen Interstate 405 through the state route number 522 interchange, build direct access ramps to the express toll lanes at state route number 522, build one new lane in each direction to be used as a second express toll lane, and build a partial direct access ramp at state route number 527 to the east, north, and south, to provide connections to the Canyon Park park and ride; and

(b) Up to two hundred fifteen million dollars toward completion of the I-405/Renton to Bellevue - Corridor Widening project (M00900R).

**NEW SECTION. Sec. 13.** (1) The state route number 167 express toll lanes account is created in the motor vehicle fund.

(2) Deposits to the account must include:

(a) All proceeds of bonds authorized in section 2(1)(b) of this act and loans for state route number 167 projects, including capitalized interest;

(b) All tolls and other revenues received from the operation of the state route number 167 express toll lanes facility, to be deposited at least monthly;

(c) Any interest that may be earned from the deposit or investment of those revenues;

(d) Notwithstanding RCW 47.12.063, proceeds from the sale of any surplus real property acquired for completing the state route number 167 express toll lanes facility; and

(e) All damages liquidated or otherwise, collected under any contract involving state route number 167 projects.

(3) Moneys in the account may be spent only after appropriation, consistent with RCW 47.56.820.

(4) The proceeds of the general obligation bonds authorized in section 2(1)(b) of this act shall be used to make progress toward completion of the state route number 167 master plan. It is the intent of the legislature to use the bond proceeds for the following priority projects:

(a) Up to three million dollars to update the state route 167 master plan; and

(b) Up to one hundred million dollars to construct both the northbound and southbound state route number 167 stage 6 extension projects. This project would extend the express toll lanes south to the state route number 410 and state route number 512 interchange to help mitigate traffic congestion.

**NEW SECTION. Sec. 14.** (1) The Puget Sound Gateway facility is designated an eligible toll facility, tolls are authorized to be imposed on the Puget Sound Gateway facility, and toll revenue generated must be expended only as allowed under RCW 47.56.820.

(2)(a) In setting toll rates for the Puget Sound Gateway facility, pursuant to RCW 47.56.850, the tolling authority shall set a variable schedule of toll rates to maintain travel time, speed, and reliability on the Puget Sound Gateway facility.

(b) The tolling authority may adjust toll rates to reflect inflation as measured by the consumer price index or as necessary for those costs that are eligible under RCW 47.56.820 and to meet the obligations of the tolling authority under RCW 47.56.850.

(3) For the purposes of this section and section 15 of this act, "Puget Sound Gateway facility" means the state route number 167 roadway between north Meridian Avenue in Puyallup and Interstate 5 in Fife, the state route number 509 spur between Interstate 5 in Fife and state route number 509 in Tacoma, and the state route number 509 roadway between south 188th street and Interstate 5 in SeaTac.

**NEW SECTION. Sec. 15.** (1) A special account to be known as the Puget Sound Gateway facility account is created in the motor vehicle fund.

(2) Deposits to the account must include:

(a) All proceeds of bonds authorized in section 2(1)(c) of this act and loans for the Puget Sound Gateway project, including capitalized interest;

(b) All tolls and other revenues received from the operation of the Puget Sound Gateway facility, to be deposited at least monthly;

(c) Any interest that may be earned from the deposit or investment of those revenues;

(d) Notwithstanding RCW 47.12.063, proceeds from the sale of any surplus real property acquired for completing the Puget Sound Gateway project, including existing state route number 509 right-of-way in SeaTac and Des Moines; and

(e) All damages liquidated or otherwise, collected under any contract involving the Puget Sound Gateway project.

(3) Moneys in the account may be spent only after appropriation, consistent with RCW 47.56.820.

(4) The proceeds of the general obligation bonds authorized in section 2(1)(c) of this act shall be used to make progress toward completion of the Puget Sound Gateway facility. It is the intent of the legislature to use the bond proceeds to advance the Puget Sound Gateway facility in order to maximize net mobility benefits for both freight and the traveling public. It is the intent of the legislature for tolling to begin on stage one of the project as soon as practicable in order to leverage toll funds, use bond proceeds to advance one hundred twenty-nine million dollars of connecting Washington state appropriations by two biennia to the 2023-2025 biennium, and advance local and federal contributions. This will allow the department of transportation to deliver and open to the public stage two of the project in fiscal year 2028, three years earlier than originally planned, and to realize twenty million dollars in cost savings in connecting Washington state appropriations.

**Sec. 16.** RCW 43.84.092 and 2018 c 287 s 7, 2018 c 275 s 10, and 2018 c 203 s 14 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the cleanup settlement account, the Columbia river basin water supply development

account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of licensing tuition recovery trust fund, the department of retirement systems expense account, the developmental disabilities community trust account, the diesel idle reduction account, the drinking water assistance account, the drinking water assistance administrative account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, ~~((the Interstate 405 express toll lanes operations account))~~ the education construction fund, the education legacy trust account, the election account, the electric vehicle charging infrastructure account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, ~~((the high occupancy toll lanes operations account))~~ the hospital safety net assessment fund, the industrial insurance premium refund account, the Interstate 405 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 167 express toll

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

lanes account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the statewide tourism marketing account, the student achievement council tuition recovery trust fund, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury 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 treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

**NEW SECTION. Sec. 17.** The following acts or parts of acts are each repealed:

(1)RCW 47.56.403 (High occupancy toll lane pilot project) and 2017 c 313 s 712, 2015 1st sp.s. c 10 s 705, 2013 c 306 s 709, 2011 c 367 s 709, & 2005 c 312 s 3; and

(2)RCW 47.66.090 (High occupancy toll lanes operations account) and 2005 c 312 s 4.

**NEW SECTION. Sec. 18.** Any residual balance of funds remaining in the high occupancy toll lanes operations account repealed by section 17 of this act on the effective date of this section, and any year-end accruals accounted for after the effective date of this section from the state route number 167 high occupancy toll lanes pilot project, shall be transferred to the state

route number 167 express toll lanes account created in section 13 of this act.

**NEW SECTION. Sec. 19.** Sections 2 through 7 of this act are each added to chapter 47.10 RCW.

**NEW SECTION. Sec. 20.** Sections 13 through 15 of this act are each added to chapter 47.56 RCW and codified with the subchapter heading of "toll facilities created after July 1, 2008."

**NEW SECTION. Sec. 21.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2019."

On page 1, line 2 of the title, after "509;" strike the remainder of the title and insert "amending RCW 47.10.882, 47.10.887, 47.10.888, 47.56.880, and 47.56.884; reenacting and amending RCW 43.84.092; adding new sections to chapter 47.10 RCW; adding new sections to chapter 47.56 RCW; creating new sections; repealing RCW 47.56.403 and 47.66.090; prescribing penalties; providing an effective date; and declaring an emergency."

#### WITHDRAWAL OF AMENDMENT

On motion of Senator Saldaña and without objection, amendment no. 717 by Senators Saldaña, Das, Palumbo, Wellman and Hasegawa on page 2, line 10 to striking amendment no. 674 was withdrawn.

#### MOTION

Senator Liias moved that the following amendment no. 775 by Senator Palumbo be adopted:

On page 4, line 8, after "tax" insert "and vehicle-related fee"  
 On page 4, line 9, after "fuel" insert "and vehicle-related fees"  
 On page 4, line 13, after "taxes" insert "and vehicle-related fees"  
 On page 4, line 16, after "first" insert "revenues from the"  
 On page 4, line 17, after "fuel" insert "and vehicle-related fees"  
 On page 4, line 18, after "fuel" insert "and vehicle-related fees"  
 On page 4, line 26, after "fuel" insert "and vehicle-related fees"  
 On page 4, line 28, after "fuel" insert "and vehicle-related fees"

Senators Palumbo and Hobbs spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 775 by Senator Palumbo on page 4, line 8 to striking amendment no. 674.

The motion by Senator Liias carried and amendment no. 775 was adopted by voice vote.

#### WITHDRAWAL OF AMENDMENT

On motion of Senator Zeiger and without objection, amendment no. 757 by Senator Zeiger on page 9, line 11 to striking amendment no. 674 was withdrawn.

#### MOTION

Senator Saldaña moved that the following amendment no. 804 by Senators Das, Saldaña and Wellman be adopted:

On page 10, line 12, after "ride," strike "and"  
 On page 10, line 15, after "(M00900R)" insert "; and"

(c) Up to twenty million dollars to design the Interstate 405/North 8th Street Direct Access Ramp project in the city of Renton. It is the intent of the legislature to provide construction funding for this project at a later date"

Senators Saldaña and Hobbs spoke in favor of adoption of the amendment to the striking amendment.

Senator King 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. 804 by Senators Das, Saldaña and Wellman on page 10, line 12 to striking amendment no. 674.

The motion by Senator Saldaña carried and amendment no. 804 was adopted by a rising vote.

#### MOTION

Senator Keiser moved that the following amendment no. 739 by Senators Keiser, Nguyen, Saldaña and Wilson, C. be adopted:

On page 11, after line 25, insert the following:

"(4) Prior to setting the schedule of toll rates on the portion of state route number 509 between South 188th Street and Interstate 5 in SeaTac, the department, in collaboration with the transportation commission, must analyze and present to the transportation commission at least one schedule of toll rates that exempts, discounts, or provides other toll relief for low-income drivers during all hours of operation on state route number 509 between South 188th Street and Interstate 5 in SeaTac. In analyzing the schedule of toll rates, the department shall consider implementing an exemption, discount, or other toll relief policy for drivers that reside in close proximity to the corridor."

Senators Keiser and Hobbs spoke in favor of adoption of the amendment to the striking amendment.

Senator Becker 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. 739 by Senators Keiser, Nguyen, Saldaña and Wilson, C. on page 11, after line 25 to striking amendment no. 674.

The motion by Senator Keiser carried and amendment no. 739 was adopted by voice vote.

#### MOTION

Senator Keiser moved that the following amendment no. 756 by Senators Keiser and Nguyen be adopted:

On page 12, after line 22, insert the following:

"(5) It is also the intent of the legislature to use the bond proceeds for up to five million dollars to provide noise mitigation on state route number 509 between south 188th street and Interstate 5."

Senators Keiser and Hobbs spoke in favor of adoption of the amendment to the striking amendment.

Senator King 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. 756 by Senators Keiser and Nguyen on page 12, after line 22 to striking amendment no. 674.

The motion by Senator Keiser carried and amendment no. 756 was adopted by voice vote.

Senators Hobbs, Zeiger, Kuderer and Conway spoke in favor

of adoption of the striking amendment as amended.

Senators Fortunato, King, Sheldon, Braun, Hasegawa and Becker spoke against adoption of the striking amendment as amended.

The President declared the question before the Senate to be the adoption of striking amendment no. 674 by Senators Palumbo and Zeiger as amended to Substitute Senate Bill No. 5825.

The motion by Senator Zeiger carried and striking amendment no. 674 as amended was adopted by voice vote.

#### MOTION

On motion of Senator Hobbs, the rules were suspended, Engrossed Substitute Senate Bill No. 5825 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

Senators King, Becker, Ericksen, Sheldon, Fortunato and Hasegawa spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5825.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5825 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, Hawkins, Hobbs, Holy, Hunt, Keiser, Kuderer, Lias, Lovelett, McCoy, Mullet, Nguyen, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Takko, Van De Wege, Wellman, Wilson, C. and Zeiger

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

Excused: Senator Walsh

ENGROSSED SUBSTITUTE SENATE BILL NO. 5825, having received the constitutionally required three-fifths 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 10:17 p.m., on motion of Senator Lias, the Senate was declared to be at ease subject to the call of the President.

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

---

The Senate was called to order at 10:39 p.m. by President Habib.

#### 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. 1746,

HOUSE BILL NO. 1753,

ENGROSSED HOUSE BILL NO. 1756,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1772,

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

SECOND SUBSTITUTE HOUSE BILL NO. 1784,  
 HOUSE BILL NO. 1792,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1794,  
 SUBSTITUTE HOUSE BILL NO. 1798,  
 HOUSE BILL NO. 1803,  
 SUBSTITUTE HOUSE BILL NO. 1856,  
 SUBSTITUTE HOUSE BILL NO. 1865,  
 HOUSE BILL NO. 1901,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1916,  
 SUBSTITUTE HOUSE BILL NO. 1917,  
 HOUSE BILL NO. 1918,  
 SUBSTITUTE HOUSE BILL NO. 1931,  
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2018,  
 SUBSTITUTE HOUSE BILL NO. 2049,  
 HOUSE BILL NO. 2052,  
 HOUSE BILL NO. 2062,  
 HOUSE BILL NO. 2119,  
 SUBSTITUTE HOUSE JOINT MEMORIAL NO. 4007,

subsection (1)(b)(i) of this section to reflect the lesser of the growth of the consumer price index for shelter or five percent. If the growth is equal to or less than zero percent, the current selling price threshold continues to apply.

(b) The department must adjust the selling price thresholds in subsection (1)(b)(ii) through (iv) of this section by the dollar amount of any increase in the selling price threshold in subsection (1)(b)(i) of this section.

(c) The department must publish updated selling price thresholds by September 1, 2022, and September 1st of every fourth year thereafter. Updated selling price thresholds will apply beginning January 1, 2023, and January 1st every fourth year thereafter. Adjusted selling price thresholds must be rounded to the nearest one thousand dollars. No changes may be made to adjusted selling price thresholds once such adjustments take effect.

(d) The most recent selling price threshold becomes the base for subsequent adjustments.

(e) The department must report adjustments to the selling price thresholds to the fiscal committees of the legislature, beginning December 1, 2022, and December 1st every fourth year thereafter.

(3)(a) The department must publish guidance to assist sellers in properly classifying real property on the real estate excise tax affidavit for purposes of determining the proper amount of tax due under this section. Real property with multiple uses must be classified according to the property's predominant use. The department's guidance must include factors for use in determining the predominant use of real property.

(b) County treasurers are not responsible for verifying that the seller has properly classified real property reported on a real estate excise tax affidavit. The department is solely responsible for such verification as part of its audit responsibilities under RCW 82.45.150.

(4)(a) Beginning July 1, 2013, and ending December 31, 2019, an amount equal to two percent of the proceeds of this tax must be deposited in the public works assistance account created in RCW 43.155.050, ((and)) an amount equal to four and one-tenth percent must be deposited in the education legacy trust account created in RCW 83.100.230((- Thereafter, an amount equal to six and one tenth percent of the proceeds of this tax to the state treasurer must be deposited in the public works assistance account created in RCW 43.155.050. Except as otherwise provided in this section)), an amount equal to one and six-tenths percent ((of the proceeds of this tax to the state treasurer)) must be deposited in the city-county assistance account created in RCW 43.08.290, and the remainder must be deposited in the general fund.

(b) Beginning January 1, 2020, amounts collected from the tax imposed under this section must be deposited as provided in section 2 of this act.

(5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Agricultural land" means farm and agricultural land and farm and agricultural conservation land, as those terms are defined in RCW 84.34.020, including any structures on such land.

(b) "Consumer price index for shelter" means the most current seasonally adjusted index for the shelter expenditure category of the consumer price index for all urban consumers (CPI-U) as published by July 31st by the bureau of labor statistics of the United States department of labor.

(c) "Growth of the consumer price index for shelter" means the percentage increase in the consumer price index for shelter as measured from data published by the bureau of labor statistics of the United States department of labor by July 31st for the most recent three-year period for the selling price threshold adjustment in 2022, and the most recent four-year period for subsequent

SECOND READING

SENATE BILL NO. 5998, by Senators Nguyen, Lovelett, Hasegawa, Salomon and Hunt

Establishing a graduated real estate excise tax.

MOTION

On motion of Senator Nguyen, Substitute Senate Bill No. 5998 was substituted for Senate Bill No. 5998 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Nguyen moved that the following striking amendment no. 805 by Senator Nguyen be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 82.45.060 and 2017 3rd sp.s. c 10 s 13 are each amended to read as follows:

(1) There is imposed an excise tax upon each sale of real property ((at the rate of one and twenty eight one hundredths percent of the selling price. Beginning July 1, 2013, and ending June 30, 2023)).

(a) Through December 31, 2019, the rate of the tax imposed under this section is 1.28 percent of the selling price.

(b) Beginning January 1, 2020, except as provided in (c) of this subsection, the rate of the tax imposed under this section is as follows:

(i) 1.1 percent of the portion of the selling price that is less than or equal to five hundred thousand dollars;

(ii) 1.28 percent of the portion of the selling price that is greater than five hundred thousand dollars and equal to or less than one million five hundred thousand dollars;

(iii) 2.75 percent of the portion of the selling price that is greater than one million five hundred thousand dollars and equal to or less than three million dollars;

(iv) Three percent of the portion of the selling price that is greater than three million dollars.

(c) The sale of real property that is classified as timberland or agricultural land is subject to the tax imposed under this section at a rate of 1.28 percent of the selling price.

(2) Beginning July 1, 2022, and every fourth year thereafter:

(a) The department must adjust the selling price threshold in

selling price threshold adjustments.

(d) "Timberland" means land classified under chapter 84.34 RCW or designated under chapter 84.33 RCW, including any structures and standing timber on such land, and standing timber sold apart from the land upon which it sits.

**NEW SECTION. Sec. 2.** A new section is added to chapter 82.45 RCW to read as follows:

(1) Beginning January 1, 2020, and ending June 30, 2023, the amounts received for the tax imposed on each sale of real property under RCW 82.45.060 must be deposited as follows:

(a) 1.7 percent must be deposited into the public works assistance account created in RCW 43.155.050;

(b) 1.4 percent must be deposited into the city-county assistance account created in RCW 43.08.290;

(c) 79.4 percent must be deposited into the general fund; and

(d) The remainder must be deposited into the educational legacy trust account created in RCW 83.100.230.

(2) Beginning July 1, 2023, and thereafter, the amounts received for the tax imposed on each sale of real property under RCW 82.45.060 must be deposited as follows:

(a) 5.2 percent must be deposited into the public works assistance account created in RCW 43.155.050;

(b) 1.4 percent must be deposited into the city-county assistance account created in RCW 43.08.290;

(c) 79.4 percent must be deposited into the general fund; and

(d) The remainder must be deposited into the education legacy trust account created in RCW 83.100.230.

**Sec. 3.** RCW 82.45.010 and 2018 c 223 s 3 and 2018 c 221 s 1 are each reenacted and amended to read as follows:

(1) As used in this chapter, the term "sale" has its ordinary meaning and includes any conveyance, grant, assignment, quitclaim, or transfer of the ownership of or title to real property, including standing timber, or any estate or interest therein for a valuable consideration, and any contract for such conveyance, grant, assignment, quitclaim, or transfer, and any lease with an option to purchase real property, including standing timber, or any estate or interest therein or other contract under which possession of the property is given to the purchaser, or any other person at the purchaser's direction, and title to the property is retained by the vendor as security for the payment of the purchase price. The term also includes the grant, assignment, quitclaim, sale, or transfer of improvements constructed upon leased land.

(2)(a) The term "sale" also includes the transfer or acquisition within any (~~twelve~~) thirty-six month period of a controlling interest in any entity with an interest in real property located in this state for a valuable consideration.

(b) For the sole purpose of determining whether, pursuant to the exercise of an option, a controlling interest was transferred or acquired within a (~~twelve~~) thirty-six month period, the date that the option agreement was executed is the date on which the transfer or acquisition of the controlling interest is deemed to occur. For all other purposes under this chapter, the date upon which the option is exercised is the date of the transfer or acquisition of the controlling interest.

(c) For purposes of this subsection, all acquisitions of persons acting in concert must be aggregated for purposes of determining whether a transfer or acquisition of a controlling interest has taken place. The department must adopt standards by rule to determine when persons are acting in concert. In adopting a rule for this purpose, the department must consider the following:

(i) Persons must be treated as acting in concert when they have a relationship with each other such that one person influences or controls the actions of another through common ownership; and

(ii) When persons are not commonly owned or controlled, they

must be treated as acting in concert only when the unity with which the purchasers have negotiated and will consummate the transfer of ownership interests supports a finding that they are acting as a single entity. If the acquisitions are completely independent, with each purchaser buying without regard to the identity of the other purchasers, then the acquisitions are considered separate acquisitions.

(3) The term "sale" does not include:

(a) A transfer by gift, devise, or inheritance.

(b) A transfer by transfer on death deed, to the extent that it is not in satisfaction of a contractual obligation of the decedent owed to the recipient of the property.

(c) A transfer of any leasehold interest other than of the type mentioned above.

(d) A cancellation or forfeiture of a vendee's interest in a contract for the sale of real property, whether or not such contract contains a forfeiture clause, or deed in lieu of foreclosure of a mortgage.

(e) The partition of property by tenants in common by agreement or as the result of a court decree.

(f) The assignment of property or interest in property from one spouse or one domestic partner to the other spouse or other domestic partner in accordance with the terms of a decree of dissolution of marriage or state registered domestic partnership or in fulfillment of a property settlement agreement.

(g) The assignment or other transfer of a vendor's interest in a contract for the sale of real property, even though accompanied by a conveyance of the vendor's interest in the real property involved.

(h) Transfers by appropriation or decree in condemnation proceedings brought by the United States, the state or any political subdivision thereof, or a municipal corporation.

(i) A mortgage or other transfer of an interest in real property merely to secure a debt, or the assignment thereof.

(j) Any transfer or conveyance made pursuant to a deed of trust or an order of sale by the court in any mortgage, deed of trust, or lien foreclosure proceeding or upon execution of a judgment, or deed in lieu of foreclosure to satisfy a mortgage or deed of trust.

(k) A conveyance to the federal housing administration or veterans administration by an authorized mortgagee made pursuant to a contract of insurance or guaranty with the federal housing administration or veterans administration.

(l) A transfer in compliance with the terms of any lease or contract upon which the tax as imposed by this chapter has been paid or where the lease or contract was entered into prior to the date this tax was first imposed.

(m) The sale of any grave or lot in an established cemetery.

(n) A sale by the United States, this state or any political subdivision thereof, or a municipal corporation of this state.

(o) A sale to a regional transit authority or public corporation under RCW 81.112.320 under a sale/leaseback agreement under RCW 81.112.300.

(p) A transfer of real property, however effected, if it consists of a mere change in identity or form of ownership of an entity where there is no change in the beneficial ownership. These include transfers to a corporation or partnership which is wholly owned by the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner. However, if thereafter such transferee corporation or partnership voluntarily transfers such real property, or such transferor, spouse or domestic partner, or children of the transferor or the transferor's spouse or domestic partner voluntarily transfer stock in the transferee corporation or interest in the transferee partnership capital, as the case may be, to other than (i) the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

spouse or domestic partner. (ii) a trust having the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner as the only beneficiaries at the time of the transfer to the trust, or (iii) a corporation or partnership wholly owned by the original transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner, within three years of the original transfer to which this exemption applies, and the tax on the subsequent transfer has not been paid within sixty days of becoming due, excise taxes become due and payable on the original transfer as otherwise provided by law.

(q)(i) A transfer that for federal income tax purposes does not involve the recognition of gain or loss for entity formation, liquidation or dissolution, and reorganization, including but not limited to nonrecognition of gain or loss because of application of 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal revenue code of 1986, as amended.

(ii) However, the transfer described in (q)(i) of this subsection cannot be preceded or followed within a (~~twelve~~) thirty-six month period by another transfer or series of transfers, that, when combined with the otherwise exempt transfer or transfers described in (q)(i) of this subsection, results in the transfer of a controlling interest in the entity for valuable consideration, and in which one or more persons previously holding a controlling interest in the entity receive cash or property in exchange for any interest the person or persons acting in concert hold in the entity. This subsection (3)(q)(ii) does not apply to that part of the transfer involving property received that is the real property interest that the person or persons originally contributed to the entity or when one or more persons who did not contribute real property or belong to the entity at a time when real property was purchased receive cash or personal property in exchange for that person or persons' interest in the entity. The real estate excise tax under this subsection (3)(q)(ii) is imposed upon the person or persons who previously held a controlling interest in the entity.

(r) A qualified sale of a manufactured/mobile home community, as defined in RCW 59.20.030, that takes place on or after June 12, 2008, but before December 31, 2018.

(s)(i) A transfer of a qualified low-income housing development or controlling interest in a qualified low-income housing development, unless, due to noncompliance with federal statutory requirements, the seller is subject to recapture, in whole or in part, of its allocated federal low-income housing tax credits within the four years prior to the date of transfer.

(ii) For purposes of this subsection (3)(s), "qualified low-income housing development" means real property and improvements in respect to which the seller or, in the case of a transfer of a controlling interest, the owner or beneficial owner, was allocated federal low-income housing tax credits authorized under 26 U.S.C. Sec. 42 or successor statute, by the Washington state housing finance commission or successor state-authorized tax credit allocating agency.

(iii) This subsection (3)(s) does not apply to transfers of a qualified low-income housing development or controlling interest in a qualified low-income housing development occurring on or after July 1, 2035.

(iv) The Washington state housing finance commission, in consultation with the department, must gather data on: (A) The fiscal savings, if any, accruing to transferees as a result of the exemption provided in this subsection (3)(s); (B) the extent to which transferors of qualified low-income housing developments receive consideration, including any assumption of debt, as part of a transfer subject to the exemption provided in this subsection (3)(s); and (C) the continued use of the property for low-income

housing. The Washington state housing finance commission must provide this information to the joint legislative audit and review committee. The committee must conduct a review of the tax preference created under this subsection (3)(s) in calendar year 2033, as required under chapter 43.136 RCW.

(t)(i) A qualified transfer of residential property by a legal representative of a person with developmental disabilities to a qualified entity subject to the following conditions:

(A) The adult child with developmental disabilities of the transferor of the residential property must be allowed to reside in the residence or successor property so long as the placement is safe and appropriate as determined by the department of social and health services;

(B) The title to the residential property is conveyed without the receipt of consideration by the legal representative of a person with developmental disabilities to a qualified entity;

(C) The residential property must have no more than four living units located on it; and

(D) The residential property transferred must remain in continued use for fifty years by the qualified entity as supported living for persons with developmental disabilities by the qualified entity or successor entity. If the qualified entity sells or otherwise conveys ownership of the residential property the proceeds of the sale or conveyance must be used to acquire similar residential property and such similar residential property must be considered the successor for continued use. The property will not be considered in continued use if the department of social and health services finds that the property has failed, after a reasonable time to remedy, to meet any health and safety statutory or regulatory requirements. If the department of social and health services determines that the property fails to meet the requirements for continued use, the department of social and health services must notify the department and the real estate excise tax based on the value of the property at the time of the transfer into use as residential property for persons with developmental disabilities becomes immediately due and payable by the qualified entity. The tax due is not subject to penalties, fees, or interest under this title.

(ii) For the purposes of this subsection (3)(t) the definitions in RCW 71A.10.020 apply.

(iii) A "qualified entity" is:

(A) A nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended, as of June 7, 2018, or a subsidiary under the same taxpayer identification number that provides residential supported living for persons with developmental disabilities; or

(B) A nonprofit adult family home, as defined in RCW 70.128.010, that exclusively serves persons with developmental disabilities.

(iv) In order to receive an exemption under this subsection (3)(t) an affidavit must be submitted by the transferor of the residential property and must include a copy of the transfer agreement and any other documentation as required by the department.

**Sec. 4.** RCW 82.45.033 and 2010 1st sp.s. c 23 s 208 are each amended to read as follows:

(1) As used in this chapter, the term "controlling interest" has the following meaning:

(a) In the case of a profit corporation, either fifty percent or more of the total combined voting power of all classes of stock of the corporation entitled to vote, or fifty percent of the capital, profits, or beneficial interest in the voting stock of the corporation; and

(b) In the case of any other corporation, or a partnership, association, trust, or other entity, fifty percent or more of the

capital, profits, or beneficial interest in such corporation, partnership, association, trust, or other entity.

(2) The department may, at the department's option, enforce the obligation of the seller under this chapter as provided in this subsection (2):

(a) In the transfer or acquisition of a controlling interest as defined in subsection (1)(a) of this section, either against the corporation in which a controlling interest is transferred or acquired, against the person or persons who acquired the controlling interest in the corporation or, when the corporation is not a publicly traded company, against the person or persons who transferred the controlling interest in the corporation; and

(b) In the transfer or acquisition of a controlling interest as defined in subsection (1)(b) of this section, either against the entity in which a controlling interest is transferred or acquired or against the person or persons who transferred or acquired the controlling interest in the entity.

**NEW SECTION. Sec. 5.** A new section is added to chapter 82.45 RCW to read as follows:

The legislature recognizes that in adopting a graduated tax rate structure providing for increased tax rates for sales of highly valued property, while also exempting certain types of property from the increased tax rates, some taxpayers will attempt to avoid or reduce the tax imposed in this chapter by structuring transactions in a way that serves no meaningful purpose other than to reduce tax due under this chapter.

(1)(a) When necessary to deny the tax benefit that would otherwise accrue from engaging in one or more related transactions designed to avoid tax under this chapter, the department is authorized to disregard the form of the transaction or series of transactions and determine the proper tax treatment under this chapter based on the substance of the transaction or transactions. In exercising this authority, the department may consider the factors described in RCW 82.32.655(2) (a), (b), (c), and (f).

(b) The authority provided in this subsection includes, but is not limited to, treating multiple sales as a single sale as necessary to prevent the parties from reducing the tax liability under this chapter when it appears that the parties have engaged in a concerted plan intended from the outset to achieve a reduced effective tax rate than had the parties collapsed the separate sales into a single sale at the outset.

(2) The department is encouraged to provide guidance to the public concerning the department's implementation of this section, whether by rule or otherwise.

**Sec. 6.** RCW 43.07.390 and 2010 1st sp.s. c 23 s 213 are each amended to read as follows:

(1)(a) The secretary of state must adopt rules requiring any entity that is required to file an annual report with the secretary of state, including entities under Titles 23, 23B, 24, and 25 RCW, to disclose: (i) Any transfer of the controlling interest in the entity or an interest that amounts to at least one-third of a controlling interest in the entity; and (ii) the granting of any option to acquire an interest ~~((in the entity if the exercise of the option would result in a sale as defined in RCW 82.45.010(2)))~~ described in (a)(i) of this subsection.

(b) The disclosure requirement in this subsection only applies to entities owning an interest in real property located in this state.

(2) This information must be made available to the department of revenue upon request for the purposes of tracking the transfer of the controlling interest in entities owning real property and to determine when the real estate excise tax is applicable in such cases.

(3) For the purposes of this section, "controlling interest" has

the same meaning as provided in RCW 82.45.033.

**Sec. 7.** RCW 82.45.220 and 2010 1st sp.s. c 23 s 212 are each amended to read as follows:

(1) An organization that fails to report ~~((a transfer of the controlling interest in the organization under RCW 43.07.390 to the secretary of state and is later determined to be subject to real estate excise taxes due to the transfer,))~~ to the secretary of state a transfer of an interest in the organization as required under RCW 43.07.390 and the transfer results in a sale as defined in RCW 82.45.010(2) is subject to the provisions of RCW 82.45.100 as well as the evasion penalty in RCW 82.32.090(7).

(2) Subsection (1) of this section also applies to the failure to report to the secretary of state the granting of an option to acquire an interest in the organization if the exercise of the option would result in a sale as defined in RCW 82.45.010(2).

**NEW SECTION. Sec. 8.1.** The provisions of RCW 82.32.805 and 82.32.808 do not apply to this act.

**NEW SECTION. Sec. 9.** This act takes effect January 1, 2020."

On page 1, line 2 of the title, after "tax;" strike the remainder of the title and insert "amending RCW 82.45.060, 82.45.033, 43.07.390, and 82.45.220; reenacting and amending RCW 82.45.010; adding new sections to chapter 82.45 RCW; creating a new section; and providing an effective date."

#### MOTION

Senator Braun moved that the following amendment no. 810 by Senator Braun be adopted:

On page 1, line 24, after "timberland" strike "or" and insert ";"

On page 1, line 25, after "land" insert ", or multiple-unit housing as defined in RCW 84.14.010"

Senators Braun, Sheldon, Short and Fortunato spoke in favor of adoption of the amendment to the striking amendment.

Senator Nguyen spoke against adoption of the amendment to the 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.

The President declared the question before the Senate to be the adoption of the amendment by Senator Braun on page 1, line 24, to striking amendment no. 805.

#### ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Braun and the amendment to the striking amendment was not adopted by the following vote: Yeas, 21; Nays, 27; Absent, 0; Excused, 1.

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

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

Excused: Senator Walsh.

#### MOTION

Senator Braun moved that the following amendment no. 808 by Senator Braun be adopted:

On page 1, after line 26, insert the following:

"(d) The sale of multiple-unit housing, as defined in RCW 84.14.010, is subject to the tax imposed under this section at a rate of 1.1 percent of the selling price for the initial sale of the property after the value of the improvements have been included for purposes of the exemption under chapter 84.14 RCW and at a rate as provided in (b) of this subsection for all subsequent sales of the property."

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

Senator Nguyen 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. 808 by Senator Braun on page 1, after line 26 to striking amendment no. 805.

The motion by Senator Braun did not carry and amendment no. 808 was not adopted by voice vote.

MOTION

Senator Schoesler moved that the following amendment no. 807 by Senators Schoesler and Warnick be adopted:

On page 3, after line 31, insert the follow:

(a) \$3,941,000 per biennium for the purpose of funding the payment in lieu of tax program under RCW 77.12.170;

On page 4, after line 3, insert the follow:

(a) \$3,941,000 per biennium for the purpose of funding the payment in lieu of tax program under RCW 77.12.170;

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

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

Senator Rolfes 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. 807 by Senators Schoesler and Warnick on page 3, after line 31 to striking amendment no. 805.

The motion by Senator Schoesler did not carry and amendment no. 807 was not adopted by voice vote.

MOTION

Senator Short moved that the following amendment no. 811 by Senator Short be adopted:

On page 12, after line 4, insert the following:

"**Sec. 8.** RCW 82.45.180 and 2013 c 251 s 11 are each amended to read as follows:

(1)(a) For taxes collected by the county under this chapter, the county treasurer ~~((shall))~~ must collect a five dollar fee on all transactions required by this chapter where the transaction does not require the payment of tax. A total of five dollars ~~((shall))~~ must be collected in the form of a tax and fee, where the calculated tax payment is less than five dollars. ~~((Through June 30, 2006, the county treasurer shall place one percent of the taxes collected by the county under this chapter and the treasurer's fee in the county current expense fund to defray costs of collection. After June 30, 2006, the county treasurer shall place one and three tenths percent of the taxes collected by the county))~~ From

the taxes collected by the county under this chapter, the county treasurer must place an amount equal to 0.017 percent of the selling price for each taxable transaction under this chapter and the treasurer's fee in the county current expense fund to defray costs of collection. ~~((For taxes collected by the county under this chapter before July 1, 2006, the county treasurer shall pay over to the state treasurer and account to the department of revenue for the proceeds at the same time the county treasurer remits funds to the state under RCW 84.56.280. For))~~ Taxes collected by the county under this chapter after June 30, 2006, on a monthly basis the county treasurer ~~((shall))~~ must pay over to the state treasurer the month's transmittal. The month's transmittal must be received by the state treasurer by 12:00 p.m. on the last working day of each month. The county treasurer ~~((shall))~~ must account to the department for the month's transmittal by the twentieth day of the month following the month in which the month's transmittal was paid over to the state treasurer. The state treasurer ~~((shall))~~ must deposit the proceeds in the general fund.

(b) ~~((For purposes of this subsection,))~~ The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(i) "Close of business" means the time when the county treasurer makes his or her daily deposit of proceeds.

(ii) "Month's transmittal" means all proceeds deposited by the county through the close of business of the day that is two working days before the last working day of the month. This definition of "month's transmittal" shall not be construed as requiring any change in a county's practices regarding the timing of its daily deposits of proceeds.

(iii) "Proceeds" means moneys collected and receipted by the county from the taxes imposed by this chapter, less the county's share of the proceeds used to defray the county's costs of collection allowable in (a) of this subsection.

(iv) "Working day" means a calendar day, except Saturdays, Sundays, and all legal holidays as provided in RCW 1.16.050.

(2) For taxes collected by the department ~~((of revenue))~~ under this chapter, the department ~~((shall))~~ must remit the tax to the state treasurer who ~~((shall))~~ must deposit the proceeds of any state tax in the general fund. The state treasurer ~~((shall))~~ must deposit the proceeds of any local taxes imposed under chapter 82.46 RCW in the local real estate excise tax account hereby created in the state treasury. Moneys in the local real estate excise tax account may be spent only for distribution to counties, cities, and towns imposing a tax under chapter 82.46 RCW. Except as provided in RCW 43.08.190, all earnings of investments of balances in the local real estate excise tax account ~~((shall))~~ must be credited to the local real estate excise tax account and distributed to the counties, cities, and towns monthly. Monthly the state treasurer ~~((shall))~~ must make distribution from the local real estate excise tax account to the counties, cities, and towns the amount of tax collected on behalf of each taxing authority. The state treasurer ~~((shall))~~ must make the distribution under this subsection without appropriation.

(3)(a) Through June 30, 2010, the county treasurer ~~((shall))~~ must collect an additional five dollar fee on all transactions required by this chapter, regardless of whether the transaction requires the payment of tax. The county treasurer ~~((shall))~~ must remit this fee to the state treasurer at the same time the county treasurer remits funds to the state under subsection (1) of this section. The state treasurer ~~((shall))~~ must place money from this fee in the general fund. By the twentieth day of the subsequent month, the state treasurer ~~((shall))~~ must distribute to each county treasurer according to the following formula: Three-quarters of the funds available ~~((shall))~~ must be equally distributed among the thirty-nine counties; and the balance ~~((shall))~~ must be ratably

distributed among the counties in direct proportion to their population as it relates to the total state's population based on most recent statistics by the office of financial management.

(b) When received by the county treasurer, the funds (~~shall~~) must be placed in a special real estate excise tax electronic technology fund held by the county treasurer to be used exclusively for the development, implementation, and maintenance of an electronic processing and reporting system for real estate excise tax affidavits. Funds may be expended to make the system compatible with the automated real estate excise tax system developed by the department and compatible with the processes used in the offices of the county assessor and county auditor. Any funds held in the account that are not expended by the earlier of: July 1, 2015, or at such time that the county treasurer is utilizing an electronic processing and reporting system for real estate excise tax affidavits compatible with the department and compatible with the processes used in the offices of the county assessor and county auditor, revert to the special real estate and property tax administration assistance account in accordance with subsection (5)(c) of this section.

(4) Beginning July 1, 2010, through December 31, 2013, the county treasurer (~~shall~~) must continue to collect the additional five dollar fee in subsection (3) of this section on all transactions required by this chapter, regardless of whether the transaction requires the payment of tax. During this period, the county treasurer (~~shall~~) must remit this fee to the state treasurer at the same time the county treasurer remits funds to the state under subsection (1) of this section. The state treasurer (~~shall~~) must place money from this fee in the annual property revaluation grant account created in RCW 84.41.170.

(5)(a) The real estate and property tax administration assistance account is created in the custody of the state treasurer. An appropriation is not required for expenditures and the account is not subject to allotment procedures under chapter 43.88 RCW.

(b) Beginning January 1, 2014, the county treasurer must continue to collect the additional five dollar fee in subsection (3) of this section on all transactions required by this chapter, regardless of whether the transaction requires the payment of tax. The county treasurer (~~shall~~) must deposit one-half of this fee in the special real estate and property tax administration assistance account in accordance with (c) of this subsection and remit the balance to the state treasurer at the same time the county treasurer remits funds to the state under subsection (1) of this section. The state treasurer must place money from this fee in the real estate and property tax administration assistance account. By the twentieth day of the subsequent month, the state treasurer must distribute the funds to each county treasurer according to the following formula: One-half of the funds available must be equally distributed among the thirty-nine counties; and the balance must be ratably distributed among the counties in direct proportion to their population as it relates to the total state's population based on most recent statistics by the office of financial management.

(c) When received by the county treasurer, the funds must be placed in a special real estate and property tax administration assistance account held by the county treasurer to be used for:

- (i) Maintenance and operation of an annual revaluation system for property tax valuation; and
- (ii) Maintenance and operation of an electronic processing and reporting system for real estate excise tax affidavits."

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

On page 12, line 10, after "43.07.390," strike "and 82.45.220" and insert "82.45.220, and 82.45.180"

Senator Short spoke in favor of adoption of the amendment to

the striking amendment.

Senator Nguyen 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. 811 by Senator Short on page 12, after line 4 to striking amendment no. 805.

The motion by Senator Short did not carry and amendment no. 811 was not adopted by voice vote.

#### MOTION

Senator Sheldon moved that the following amendment no. 809 by Senator Sheldon be adopted:

On page 12, after line 6, insert the following:

"NEW SECTION. Sec. 9. 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."

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

On page 12, line 11, after "section;" strike the remainder of the title and insert "providing an effective date; and providing for submission of this act to a vote of the people."

Senators Sheldon, Ericksen and Brown spoke in favor of adoption of the amendment to the striking amendment.

Senator Nguyen 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. 809 by Senator Sheldon on page 12, after line 6 to striking amendment no. 805.

The motion by Senator Sheldon did not carry and amendment no. 809 was not adopted by voice vote.

The President declared the question before the Senate to be the adoption of striking amendment no. 805 by Senator Nguyen to Substitute Senate Bill No. 5998.

The motion by Senator Nguyen carried and striking amendment no. 805 was adopted by voice vote.

#### MOTION

On motion of Senator Nguyen, the rules were suspended, Engrossed Substitute Senate Bill No. 5998 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Nguyen and Lovelett spoke in favor of passage of the bill.

Senators Braun, Sheldon, Ericksen and Becker spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5998.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5998 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 22; Absent, 0; Excused, 1.

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

Wilson, C.

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

Excused: Senator Walsh

ENGROSSED SUBSTITUTE SENATE BILL NO. 5998, 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:

- SENATE BILL NO. 5359,
- ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5444,
- SENATE BILL NO. 5505,
- SUBSTITUTE SENATE BILL NO. 5734,
- SECOND SUBSTITUTE HOUSE BILL NO. 1087,
- SUBSTITUTE HOUSE BILL NO. 1196,
- SECOND SUBSTITUTE HOUSE BILL NO. 1216,
- SUBSTITUTE HOUSE BILL NO. 1225,
- ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO. 1257,
- SECOND SUBSTITUTE HOUSE BILL NO. 1394,
- SECOND SUBSTITUTE HOUSE BILL NO. 1444,
- HOUSE BILL NO. 1462,
- ENGROSSED HOUSE BILL NO. 1465,
- SUBSTITUTE HOUSE BILL NO. 1476,
- HOUSE BILL NO. 1505,
- ENGROSSED HOUSE BILL NO. 1564,
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1578,
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1582,
- ENGROSSED HOUSE BILL NO. 1638,
- ENGROSSED HOUSE BILL NO. 1706,
- SUBSTITUTE HOUSE BILL NO. 1739,
- SUBSTITUTE HOUSE BILL NO. 1786,
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1874,

SECOND READING

SENATE BILL NO. 5997, by Senators Rolfes and Hunt

Eliminating or narrowing certain tax preferences to increase state revenue for essential public services. Revised for 1st Substitute: Eliminating or narrowing certain tax preferences to increase state revenue for essential public services. (REVISED FOR ENGROSSED: Increasing revenues by revising tax preferences and enforcement processes.)

MOTION

On motion of Senator Liias, Substitute Senate Bill No. 5997 was substituted for Senate Bill No. 5997 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Liias moved that the following amendment no. 806 by Senator Rolfes be adopted:

On page 6, line 14, strike all material down and through page 13, line 37.

Re-number the remaining sections consecutively and correct any internal references accordingly.

Senator Liias spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 806 by Senator Rolfes on page 6, line 14 to Substitute Senate Bill No. 5997.

The motion by Senator Liias carried and amendment no. 806 was adopted by voice vote.

MOTION

Senator Wilson, L. moved that the following amendment no. 813 by Senator Wilson, L. be adopted:

On page 13, after line 37 insert the following:

**"PART III  
Creating a Deferred Finding Program for Nonpayment of  
License Fees and Taxes for Vehicle, Vessel, and Aircraft  
Registration**

NEW SECTION. **Sec. 301.** (1) The legislature finds that counties that border other states and Canada experience a significant problem of residents of Washington state who evade taxes and fees by failing to register their vehicles, aircraft, and vessels in Washington state. According to a 2007 Washington State University study, the department of revenue lost eighty million dollars over the previous five years to persons avoiding taxes and fees in this manner. It was also estimated in the study that twenty thousand vehicles were illegally registered in Oregon to residents of Clark county, Washington. The problem has undoubtedly grown worse in the decade since the study was completed resulting in hundreds of millions of dollars in lost revenue to state and local coffers as these new residents fail to pay their fair share for public services. Moreover, a public safety risk is created when inaccurate information is provided to law enforcement or insurance companies in the event of an accident or infraction.

(2) Current statutes contain monetarily significant penalties that are appropriate given the scope of the harm. It is the intent of the legislature that law enforcement and prosecutors proceed against violators to the fullest extent of the law. In order to give them more tools and ensure compliance with the law, it is the intent of the legislature to set up a deferred finding program consistent with other programs in the state that allows defendants to obtain dismissal of charges if they take certain remedial steps. It is the intent of the legislature that the punishment for those who do not comply with the deferred finding program remain in force and be fully implemented.

NEW SECTION. **Sec. 302.** A new section is added to chapter 10.05 RCW to read as follows:

Any county may set up a deferred finding program for persons who receive a citation for failing to register a vehicle under RCW 46.16A.030, an aircraft under RCW 47.68.255, or a vessel under RCW 88.02.400. Upon receipt of proof satisfactory to the prosecuting attorney's office with jurisdiction over the offense, which shall include payment of a five hundred dollar fine, that the person cited has a valid Washington state driver's license, and that the person cited has registered the vehicle, aircraft, or vessel that was the subject of the citation in Washington state, the citation must be dismissed. If receipt of proof does not occur within ninety days of the citation, the prosecuting attorney must

seek the full penalty available for the citation. Fines generated pursuant to this program shall be used by the county for the purpose of enforcement and prosecution of registration requirements under RCW 46.16A.030, 47.68.255, or 88.02.400. This section applies to persons who have never received a previous citation or participated in a program of deferred finding for failing to register a vehicle under RCW 46.16A.030, an aircraft under RCW 47.68.255, or a vessel under RCW 88.02.400.

**Sec. 303.** RCW 46.16A.030 and 2011 c 171 s 43 and 2011 c 96 s 31 are each reenacted and amended to read as follows:

(1) Vehicles must be registered as required by this chapter and must display license plates or decals assigned by the department.

(2) It is unlawful for a person to operate any vehicle on a public highway of this state without having in full force and effect a current and proper vehicle registration and displaying license plates on the vehicle.

(3) Vehicle license plates or registration certificates, whether original issues or duplicates, may not be issued or furnished by the department until the applicant makes satisfactory application for a certificate of title or presents satisfactory evidence that a certificate of title covering the vehicle has been previously issued.

(4) Failure to make initial registration before operating a vehicle on the public highways of this state is a traffic infraction. A person committing this infraction must pay a fine of five hundred twenty-nine dollars, which may not be suspended(~~(, deferred,)~~) or reduced. This fine is in addition to any delinquent taxes and fees that must be deposited and distributed in the same manner as if the taxes and fees were properly paid in a timely fashion. The five hundred twenty-nine dollar fine must be deposited into the vehicle licensing fraud account created in the state treasury in RCW 46.68.250.

(5) Failure to renew an expired registration before operating a vehicle on the public highways of this state is a traffic infraction.

(6) It is a gross misdemeanor for a resident, as identified in RCW 46.16A.140, to register a vehicle in another state, evading the payment of any tax or vehicle license fee imposed in connection with registration. It is punishable, in lieu of the fine in subsection (4) of this section, as follows:

(a) For a first offense:

(i) Up to three hundred sixty-four days in the county jail;

(ii) Payment of a fine of five hundred twenty-nine dollars plus any applicable assessments, which may not be suspended(~~(, deferred,)~~) or reduced. The fine of five hundred twenty-nine dollars must be deposited into the vehicle licensing fraud account created in the state treasury in RCW 46.68.250;

(iii) A fine of one thousand dollars to be deposited into the vehicle licensing fraud account created in the state treasury in RCW 46.68.250, which may not be suspended(~~(, deferred,)~~) or reduced; and

(iv) The delinquent taxes and fees, which must be deposited and distributed in the same manner as if the taxes and fees were properly paid in a timely fashion, and which may not be suspended(~~(, deferred,)~~) or reduced;

(b) For a second or subsequent offense:

(i) Up to three hundred sixty-four days in the county jail;

(ii) Payment of a fine of five hundred twenty-nine dollars plus any applicable assessments, which may not be suspended(~~(, deferred,)~~) or reduced. The fine of five hundred twenty-nine dollars must be deposited into the vehicle licensing fraud account created in the state treasury in RCW 46.68.250;

(iii) A fine of five thousand dollars to be deposited into the vehicle licensing fraud account created in the state treasury in RCW 46.68.250, which may not be suspended(~~(, deferred,)~~) or reduced; and

(iv) The amount of delinquent taxes and fees, which must be

deposited and distributed in the same manner as if the taxes and fees were properly paid in a timely fashion, and which may not be suspended(~~(, deferred,)~~) or reduced.

(7) A vehicle with an expired registration of more than forty-five days parked on a public street may be impounded by a police officer under RCW 46.55.113(2).

**Sec. 304.** RCW 47.68.255 and 2010 c 161 s 1147 are each amended to read as follows:

A person who is required to register an aircraft under this chapter and who registers an aircraft in another state or foreign country evading the Washington aircraft excise tax is guilty of a gross misdemeanor. For a second or subsequent offense, the person convicted is also subject to a fine equal to four times the amount of avoided taxes and fees, no part of which may be suspended (~~(or deferred)~~). Excise taxes owed and fines assessed (~~(with)~~) must be deposited in the manner provided under RCW 46.16A.030(6).

**Sec. 305.** RCW 88.02.400 and 2010 c 161 s 1007 are each amended to read as follows:

(1) It is a gross misdemeanor punishable as provided under chapter 9A.20 RCW for any person owning a vessel subject to taxation under chapter 82.49 RCW to:

(a) Register a vessel in another state to avoid Washington state vessel excise tax required under chapter 82.49 RCW; or

(b) Obtain a vessel dealer's license for the purpose of evading excise tax on vessels under chapter 82.49 RCW.

(2) For a second or subsequent offense, the person convicted is also subject to a fine equal to four times the amount of avoided taxes and fees, which may not be suspended (~~(or deferred)~~).

(3) Excise taxes owed and fines assessed must be deposited in the manner provided under RCW 46.16A.030(6)."

Renumber the remaining part and section and correct any internal references accordingly.

On page 1, line 1 of the title, after "Relating to" strike the remainder of the title and insert "increasing revenues by revising tax preferences and enforcement processes; amending RCW 82.08.0273, 82.04.260, 47.68.255, and 88.02.400; reenacting and amending RCW 46.16A.030; adding a new section to chapter 10.05 RCW; creating a new section; prescribing penalties; providing an effective date; and declaring an emergency."

Senators Wilson, L. and Rivers spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of amendment no. 813 by Senator Wilson, L. on page 13, after line 37 to Substitute Senate Bill No. 5997.

The motion by Senator Wilson, L. carried and amendment no. 813 was adopted by voice vote.

#### MOTION

On motion of Senator Rolfes, the rules were suspended, Engrossed Substitute Senate Bill No. 5997 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Rolfes and Liias spoke in favor of passage of the bill.

Senators Braun, Cleveland, Padden, Takko and Wilson, L. spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5997.

#### ROLL CALL

ONE HUNDRED SECOND DAY, APRIL 25, 2019

2019 REGULAR SESSION

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5997 and the bill passed the Senate by the following vote: Yeas, 25; Nays, 22; Absent, 0; Excused, 2.

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

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

Excused: Senators Rivers and Walsh

ENGROSSED SUBSTITUTE SENATE BILL NO. 5997, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

Senator Lias announced a meeting of the Democratic Caucus at 9:00 a.m., April 26, and a meeting of the Committee on Ways & Means at 10:00 a.m., April 26.

Senator Becker announced that a morning meeting of the Republican Caucus would not be held.

MOTION

At 11:49 p.m., on motion of Senator Lias, the Senate adjourned until 12:00 o'clock noon Friday, April 26, 2019.

CYRUS HABIB, President of the Senate

BRAD HENDRICKSON, Secretary of the Senate

1016	Messages .....	2	1146	President Signed.....	51
1026	President Signed.....	51	1147	President Signed.....	51
1041-S	President Signed.....	51	1149	President Signed.....	51
1048-S2	President Signed.....	51	1151-S	President Signed.....	51
1062	President Signed.....	51	1155-S	Messages .....	2
1065-S2	President Signed.....	51	1170-S	Messages .....	15
1066	President Signed.....	51		Other Action.....	15
1070	President Signed.....	51	1175-E	President Signed.....	51
1071-S	Messages .....	1	1176	Messages .....	1
	President Signed.....	51		President Signed.....	51
1075-S	Messages .....	1	1195-S	Messages .....	15
	President Signed.....	51		Other Action.....	16, 37
1083-S	Messages .....	2		Second Reading .....	16
1087-S2	Messages .....	11		Third Reading Final Passage .....	37
	President Signed.....	67	1196-S	Messages .....	11
1092	President Signed.....	51		President Signed.....	67
1094-SE	President Signed.....	51	1197-S	President Signed.....	51
1095-S	President Signed.....	51	1216-S2	Messages .....	12
1105-S2E	President Signed.....	51		President Signed.....	67
1112-S2E	Messages .....	1	1224-S2E	FP as rec by CC.....	41
	President Signed.....	51		Messages .....	38
1114-S2E	President Signed.....	51		Other Action.....	40
1126-E	President Signed.....	51	1225-S	Messages .....	12
1130-SE	President Signed.....	51		President Signed.....	67
1133	Messages .....	1	1239-S	President Signed.....	51
	President Signed.....	51	1252	President Signed.....	51
1139-S2E				President Signed.....	51
			1257-S3E	Messages .....	12
				President Signed.....	67
			1284-S	President Signed.....	51

1295-S	Messages .....	12
President Signed.....	51	67
1302-S	1448-S2	
President Signed.....	President Signed.....	51
1311-S2E	1449	
President Signed.....	President Signed.....	51
1318	1450-SE	
President Signed.....	President Signed.....	51
1324-S3E	1462	
Messages .....	Messages .....	12
1325-SE	President Signed.....	67
President Signed.....	1465-E	
1329-SE	Messages .....	12
President Signed.....	President Signed.....	67
1344-S2	1476-S	
President Signed.....	Messages .....	12
1350-S	President Signed.....	67
President Signed.....	1480-S	
1354-E	President Signed.....	51
President Signed.....	1486	
1366	President Signed.....	51
President Signed.....	1499	
1377-S	Messages .....	14
President Signed.....	Other Action.....	14, 15
1379-SE	Third Reading Final Passage .....	15
Messages .....	1505	
President Signed.....	Messages .....	12
1380	President Signed.....	67
President Signed.....	1516	
1385	President Signed.....	51
Second Reading .....	1517-S2E	
Third Reading Final Passage .....	President Signed.....	51
1391-S2E	1528-S2	
President Signed.....	President Signed.....	51
1394-S2	1531-S	
Messages .....	President Signed.....	51
President Signed.....	1533	
1415-S	President Signed.....	51
President Signed.....	1537	
1424-S2	President Signed.....	51
President Signed.....	1545-S	
1428-SE	President Signed.....	51
President Signed.....	1557-SE	
1430-S	President Signed.....	51
President Signed.....	1564E	
1436-S	Messages .....	12
Messages .....	1564-E	
1444-S2	President Signed.....	67

1569-SE		1696-SE	
President Signed.....	51	Messages.....	54
1575-S		1706-E	
President Signed.....	54	Messages.....	12
1578-SE		President Signed.....	67
Messages.....	12	1714	
President Signed.....	67	President Signed.....	54
1579-S2		1724-S	
President Signed.....	54	President Signed.....	54
1582-SE		1726	
Messages.....	12	President Signed.....	54
President Signed.....	67	1727	
1589		President Signed.....	54
President Signed.....	54	1730	
1593-S2E		President Signed.....	54
Messages.....	2	1732-SE	
1599-S2E		President Signed.....	54
Messages.....	1	1734-S	
President Signed.....	54	President Signed.....	54
1602-S		1739-S	
President Signed.....	54	Messages.....	12
1603-S2		President Signed.....	67
President Signed.....	54	1746-S	
1604		President Signed.....	60
President Signed.....	54	1753	
1607-S		President Signed.....	60
President Signed.....	54	1756-E	
1638-E		Messages.....	1
Messages.....	12	President Signed.....	60
President Signed.....	67	1767-S2	
1646-S2E		Messages.....	2
President Signed.....	54	1772-SE	
1652-S		President Signed.....	60
Introduction & 1st Reading.....	51	1784-S2	
Messages.....	41	President Signed.....	60
1658-S		1786-S	
President Signed.....	54	Messages.....	12
1667-SE		President Signed.....	67
Other Action.....	10	1789-E	
Second Reading.....	7, 8, 10	Introduction & 1st Reading.....	42
Third Reading Final Passage.....	10	Messages.....	11
1668-S2		1792	
President Signed.....	54	Messages.....	1
1672		President Signed.....	61
President Signed.....	54	1794-SE	
1692-SE		President Signed.....	61
Messages.....	1	1798-S	
President Signed.....	54	President Signed.....	61

1803	President Signed.....	61	2067-E	President Signed.....	61
1856-S	President Signed.....	61	Messages .....	2	
1865-S	President Signed.....	61	2097-SE	Messages .....	11
1874-S2E	Messages .....	12	2119	President Signed.....	61
President Signed.....	67		2159-S	Messages .....	54
1893-S2	Messages .....	11	2161-SE	Introduction & 1st Reading.....	42
1901	President Signed.....	61	Messages .....	11	
1907-S2	Messages .....	2	4007-S	President Signed.....	61
1916-SE	President Signed.....	61	5001-SE	Messages .....	2
1917-S	President Signed.....	61	5010-S	Messages .....	1
1918	President Signed.....	61	5012-S	Messages .....	2
1923-S2E	Messages .....	2	5017-S	Messages .....	1
1931-S	President Signed.....	61	5021-S2	Messages .....	1
2015-SE	Messages .....	54	5022	Messages .....	1
Other Action.....	7		5023-S	Messages .....	1
Second Reading .....	3		5025-S	Messages .....	15
Third Reading Final Passage .....	7		Other Action.....	15	
2018-SE	Messages .....	1	5027-SE	Messages .....	1
President Signed.....	61		5035-SE	Messages .....	1
2024-S	Second Reading .....	7	5054	President Signed.....	11
Third Reading Final Passage .....	7		5063-S	Messages .....	1
2035	Second Reading .....	10	5082-S2	Final Passage as amended by House.....	14
Third Reading Final Passage .....	11		Messages .....	12	
2042-S2E	Committee Report.....	1	Other Action.....	14	
2049-S	Messages .....	1	5088	Messages .....	1
President Signed.....	61		5089-S	Messages .....	2
2052	Messages .....	1	5106-S		
President Signed.....	61				
2062					

Messages.....	2	Messages.....	11
5107		President Signed.....	1
Messages.....	2	5284-S2E	
5116-S2E		President Signed.....	11
Messages.....	2	5287-S2	
5127-SE		President Signed.....	11
Messages.....	1	5298-SE	
5132		President Signed.....	11
Messages.....	1	5300	
5135-S		Messages.....	1
Messages.....	2	5318-SE	
5145		President Signed.....	11
Messages.....	2	5324-S	
5151-S		President Signed.....	11
Messages.....	2	5330-SE	
5166-S		President Signed.....	11
Messages.....	1	5334-E	
5179		Messages.....	1
President Signed.....	11	5356-S2E	
5181-S		President Signed.....	11
Messages.....	1	5359	
5199		Messages.....	41
Messages.....	11	President Signed.....	67
5205		5362	
Messages.....	1	Second Reading .....	11
5210-E		5362-S	
Messages.....	1	Second Reading .....	11
5212-S		Third Reading Final Passage .....	11
Messages.....	1	5383-SE	
5218-S		Messages.....	2
Messages.....	1	5397-S2E	
5223-S2E		Messages.....	2
Messages.....	2	5405-S	
5227		Messages.....	2
Messages.....	2	5410-SE	
5233		President Signed.....	11
Messages.....	1	5415	
5260		Messages.....	2
President Signed.....	11	5418-SE	
5266-S		President Signed.....	11
President Signed.....	11	5425-S	
5272-SE		President Signed.....	11
President Signed.....	11	5429-E	
5274-E		President Signed.....	11
Final Passage as amended by House.....	14	5432-S2E	
Messages.....	14	Messages.....	1
Other Action.....	14	5433-S2	
5276-S2E		Messages.....	2

5437-S2	Other Action.....	45
Messages.....	2	
5438-S2E	5688-SE	
Messages.....	Messages.....	2
5444-S2E	5689-S	
President Signed.....	Messages.....	1
5453-E	5714-S	
President Signed.....	Final Passage as amended by House.....	53
5497-S2E	Messages.....	52
President Signed.....	Other Action.....	53
5505	5718-S2	
Messages.....	Messages.....	2
President Signed.....	5723-S	
5506	Messages.....	2
President Signed.....	5734-S	
5508	Messages.....	41
Messages.....	President Signed.....	67
5511-S2	5825	
President Signed.....	Second Reading .....	54
5550-S	5825-S	
Messages.....	Other Action.....	59, 60
5551	Second Reading .....	54, 59, 60
President Signed.....	5825-SE	
5552-S	Third Reading Final Passage .....	60
Messages.....	5903-S2	
5560-S	Messages.....	1
President Signed.....	5918	
5573-E	Messages.....	2
Messages.....	5993	
5577-S2	Second Reading .....	46
Messages.....	5993-S	
5579-SE	Other Action.....	48
Messages.....	Second Reading .....	46, 48, 49, 50
5597-S	5993-SE	
Messages.....	Second Reading .....	47
5600-SE	Third Reading Final Passage .....	51
President Signed.....	5997	
5651	Second Reading .....	67
Messages.....	5997-S	
5652-S	Other Action.....	68
Final Passage as amended by House.....	Second Reading .....	67
Messages.....	5997-SE	
Other Action.....	Third Reading Final Passage .....	68
5670-S	5998	
Messages.....	Second Reading .....	61
5672-S2	5998-S	
Final Passage as amended by House.....	Other Action.....	64
Messages.....	Second Reading .....	61, 64, 65, 66
	5998-SE	

Third Reading Final Passage ..... 67

6022  
Introduction & 1st Reading..... 2

6023  
Introduction & 1st Reading..... 2

9062 Nellams, Robert  
Confirmed ..... 2

9108 Jackson, Douglass  
Confirmed ..... 41

CHAPLAIN OF THE DAY  
Dugan, Rev. Dr. Stuart, Head Pastor, Lacey  
Presbyterian Church..... 1

FLAG BEARERS

Hall, Miss Nalani ..... 1

Petersen, Mr. Brandon ..... 1

GUESTS  
Keesee, Mr. Blaine, Pledge of Allegiance .... 1

PRESIDENT OF THE SENATE  
Remarks by the President..... 48  
Ruling by the President..... 10, 37

WASHINGTON STATE SENATE  
Moment of Silence, Worker Memorial Day 41  
Personal Privilege, Senator Conway..... 41  
Personal Privilege, Senator Keiser..... 41  
Point of Inquiry, Senator Ericksen..... 46  
Point of Order, Senator Liias ..... 10