

FIFTY NINTH LEGISLATURE - REGULAR SESSION

EIGHTY FIFTH DAY

House Chamber, Olympia, Monday, April 4, 2005

The House was called to order at 10:00 a.m. by the Speaker (Representative Lovick presiding). The Clerk called the roll and a quorum was present.

The flag was escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Frank Raden and Amanda Priest. The Speaker (Representative Lovick presiding) led the Chamber in the Pledge of Allegiance. Prayer was offered by Reverend Anthony Irving, St. Benedict's Episcopal Church, Olympia. The House observed a moment of silence for Pope John Paul II.

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

REPORTS OF STANDING COMMITTEES

April 2, 2005

HB 2289 Prime Sponsor, Representative Sommers: Relating to hospital efficiencies. Reported by Committee on Appropriations

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia and Schual-Berke.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Hinkle; McDonald; Pearson; Priest; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

HB 2304 Prime Sponsor, Representative Sommers: Recovering debts owed to the state for medical assistance. Reported by Committee on Appropriations

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Buri; Clements; Cody; Conway; Darneille;

Dunshee; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Priest; Schual-Berke; Talcott and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Hinkle; McDonald and Pearson.

Passed to Committee on Rules for second reading.

April 2, 2005

HB 2309 Prime Sponsor, Representative Linville: Modifying water right fees. Reported by Committee on Appropriations

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Schual-Berke and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; McDonald; Pearson; Priest and Talcott.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5034 Prime Sponsor, Senate Committee On Government Operations & Elections: Making restrictions on campaign funding. Reported by Committee on Appropriations

MAJORITY recommendation: The substitute bill proposed by Committee on State Government Operations & Accountability be substituted therefor and the substitute bill do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Schual-Berke and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member;

Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; McDonald; Pearson; Priest and Talcott.

Passed to Committee on Rules for second reading.

April 2, 2005

2SSB 5056 Prime Sponsor, Senate Committee on Ways & Means: Creating the department of archaeology and historic preservation. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Priest; Schual-Berke and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Pearson and Talcott.

Passed to Committee on Rules for second reading.

April 2, 2005

SSB 5064 Prime Sponsor, Senate Committee on Health & Long-Term Care: Studying the use of electronic medical records. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Technology, Energy & Communications. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Priest; Schual-Berke and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Pearson and Talcott.

Passed to Committee on Rules for second reading.

April 4, 2005

SSB 5101 Prime Sponsor, Senate Committee on Water, Energy & Environment: Providing incentives to support renewable energy. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended by Committee on Finance:

Strike everything after the enacting clause and insert the

following:

NEW SECTION. Sec. 1. The legislature finds that the use of renewable energy resources generated from local sources such as solar and wind power benefit our state by reducing the load on the state's electric energy grid, by providing nonpolluting sources of electricity generation, and by the creation of jobs for local industries that develop and sell renewable energy products and technologies.

The legislature finds that Washington state has become a national and international leader in the technologies related to the solar electric markets. The state can support these industries by providing incentives for the purchase of locally made renewable energy products. Locally made renewable technologies benefit and protect the state's environment. The legislature also finds that the state's economy can be enhanced through the creation of incentives to develop additional renewable energy industries in the state.

The legislature intends to provide incentives for the greater use of locally created renewable energy technologies, support and retain existing local industries, and create new opportunities for renewable energy industries to develop in Washington state.

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

(1) "Customer-generated electricity" means the alternating current electricity that is generated from a renewable energy system located on an individual's, businesses', or local government's real property that is also provided electricity generated by a light and power business. A system located on a leasehold interest does not qualify under this definition. "Customer-generated electricity" does not include electricity generated by a light and power business with greater than one thousand megawatt hours of annual sales or a gas distribution business.

(2) "Economic development kilowatt-hour" means the actual kilowatt-hour measurement of customer-generated electricity multiplied by the appropriate economic development factor.

(3) "Photovoltaic cell" means a device that converts light directly into electricity without moving parts.

(4) "Renewable energy system" means a solar energy system, an anaerobic digester as defined in RCW 82.08.900, or a wind generator used for producing electricity.

(5) "Solar energy system" means any device or combination of devices or elements that rely upon direct sunlight as an energy source for use in the generation of electricity.

(6) "Solar inverter" means the device used to convert direct current to alternating current in a photovoltaic cell system.

(7) "Solar module" means the smallest nondivisible self-contained physical structure housing interconnected photovoltaic cells and providing a single direct current electrical output.

(8) "Standards for interconnection to the electric distribution system" means technical, engineering, operational, safety, and procedural requirements for interconnection to the electric distribution system of a light and power business.

NEW SECTION. Sec. 3. (1) Any individual, business, or local governmental entity, not in the light and power business or in the gas distribution business, may apply to the light and power business serving the situs of the system, each fiscal year beginning on July 1, 2005, for an investment cost recovery incentive for each kilowatt-hour from a customer-generated electricity renewable energy system installed on its property. No incentive may be paid for kilowatt-hours generated before July 1, 2005, or after June 30, 2012.

(2)(a) Before submitting the application for the incentive

allowed under this section, the applicant shall submit to the department of revenue and to the climate and rural energy development center at the Washington State University, established under RCW 28B.30.642, a certification in a form and manner prescribed by the department that includes, but is not limited to, the following information:

(i) The name and address of the applicant and location of the renewable energy system;

(ii) The applicant's tax registration number;

(iii) That the electricity produced by the applicant meets the definition of "customer-generated electricity" and that the renewable energy system produces electricity with:

(A) Any solar inverters and solar modules manufactured in Washington state;

(B) A wind generator powered by blades manufactured in Washington state;

(C) A solar inverter manufactured in Washington state;

(D) A solar module manufactured in Washington state; or

(E) Solar or wind equipment manufactured outside of Washington state;

(iv) That the electricity can be transformed or transmitted for entry into or operation in parallel with electricity transmission and distribution systems;

(v) The date that the renewable energy system received its final electrical permit from the applicable local jurisdiction.

(b) Within thirty days of receipt of the certification the department of revenue shall advise the applicant in writing whether the renewable energy system qualifies for an incentive under this section. The department may consult with the climate and rural energy development center to determine eligibility for the incentive. System certifications and the information contained therein are subject to disclosure under RCW 82.32.330(3)(m).

(3)(a) By August 1st of each year application for the incentive shall be made to the light and power business serving the situs of the system by certification in a form and manner prescribed by the department that includes, but is not limited to, the following information:

(i) The name and address of the applicant and location of the renewable energy system;

(ii) The applicant's tax registration number;

(iii) The date of the letter from the department of revenue stating that the renewable energy system is eligible for the incentives under this section;

(iv) A statement of the amount of kilowatt-hours generated by the renewable energy system in the prior fiscal year.

(b) Within sixty days of receipt of the incentive certification the light and power business serving the situs of the system shall notify the applicant in writing whether the incentive payment will be authorized or denied. The business may consult with the climate and rural energy development center to determine eligibility for the incentive payment. Incentive certifications and the information contained therein are subject to disclosure under RCW 82.32.330(3)(m).

(c)(i) Persons receiving incentive payments shall keep and preserve, for a period of five years, suitable records as may be necessary to determine the amount of incentive applied for and received. Such records shall be open for examination at any time upon notice by the light and power business that made the payment or by the department. If upon examination of any records or from other information obtained by the business or department it appears that an incentive has been paid in an amount that exceeds the correct amount of incentive payable, the business may assess against the

person for the amount found to have been paid in excess of the correct amount of incentive payable and shall add thereto interest on the amount.

(ii) If it appears that the amount of incentive paid is less than the correct amount of incentive payable the business may authorize additional payment.

(4) The investment cost recovery incentive may be paid fifteen cents per economic development kilowatt-hour unless requests exceed the amount authorized for credit to the participating light and power business. For the purposes of this section, the rate paid for the investment cost recovery incentive may be multiplied by the following factors:

(a) For customer-generated electricity produced using solar modules manufactured in Washington state, two and four-tenths;

(b) For customer-generated electricity produced using a solar or a wind generator equipped with an inverter manufactured in Washington state, one and two-tenths;

(c) For customer-generated electricity produced using an anaerobic digester, or by other solar equipment or using a wind generator equipped with blades manufactured in Washington state, one; and

(d) For all other customer-generated electricity produced by wind, eight-tenths.

(5) No individual, household, business, or local governmental entity is eligible for incentives for more than two thousand dollars per year.

(6) If requests for the investment cost recovery incentive exceed the amount of funds available for credit to the participating light and power business, the incentive payments shall be reduced proportionately.

(7) The climate and rural energy development center at Washington State University energy program may establish guidelines and standards for technologies that are identified as Washington manufactured and therefore most beneficial to the state's environment.

(8) The environmental attributes of the renewable energy system belong to the applicant, and do not transfer to the state or the light and power business upon receipt of the investment cost recovery incentive.

NEW SECTION. Sec. 4. (1) Except as otherwise provided under this section, the investment cost recovery incentive payment under section 3 of this act applies only to customer-generated electricity renewable energy systems that are not interconnected to an electric distribution system.

(2) When light and power businesses serving eighty percent of the total customer load in the state adopt uniform standards for interconnection to the electric distribution system, the investment cost recovery incentive payment under section 3 of this act shall apply to both customer-generated electricity renewable energy systems that are not interconnected to an electric distribution system and to customer-generated electricity renewable energy systems that are interconnected to an electric distribution system.

(3) For the purposes of this section, uniform standards for interconnection to the electric distribution system have ninety percent of total requirements the same.

NEW SECTION. Sec. 5. (1) A light and power business shall be allowed a credit against taxes due under this chapter in an amount equal to investment cost recovery incentive payments made in any fiscal year under section 3 of this act. The credit shall be taken in a form and manner as required by the department. The credit under

this section shall not exceed twenty-five one-hundredths of one percent of the businesses' taxable power sales due under RCW 82.16.020(1)(b) or twenty-five thousand dollars, whichever is greater. The credit may not exceed the tax that would otherwise be due under this chapter. Refunds shall not be granted in the place of credits. Expenditures not used to earn a credit in one fiscal year may not be used to earn a credit in subsequent years.

(2) The right to earn tax credits under this section expires June 30, 2013. Credits may not be claimed after June 30, 2014.

NEW SECTION. Sec. 6. (1) Using existing sources of information, the department shall report to the house appropriations committee, the house committee dealing with energy issues, the senate committee on ways and means, and the senate committee dealing with energy issues by December 1, 2009. The report shall measure the impacts of this act, including the total number of solar energy system manufacturing companies in the state, any change in the number of solar energy system manufacturing companies in the state, and, where relevant, the effect on job creation, the number of jobs created for Washington residents, and such other factors as the department selects.

(2) The department shall not conduct any new surveys to provide the report in subsection (1) of this section.

NEW SECTION. Sec. 7. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2005, in the omnibus appropriations act, this act is null and void.

NEW SECTION. Sec. 8. Sections 2 through 6 of this act are each added to chapter 82.16 RCW.

NEW SECTION. Sec. 9. 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 July 1, 2005."

Correct the title.

Signed by Representatives McIntire, Hunter, Orcutt, Roach, Ahern, Conway, Ericksen, Hasegawa and Santos.

Passed to Committee on Rules for second reading.

April 4, 2005

E2SSB 5111 Prime Sponsor, Senate Committee on Ways & Means: Providing tax incentives for solar energy systems. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended by Committee on Finance and without the amendment by Committee on Technology, Energy & Communications:

Strike everything after the enacting clause and insert the following:

"**NEW SECTION. Sec. 1.** The legislature finds that the welfare of the people of the state of Washington is positively impacted through the encouragement and expansion of key growth industries

in the state. The legislature further finds that targeting tax incentives to focus on key growth industries is an important strategy to enhance the state's business climate.

A recent report by the Washington State University energy program recognized the solar electric industry as one of the state's important growth industries. It is of great concern that businesses in this industry have been increasingly expanding and relocating their operations elsewhere. The report indicates that additional incentives for the solar electric industry are needed in recognition of the unique forces and issues involved in business decisions in this industry.

Therefore, the legislature intends to enact comprehensive tax incentives for the solar electric industry that address activities of the manufacture of these products and to encourage these industries to locate in Washington. Tax incentives for the solar electric industry are important in both retention and expansion of existing business and attraction of new businesses, all of which will strengthen this growth industry within our state, will create jobs, and will bring many indirect benefits to the state.

NEW SECTION. Sec. 2. A new section is added to chapter 82.04 RCW to read as follows:

(1) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing solar energy systems using photovoltaic modules; as to such persons the amount of tax with respect to such business shall, in the case of manufacturers, be equal to the value of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of 0.2904 percent.

(2) Beginning October 1, 2005, upon every person engaging within this state in the business of making sales at wholesale of solar energy systems using photovoltaic modules manufactured by that person; as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds of sales of the solar energy systems using photovoltaic modules multiplied by the rate of 0.2904 percent.

(3) The definitions in this subsection apply throughout this section.

(a) "Module" means the smallest nondivisible self-contained physical structure housing interconnected photovoltaic cells and providing a single direct current electrical output.

(b) "Photovoltaic cell" means a device that converts light directly into electricity without moving parts.

(c) "Solar energy system" means any device or combination of devices or elements that rely upon direct sunlight as an energy source for use in the generation of electricity.

(4) This section expires June 30, 2010.

Sec. 3. RCW 82.04.440 and 2004 c 174 s 5 and 2004 c 24 s 7 are each reenacted and amended to read as follows:

(1) Every person engaged in activities which are within the purview of the provisions of two or more of sections RCW 82.04.230 to 82.04.298, inclusive, shall be taxable under each paragraph applicable to the activities engaged in.

(2) Persons taxable under RCW 82.04.2909(2), 82.04.250, 82.04.270, section 2(2) of this act, or 82.04.260 (4) or (13) with respect to selling products in this state shall be allowed a credit against those taxes for any (a) manufacturing taxes paid with respect to the manufacturing of products so sold in this state, and/or (b) extracting taxes paid with respect to the extracting of products so sold in this state or ingredients of products so sold in this state. Extracting taxes taken as credit under subsection (3) of this section may also be taken under this subsection, if otherwise allowable under this

subsection. The amount of the credit shall not exceed the tax liability arising under this chapter with respect to the sale of those products.

(3) Persons taxable under RCW 82.04.240 or 82.04.260(1)(b) shall be allowed a credit against those taxes for any extracting taxes paid with respect to extracting the ingredients of the products so manufactured in this state. The amount of the credit shall not exceed the tax liability arising under this chapter with respect to the manufacturing of those products.

(4) Persons taxable under RCW 82.04.230, 82.04.240, 82.04.2909(1), section 2(1) of this act, or 82.04.260 (1), (2), (4), (6), or (13) with respect to extracting or manufacturing products in this state shall be allowed a credit against those taxes for any (i) gross receipts taxes paid to another state with respect to the sales of the products so extracted or manufactured in this state, (ii) manufacturing taxes paid with respect to the manufacturing of products using ingredients so extracted in this state, or (iii) manufacturing taxes paid with respect to manufacturing activities completed in another state for products so manufactured in this state. The amount of the credit shall not exceed the tax liability arising under this chapter with respect to the extraction or manufacturing of those products.

(5) For the purpose of this section:

(a) "Gross receipts tax" means a tax:

(i) Which is imposed on or measured by the gross volume of business, in terms of gross receipts or in other terms, and in the determination of which the deductions allowed would not constitute the tax an income tax or value added tax; and

(ii) Which is also not, pursuant to law or custom, separately stated from the sales price.

(b) "State" means (i) the state of Washington, (ii) a state of the United States other than Washington, or any political subdivision of such other state, (iii) the District of Columbia, and (iv) any foreign country or political subdivision thereof.

(c) "Manufacturing tax" means a gross receipts tax imposed on the act or privilege of engaging in business as a manufacturer, and includes (i) the taxes imposed in RCW 82.04.240, 82.04.2909(1), ~~((and))~~ 82.04.260 (1), (2), (4), and (13), and section 2(1) of this act; and (ii) similar gross receipts taxes paid to other states.

(d) "Extracting tax" means a gross receipts tax imposed on the act or privilege of engaging in business as an extractor, and includes the tax imposed in RCW 82.04.230 and similar gross receipts taxes paid to other states.

(e) "Business", "manufacturer", "extractor", and other terms used in this section have the meanings given in RCW 82.04.020 through 82.04.212, notwithstanding the use of those terms in the context of describing taxes imposed by other states.

NEW SECTION. Sec. 4. A new section is added to chapter 82.32 RCW to read as follows:

(1) The legislature finds that accountability and effectiveness are important aspects of setting tax policy. In order to make policy choices regarding the best use of limited state resources the legislature needs information on how a tax incentive is used.

(2)(a) A person who reports taxes under section 2 of this act shall make an annual report to the department detailing employment, wages, and employer-provided health and retirement benefits per job at the manufacturing site. The report shall not include names of employees. The report shall also detail employment by the total number of full-time, part-time, and temporary positions. The first report filed under this subsection shall include employment, wage, and benefit information for the twelve-month period immediately before first use of a preferential tax rate under section 2 of this act. The report is due by March 31st following any year in which a

preferential tax rate under section 2 of this act is used. This information is not subject to the confidentiality provisions of RCW 82.32.330.

(b) If a person fails to submit an annual report under (a) of this subsection, the department shall declare the amount of taxes reduced for the previous calendar year to be immediately due and payable. Excise taxes payable under this subsection are subject to interest, but not penalties, at the rate provided for delinquent taxes, as provided under this chapter. The department shall assess interest, retroactively to the date the preferential tax rate under section 2 of this act, was used. The interest shall be assessed at the rate provided for delinquent excise taxes under this chapter, and shall accrue until the taxes for which the preferential tax rate was used are repaid. This information is not subject to the confidentiality provisions of RCW 82.32.330.

NEW SECTION. Sec. 5. (1) Using existing sources of information, the department shall report to the house appropriations committee, the house committee dealing with energy issues, the senate committee on ways and means, and the senate committee dealing with energy issues by December 1, 2009. The report shall measure the impacts of this act, including the total number of solar energy system manufacturing companies in the state, any change in the number of solar energy system manufacturing companies in the state, and, where relevant, the effect on job creation, the number of jobs created for Washington residents, and any other factors the department selects.

(2) The department shall not conduct any new surveys to provide the report in subsection (1) of this section.

NEW SECTION. Sec. 6. 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 July 1, 2005."

Correct the title.

Signed by Representatives McIntire, Hunter, Orcutt, Roach, Ahern, Conway, Ericksen, Hasegawa and Santos.

Passed to Committee on Rules for second reading.

April 2, 2005

SSB 5145 Prime Sponsor, Senate Committee on Transportation: Establishing a boating safety education program. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Natural Resources, Ecology & Parks. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Priest; Schual-Berke and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Pearson and Talcott.

Passed to Committee on Rules for second reading.

April 4, 2005

SSB 5177 Prime Sponsor, Senate Committee On Transportation: Modifying transportation benefit district provisions. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 36.73 RCW to read as follows:

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

(1) "District" means a transportation benefit district created under this chapter.

(2) "City" means a city or town.

(3) "Transportation improvement" means a project contained in the transportation plan of the state or a regional transportation planning organization that is of statewide or regional significance. A project may include investment in new or existing highways of statewide significance, principal arterials of regional significance, high-capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs. Not more than forty percent of the revenues generated by a district may be expended on city streets, county roads, existing highways other than highways of statewide significance, and the creation of a new highway that intersects with a highway of statewide significance.

Sec. 2. RCW 36.73.010 and 1987 c 327 s 1 are each amended to read as follows:

The legislature finds that the citizens of the state can benefit by cooperation of the public and private sectors in addressing transportation needs. This cooperation can be fostered through enhanced capability for cities, towns, and counties to make and fund transportation improvements necessitated by economic development and to improve the performance of the transportation system.

It is the intent of the legislature to encourage joint efforts by the state, local governments, and the private sector to respond to the need for those transportation improvements on state highways, county roads, and city streets. This goal can be better achieved by allowing cities, towns, and counties to establish transportation benefit districts in order to respond to the special transportation needs and economic opportunities resulting from private sector development for the public good. The legislature also seeks to facilitate the equitable participation of private developers whose developments may generate the need for those improvements in the improvement costs.

Sec. 3. RCW 36.73.020 and 1989 c 53 s 1 are each amended to read as follows:

(1) The legislative authority of a county or city may establish (one or more) a transportation benefit district (s) within the county

or city area or within the area specified in subsection (2) of this section, for the purpose of acquiring, constructing, improving, providing, and funding ((any city street, county road, or state highway)) a transportation improvement within the district that is ((+)) consistent with any existing state, regional, and local transportation plans (- (2)) and necessitated by existing or reasonably foreseeable congestion levels ((attributable to economic growth, and (3) partially funded by local government or private developer contributions, or a combination of such contributions)). ((Such)) The transportation improvements shall be owned by the county of jurisdiction if located in an unincorporated area, by the city of jurisdiction if located in an incorporated area, or by the state in cases where the transportation improvement is or becomes a state highway (; and all such). However, if deemed appropriate by the governing body of the transportation benefit district, a transportation improvement may be owned by a participating port district or transit district, unless otherwise prohibited by law. Transportation improvements shall be administered and maintained as other public streets, roads, ((and)) highways, and transportation improvements. ((The district may not include any area within the corporate limits of a city unless the city legislative authority has agreed to the inclusion pursuant to chapter 39.34 RCW. The agreement shall specify the area and such powers as may be granted to the benefit district.)) To the extent practicable, the district shall consider the following criteria when selecting transportation improvements:

(a) Reduced risk of transportation facility failure and improved safety;

(b) Improved travel time;

(c) Improved air quality;

(d) Increases in daily and peak period trip capacity;

(e) Improved modal connectivity;

(f) Improved freight mobility;

(g) Cost-effectiveness of the investment;

(h) Optimal performance of the system through time; and

(i) Other criteria, as adopted by the governing body.

(2) The district may include area within more than one county, city, port district, county transportation authority, or public transportation benefit area, if the legislative authority of each participating jurisdiction has agreed to the inclusion as provided in an interlocal agreement adopted pursuant to chapter 39.34 RCW. However, the boundaries of the district shall include all territory within the boundaries of the participating jurisdictions comprising the district.

(3) The members of the ((county)) legislative authority proposing to establish the district, acting ex officio and independently, shall ((compose)) constitute the governing body of the district: PROVIDED, That where a ((transportation benefit)) district includes ((any portion of an incorporated city, town, or another county, the district may be governed as provided in an interlocal agreement adopted pursuant to chapter 39.34 RCW)) area within more than one jurisdiction under subsection (2) of this section, the district shall be governed under an interlocal agreement adopted pursuant to chapter 39.34 RCW. However, the governing body shall be composed of at least five members including at least one elected official from the legislative authority of each participating jurisdiction.

(4) The ((county)) treasurer of the jurisdiction proposing to establish the district shall act as the ex officio treasurer of the district, unless an interlocal agreement states otherwise.

(5) The electors of the district shall all be registered voters residing within the district. ((For purposes of this section, the term "city" means both cities and towns.))

Sec. 4. RCW 36.73.040 and 1989 c 53 s 3 are each amended to read as follows:

(1) A transportation benefit district is a quasi-municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.

(2) A transportation benefit district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may now or hereafter be specifically conferred by statute, including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, to acquire, hold, and dispose of real and personal property, and to sue and be sued. Public works contract limits applicable to the jurisdiction that established the district (~~shall~~) apply to the district.

(3) To carry out the purposes of this chapter, and subject to the provisions of section 17 of this act, a district is authorized to impose the following taxes, fees, charges, and tolls:

(a) A sales and use tax in accordance with section 15 of this act;

(b) A vehicle fee in accordance with section 16 of this act;

(c) A fee or charge in accordance with RCW 36.73.120. However, if a county or city within the district area is levying a fee or charge for a transportation improvement, the fee or charge shall be credited against the amount of the fee or charge imposed by the district. Developments consisting of less than twenty residences are exempt from the fee or charge under RCW 36.73.120; and

(d) Vehicle tolls on state routes or federal highways, city streets, or county roads, within the boundaries of the district, unless otherwise prohibited by law. The department of transportation shall administer the collection of vehicle tolls authorized on state routes or federal highways, unless otherwise specified in law or by contract, and the state transportation commission, or its successor, may approve, set, and impose the tolls in amounts sufficient to implement the district's transportation improvement finance plan. The district shall administer the collection of vehicle tolls authorized on city streets or county roads, and shall set and impose, only with approval of the transportation commission, or its successor, the tolls in amounts sufficient to implement the district's transportation improvement plan.

Sec. 5. RCW 36.73.050 and 1987 c 327 s 5 are each amended to read as follows:

(1) ~~(A city or county)~~ The legislative ((authority)) authorities proposing to establish a ~~((transportation benefit))~~ district, or to modify the boundaries of an existing district, or to dissolve an existing district~~((s))~~ shall conduct a hearing at the time and place specified in a notice published at least once, not less than ten days before the hearing, in a newspaper of general circulation within the proposed district. Subject to the provisions of section 19 of this act, the legislative ((authority)) authorities shall make provision for a district to be automatically dissolved when all indebtedness of the district has been retired and anticipated responsibilities have been satisfied. This notice shall be in addition to any other notice required by law to be published. The notice shall, where applicable, specify the functions or activities proposed to be provided or funded, or the additional functions or activities proposed to be provided or funded, by the district. Additional notice of the hearing may be given by mail, by posting within the proposed district, or in any manner the ((city or county)) legislative ((authority deems)) authorities deem necessary to notify affected persons. All hearings shall be public and the ((city or county)) legislative ((authority)) authorities shall hear objections from any person affected by the formation, modification of the boundaries, or dissolution of the district.

(2) Following the hearing held pursuant to subsection (1) of this section, the ~~((city or county)) legislative ((authority)) authorities~~ may establish a ~~((transportation benefit))~~ district, modify the boundaries or functions of an existing district, or dissolve an existing district, if the ~~((city or county)) legislative ((authority finds)) authorities find~~ the action to be in the public interest and ~~((adopts)) adopt~~ an ordinance providing for the action. The ordinance establishing a district shall specify the functions or activities to be exercised or funded and establish the boundaries of the district. ~~((A district shall include only those areas which can reasonably be expected to benefit from improvements to be funded by the district.))~~ Subject to the provisions of section 18 of this act, functions or activities proposed to be provided or funded by the district may not be expanded beyond those specified in the notice of hearing, unless additional notices are made, further hearings on the expansion are held, and further determinations are made that it is in the public interest to so expand the functions or activities proposed to be provided or funded.

~~((3) At any time before the city or county legislative authority establishes a transportation benefit district pursuant to this section, all further proceedings shall be terminated upon the filing of a verified declaration of termination signed by the owners of real property consisting of at least sixty percent of the assessed valuation in the proposed district.))~~

Sec. 6. RCW 36.73.060 and 1987 c 327 s 6 are each amended to read as follows:

(1) A ~~((transportation benefit))~~ district may levy an ad valorem property tax in excess of the one percent limitation upon the property within the district for a one-year period whenever authorized by the voters of the district pursuant to RCW 84.52.052 and Article VII, section 2(a) of the state Constitution.

(2) A district may provide for the retirement of voter-approved general obligation bonds, issued for capital purposes only, by levying bond retirement ad valorem property tax levies in excess of the one percent limitation whenever authorized by the voters of the district pursuant to Article VII, section 2(b) of the state Constitution and RCW 84.52.056.

Sec. 7. RCW 36.73.070 and 1987 c 327 s 7 are each amended to read as follows:

(1) To carry out the purposes of this chapter and notwithstanding RCW 39.36.020(1), a ((transportation benefit)) district may issue general obligation bonds, not to exceed an amount, together with any other outstanding nonvoter-approved general obligation indebtedness, equal to ((three-eighths of)) one and one-half percent of the value of taxable property within the district, as the term "value of taxable property" is defined in RCW 39.36.015. A district may additionally issue general obligation bonds for capital purposes only, together with any outstanding general obligation indebtedness, not to exceed an amount equal to ((one and one-fourth)) five percent of the value of the taxable property within the district, as the term "value of taxable property" is defined in RCW 39.36.015, when authorized by the voters of the district pursuant to Article VIII, section 6 of the state Constitution, and ((to)) may also provide for the retirement thereof by excess property tax levies as provided in RCW 36.73.060(2). The district may, if applicable, submit a single proposition to the voters that, if approved, authorizes both the issuance of the bonds and the bond retirement property tax levies.

(2) General obligation bonds with a maturity in excess of forty years shall not be issued. The governing body of the ~~((transportation benefit))~~ district shall by resolution determine for each general

obligation bond issue the amount, date, terms, conditions, denominations, maximum fixed or variable interest rate or rates, maturity or maturities, redemption rights, registration privileges, manner of execution, manner of sale, callable provisions, if any, covenants, and form, including registration as to principal and interest, registration as to principal only, or bearer. Registration may include, but not be limited to: (a) A book entry system of recording the ownership of a bond whether or not physical bonds are issued; or (b) recording the ownership of a bond together with the requirement that the transfer of ownership may only be effected by the surrender of the old bond and either the reissuance of the old bond or the issuance of a new bond to the new owner. Facsimile signatures may be used on the bonds and any coupons. Refunding general obligation bonds may be issued in the same manner as general obligation bonds are issued.

(3) Whenever general obligation bonds are issued to fund specific projects or enterprises that generate revenues, charges, user fees, or special assessments, the ~~((transportation benefit))~~ district ~~((which issues the bonds))~~ may specifically pledge all or a portion of the revenues, charges, user fees, or special assessments to refund the general obligation bonds. The district may also pledge any other revenues that may be available to the district.

(4) In addition to general obligation bonds, a district may issue revenue bonds to be issued and sold in accordance with chapter 39.46 RCW.

Sec. 8. RCW 36.73.080 and 1987 c 327 s 8 are each amended to read as follows:

(1) A ~~((transportation benefit))~~ district may form a local improvement district to provide any transportation improvement it has the authority to provide, impose special assessments on all property specially benefited by the transportation improvements, and issue special assessment bonds or revenue bonds to fund the costs of the transportation improvement. Local improvement districts shall be created and administered, and assessments shall be made and collected, in the manner and to the extent provided by law to cities and towns pursuant to chapters 35.43, 35.44, 35.49, 35.50, 35.51, 35.53, and 35.54 RCW. However, the duties devolving upon the city or town treasurer under these chapters shall be imposed upon the district treasurer for the purposes of this section. A local improvement district may only be formed under this section pursuant to the petition method under RCW 35.43.120 and 35.43.125.

(2) The governing body of a ~~((transportation benefit))~~ district shall by resolution establish for each special assessment bond issue the amount, date, terms, conditions, denominations, maximum fixed or variable interest rate or rates, maturity or maturities, redemption rights, registration privileges, if any, covenants, and form, including registration as to principal and interest, registration as to principal only, or bearer. Registration may include, but not be limited to: (a) A book entry system of recording the ownership of a bond whether or not physical bonds are issued; or (b) recording the ownership of a bond together with the requirement that the transfer of ownership may only be effected by the surrender of the old bond and either the reissuance of the old bond or the issuance of a new bond to the new owner. Facsimile signatures may be used on the bonds and any coupons. The maximum term of any special assessment bonds shall not exceed thirty years beyond the date of issue. Special assessment bonds issued pursuant to this section shall not be an indebtedness of the ~~((transportation benefit))~~ district issuing the bonds, and the interest and principal on the bonds shall only be payable from special assessments made for the improvement for which the bonds were issued and any local improvement guaranty fund that the

~~((transportation benefit))~~ district has created. The owner or bearer of a special assessment bond or any interest coupon issued pursuant to this section shall not have any claim against the ~~((transportation benefit))~~ district arising from the bond or coupon except for the payment from special assessments made for the improvement for which the bonds were issued and any local improvement guaranty fund the ~~((transportation benefit))~~ district has created. The district issuing the special assessment bonds is not liable to the owner or bearer of any special assessment bond or any interest coupon issued pursuant to this section for any loss occurring in the lawful operation of its local improvement guaranty fund. The substance of the limitations included in this subsection (2) shall be plainly printed, written, or engraved on each special assessment bond issued pursuant to this section.

(3) Assessments shall reflect any credits given by a ~~((transportation benefit))~~ district for real property or property right donations made pursuant to RCW 47.14.030.

(4) The governing body may establish, administer, and pay ~~((moneys))~~ money into a local improvement guaranty fund, in the manner and to the extent provided by law to cities and towns under chapter 35.54 RCW, to guarantee special assessment bonds issued by the ~~((transportation benefit))~~ district.

Sec. 9. RCW 36.73.100 and 1987 c 327 s 10 are each amended to read as follows:

(1) The proceeds of any bond issued pursuant to RCW 36.73.070 or 36.73.080 may be used to pay costs incurred on ~~((such))~~ a bond issue related to the sale and issuance of the bonds. ~~((Such))~~ These costs include payments for fiscal and legal expenses, obtaining bond ratings, printing, engraving, advertising, and other similar activities.

(2) In addition, proceeds of bonds used to fund capital projects may be used to pay the necessary and related engineering, architectural, planning, and inspection costs.

Sec. 10. RCW 36.73.110 and 1987 c 327 s 11 are each amended to read as follows:

A ~~((transportation benefit))~~ district may accept and expend or use gifts, grants, and donations.

Sec. 11. RCW 36.73.120 and 1988 c 179 s 7 are each amended to read as follows:

(1) ~~((A transportation benefit))~~ Subject to the provisions in section 17 of this act, a district may impose a fee or charge on the construction or reconstruction of residential buildings, commercial buildings, industrial buildings, or on any other building or building space or appurtenance ~~((thereto))~~, or on the development, subdivision, classification, or reclassification of land, only if done in accordance with chapter 39.92 RCW.

(2) Any fee or charge imposed under this section shall be used exclusively for transportation improvements constructed by a ~~((transportation benefit))~~ district. The fees or charges ~~((so))~~ imposed must be reasonably necessary as a result of the impact of development, construction, or classification or reclassification of land on identified transportation needs.

(3) ~~((When fees or charges are imposed by a district within which there is more than one city or both incorporated and unincorporated areas, the legislative authority for each city in the district and the county legislative authority for the unincorporated area must approve the imposition of such fees or charges before they take effect.))~~ If a county or city within the district area is levying a fee or charge for a transportation improvement, the fee or charge shall be

credited against the amount of the fee or charge imposed by the district.

(4) Developments consisting of less than twenty residences are exempt from the fee or charge under this section.

Sec. 12. RCW 36.73.130 and 1987 c 327 s 13 are each amended to read as follows:

A (~~(transportation benefit)~~) district may exercise the power of eminent domain to obtain property for its authorized purposes in the same manner as authorized for the city or county legislative authority that established the district.

Sec. 13. RCW 36.73.140 and 1987 c 327 s 14 are each amended to read as follows:

A (~~(transportation benefit)~~) district has the same powers as a county or city to contract for street, road, or state highway improvement projects and to enter into reimbursement contracts provided for in chapter 35.72 RCW.

Sec. 14. RCW 36.73.150 and 1987 c 327 s 15 are each amended to read as follows:

The department of transportation, counties, (~~and~~) cities, and other jurisdictions may give funds to (~~(transportation benefit)~~) districts for the purposes of financing (~~(street, road, or highway)~~) transportation improvements (projects) under this chapter.

NEW SECTION. Sec. 15. A new section is added to chapter 82.14 RCW to read as follows:

(1) Subject to the provisions in section 17 of this act, a transportation benefit district under chapter 36.73 RCW may fix and impose a sales and use tax in accordance with the terms of this chapter. The tax authorized in this section is in addition to any other taxes authorized by law and shall be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the boundaries of the district. The rate of tax shall not exceed two-tenths of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax. The tax may not be imposed for a period exceeding ten years. This tax may be extended for a period not exceeding ten years with an affirmative vote of the voters voting at the election.

(2) Money received from the tax imposed under this section must be spent in accordance with the requirements of chapter 36.73 RCW.

NEW SECTION. Sec. 16. A new section is added to chapter 82.80 RCW to read as follows:

(1) Subject to the provisions of section 17 of this act, a transportation benefit district under chapter 36.73 RCW may fix and impose an annual vehicle fee, not to exceed one hundred dollars per vehicle registered in the district, for each vehicle subject to license tab fees under RCW 46.16.0621 and for each vehicle subject to gross weight fees under RCW 46.16.070 with an unladen weight of six thousand pounds or less.

(2) The department of licensing shall administer and collect the fee. The department shall deduct a percentage amount, as provided by contract, not to exceed one percent of the fees collected, for administration and collection expenses incurred by it. The department shall remit remaining proceeds to the custody of the state treasurer. The state treasurer shall distribute the proceeds to the district on a monthly basis.

(3) No fee under this section may be collected until six months

after approval by the district voters under section 17 of this act.

(4) The vehicle fee under this section applies only when renewing a vehicle registration, and is effective upon the registration renewal date as provided by the department of licensing.

(5) The following vehicles are exempt from the fee under this section:

(a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181;

(b) Off-road and nonhighway vehicles as defined in RCW 46.09.020;

(c) Vehicles registered under chapter 46.87 RCW and the international registration plan; and

(d) Snowmobiles as defined in RCW 46.10.010.

NEW SECTION. Sec. 17. A new section is added to chapter 36.73 RCW to read as follows:

(1) Taxes, fees, charges, and tolls may not be imposed by a district without approval of a majority of the voters in the district voting on a proposition at a general or special election. The proposition must include a specific description of the transportation improvement or improvements proposed by the district and the proposed taxes, fees, charges, and the range of tolls imposed by the district to raise revenue to fund the improvement or improvements.

(2) Voter approval under this section shall be accorded substantial weight regarding the validity of a transportation improvement as defined in section 1 of this act.

(3) A district may not increase any taxes, fees, charges, or range of tolls imposed under this chapter once the taxes, fees, charges, or tolls take effect, unless authorized by the district voters pursuant to section 18 of this act.

NEW SECTION. Sec. 18. A new section is added to chapter 36.73 RCW to read as follows:

(1) The district governing body shall develop a material change policy to address major plan changes that affect project delivery or the ability to finance the plan. The policy must at least address material changes to cost, scope, and schedule, the level of change that will require governing body involvement, and how the governing body will address those changes. At a minimum, in the event that a transportation improvement cost exceeds its original cost by more than twenty percent as identified in a district's original finance plan, the governing body shall hold a public hearing to solicit comment from the public regarding how the cost change should be resolved.

(2) A district shall issue an annual report, indicating the status of transportation improvement costs, transportation improvement expenditures, revenues, and construction schedules, to the public and to newspapers of record in the district.

NEW SECTION. Sec. 19. A new section is added to chapter 36.73 RCW to read as follows:

Within thirty days of the completion of the construction of the transportation improvement or series of improvements authorized by a district, the district shall terminate day-to-day operations and exist solely as a limited entity that oversees the collection of revenue and the payment of debt service or financing still in effect, if any and to carry out the requirements of section 18 of this act. The district shall accordingly adjust downward its employees, administration, and overhead expenses. Any taxes, fees, charges, or tolls imposed by the district terminate when the financing or debt service on the transportation improvement or series of improvements constructed is completed and paid and notice is provided to the departments administering the taxes. Any excess revenues collected must be

disbursed to the participating jurisdictions of the district in proportion to their population, using population estimates prepared by the office of financial management. The district shall dissolve itself and cease to exist thirty days after the financing or debt service on the transportation improvement, or series of improvements, constructed is completed and paid. If there is no debt outstanding, then the district shall dissolve within thirty days from completion of construction of the transportation improvement or series of improvements authorized by the district. Notice of dissolution must be published in newspapers of general circulation within the district at least three times in a period of thirty days. Creditors must file claims for payment of claims due within thirty days of the last published notice or the claim is extinguished.

Sec. 20. RCW 82.14.050 and 2003 c 168 s 201 and 2003 c 83 s 208 are each reenacted and amended to read as follows:

The counties, cities, and transportation authorities under RCW 82.14.045, public facilities districts under chapters 36.100 and 35.57 RCW, public transportation benefit areas under RCW 82.14.440, ~~((and)) regional transportation investment districts, and transportation benefit districts under chapter 36.73 RCW~~ shall contract, prior to the effective date of a resolution or ordinance imposing a sales and use tax, the administration and collection to the state department of revenue, which shall deduct a percentage amount, as provided by contract, not to exceed two percent of the taxes collected for administration and collection expenses incurred by the department. The remainder of any portion of any tax authorized by this chapter that is collected by the department of revenue shall be deposited by the state department of revenue in the local sales and use tax account hereby created in the state treasury. Moneys in the local sales and use tax account may be spent only for distribution to counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, ~~((and)) regional transportation investment districts, and transportation benefit districts~~ imposing a sales and use tax. All administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be amended, shall, insofar as they are applicable to state sales and use taxes, be applicable to taxes imposed pursuant to this chapter. Counties, cities, transportation authorities, public facilities districts, and regional transportation investment districts may not conduct independent sales or use tax audits of sellers registered under the streamlined sales tax agreement. Except as provided in RCW 43.08.190, all earnings of investments of balances in the local sales and use tax account shall be credited to the local sales and use tax account and distributed to the counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, ~~((and)) regional transportation investment districts, and transportation benefit districts~~ monthly.

Sec. 21. RCW 82.14.060 and 1991 c 207 s 3 are each amended to read as follows:

Monthly the state treasurer shall make distribution from the local sales and use tax account to the counties, cities, transportation authorities, ~~((and)) public facilities districts, and transportation benefit districts~~ the amount of tax collected on behalf of each taxing authority, less the deduction provided for in RCW 82.14.050. The state treasurer shall make the distribution under this section without appropriation.

In the event that any ordinance or resolution imposes a sales and use tax at a rate in excess of the applicable limits contained herein, such ordinance or resolution shall not be considered void in toto, but only with respect to that portion of the rate which is in excess of the

applicable limits contained herein.

Sec. 22. RCW 35.21.225 and 1989 c 53 s 2 are each amended to read as follows:

The legislative authority of a city may establish ~~((one or more transportation benefit districts within a city for the purpose of acquiring, constructing, improving, providing, and funding any city street, county road, or state highway improvement that is (1) consistent with state, regional, and local transportation plans, (2) necessitated by existing or reasonably foreseeable congestion levels attributable to economic growth, and (3) partially funded by local government or private developer contributions, or a combination of such contributions. Such transportation improvements shall be owned by the city of jurisdiction if located in an incorporated area, by the county of jurisdiction if located in an unincorporated area, or by the state in cases where the transportation improvement is or becomes a state highway; and all such transportation improvements shall be administered as other public streets, roads, and highways. The district may include any area within the corporate limits of another city if that city has agreed to the inclusion pursuant to chapter 39.34 RCW. The district may include any unincorporated area if the county legislative authority has agreed to the inclusion pursuant to chapter 39.34 RCW. The agreement shall specify the area and such other powers as may be granted to the benefit district.~~

~~The members of the city legislative authority, acting ex officio and independently, shall compose the governing body of the district. The city treasurer shall act as the ex officio treasurer of the district. PROVIDED, That where a transportation benefit district includes any unincorporated area or portion of another city, the district may be governed as provided in an interlocal agreement adopted pursuant to chapter 39.34 RCW. The electors of the district shall all be registered voters residing within the district. For the purposes of this section, the term "city" means both cities and towns)) a transportation benefit district subject to the provisions of chapter 36.73 RCW.~~

Sec. 23. RCW 47.56.075 and 2002 c 56 s 404 are each amended to read as follows:

The ~~((department))~~ commission shall approve for construction only such toll roads as the legislature specifically authorizes or such toll facilities as are specifically sponsored by a regional transportation investment district, transportation benefit district, city, town, or county.

Sec. 24. RCW 82.80.030 and 2002 c 56 s 412 are each amended to read as follows:

(1) Subject to the conditions of this section, the legislative authority of a county, city, or district may fix and impose a parking tax on all persons engaged in a commercial parking business within its respective jurisdiction. A city or county may impose the tax only to the extent that it has not been imposed by the district, and a district may impose the tax only to the extent that it has not been imposed by a city or county. The jurisdiction of a county, for purposes of this section, includes only the unincorporated area of the county. The jurisdiction of a city or district includes only the area within its boundaries.

(2) In lieu of the tax in subsection (1) of this section, a city, a county in its unincorporated area, or a district may fix and impose a tax for the act or privilege of parking a motor vehicle in a facility operated by a commercial parking business.

The city, county, or district may provide that:

- (a) The tax is paid by the operator or owner of the motor vehicle;
- (b) The tax applies to all parking for which a fee is paid, whether

paid or leased, including parking supplied with a lease of nonresidential space;

(c) The tax is collected by the operator of the facility and remitted to the city, county, or district;

(d) The tax is a fee per vehicle or is measured by the parking charge;

(e) The tax rate varies with zoning or location of the facility, the duration of the parking, the time of entry or exit, the type or use of the vehicle, or other reasonable factors; and

(f) Tax exempt carpools, vehicles with handicapped decals, or government vehicles are exempt from the tax.

(3) "Commercial parking business" as used in this section, means the ownership, lease, operation, or management of a commercial parking lot in which fees are charged. "Commercial parking lot" means a covered or uncovered area with stalls for the purpose of parking motor vehicles.

(4) The rate of the tax under subsection (1) of this section may be based either upon gross proceeds or the number of vehicle stalls available for commercial parking use. The rates charged must be uniform for the same class or type of commercial parking business.

(5) The county, city, or district levying the tax provided for in subsection (1) or (2) of this section may provide for its payment on a monthly, quarterly, or annual basis. Each local government may develop by ordinance or resolution rules for administering the tax, including provisions for reporting by commercial parking businesses, collection, and enforcement.

(6) The proceeds of the commercial parking tax fixed and imposed by a city or county under subsection (1) or (2) of this section shall be used ~~((strictly))~~ for transportation purposes in accordance with RCW 82.80.070 or for transportation improvements in accordance with chapter 36.73 RCW. The proceeds of the parking tax imposed by a district must be used as provided in chapter 36.120 RCW.

NEW SECTION. Sec. 25. A new section is added to chapter 47.56 RCW to read as follows:

Subject to the provisions under chapter 36.73 RCW, a transportation benefit district may authorize vehicle tolls on state routes or federal highways, city streets, or county roads, within the boundaries of the district, unless otherwise prohibited by law. The department of transportation shall administer the collection of vehicle tolls authorized on state routes or federal highways, unless otherwise specified in law or by contract, and the state transportation commission, or its successor, may approve, set, and impose the tolls in amounts sufficient to implement the district's transportation improvement finance plan. The district shall administer the collection of vehicle tolls authorized on city streets or county roads, and shall set and impose the tolls, only with approval of the transportation commission, in amounts sufficient to implement the district's transportation improvement plan. Tolls may vary for type of vehicle, for time of day, for traffic conditions, and/or other factors designed to improve performance of the facility or the transportation network.

NEW SECTION. Sec. 26. This act takes effect August 1, 2005."

On page 1, line 1 of the title, after "districts;" strike the remainder of the title and insert "amending RCW 36.73.010, 36.73.020, 36.73.040, 36.73.050, 36.73.060, 36.73.070, 36.73.080, 36.73.100, 36.73.110, 36.73.120, 36.73.130, 36.73.140, 36.73.150, 82.14.060, 35.21.225, 47.56.075, and 82.80.030; reenacting and

amending RCW 82.14.050; adding new sections to chapter 36.73 RCW; adding a new section to chapter 82.14 RCW; adding a new section to chapter 82.80 RCW; adding a new section to chapter 47.56 RCW; and providing an effective date."

Signed by Representatives Murray, Chairman; Wallace, Vice Chairman; Woods, Ranking Minority Member; Appleton; Buck; Campbell; Curtis; Dickerson; Ericksen; Flannigan; Hankins; Hudgins; Jarrett; Kilmer; Lovick; Morris; Rodne; Sells; Shabro; Simpson; B. Sullivan; Takko; Upthegrove and Wood.

MINORITY recommendation: Do not pass. Signed by Representatives Nixon and Schindler.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5186 Prime Sponsor, Senate Committee on Health & Long-Term Care: Increasing the physical activity of the citizens of Washington state. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Health Care. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Priest; Schual-Berke and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Pearson and Talcott.

Passed to Committee on Rules for second reading.

April 2, 2005

E2SSB 5213 Prime Sponsor, Senate Committee on Ways & Means: Supporting the long-term success of families with children by removing barriers to Temporary Assistance for Needy Families and the WorkFirst programs. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 4, 2005

SB 5232 Prime Sponsor, Senator Oke: Requiring a turkey tag to hunt for turkey. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives McIntire, Chairman; Hunter, Vice Chairman; Orcutt, Ranking Minority Member; Conway; Hasegawa and Santos.

MINORITY recommendation: Do not pass. Signed by Representatives Roach, Assistant Ranking Minority Member; Ahern and Ericksen.

Passed to Committee on Rules for second reading.

April 2, 2005

SSB 5234 Prime Sponsor, Senate Committee on Natural Resources, Ocean & Recreation: Expanding hunter access to certain private lands. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Bailey; Buri; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Priest and Schual-Berke.

MINORITY recommendation: Do not pass. Signed by Representatives Anderson, Assistant Ranking Minority Member; Clements; Hinkle; McDonald; Pearson; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

SSB 5256 Prime Sponsor, Senate Committee on Human Services & Corrections: Revising provisions relating to the use of risk assessments in the supervision of offenders who committed misdemeanors and gross misdemeanors. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

SSB 5270 Prime Sponsor, Senate Committee on Ways & Means: Assisting vessel registration enforcement. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended by Committee on Transportation. Signed by Representatives McIntire, Hunter, Conway, Hasegawa and Santos.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Roach, Ahern and Ericksen.

Passed to Committee on Rules for second reading.

April 2, 2005

SB 5352 Prime Sponsor, Senator Esser: Revising provisions relating to animal cruelty. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Judiciary. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 4, 2005

2SSB 5370 Prime Sponsor, Senate Committee on Ways & Means: Creating the economic development strategic reserve account. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass as amended by Committee on Capital Budget and without amendment by Committee on Economic Development, Agriculture & Trade:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 43.330 RCW to read as follows:

(1) The economic development strategic reserve account is created in the state treasury to be used only for the purposes of this section.

(2) The governor, with the consent of the public works board, may authorize expenditures from the account, subject to appropriation by the legislature. For the purposes of this section, "consent of the public works board" means the public works board must either approve the expenditure or take no action approving or disapproving the expenditure after holding a meeting on the subject.

If the public works board disapproves an expenditure, the governor may not fund a project using funds from the economic development strategic reserve account.

(3) Funding for a minimum of one full-time equivalent staff position for the economic development commission and to cover any other operational costs of the commission may be provided only through an operating appropriation to the account.

(4) Expenditures from the account may be made to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, or to recruit a business or facility to the state. Contingent on the funding of the account, expenditures may be authorized for:

(a) Work force development;

(b) Public infrastructure needed to support or sustain the operations of the business or facility; and

(c) Other lawfully provided assistance, including, but not limited to, technical assistance, environmental analysis, relocation assistance, and planning assistance. Funding may be provided for such assistance only when it is in the public interest and may be provided under a contractual arrangement ensuring that the state will receive appropriate consideration, such as an assurance of job creation or retention.

(5) The funds shall not be expended from the account unless:

(a) The circumstances are such that time does not permit the director of the department of community, trade, and economic development or the business or facility to secure funding from other state sources;

(b) The business or facility produces or will produce significant long-term economic benefits to the state, a region of the state, or a particular community in the state;

(c) The business or facility does not require continuing state support;

(d) The expenditure will result in new jobs, job retention, or higher incomes for citizens of the state;

(e) The expenditure will not supplant private investment; and

(f) The expenditure is accompanied by private investment.

Sec. 2. RCW 43.155.050 and 2001 c 131 s 2 are each amended to read as follows:

The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works projects. Moneys in the account may also be appropriated to provide for state match requirements under federal law for projects and activities conducted and financed by the board under the drinking water assistance account. Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. In addition to other appropriations, beginning July 1, 2007, and continuing until June 30, 2011, ten million dollars from the public works assistance account will be appropriated each biennium to the economic development strategic reserve account to be used for public infrastructure expenditures only.

NEW SECTION. Sec. 3. If this act and Engrossed Substitute House Bill No. 1903 both pass the legislature, no more than \$50 million in total per biennium may be appropriated from the public works assistance account for the purposes of both this act and Engrossed Substitute House Bill No. 1903."

Correct the title.

Signed by Representatives Dunshee, Ormsby, Hankins, Blake, Chase, Eickmeyer, Ericks, Flannigan, Green Hasegawa, Lantz, Moeller, Morrell, O'Brien, Schual-Berke, Springer and Upthegrove.

MINORITY recommendation: Do not pass. Signed by Representatives Jarrett, Cox, DeBolt, Ericksen, Kristiansen, McCune, Newhouse, Roach, Serben and Strow.

Passed to Committee on Rules for second reading.

April 2, 2005

ESB 5381 Prime Sponsor, Senator Kohl-Welles: Authorizing an independent, nonprofit Washington academy of sciences. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Health Care. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5395 Prime Sponsor, Senate Committee on Government Operations & Elections: Requiring voting devices to produce paper records. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on State Government Operations & Accountability. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5432 Prime Sponsor, Senate Committee on Water, Energy & Environment: Creating the citizens' oil spill advisory council. (REVISED FOR ENGROSSED: Creating the oil spill advisory council.) Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Natural Resources, Ecology & Parks. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

E2SSB 5441 Prime Sponsor, Senate Committee on Ways & Means: Requiring an education and higher education finance study. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended:

Strike everything after the enacting clause and insert the following:

"**NEW SECTION. Sec. 1.** The legislature finds that:

(1) The early years mark the most extraordinary period of growth for young children. The state's role in providing access to early learning opportunities has never been consistently defined;

(2) More than a quarter of a century has passed since the current school finance system was first created, and the challenges facing our schools and students have grown and changed dramatically during that time. Policies have been established creating new expectations and goals for students under education reform;

(3) Demographic pressures and work force needs will continue to increase demand for access to postsecondary education and training. Public two-year and four-year institutions of higher education are also important avenues for programs such as adult basic education and English as a second language that are the foundation for employment and further education for an increasing number of people. Washington ranks thirty-third in the nation in the number of bachelor's degrees earned per one thousand residents ages twenty through twenty-nine years, and will graduate the largest high school class in its history in 2008. Washington citizens deserve access to baccalaureate degree opportunities. Washington's public universities and colleges engage in research that contributes to the economic and social well-being of the state. Students have paid an increasing cost of their education with tuition growing faster than personal income or inflation; and

(4) Through a comprehensive study, the legislature will have solid information to determine how best to use its resources to create a strong education system that will provide an educated citizenry and a thriving economy in this state.

NEW SECTION. Sec. 2. (1) The comprehensive education study steering committee is created.

(2) Members of the steering committee shall include: The governor who shall chair the steering committee; the director of the office of financial management; two members from the house of representatives with one appointed by each major caucus; two members from the senate with one appointed by each major caucus; four citizens appointed by the governor; and the chairs of each of the three advisory committees created under subsection (3) of this section. The chair of the advisory committee on K-12 shall be the superintendent of public instruction. The chair of the advisory committee on early learning shall be the nongovernmental cochair of the Washington early learning council, created in Engrossed Second Substitute House Bill No. 1152. The chair of the advisory committee on higher education shall be selected by the governor from a list of three or more names submitted by the state board for community and technical colleges, the higher education coordinating board, and the council of presidents.

(3) The steering committee shall appoint the members of the advisory committee on K-12 and the advisory committee on higher education. In addition, the two major caucuses in the senate and the two major caucuses in the house of representatives shall each appoint one member to serve on the K-12 advisory committee and one member to serve on the higher education advisory committee. The Washington early learning council, created in Engrossed Second Substitute House Bill No. 1152, shall serve as the advisory committee on early learning.

(4) The steering committee shall receive staff and logistical support from the office of financial management.

(5) Nonlegislative members of the steering committee shall be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

NEW SECTION. Sec. 3. (1) The steering committee:

(a) Shall direct and coordinate the studies created in this section. In conducting the studies, consideration shall be given to recently completed, related finance studies, with particular attention to those initiated by or completed at the request of the legislature;

(b) May enter into contracts as needed to support the work of the study;

(c) Shall develop recommendations based on the work of the studies in this section; and

(d) Shall develop recommendations about how the state can best provide stable funding for student learning for young children, students in the public schools, and students in the public colleges and universities.

(2) A comprehensive K-12 finance study shall include, but not be limited to:

(a) The constitutional and legal requirements underlying the current finance system and how those requirements are affected by the goal under education reform to provide all students with the opportunity to achieve the state standards;

(b) The strengths and weaknesses of the current state and local finance formulas and how those formulas are used by local school districts to meet state requirements and student learning goals;

(c) Information regarding remediation particularly in the subject areas of mathematics, science, and language arts;

(d) Potential changes to the current finance system including the methods of allocating funds, levels of funding, and how student achievement is affected;

(e) Reviewing the funding systems in at least five other states;

(f) Specific issues facing schools: Assuring program accountability; improving effectiveness in state-level governance;

identifying efficiencies in district spending practices; providing programs that assist students in meeting standards; helping students stay in school; impacts of the certification requirements for teachers; improving the effectiveness of English language learner instruction; and appropriate preparation requirements for paraeducators;

(g) Local and regional funding challenges faced by individual school districts throughout the state; and

(h) Potential changes to the current salary system that would be more closely related to professional development and enhancement of student performance.

(3) A comprehensive study of early learning shall include, but not be limited to:

(a) Defining the populations being served, those that could be served, and program access;

(b) Determining the state's role in supporting quality early learning opportunities;

(c) Determining the state's role in training persons providing services; and

(d) Providing for smooth transitions to K-12 programs.

(4) A comprehensive study of higher education shall include, but not be limited to:

(a) Options for creating a new funding system;

(b) The number and distribution of enrollments at two and four-year institutions of higher education needed to meet demographic and work force training needs;

(c) Methods for determining the cost of instruction in various program areas;

(d) Methods for developing common articulation of lower division work;

(e) The appropriate share of the cost of instruction that should be funded through tuition, general fund-state subsidies, and financial aid;

(f) Providing for smooth transitions from high school to college, including dual credit options and adequate preparation for college-level coursework;

(g) Identifying strategies and associated costs to increase opportunity for access to baccalaureate degrees at public institutions of higher education;

(h) Identifying incentives to optimize research conducted by public universities and colleges that has the potential to stimulate the economy and address economic and social issues relevant to Washington citizens;

(i) Options for using existing capacity in independent colleges and universities;

(j) A review of higher education governance as it relates to fiscal policy for higher education; and

(k) Options for coordinating capital and operating appropriations.

(5) The steering committee shall provide interim reports to the appropriate fiscal and policy committees of the senate and the house of representatives by November 15, 2005, and June 16, 2006. These interim reports shall document ongoing work to-date, initial findings, and next steps. The November 15, 2005, interim report may recommend possible action items for consideration in the 2006 legislative session.

(6) The final report and recommendations of the steering committee shall be submitted to the legislature by November 15, 2006.

NEW SECTION. **Sec. 4.** This act expires July 1, 2007."

Signed by Representatives Sommers, Chairman;

Fromhold, Vice Chairman; Anderson, Assistant Ranking Minority Member; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Priest and Schual-Berke.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey; Buri; Clements; Hinkle; Pearson; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

E2SSB 5454 Prime Sponsor, Senate Committee on Ways & Means: Revising trial court funding provisions. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Judiciary. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member, Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey, Buri, Clements, Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5470 Prime Sponsor, Senate Committee on Health & Long-Term Care: Allowing the importation of certain prescription drugs from nondomestic wholesalers. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that as consumers' prescription drug costs continue to rise, people across the state of Washington are seeking opportunities to purchase lower cost prescription drugs from Canada, the United Kingdom, Ireland, and other countries for their personal use. The state has a strong interest in promoting the safe use of prescription drugs by consumers in Washington state. To address this interest, the legislature intends to seek authorization from the federal government to license Canadian, United Kingdom, Irish, and other nondomestic prescription drug wholesalers, thereby providing licensed retail pharmacies the opportunity to purchase prescription drugs from approved wholesalers and pass those savings on to consumers, and providing consumers the opportunity to purchase prescription drugs from a trusted community pharmacist who is aware of all of their prescription drug needs.

NEW SECTION. Sec. 2. A new section is added to chapter 18.64 RCW to read as follows:

(1) By September 1, 2005, the board shall, in consultation with the department and the health care authority, submit a waiver request to the federal food and drug administration that will authorize the state of Washington to license Canadian, United Kingdom, Irish, and other nondomestic prescription drug wholesalers under RCW 18.64.046, thereby providing retail pharmacies licensed in Washington state the opportunity to purchase prescription drugs from approved wholesalers and pass those savings on to consumers. The waiver shall provide that:

(a) Canadian, United Kingdom, Irish, and other nondomestic prescription drug wholesalers meet the requirements of RCW 18.64.046 and any rules adopted by the board to implement those requirements;

(b) The board must ensure the integrity of the prescription drug products being distributed by:

(i) Requiring that prescription drugs purchased from Canadian, United Kingdom, Irish, and other nondomestic wholesalers originate only from approved manufacturing locations;

(ii) Routinely testing prescription drugs purchased from Canadian, United Kingdom, Irish, and other nondomestic wholesalers for safety;

(iii) Establishing safe labeling, tracking, and shipping procedures for prescription drugs purchased from Canadian, United Kingdom, Irish, and other nondomestic wholesalers; and

(iv) Closely monitoring compliance with RCW 18.64.046 and any rules adopted to implement the waiver;

(c) The prescription drugs purchased from Canadian, United Kingdom, Irish, and other nondomestic wholesalers must be limited to those for which potential savings to consumers can be demonstrated and those available through purchase by individuals only at licensed retail pharmacies;

(d) To ensure that the program benefits those consumers without insurance coverage for prescription drugs who are most in need of price relief, prescription drug purchases from pharmacies under the waiver will be limited to those not eligible for reimbursement by third party insurance coverage, whether public or private, for the particular drug being purchased; and

(e) Savings associated with purchasing prescription drugs from Canadian, United Kingdom, Irish, and other nondomestic wholesalers will be passed on to consumers.

(2) Upon approval of the federal waiver submitted in accordance with subsection (1) of this section, the board, in consultation with the department and the health care authority, shall submit a detailed implementation plan to the governor and appropriate committees of the legislature that details the mechanisms that the board will use to implement each component of the waiver under subsection (1) of this section.

(3) The board shall adopt rules as necessary to implement this act.

NEW SECTION. Sec. 3. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state."

Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; McDonald, Assistant Ranking Minority Member; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Pearson; Priest and Schual-Berke.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

SB 5477 Prime Sponsor, Senator Kline: Revising sentencing procedures for exceptional sentences. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5499 Prime Sponsor, Senate Committee on Government Operations & Elections: Clarifying and standardizing various election procedures. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on State Government Operations & Accountability. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 4, 2005

ESB 5513 Prime Sponsor, Senator Haugen: Restructuring certain transportation agencies. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that it is in the interest of the state to restructure the roles and responsibilities of the state's transportation agencies in order to improve efficiency and accountability. The legislature also finds that continued citizen oversight of performance of the state's transportation system remains an important priority. To achieve these purposes, the legislature intends to provide direct accountability of the department of transportation to the governor, in his or her role as chief executive officer of state government, by making the secretary of transportation a cabinet-level official. Additionally, it is essential to clearly delineate between the separate and distinct roles and responsibilities of the executive and legislative branches of government. The role of executive is to oversee the implementation of transportation programs, while the legislature reserves to itself the role of policy making. Finally, consolidating public outreach and auditing of the state's transportation agencies under a single citizen-governed entity, the transportation accountability commission, will provide the public with information about the performance of the transportation system and an avenue for direct participation in its oversight.

Departmental Governance

Sec. 2. RCW 43.17.020 and 1995 1st sp.s. c 2 s 2 are each amended to read as follows:

There shall be a chief executive officer of each department to be known as: (1) The secretary of social and health services, (2) the director of ecology, (3) the director of labor and industries, (4) the director of agriculture, (5) the director of fish and wildlife, (6) the secretary of transportation, (7) the director of licensing, (8) the director of general administration, (9) the director of community, trade, and economic development, (10) the director of veterans affairs, (11) the director of revenue, (12) the director of retirement systems, (13) the secretary of corrections, ~~((and))~~ (14) the secretary of health, and (15) the director of financial institutions.

Such officers, except the ~~((secretary of transportation and the))~~ director of fish and wildlife, shall be appointed by the governor, with the consent of the senate, and hold office at the pleasure of the governor. ~~((The secretary of transportation shall be appointed by the transportation commission as prescribed by RCW 47.01.041-))~~ The director of fish and wildlife shall be appointed by the fish and wildlife commission as prescribed by RCW 77.04.055.

Sec. 3. RCW 47.01.041 and 1983 1st ex.s. c 53 s 28 are each amended to read as follows:

The executive head of the department of transportation shall be the secretary of transportation, who shall be appointed by the ~~((transportation commission))~~ governor with the advice and consent of the senate, and shall be paid a salary to be fixed by the governor in accordance with the provisions of RCW 43.03.040. The secretary shall be an ex officio member of the transportation commission without a vote. ~~((The secretary shall be the chief executive officer of the commission and be responsible to it, and shall be guided by policies established by it.))~~ The secretary shall serve ~~((until removed by the commission, but only for incapacity, incompetence, neglect of duty, malfeasance in office, or failure to carry out the commission's policies. Before a motion for dismissal shall be acted on by the commission, the secretary shall be granted a hearing on formal written charges before the full commission. An action by the commission to remove the secretary shall be final))~~ at the pleasure of

the governor.

Sec. 4. RCW 47.01.051 and 1977 ex.s. c 151 s 5 are each amended to read as follows:

(1) There is hereby created a transportation commission, which shall consist of seven members appointed by the governor, with the consent of the senate. The present five members of the highway commission shall serve as five initial members of the transportation commission until their terms of office as highway commission members would have expired. The additional two members provided herein for the transportation commission shall be appointed for initial terms to expire on June 30, 1982, and June 30, 1983. Thereafter all terms shall be for six years. No elective state official or state officer or state employee shall be a member of the commission, and not more than four members of the commission shall at the time of appointment or thereafter during their respective terms of office be members of the same major political party. At the time of appointment or thereafter during their respective terms of office, four members of the commission shall reside in the western part of the state and three members shall reside in the eastern part of the state as divided north and south by the summit of the Cascade mountains. No more than two members of the commission shall reside in the same county. Commissioners shall not be removed from office by the governor before the expiration of their terms unless for a disqualifying change of residence or for cause based upon a determination of incapacity, incompetence, neglect of duty, or malfeasance in office by the superior court of the state of Washington in and for Thurston county upon petition and show cause proceedings duly brought therefor in said court and directed to the commissioner in question. No member shall be appointed for more than two consecutive terms.

(2) This section expires July 1, 2006.

Sec. 5. RCW 47.01.061 and 1987 c 364 s 2 are each amended to read as follows:

(1) The commission shall meet at such times as it deems advisable but at least once every month. It may adopt its own rules and regulations and may establish its own procedure. It shall act collectively in harmony with recorded resolutions or motions adopted by majority vote of at least four members. The commission may appoint an administrative secretary, and shall elect one of its members chairman for a term of one year. The chairman shall be able to vote on all matters before the commission. The commission may from time to time retain planners, consultants, and other technical personnel to advise it in the performance of its duties.

(2) The commission shall submit to each regular session of the legislature held in an odd-numbered year its own budget proposal necessary for the commission's operations separate from that proposed for the department.

(3) Each member of the commission shall be compensated in accordance with RCW 43.03.250 and shall be reimbursed for actual necessary traveling and other expenses in going to, attending, and returning from meetings of the commission, and actual and necessary traveling and other expenses incurred in the discharge of such duties as may be requested by a majority vote of the commission or by the secretary of transportation, but in no event shall a commissioner be compensated in any year for more than one hundred twenty days, except the chairman of the commission who may be paid compensation for not more than one hundred fifty days. Service on the commission shall not be considered as service credit for the purposes of any public retirement system.

(4) Each member of the commission shall disclose any actual or

potential conflict of interest, if applicable under the circumstance, regarding any commission business.

Sec. 6. RCW 47.01.071 and 1981 c 59 s 2 are each amended to read as follows:

The transportation commission shall have the following functions, powers, and duties:

(1) To propose policies to be adopted by the governor and the legislature designed to assure the development and maintenance of a comprehensive and balanced statewide transportation system which will meet the needs of the people of this state for safe and efficient transportation services. Wherever appropriate the policies shall provide for the use of integrated, intermodal transportation systems to implement the social, economic, and environmental policies, goals, and objectives of the people of the state, and especially to conserve nonrenewable natural resources including land and energy. To this end the commission shall:

(a) Develop transportation policies which are based on the policies, goals, and objectives expressed and inherent in existing state laws;

(b) Inventory the adopted policies, goals, and objectives of the local and area-wide governmental bodies of the state and define the role of the state, regional, and local governments in determining transportation policies, in transportation planning, and in implementing the state transportation plan;

(c) Propose a transportation policy for the state (~~and after notice and public hearings, submit the proposal to the legislative transportation committee and the senate and house transportation committees by January 1, 1978, for consideration in the next legislative session~~);

(d) Establish a procedure for review and revision of the state transportation policy and for submission of proposed changes to the governor and the legislature;

(e) To integrate the statewide transportation plan with the needs of the elderly and handicapped, and to coordinate federal and state programs directed at assisting local governments to answer such needs;

(2) (~~To establish the policy of the department to be followed by the secretary on each of the following items:~~

~~(a)) To provide for the effective coordination of state transportation planning with national transportation policy, state and local land use policies, and local and regional transportation plans and programs;~~

~~((b) To provide for public involvement in transportation designed to elicit the public's views both with respect to adequate transportation services and appropriate means of minimizing adverse social, economic, environmental, and energy impact of transportation programs;~~

~~(c) To provide for the administration of grants in aid and other financial assistance to counties and municipal corporations for transportation purposes;~~

~~(d) To provide for the management, sale, and lease of property or property rights owned by the department which are not required for transportation purposes;))~~

(3) To (~~direct the secretary to~~) prepare (~~and submit to the commission~~) a comprehensive and balanced statewide transportation plan which shall be based on the transportation policy adopted by the legislature and applicable state and federal laws. (~~After public notice and hearings, the commission shall adopt the plan and submit it to the legislative transportation committee and to the house and senate standing committees on transportation before January 1, 1980, for consideration in the 1980 regular legislative session.~~) The plan

shall be reviewed and revised, and submitted to the governor and the house of representatives and senate standing committees on transportation, prior to each regular session of the legislature during an even-numbered year thereafter. (~~A preliminary plan shall be submitted to such committees by January 1, 1979.~~)

The plan shall take into account federal law and regulations relating to the planning, construction, and operation of transportation facilities;

(4) To propose to the governor and the legislature prior to the convening of each regular session held in an odd-numbered year a recommended budget for the operations of the commission as required by RCW 47.01.061;

(5) (~~To approve and propose to the governor and to the legislature prior to the convening of each regular session during an odd-numbered year a recommended budget for the operation of the department and for carrying out the program of the department for the ensuing biennium. The proposed budget shall separately state the appropriations to be made from the motor vehicle fund for highway purposes in accordance with constitutional limitations and appropriations and expenditures to be made from the general fund, or accounts thereof, and other available sources for other operations and programs of the department;~~

~~(6) To review and authorize all departmental requests for legislation;~~

~~(7) To approve the issuance and sale of all bonds authorized by the legislature for capital construction of state highways, toll facilities, Columbia Basin county roads (for which reimbursement to the motor vehicle fund has been provided), urban arterial projects, and aviation facilities;~~

~~(8)) To adopt such rules, regulations, and policy directives as may be necessary to carry out reasonably and properly those functions expressly vested in the commission by statute;~~

~~((9) To delegate any of its powers to the secretary of transportation whenever it deems it desirable for the efficient administration of the department and consistent with the purposes of this title;~~

~~(10)) (6) To exercise such other specific powers and duties as may be vested in the transportation commission by this or any other provision of law.~~

Sec. 7. RCW 47.01.101 and 1987 c 505 s 48 and 1987 c 179 s 1 are each reenacted and amended to read as follows:

The secretary shall have the authority and it shall be his or her duty, subject to policy guidance from the (~~commission~~) governor and the legislature:

(1) To serve as chief executive officer of the department with full administrative authority to direct all its activities;

(2) To organize the department as he or she may deem necessary to carry out the work and responsibilities of the department effectively;

(3) To designate and establish such transportation district or branch offices as may be necessary or convenient, and to appoint assistants and delegate any powers, duties, and functions to them or any officer or employee of the department as deemed necessary to administer the department efficiently;

(4) To direct and coordinate the programs of the various divisions of the department to assure that they achieve the greatest possible mutual benefit, produce a balanced overall effort, and eliminate unnecessary duplication of activity;

(5) To adopt all department rules that are subject to the adoption procedures contained in the state administrative procedure act, except rules subject to adoption by the commission pursuant to statute;

(6) To maintain and safeguard the official records of the department, including the commission's recorded resolutions and orders;

(7) To provide, under contract or interagency agreement, full staff support to the commission to assist it in carrying out its functions, powers, and duties ~~((and to execute the policy established by the commission pursuant to its legislative authority));~~

(8) To execute and implement the biennial operating budget for the operation of the department in accordance with chapter 43.88 RCW and with legislative appropriation ~~((and, in such manner as prescribed therein, to make and report to the commission and the chairs of the transportation committees of the senate and house of representatives, including one copy to the staff of each of the committees, deviations from the planned biennial category A and H highway construction programs necessary to adjust to unexpected delays or other unanticipated circumstances:));~~

(9) To approve the issuance and sale of all bonds authorized by the legislature for capital construction of state highways, toll facilities, Columbia Basin county roads (for which reimbursement to the motor vehicle fund has been provided), urban arterial projects, and aviation facilities;

(10) To advise the governor and the legislature with respect to matters under the jurisdiction of the department; and

(11) To exercise all other powers and perform all other duties as are now or hereafter provided by law.

Sec. 8. RCW 47.05.021 and 2002 c 56 s 301 are each amended to read as follows:

(1) The ~~((transportation commission is hereby directed to))~~ department shall conduct periodic analyses of the entire state highway system, report ~~((thereon))~~ to the commission and the chairs of the transportation committees of the senate and house of representatives, ~~((including one copy to the staff of each of the committees, biennially and based thereon:))~~ any subsequent recommendations to subdivide, classify, and subclassify ~~((according to their function and importance))~~ all designated state highways ~~((and those added from time to time and periodically review and revise the classifications))~~ into the following three functional classes:

(a) The "principal arterial system" shall consist of a connected network of rural arterial routes with appropriate extensions into and through urban areas, including all routes designated as part of the interstate system, which serve corridor movements having travel characteristics indicative of substantial statewide and interstate travel;

(b) The "minor arterial system" shall, in conjunction with the principal arterial system, form a rural network of arterial routes linking cities and other activity centers which generate long distance travel, and, with appropriate extensions into and through urban areas, form an integrated network providing interstate and interregional service; and

(c) The "collector system" shall consist of routes which primarily serve the more important intercounty, intracounty, and intraurban travel corridors, collect traffic from the system of local access roads and convey it to the arterial system, and on which, regardless of traffic volume, the predominant travel distances are shorter than on arterial routes.

(2) ~~((In making the functional classification))~~ The transportation commission shall adopt ((and)) a functional classification of highways. The commission shall consider the recommendations of the department and testimony from the public and local municipalities. The commission shall give consideration to criteria consistent with this section and federal regulations relating to the functional classification of highways, including but not limited to the

following:

(a) Urban population centers within and without the state stratified and ranked according to size;

(b) Important traffic generating economic activities, including but not limited to recreation, agriculture, government, business, and industry;

(c) Feasibility of the route, including availability of alternate routes within and without the state;

(d) Directness of travel and distance between points of economic importance;

(e) Length of trips;

(f) Character and volume of traffic;

(g) Preferential consideration for multiple service which shall include public transportation;

(h) Reasonable spacing depending upon population density; and

(i) System continuity.

(3) The transportation commission or the legislature shall designate state highways of statewide significance under RCW 47.06.140. If the commission designates a state highway of statewide significance, it shall submit a list of such facilities for adoption by the legislature. This statewide system shall include at a minimum interstate highways and other statewide principal arterials that are needed to connect major communities across the state and support the state's economy.

(4) The transportation commission shall designate a freight and goods transportation system. This statewide system shall include state highways, county roads, and city streets. The commission, in cooperation with cities and counties, shall review and make recommendations to the legislature regarding policies governing weight restrictions and road closures which affect the transportation of freight and goods.

Sec. 9. RCW 47.05.030 and 2002 c 5 s 402 are each amended to read as follows:

The transportation commission shall adopt a comprehensive ~~((six-year))~~ ten-year investment program specifying program objectives and performance measures for the preservation and improvement programs defined in this section. The adopted ten-year investment program must be forwarded as a recommendation to the governor and legislature for final adoption. In the specification of investment program objectives and performance measures, the transportation commission, in consultation with the Washington state department of transportation, shall define and adopt standards for effective programming and prioritization practices including a needs analysis process. The analysis process must ensure the identification of problems and deficiencies, the evaluation of alternative solutions and trade-offs, and estimations of the costs and benefits of prospective projects. The investment program must be revised ~~((biennially, effective on July 1st of odd-numbered years))~~ based on directions by the office of financial management. The investment program must be based upon the needs identified in the state-owned highway component of the statewide transportation plan as defined in RCW 47.01.071(3).

(1) The preservation program consists of those investments necessary to preserve the existing state highway system and to restore existing safety features, giving consideration to lowest life cycle costing. The preservation program must require use of the most cost-effective pavement surfaces, considering:

(a) Life-cycle cost analysis;

(b) Traffic volume;

(c) Subgrade soil conditions;

(d) Environmental and weather conditions;

- (e) Materials available; and
- (f) Construction factors.

The comprehensive ~~((six-year))~~ ten-year investment program for preservation must identify projects for two years and an investment plan for the remaining ~~((four))~~ eight years.

(2) The improvement program consists of investments needed to address identified deficiencies on the state highway system to increase mobility, address congestion, and improve safety, support for the economy, and protection of the environment. The ~~((six-year))~~ ten-year investment program for improvements must identify projects for two years and major deficiencies proposed to be addressed in the ~~((six-year))~~ ten-year period giving consideration to relative benefits and life cycle costing. The transportation commission shall give higher priority for correcting identified deficiencies on those facilities classified as facilities of statewide significance as defined in RCW 47.06.140. Project prioritization must be based primarily upon cost-benefit analysis, where appropriate.

The transportation commission shall approve and present the comprehensive ~~((six-year))~~ ten-year investment program to the governor and the legislature ~~((in support of the biennial budget request under RCW 44.40.070 and 44.40.080))~~ as directed by the office of financial management.

Sec. 10. RCW 47.05.035 and 2002 c 5 s 403 are each amended to read as follows:

(1) The department ~~((and the commission))~~ shall use the transportation demand modeling tools developed under subsection (2) of this section to evaluate investments based on the best mode or improvement, or mix of modes and improvements, to meet current and future long-term demand within a corridor or system for the lowest cost. The end result of these demand modeling tools is to provide a cost-benefit analysis by which the department ~~((and the commission))~~ can determine the relative mobility improvement and congestion relief each mode or improvement under consideration will provide and the relative investment each mode or improvement under consideration will need to achieve that relief.

(2) The department will participate in the refinement, enhancement, and application of existing transportation demand modeling tools to be used to evaluate investments. This participation and use of transportation demand modeling tools will be phased in.

(3) In developing program objectives and performance measures, the ~~((transportation commission))~~ department shall evaluate investment trade-offs between the preservation and improvement programs. In making these investment trade-offs, the ~~((commission))~~ department shall evaluate, using cost-benefit techniques, roadway and bridge maintenance activities as compared to roadway and bridge preservation program activities and adjust those programs accordingly.

(4) The ~~((commission))~~ department shall allocate the estimated revenue between preservation and improvement programs giving primary consideration to the following factors:

- (a) The relative needs in each of the programs and the system performance levels that can be achieved by meeting these needs;
- (b) The need to provide adequate funding for preservation to protect the state's investment in its existing highway system;
- (c) The continuity of future transportation development with those improvements previously programmed; and
- (d) The availability of dedicated funds for a specific type of work.

(5) The commission shall review the results of the department's findings and shall consider those findings in the development of the ten-year program.

Sec. 11. RCW 47.05.051 and 2002 c 189 s 3 are each amended to read as follows:

(1) The comprehensive ~~((six-year))~~ ten-year investment program shall be based upon the needs identified in the state-owned highway component of the statewide multimodal transportation plan as defined in RCW 47.01.071(3) and priority selection systems that incorporate the following criteria:

(a) Priority programming for the preservation program shall take into account the following, not necessarily in order of importance:

(i) Extending the service life of the existing highway system, including using the most cost-effective pavement surfaces, considering:

- (A) Life-cycle cost analysis;
- (B) Traffic volume;
- (C) Subgrade soil conditions;
- (D) Environmental and weather conditions;
- (E) Materials available; and
- (F) Construction factors;

(ii) Ensuring the structural ability to carry loads imposed upon highways and bridges; and

(iii) Minimizing life cycle costs. The transportation commission in carrying out the provisions of this section may delegate to the department of transportation the authority to select preservation projects to be included in the ~~((six-year))~~ ten-year program.

(b) Priority programming for the improvement program must be based primarily upon the following, not necessarily in order of importance:

- (i) Traffic congestion, delay, and accidents;
- (ii) Location within a heavily traveled transportation corridor;
- (iii) Except for projects in cities having a population of less than five thousand persons, synchronization with other potential transportation projects, including transit and multimodal projects, within the heavily traveled corridor; and
- (iv) Use of benefit/cost analysis wherever feasible to determine the value of the proposed project.

(c) Priority programming for the improvement program may also take into account:

- (i) Support for the state's economy, including job creation and job preservation;
- (ii) The cost-effective movement of people and goods;
- (iii) Accident and accident risk reduction;
- (iv) Protection of the state's natural environment;
- (v) Continuity and systematic development of the highway transportation network;
- (vi) Consistency with local comprehensive plans developed under chapter 36.70A RCW including the following if they have been included in the comprehensive plan:

(A) Support for development in and revitalization of existing downtowns;

(B) Extent that development implements local comprehensive plans for rural and urban residential and nonresidential densities;

(C) Extent of compact, transit-oriented development for rural and urban residential and nonresidential densities;

(D) Opportunities for multimodal transportation; and

(E) Extent to which the project accommodates planned growth and economic development;

(vii) Consistency with regional transportation plans developed under chapter 47.80 RCW;

(viii) Public views concerning proposed improvements;

(ix) The conservation of energy resources;

(x) Feasibility of financing the full proposed improvement;

(xi) Commitments established in previous legislative sessions;

(xii) Relative costs and benefits of candidate programs.

(d) Major projects addressing capacity deficiencies which prioritize allowing for preliminary engineering shall be reprioritized during the succeeding biennium, based upon updated project data. Reprioritized projects may be delayed or canceled by the transportation commission if higher priority projects are awaiting funding.

(e) Major project approvals which significantly increase a project's scope or cost from original prioritization estimates shall include a review of the project's estimated revised priority rank and the level of funding provided. Projects may be delayed or canceled by the transportation commission if higher priority projects are awaiting funding.

(2) After final adoption of the ten-year investment program by the legislature, the commission may depart from the priority programming established under subsection (1) of this section: (a) To the extent that otherwise funds cannot be utilized feasibly within the program; (b) as may be required by a court judgment, legally binding agreement, or state and federal laws and regulations; (c) as may be required to coordinate with federal, local, or other state agency construction projects; (d) to take advantage of some substantial financial benefit that may be available; (e) for continuity of route development; or (f) because of changed financial or physical conditions of an unforeseen or emergent nature. The commission or secretary of transportation shall maintain in its files information sufficient to show the extent to which the commission has departed from the established priority.

(3) The commission shall identify those projects that yield freight mobility benefits or that alleviate the impacts of freight mobility upon affected communities.

Joint Transportation Committee

NEW SECTION. Sec. 12. The joint transportation committee is created. The executive committee of the joint committee consists of the chairs and ranking members of the house and senate transportation committees. The chairs of the house and senate transportation committees shall serve as cochairs of the joint committee. All members of the house and senate standing committees on transportation are eligible for membership of the joint committee and shall serve when appointed by the executive committee.

The joint transportation committee shall review and research transportation programs and issues. All four members of the executive committee shall approve the annual work plan. Membership of the committee may vary depending on the subject matter of oversight and research projects. The committee may also make recommendations for functional or performance audits to the transportation accountability commission.

Staff support of the joint transportation committee will be provided by the staffs of the house and senate transportation committees.

NEW SECTION. Sec. 13. The members of the joint transportation committee and the house and senate transportation committees will receive allowances while attending meetings of the committees or subcommittees and while engaged in other authorized business of the committees as provided in RCW 44.04.120. Subject to RCW 44.04.260, all expenses incurred by the committee, and the house and senate transportation committees must be paid upon voucher forms as provided by the office of financial management and signed by the cochairs of the joint committee, or their authorized

designees, and the authority of the chair or vice chair to sign vouchers continues until their successors are selected. Vouchers may be drawn upon funds appropriated for the expenses of the committee.

NEW SECTION. Sec. 14. The joint transportation committee shall conduct a review of state level governance of transportation, with a focus on the appropriate roles of the separate branches of government. The committee shall review the statutory duties, roles, and functions of the transportation commission and the department. In that review the committee shall determine which responsibilities may be transferred to the executive and which may be transferred to the legislature. By December 15, 2005, the joint transportation committee shall make its recommendations to the house and senate transportation committees. The joint transportation committee shall consult with affected agencies and other stakeholders in conducting its analysis. The committee may consult with and retain private professional and technical experts as necessary to ensure an independent review and analysis.

Transfers

NEW SECTION. Sec. 15. (1)(a) All reports, documents, surveys, books, records, files, papers, or written material relating to the conduct of performance reviews and audits in the possession of the legislative transportation committee must be delivered to the custody of the transportation accountability commission. Any remaining documents, books, records, files, papers, and written materials must be delivered to the custody of the joint transportation committee. All funds, credits, or other assets held by the legislative transportation committee for the purposes of staffing the transportation performance audit board are assigned to the transportation accountability commission. Any remaining funds, credits, or other assets held by the legislative transportation committee are assigned to the joint transportation committee.

(b) If any question arises as to the transfer of any funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(2) All employees of the legislative transportation committee are transferred to the jurisdiction of the transportation accountability commission.

(3) All existing contracts and obligations remain in full force and must be performed by the transportation accountability commission.

Transportation Accountability Commission

Sec. 16. RCW 44.75.010 and 2003 c 362 s 1 are each amended to read as follows:

It is essential that the legislature improve the accountability and efficiency of transportation-related agencies and measure transportation system performance against benchmarks established in chapter 5, Laws of 2002. Taxpayers must know that their tax dollars are being well spent to deliver critically needed transportation projects and services. To accomplish this, the transportation ~~((performance audit board))~~ accountability commission is created and a system of transportation functional and performance audits is established to provide oversight and accountability of transportation-related agencies. Furthermore, the transportation accountability commission will provide a public forum for the citizens of the state

to contribute to the formation of state transportation policy.

Sec. 17. RCW 44.75.020 and 2003 c 362 s 2 are each amended to read as follows:

The definitions in this section apply throughout this chapter.

(1) "Economy and efficiency audit" has the meaning contained in chapter 44.28 RCW.

(2) "Joint legislative audit and review committee" means the agency created in chapter 44.28 RCW, or its statutory successor.

(3) "Legislative auditor" has the meaning contained in chapter 44.28 RCW.

~~(4) ("Legislative transportation committee" means the agency created in chapter 44.40 RCW, or its statutory successor.~~

~~(5))~~ "Performance audit" has the meaning contained in chapter 44.28 RCW.

~~((6))~~ (5) "Performance review" means an outside evaluation of how a state agency uses its performance measures to assess the outcomes of its legislatively authorized activities.

~~((7))~~ (6) "Program audit" has the meaning contained in chapter 44.28 RCW.

~~((8) "Transportation performance audit board" or "board" means the board created in RCW 44.75.030.~~

~~(9))~~ (7) "Transportation accountability commission" or "commission" means the commission created in RCW 44.75.030 (as recodified by this act).

(8) "Transportation-related agencies" or "agency" means any state or local agency, board, special purpose district, or commission that receives or generates funding primarily for transportation-related purposes. At a minimum, the department of transportation, the Washington state patrol, the department of licensing, the transportation improvement board or its successor entity, the county road administration board or its successor entity, and the traffic safety commission are considered transportation-related agencies.

Sec. 18. RCW 44.75.030 and 2003 c 362 s 3 are each amended to read as follows:

(1) The transportation ~~((performance audit board))~~ accountability commission is created.

(2) The ~~((board))~~ commission will consist of four legislative members, ~~((five))~~ three citizen members with transportation-related expertise, ~~((one))~~ three citizen members with performance measurement expertise, and one ex officio nonvoting member, and one at large member. The legislative auditor is the ex officio nonvoting member. The majority and minority leaders of the house and senate transportation committees, or their designees, are the legislative members. The governor shall appoint the at large member to serve for a term of four years. The citizen members must be ~~((nominated by professional associations chosen by the board's legislative members and))~~ appointed by the governor for terms of four years, except that at least half the initial appointments will be for terms of two years. The citizen members may not be currently, or within one year, employed by the Washington state department of transportation. The ~~((citizen members will consist of))~~ governor, when appointing the citizen members with transportation-related expertise, may consult with appropriate professional associations and shall consider the following transportation-related experiences:

(a) ~~((One member with expertise in))~~ Construction project planning, including permitting and assuring regulatory compliance;

(b) ~~((One member with expertise in))~~ Construction means and methods and construction management, crafting and implementing environmental mitigation plans, and administration;

(c) ~~((One member with expertise in))~~ Construction engineering

services, including construction management, materials testing, materials documentation, contractor payments, inspection, surveying, and project oversight;

(d) ~~((One member with expertise in))~~ Project management, including design estimating, contract packaging, and procurement; and

(e) ~~((One member with expertise in))~~ Transportation planning and congestion management.

(3) The governor may not remove citizen members from the ~~((board))~~ commission before the expiration of their terms unless for cause based upon a determination of incapacity, incompetence, neglect of duty, ~~((of))~~ or malfeasance in office by the Thurston county superior court, upon petition and show cause proceedings brought for that purpose in that court and directed to the ~~((board member))~~ commissioner in question.

(4) No member may be appointed for more than three consecutive terms.

Sec. 19. RCW 44.75.040 and 2003 c 362 s 4 are each amended to read as follows:

(1) The ~~((board))~~ commission shall meet periodically. It may adopt its own rules and may establish its own procedures. It shall act collectively in harmony with recorded resolutions or motions adopted by a majority vote of the members.

(2) Each member of the ~~((transportation performance audit board))~~ commission will be compensated ~~((from the general appropriation for the legislative transportation committee))~~ in accordance with RCW 43.03.250 and reimbursed for actual necessary traveling and other expenses in going to, attending, and returning from meetings of the ~~((board))~~ commission or that are incurred in the discharge of duties requested by the chair. However, in no event may a ~~((board))~~ commission member be compensated in any year for more than one hundred twenty days, except the chair may be compensated for not more than one hundred fifty days. Service on the ~~((board))~~ commission does not qualify as a service credit for the purposes of a public retirement system.

(3) The ~~((transportation performance audit board))~~ commission shall keep proper records and is subject to audit by the state auditor or other auditing entities.

(4) ~~((Staff support to the transportation performance audit board must be provided by the legislative transportation committee, which shall provide professional support for the duties, functions, responsibilities, and activities of the board, including but not limited to information technology systems, data collection, processing, analysis, and reporting; project management; and office space, equipment, and secretarial support. The legislative evaluation and accountability program will provide data and information technology support consistent with the support currently supplied to existing legislative committees.))~~ The commission may appoint an administrative secretary and may from time to time retain consultants and other technical personnel to advise it in the performance of its duties.

(5) Each member of the commission shall disclose any actual or potential conflict of interest, if applicable under the circumstance, regarding all performance reviews and performance audits conducted under this chapter.

NEW SECTION. Sec. 20. A new section is added to chapter 47.-- RCW (new chapter created in section 149 of this act) to read as follows:

(1) The transportation accountability commission shall provide a public forum for the development of transportation policy in

Washington state. It may recommend to the secretary of transportation, the governor, and the legislature means for obtaining appropriate citizen and professional involvement in transportation accountability policy formulation. It may further hold hearings and explore ways to enhance the accountability of transportation programs.

(2) Every two years, in coordination with the development of the state biennial budget, the commission shall prepare the statewide transportation accountability progress report that evaluates progress towards transportation performance goals and outlines the transportation priorities of the ensuing biennium. The report must:

(a) Consider the citizen input gathered at the forums;

(b) Consider the results of performance measure reviews and performance audits performed in the two-year period leading up to that review;

(c) Be developed with the assistance of transportation-related agencies and organizations;

(d) Be considered by the secretary of transportation and other state transportation-related agencies in preparing proposed agency budgets and executive request legislation;

(e) Be submitted by the commission to the governor and the legislature by October 1st of each even-numbered year.

(3) In fulfilling its responsibilities under this section, the commission may create ad hoc committees or other such committees of limited duration as necessary.

Sec. 21. RCW 44.75.050 and 2003 c 362 s 5 are each amended to read as follows:

(1) The transportation ~~((performance audit board))~~ accountability commission may review the performance and outcome measures of transportation-related agencies. The purpose of these reviews is to ensure that the governor and the legislature has the means to adequately and accurately assess the performance and outcomes of those agencies and departments. Where two or more agencies have shared responsibility for functions or priorities of government, these reviews can also determine whether effective interagency cooperation and collaboration occurs in areas such as program coordination, administrative structures, information systems, and administration of grants and loans.

(2) The commission shall, as soon as practicable, conduct a review of the comprehensive ten-year investment program process, including the required criteria, under RCW 47.05.030 and 47.05.051.

(3) In conducting these reviews, the ~~((transportation performance audit board))~~ commission may work in consultation with the ~~((legislative transportation committee, the))~~ joint legislative audit and review committee, the office of financial management, and other state agencies.

Sec. 22. RCW 44.75.060 and 2003 c 362 s 6 are each amended to read as follows:

The performance and outcome measures and benchmarks of each agency or department may be reviewed at the discretion of the transportation ~~((performance audit board))~~ accountability commission. In setting the schedule and the extent of performance reviews, the ~~((board))~~ commission shall consider the timing and results of other recent state, federal, and independent reviews and audits, the seriousness of past findings, any inadequate remedial action taken by an agency or department, whether an agency or department lacks performance and outcome measures, and the desirability to include a diverse range of agencies or programs each year.

Sec. 23. RCW 44.75.080 and 2003 c 362 s 8 are each amended to read as follows:

After reviewing the performance or outcome measures and benchmarks of an agency or department, or at any time it so determines, the ~~((transportation performance audit board shall recommend to the executive committee of the legislative transportation committee whether))~~ commission may direct a full performance or functional audit of the agency or department, or a specific program within the agency or department ~~((is appropriate. Upon the request of the legislative transportation committee or its executive committee, the joint legislative audit and review committee shall add the full performance or functional audit to its biennial performance audit work plan. If the request duplicates or overlaps audits already in the work plan, or was performed under the previous biennial work plan, the executive committees of the legislative transportation committee and the joint legislative audit and review committee shall meet to discuss and resolve the duplication or overlap))~~.

Sec. 24. RCW 44.75.090 and 2003 c 362 s 9 are each amended to read as follows:

~~((+))~~ To the greatest extent possible, ((or when requested by the executive committee of the legislative transportation committee)) and to the extent funds are appropriated, the ((legislative auditor)) commission administrator shall, subject to commission approval, contract with and consult with private independent professional and technical experts to optimize the independence of the reviews and performance audits. In determining the need to contract with private experts, the ((legislative auditor)) commission administrator shall consider the degree of difficulty of the review or audit, the relative cost of contracting for expertise, and the need to maintain auditor independence from the subject agency or program. The commission administrator may, subject to commission approval, contract with the legislative auditor to serve as the contract manager of the reviews and performance audits.

~~((2))~~ After consultation with the executive committee of the legislative transportation committee on the appropriateness of costs, the legislative transportation committee shall reimburse the joint legislative audit and review committee or the legislative auditor for the costs of carrying out any requested performance audits, including the cost of contracts and consultant services:

(3) The executive committee of the legislative transportation committee must review and approve the methodology for performance audits recommended by the transportation performance audit board.

Sec. 25. RCW 44.75.100 and 2003 c 362 s 10 are each amended to read as follows:

(1) When the commission has completed a performance audit, the commission shall transmit the preliminary performance audit report to the affected state agency or local government and the office of financial management for comment. The agency or local government and the office of financial management shall provide any response to the commission within thirty days after receipt of the preliminary report unless a different time period is approved by the commission. The commission shall incorporate the response of the agency or local government and the office of financial management into the final performance audit report. The commission may also include an addendum with commission comments on the management of the audit.

(2) Before releasing the results of a performance audit originally requested by the joint transportation committee to the legislature or

the public, the commission administrator shall submit the preliminary performance audit report to the joint committee for review and comments solely on the management of the audit. Any comments by the joint committee must be included as a separate addendum to the final performance audit report. However, the commission administrator is not required to submit the preliminary performance audit report if the legislative auditor submits it under RCW 44.28.088.

(3) Completed performance audits must be presented to the ((transportation performance audit board and the legislative transportation committee)) commission. Published performance audits must be made available to the public through the ((legislative transportation committee and the joint legislative audit and review committee's)) commission's web site and through customary public communications. Final reports must also be transmitted to the affected agency, the director of financial management, and the appropriate policy and fiscal standing committees of the legislature.

Sec. 26. RCW 44.75.110 and 2003 c 362 s 11 are each amended to read as follows:

The ((legislative auditor)) commission administrator, or the legislative auditor if contracted under RCW 44.75.090 (as recodified by this act), shall determine in writing the scope of any performance audit ((requested)) directed by the ((legislative transportation committee or its executive committee)) commission, subject to the review and approval of the final scope of the audit by the ((transportation performance audit board, and the legislative transportation committee or its executive committee)) commission. In doing so, the ((legislative auditor)) commission administrator, or legislative auditor if contracted under RCW 44.75.090 (as recodified by this act), and the ((transportation performance audit board, and the legislative transportation committee or its executive committee)) commission shall consider inclusion of the following elements in the scope of the audit:

- (1) Identification of potential cost savings in the agency, its programs, and its services;
- (2) Identification and recognition of best practices;
- (3) Identification of funding to the agency, to programs, and to services that can be eliminated or reduced;
- (4) Identification of programs and services that can be eliminated, reduced, or transferred to the private sector;
- (5) Analysis of gaps and overlaps in programs and services and recommendations for improving, dropping, blending, or separating functions to correct gaps or overlaps;
- (6) Analysis and recommendations for pooling information technology systems;
- (7) Analysis of the roles and functions of the agency, its programs, and its services and their compliance with statutory authority and recommendations for eliminating or changing those roles and functions and ensuring compliance with statutory authority;
- (8) Recommendations for eliminating or changing statutes, rules, and policy directives as may be necessary to ensure that the agency carry out reasonably and properly those functions expressly vested in the department by statute; and
- (9) Verification of the reliability and validity of department performance data, self-assessments, and performance measurement systems as required under RCW 43.88.090.

Sec. 27. RCW 44.75.120 and 2003 c 362 s 12 are each amended to read as follows:

When conducting a full performance audit of an agency or department, or a specific program within an agency or department, or

multiple agencies, in accordance with RCW 44.75.110 (as recodified by this act), the ((legislative auditor)) commission administrator shall solicit input from appropriate industry representatives or experts. The audit report must make recommendations regarding the continuation, abolition, consolidation, or reorganization of each affected agency, department, or program. The audit report must identify opportunities to develop government partnerships, and eliminate program redundancies that will result in increased quality, effectiveness, and efficiency of state agencies.

Sec. 28. RCW 44.28.161 and 2003 c 362 s 13 are each amended to read as follows:

In addition to any other audits developed or included in the audit work plan under this chapter, the legislative auditor shall manage transportation-related performance audits ((directed by the executive committee of the legislative transportation committee under RCW 44.75.080. If directed to perform or contract for audit services under RCW 44.75.080, the legislative auditor or joint legislative audit and review committee will receive from the legislative transportation committee an interagency reimbursement equal to the cost of the contract or audit services)) if contracted to do so under RCW 44.75.090 (as recodified by this act).

References to LTC and Commission

Sec. 101. RCW 35.58.2796 and 1989 c 396 s 2 are each amended to read as follows:

The department of transportation shall develop an annual report summarizing the status of public transportation systems in the state. By September 1st of each year, copies of the report shall be submitted to the ((legislative transportation committee)) transportation committees of the legislature and to each municipality, as defined in RCW 35.58.272, and to individual members of the municipality's legislative authority. ((The department shall prepare and submit a preliminary report by December 1, 1989.))

To assist the department with preparation of the report, each municipality shall file a system report by April 1st of each year with the state department of transportation identifying its public transportation services for the previous calendar year and its objectives for improving the efficiency and effectiveness of those services. The system report shall address those items required for each public transportation system in the department's report.

The department report shall describe individual public transportation systems, including contracted transportation services and dial-a-ride services, and include a statewide summary of public transportation issues and data. The descriptions shall include the following elements and such other elements as the department deems appropriate after consultation with the municipalities and the ((legislative transportation committee)) transportation committees of the legislature:

- (1) Equipment and facilities, including vehicle replacement standards;
- (2) Services and service standards;
- (3) Revenues, expenses, and ending balances, by fund source;
- (4) Policy issues and system improvement objectives, including community participation in development of those objectives and how those objectives address statewide transportation priorities;
- (5) Operating indicators applied to public transportation services, revenues, and expenses. Operating indicators shall include operating cost per passenger trip, operating cost per revenue vehicle service hour, passenger trips per revenue service hour, passenger trips per vehicle service mile, vehicle service hours per employee, and

farebox revenue as a percent of operating costs.

Sec. 102. RCW 36.78.070 and 1999 c 269 s 1 are each amended to read as follows:

The county road administration board shall:

- (1) Establish by rule, standards of good practice for the administration of county roads and the efficient movement of people and goods over county roads;
- (2) Establish reporting requirements for counties with respect to the standards of good practice adopted by the board;
- (3) Receive and review reports from counties and reports from its executive director to determine compliance with legislative directives and the standards of good practice adopted by the board;
- (4) Advise counties on issues relating to county roads and the safe and efficient movement of people and goods over county roads and assist counties in developing uniform and efficient transportation-related information technology resources;
- (5) Report annually before the fifteenth day of January, and throughout the year as appropriate, to the state department of transportation and to the chairs of the ~~((legislative transportation committee and the))~~ house and senate transportation committees, and to other entities as appropriate on the status of county road administration in each county, including one copy to the staff of each of the committees. The annual report shall contain recommendations for improving administration of the county road programs;
- (6) Administer the rural arterial program established by chapter 36.79 RCW and the program funded by the county arterial preservation account established by RCW 46.68.090, as well as any other programs provided for in law.

Sec. 103. RCW 41.40.037 and 2004 c 242 s 63 are each amended to read as follows:

- (1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.
- (b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred sixty hours per month. Any benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.
- (2)(a) Except as provided in (b) of this subsection, a retiree from plan 1 who enters employment with an employer at least one calendar month after his or her accrual date may continue to receive pension payments while engaged in such service for up to eight hundred sixty-seven hours of service in a calendar year without a reduction of pension.
- (b) A retiree from plan 1 who enters employment with an employer at least three calendar months after his or her accrual date and:
 - (i) Is hired into a position for which the employer has documented a justifiable need to hire a retiree into the position;
 - (ii) Is hired through the established process for the position with the approval of: A school board for a school district; the chief executive officer of a state agency employer; the secretary of the senate for the senate; the chief clerk of the house of representatives for the house of representatives; the secretary of the senate and the chief clerk of the house of representatives jointly for the joint legislative audit and review committee, ~~((the legislative transportation committee,))~~ the joint committee on pension policy, the legislative evaluation and accountability program, the legislative systems

committee, and the statute law committee; or according to rules adopted for the rehiring of retired plan 1 members for a local government employer;

(iii) The employer retains records of the procedures followed and decisions made in hiring the retiree, and provides those records in the event of an audit; and

(iv) The employee has not already rendered a cumulative total of more than one thousand nine hundred hours of service while in receipt of pension payments beyond an annual threshold of eight hundred sixty-seven hours; shall cease to receive pension payments while engaged in that service after the retiree has rendered service for more than one thousand five hundred hours in a calendar year. The one thousand nine hundred hour cumulative total under this subsection applies prospectively to those retiring after July 27, 2003, and retroactively to those who retired prior to July 27, 2003, and shall be calculated from the date of retirement.

(c) When a plan 1 member renders service beyond eight hundred sixty-seven hours, the department shall collect from the employer the applicable employer retirement contributions for the entire duration of the member's employment during that calendar year.

(d) A retiree from plan 2 or plan 3 who has satisfied the break in employment requirement of subsection (1) of this section may work up to eight hundred sixty-seven hours in a calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a fire fighter or law enforcement officer, as defined in RCW 41.26.030, without suspension of his or her benefit.

(3) If the retiree opts to reestablish membership under RCW 41.40.023(12), he or she terminates his or her retirement status and becomes a member. Retirement benefits shall not accrue during the period of membership and the individual shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible in accordance with RCW 41.40.180. However, if the right to retire is exercised to become effective before the member has rendered two uninterrupted years of service, the retirement formula and survivor options the member had at the time of the member's previous retirement shall be reinstated.

(4) The department shall collect and provide the state actuary with information relevant to the use of this section for the select committee on pension policy.

(5) The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has a contractual right to be employed for more than five months in a calendar year without a reduction of his or her pension.

Sec. 104. RCW 43.10.101 and 1995 2nd sp.s. c 14 s 527 are each amended to read as follows:

The attorney general shall prepare annually a report to the ~~((legislative))~~ transportation committees of the legislature comprising a comprehensive summary of all cases involving tort claims against the department of transportation involving highways which were concluded and closed in the previous calendar year. The report shall include for each case closed:

- (1) A summary of the factual background of the case;
- (2) Identification of the attorneys representing the state and the opposing parties;
- (3) A synopsis of the legal theories asserted and the defenses presented;
- (4) Whether the case was tried, settled, or dismissed, and in whose favor;
- (5) The approximate number of attorney hours expended by the

state on the case, together with the corresponding dollar amount billed therefore; and

(6) Such other matters relating to the case as the attorney general deems relevant or appropriate, especially including any comments or recommendations for changes in statute law or agency practice that might effectively reduce the exposure of the state to such tort claims.

Sec. 105. RCW 43.79.270 and 1998 c 177 s 1 are each amended to read as follows:

(1) Whenever any money, from the federal government, or from other sources, which was not anticipated in the budget approved by the legislature has actually been received and is designated to be spent for a specific purpose, the head of any department, agency, board, or commission through which such expenditure shall be made is to submit to the governor a statement which may be in the form of a request for an allotment amendment setting forth the facts constituting the need for such expenditure and the estimated amount to be expended: PROVIDED, That no expenditure shall be made in excess of the actual amount received, and no money shall be expended for any purpose except the specific purpose for which it was received. A copy of any proposal submitted to the governor to expend money from an appropriated fund or account in excess of appropriations provided by law which is based on the receipt of unanticipated revenues shall be submitted to the joint legislative audit and review committee and also to the standing committees on ways and means of the house and senate if the legislature is in session at the same time as it is transmitted to the governor.

(2) Notwithstanding subsection (1) of this section, whenever money from any source that was not anticipated in the transportation budget approved by the legislature has actually been received and is designated to be spent for a specific purpose, the head of a department, agency, board, or commission through which the expenditure must be made shall submit to the governor a statement, which may be in the form of a request for an allotment amendment, setting forth the facts constituting the need for the expenditure and the estimated amount to be expended. However, no expenditure may be made in excess of the actual amount received, and no money may be expended for any purpose except the specific purpose for which it was received. A copy of any proposal submitted to the governor to expend money from an appropriated transportation fund or account in excess of appropriations provided by law that is based on the receipt of unanticipated revenues must be submitted, at a minimum, to the standing committees on transportation of the house and senate ~~(, if the legislature is in session,)~~ at the same time as it is transmitted to the governor. ~~((During the legislative interim, any such proposal must be submitted to the legislative transportation committee.))~~

Sec. 106. RCW 43.79.280 and 1998 c 177 s 2 are each amended to read as follows:

(1) If the governor approves such estimate in whole or part, he shall endorse on each copy of the statement his approval, together with a statement of the amount approved in the form of an allotment amendment, and transmit one copy to the head of the department, agency, board, or commission authorizing the expenditure. An identical copy of the governor's statement of approval and a statement of the amount approved for expenditure shall be transmitted simultaneously to the joint legislative audit and review committee and also to the standing committee on ways and means of the house and senate of all executive approvals of proposals to expend money in excess of appropriations provided by law.

(2) If the governor approves an estimate with transportation

funding implications, in whole or part, he shall endorse on each copy of the statement his approval, together with a statement of the amount approved in the form of an allotment amendment, and transmit one copy to the head of the department, agency, board, or commission authorizing the expenditure. An identical copy of the governor's statement of approval of a proposal to expend transportation money in excess of appropriations provided by law and a statement of the amount approved for expenditure must be transmitted simultaneously to the standing committees on transportation of the house and senate. ~~((During the legislative interim, all estimate approvals endorsed by the governor along with a statement of the amount approved in the form of an allotment amendment must be transmitted simultaneously to the legislative transportation committee.))~~

Sec. 107. RCW 43.88.020 and 2000 2nd sp.s. c 4 s 11 are each amended to read as follows:

(1) "Budget" means a proposed plan of expenditures for a given period or purpose and the proposed means for financing these expenditures.

(2) "Budget document" means a formal statement, either written or provided on any electronic media or both, offered by the governor to the legislature, as provided in RCW 43.88.030.

(3) "Director of financial management" means the official appointed by the governor to serve at the governor's pleasure and to whom the governor may delegate necessary authority to carry out the governor's duties as provided in this chapter. The director of financial management shall be head of the office of financial management which shall be in the office of the governor.

(4) "Agency" means and includes every state office, officer, each institution, whether educational, correctional, or other, and every department, division, board, and commission, except as otherwise provided in this chapter.

(5) "Public funds", for purposes of this chapter, means all moneys, including cash, checks, bills, notes, drafts, stocks, and bonds, whether held in trust, for operating purposes, or for capital purposes, and collected or disbursed under law, whether or not such funds are otherwise subject to legislative appropriation, including funds maintained outside the state treasury.

(6) "Regulations" means the policies, standards, and requirements, stated in writing, designed to carry out the purposes of this chapter, as issued by the governor or the governor's designated agent, and which shall have the force and effect of law.

(7) "Ensuing biennium" means the fiscal biennium beginning on July 1st of the same year in which a regular session of the legislature is held during an odd-numbered year pursuant to Article II, section 12 of the Constitution and which biennium next succeeds the current biennium.

(8) "Dedicated fund" means a fund in the state treasury, or a separate account or fund in the general fund in the state treasury, that by law is dedicated, appropriated, or set aside for a limited object or purpose; but "dedicated fund" does not include a revolving fund or a trust fund.

(9) "Revolving fund" means a fund in the state treasury, established by law, from which is paid the cost of goods or services furnished to or by a state agency, and which is replenished through charges made for such goods or services or through transfers from other accounts or funds.

(10) "Trust fund" means a fund in the state treasury in which designated persons or classes of persons have a vested beneficial interest or equitable ownership, or which was created or established by a gift, grant, contribution, devise, or bequest that limits the use of the fund to designated objects or purposes.

(11) "Administrative expenses" means expenditures for: (a) Salaries, wages, and related costs of personnel and (b) operations and maintenance including but not limited to costs of supplies, materials, services, and equipment.

(12) "Fiscal year" means the year beginning July 1st and ending the following June 30th.

(13) "Lapse" means the termination of authority to expend an appropriation.

(14) "Legislative fiscal committees" means the joint legislative audit and review committee, the legislative evaluation and accountability program committee, and the ways and means and transportation committees of the senate and house of representatives (~~(and, where appropriate, the legislative transportation committee)~~).

(15) "Fiscal period" means the period for which an appropriation is made as specified within the act making the appropriation.

(16) "Primary budget driver" means the primary determinant of a budget level, other than a price variable, which causes or is associated with the major expenditure of an agency or budget unit within an agency, such as a caseload, enrollment, workload, or population statistic.

(17) "State tax revenue limit" means the limitation created by chapter 43.135 RCW.

(18) "General state revenues" means the revenues defined by Article VIII, section 1(c) of the state Constitution.

(19) "Annual growth rate in real personal income" means the estimated percentage growth in personal income for the state during the current fiscal year, expressed in constant value dollars, as published by the office of financial management or its successor agency.

(20) "Estimated revenues" means estimates of revenue in the most recent official economic and revenue forecast prepared under RCW 82.33.020, and prepared by the office of financial management for those funds, accounts, and sources for which the office of the economic and revenue forecast council does not prepare an official forecast (~~(including estimates of revenues to support financial plans under RCW 44.40.070)~~), that are prepared by the office of financial management in consultation with the transportation revenue forecast council.

(21) "Estimated receipts" means the estimated receipt of cash in the most recent official economic and revenue forecast prepared under RCW 82.33.020, and prepared by the office of financial management for those funds, accounts, and sources for which the office of the economic and revenue forecast council does not prepare an official forecast.

(22) "State budgeting, accounting, and reporting system" means a system that gathers, maintains, and communicates fiscal information. The system links fiscal information beginning with development of agency budget requests through adoption of legislative appropriations to tracking actual receipts and expenditures against approved plans.

(23) "Allotment of appropriation" means the agency's statement of proposed expenditures, the director of financial management's review of that statement, and the placement of the approved statement into the state budgeting, accounting, and reporting system.

(24) "Statement of proposed expenditures" means a plan prepared by each agency that breaks each appropriation out into monthly detail representing the best estimate of how the appropriation will be expended.

(25) "Undesignated fund balance (or deficit)" means unreserved and undesignated current assets or other resources available for expenditure over and above any current liabilities which are expected

to be incurred by the close of the fiscal period.

(26) "Internal audit" means an independent appraisal activity within an agency for the review of operations as a service to management, including a systematic examination of accounting and fiscal controls to assure that human and material resources are guarded against waste, loss, or misuse; and that reliable data are gathered, maintained, and fairly disclosed in a written report of the audit findings.

(27) "Performance verification" means an analysis that (a) verifies the accuracy of data used by state agencies in quantifying intended results and measuring performance toward those results, and (b) verifies whether or not the reported results were achieved.

(28) "Performance audit" has the same meaning as it is defined in RCW 44.28.005.

Sec. 108. RCW 43.88.030 and 2004 c 276 s 908 are each amended to read as follows:

(1) The director of financial management shall provide all agencies with a complete set of instructions for submitting biennial budget requests to the director at least three months before agency budget documents are due into the office of financial management. (~~The director shall provide agencies and committees that are required under RCW 44.40.070 to develop comprehensive six-year program and financial plans with a complete set of instructions for submitting these program and financial plans at the same time that instructions for submitting other budget requests are provided.~~) The budget document or documents shall consist of the governor's budget message which shall be explanatory of the budget and shall contain an outline of the proposed financial policies of the state for the ensuing fiscal period, as well as an outline of the proposed six-year financial policies where applicable, and shall describe in connection therewith the important features of the budget. The message shall set forth the reasons for salient changes from the previous fiscal period in expenditure and revenue items and shall explain any major changes in financial policy. Attached to the budget message shall be such supporting schedules, exhibits and other explanatory material in respect to both current operations and capital improvements as the governor shall deem to be useful to the legislature. The budget document or documents shall set forth a proposal for expenditures in the ensuing fiscal period, or six-year period where applicable, based upon the estimated revenues and caseloads as approved by the economic and revenue forecast council and caseload forecast council or upon the estimated revenues and caseloads of the office of financial management for those funds, accounts, sources, and programs for which the forecast councils do not prepare an official forecast (~~(including those revenues anticipated to support the six-year programs and financial plans under RCW 44.40.070. In estimating revenues to support financial plans under RCW 44.40.070, the office of financial management shall rely on information and advice from the transportation revenue forecast council)~~). Revenues shall be estimated for such fiscal period from the source and at the rates existing by law at the time of submission of the budget document, including the supplemental budgets submitted in the even-numbered years of a biennium. However, the estimated revenues and caseloads for use in the governor's budget document may be adjusted to reflect budgetary revenue transfers and revenue and caseload estimates dependent upon budgetary assumptions of enrollments, workloads, and caseloads. All adjustments to the approved estimated revenues and caseloads must be set forth in the budget document. The governor may additionally submit, as an appendix to each supplemental, biennial, or six-year agency budget or to the budget document or documents, a proposal for expenditures in the ensuing

fiscal period from revenue sources derived from proposed changes in existing statutes.

Supplemental and biennial documents shall reflect a six-year expenditure plan consistent with estimated revenues from existing sources (~~and at existing rates for those agencies required to submit six-year program and financial plans under RCW 44.40.070~~). Any additional revenue resulting from proposed changes to existing statutes shall be separately identified within the document as well as related expenditures for the six-year period.

The budget document or documents shall also contain:

(a) Revenues classified by fund and source for the immediately past fiscal period, those received or anticipated for the current fiscal period, and those anticipated for the ensuing biennium (~~and those anticipated for the ensuing six-year period to support the six-year programs and financial plans required under RCW 44.40.070~~);

(b) The undesignated fund balance or deficit, by fund;

(c) Such additional information dealing with expenditures, revenues, workload, performance, and personnel as the legislature may direct by law or concurrent resolution;

(d) Such additional information dealing with revenues and expenditures as the governor shall deem pertinent and useful to the legislature;

(e) Tabulations showing expenditures classified by fund, function, activity, and agency. However, documents submitted for the 2005-07 biennial budget request need not show expenditures by activity;

(f) A delineation of each agency's activities, including those activities funded from nonbudgeted, nonappropriated sources, including funds maintained outside the state treasury;

(g) Identification of all proposed direct expenditures to implement the Puget Sound water quality plan under chapter 90.71 RCW, shown by agency and in total; and

(h) Tabulations showing each postretirement adjustment by retirement system established after fiscal year 1991, to include, but not be limited to, estimated total payments made to the end of the previous biennial period, estimated payments for the present biennium, and estimated payments for the ensuing biennium.

(2) The budget document or documents shall include detailed estimates of all anticipated revenues applicable to proposed operating or capital expenditures and shall also include all proposed operating or capital expenditures. The total of beginning undesignated fund balance and estimated revenues less working capital and other reserves shall equal or exceed the total of proposed applicable expenditures. The budget document or documents shall further include:

(a) Interest, amortization and redemption charges on the state debt;

(b) Payments of all reliefs, judgments, and claims;

(c) Other statutory expenditures;

(d) Expenditures incident to the operation for each agency;

(e) Revenues derived from agency operations;

(f) Expenditures and revenues shall be given in comparative form showing those incurred or received for the immediately past fiscal period and those anticipated for the current biennium and next ensuing biennium (~~as well as those required to support the six-year programs and financial plans required under RCW 44.40.070~~);

(g) A showing and explanation of amounts of general fund and other funds obligations for debt service and any transfers of moneys that otherwise would have been available for appropriation;

(h) Common school expenditures on a fiscal-year basis;

(i) A showing, by agency, of the value and purpose of financing contracts for the lease/purchase or acquisition of personal or real

property for the current and ensuing fiscal periods; and

(j) A showing and explanation of anticipated amounts of general fund and other funds required to amortize the unfunded actuarial accrued liability of the retirement system specified under chapter 41.45 RCW, and the contributions to meet such amortization, stated in total dollars and as a level percentage of total compensation.

(3) A separate capital budget document or schedule shall be submitted that will contain the following:

(a) A statement setting forth a long-range facilities plan for the state that identifies and includes the highest priority needs within affordable spending levels;

(b) A capital program consisting of proposed capital projects for the next biennium and the two biennia succeeding the next biennium consistent with the long-range facilities plan. Inasmuch as is practical, and recognizing emergent needs, the capital program shall reflect the priorities, projects, and spending levels proposed in previously submitted capital budget documents in order to provide a reliable long-range planning tool for the legislature and state agencies;

(c) A capital plan consisting of proposed capital spending for at least four biennia succeeding the next biennium;

(d) A strategic plan for reducing backlogs of maintenance and repair projects. The plan shall include a prioritized list of specific facility deficiencies and capital projects to address the deficiencies for each agency, cost estimates for each project, a schedule for completing projects over a reasonable period of time, and identification of normal maintenance activities to reduce future backlogs;

(e) A statement of the reason or purpose for a project;

(f) Verification that a project is consistent with the provisions set forth in chapter 36.70A RCW;

(g) A statement about the proposed site, size, and estimated life of the project, if applicable;

(h) Estimated total project cost;

(i) For major projects valued over five million dollars, estimated costs for the following project components: Acquisition, consultant services, construction, equipment, project management, and other costs included as part of the project. Project component costs shall be displayed in a standard format defined by the office of financial management to allow comparisons between projects;

(j) Estimated total project cost for each phase of the project as defined by the office of financial management;

(k) Estimated ensuing biennium costs;

(l) Estimated costs beyond the ensuing biennium;

(m) Estimated construction start and completion dates;

(n) Source and type of funds proposed;

(o) Estimated ongoing operating budget costs or savings resulting from the project, including staffing and maintenance costs;

(p) For any capital appropriation requested for a state agency for the acquisition of land or the capital improvement of land in which the primary purpose of the acquisition or improvement is recreation or wildlife habitat conservation, the capital budget document, or an omnibus list of recreation and habitat acquisitions provided with the governor's budget document, shall identify the projected costs of operation and maintenance for at least the two biennia succeeding the next biennium. Omnibus lists of habitat and recreation land acquisitions shall include individual project cost estimates for operation and maintenance as well as a total for all state projects included in the list. The document shall identify the source of funds from which the operation and maintenance costs are proposed to be funded;

(q) Such other information bearing upon capital projects as the

governor deems to be useful;

(r) Standard terms, including a standard and uniform definition of normal maintenance, for all capital projects;

(s) Such other information as the legislature may direct by law or concurrent resolution.

For purposes of this subsection (3), the term "capital project" shall be defined subsequent to the analysis, findings, and recommendations of a joint committee comprised of representatives from the house capital appropriations committee, senate ways and means committee, ~~(legislative transportation committee,)~~ legislative evaluation and accountability program committee, and office of financial management.

(4) No change affecting the comparability of agency or program information relating to expenditures, revenues, workload, performance and personnel shall be made in the format of any budget document or report presented to the legislature under this section or RCW 43.88.160(1) relative to the format of the budget document or report which was presented to the previous regular session of the legislature during an odd-numbered year without prior legislative concurrence. Prior legislative concurrence shall consist of (a) a favorable majority vote on the proposal by the standing committees on ways and means of both houses if the legislature is in session or (b) a favorable majority vote on the proposal by members of the legislative evaluation and accountability program committee if the legislature is not in session.

Sec. 109. RCW 43.88.230 and 1996 c 288 s 40 are each amended to read as follows:

For the purposes of this chapter, the statute law committee, the joint legislative audit and review committee, ~~((the legislative transportation committee,))~~ the legislative evaluation and accountability program committee, the office of state actuary, and all legislative standing committees of both houses shall be deemed a part of the legislative branch of state government.

Sec. 110. RCW 43.105.160 and 1999 c 80 s 9 are each amended to read as follows:

(1) The department shall prepare a state strategic information technology plan which shall establish a statewide mission, goals, and objectives for the use of information technology, including goals for electronic access to government records, information, and services. The plan shall be developed in accordance with the standards and policies established by the board and shall be submitted to the board for review, modification as necessary, and approval. The department shall seek the advice of the board in the development of this plan.

The plan approved under this section shall be updated as necessary and submitted to the governor(;) and the chairs and ranking minority members of the appropriations committees of the senate and the house of representatives(~~(; and, during the legislative session, to the chairs and ranking minority members of the transportation committees of the senate and the house of representatives. During the legislative interim, the approved plan must be submitted to the legislative transportation committee, instead of the standing transportation committees))~~).

(2) The department shall prepare a biennial state performance report on information technology based on agency performance reports required under RCW 43.105.170 and other information deemed appropriate by the department. The report shall include, but not be limited to:

(a) An analysis, based upon agency portfolios, of the state's information technology infrastructure, including its value, condition, and capacity;

(b) An evaluation of performance relating to information technology;

(c) An assessment of progress made toward implementing the state strategic information technology plan, including progress toward electronic access to public information and enabling citizens to have two-way access to public records, information, and services;

(d) An analysis of the success or failure, feasibility, progress, costs, and timeliness of implementation of major information technology projects under RCW 43.105.190;

(e) Identification of benefits, cost avoidance, and cost savings generated by major information technology projects developed under RCW 43.105.190; and

(f) An inventory of state information services, equipment, and proprietary software.

Copies of the report shall be distributed biennially to the governor(;) and the chairs and ranking minority members of the appropriations committees of the senate and the house of representatives(~~(; and, during the legislative session, the chairs and ranking minority members of the transportation committees of the senate and the house of representatives. During the legislative interim, the report must be submitted to the legislative transportation committee, instead of the standing transportation committees))~~).

Sec. 111. RCW 43.105.190 and 1999 c 80 s 12 are each amended to read as follows:

(1) The department, with the approval of the board, shall establish standards and policies governing the planning, implementation, and evaluation of major information technology projects, including those proposed by the superintendent of public instruction, in conjunction with educational service districts, or statewide or regional providers of K-12 education information technology services. The standards and policies shall:

(a) Establish criteria to identify projects which are subject to this section. Such criteria shall include, but not be limited to, significant anticipated cost, complexity, or statewide significance of the project; and

(b) Establish a model process and procedures which agencies shall follow in developing and implementing projects within their information technology portfolios. Agencies may propose, for approval by the department, a process and procedures unique to the agency. The department may accept or require modification of such agency proposals or the department may reject such agency proposals and require use of the model process and procedures established under this subsection. Any process and procedures developed under this subsection shall require (i) distinct and identifiable phases upon which funding may be based, (ii) user validation of products through system demonstrations and testing of prototypes and deliverables, and (iii) other elements identified by the board.

The director may terminate a major project if the director determines that the project is not meeting or is not expected to meet anticipated performance standards.

(2) The office of financial management shall establish policies and standards consistent with portfolio-based information technology management to govern the funding of projects developed under this section. The policies and standards shall provide for:

(a) Funding of a project under terms and conditions mutually agreed to by the director, the director of financial management, and the head of the agency proposing the project. However, the office of financial management may require incremental funding of a project on a phase-by-phase basis whereby funds for a given phase of a project may be released only when the office of financial management determines, with the advice of the department, that the

previous phase is satisfactorily completed;

(b) Acceptance testing of products to assure that products perform satisfactorily before they are accepted and final payment is made; and

(c) Other elements deemed necessary by the office of financial management.

(3) The department shall evaluate projects based on the demonstrated business needs and benefits; cost; technology scope and feasibility; impact on the agency's information technology portfolio and on the statewide infrastructure; and final project implementation plan based upon available funding.

Copies of project evaluations conducted under this subsection shall be submitted to the office of financial management and the chairs, ranking minority members, and staff coordinators of the appropriations committees of the senate and house of representatives.

If there are projects that receive funding from a transportation fund or account, copies of those projects' evaluations conducted under this subsection must be submitted ~~((during the legislative session,))~~ to the chairs and ranking minority members of the transportation committees of the senate and the house of representatives. ~~((During the legislative interim, the project evaluations must be submitted to the legislative transportation committee.))~~

Sec. 112. RCW 44.04.260 and 2003 c 295 s 12 are each amended to read as follows:

The joint legislative audit and review committee, ~~((the legislative transportation committee,))~~ the select committee on pension policy, the legislative evaluation and accountability program committee, and the joint legislative systems committee are subject to such operational policies, procedures, and oversight as are deemed necessary by the facilities and operations committee of the senate and the executive rules committee of the house of representatives to ensure operational adequacy of the agencies of the legislative branch. As used in this section, "operational policies, procedures, and oversight" includes the development process of biennial budgets, contracting procedures, personnel policies, and compensation plans, selection of a chief administrator, facilities, and expenditures. This section does not grant oversight authority to the facilities and operations committee of the senate over any standing committee of the house of representatives or oversight authority to the executive rules committee of the house of representatives over any standing committee of the senate.

Sec. 113. RCW 44.28.088 and 2003 c 362 s 14 are each amended to read as follows:

(1) When the legislative auditor has completed a performance audit authorized in the performance audit work plan, the legislative auditor shall transmit the preliminary performance audit report to the affected state agency or local government and the office of financial management for comment. The agency or local government and the office of financial management shall provide any response to the legislative auditor within thirty days after receipt of the preliminary performance audit report unless a different time period is approved by the joint committee. The legislative auditor shall incorporate the response of the agency or local government and the office of financial management into the final performance audit report.

(2) Except as provided in subsection (3) of this section, before releasing the results of a performance audit to the legislature or the public, the legislative auditor shall submit the preliminary performance audit report to the joint committee for its review, comments, and final recommendations. Any comments by the joint

committee must be included as a separate addendum to the final performance audit report. Upon consideration and incorporation of the review, comments, and recommendations of the joint committee, the legislative auditor shall transmit the final performance audit report to the affected agency or local government, the director of financial management, the leadership of the senate and the house of representatives, and the appropriate standing committees of the house of representatives and the senate and shall publish the results and make the report available to the public. For purposes of this section, "leadership of the senate and the house of representatives" means the speaker of the house, the majority leaders of the senate and the house of representatives, the minority leaders of the senate and the house of representatives, the caucus chairs of both major political parties of the senate and the house of representatives, and the floor leaders of both major political parties of the senate and the house of representatives.

(3) If contracted to manage a transportation-related performance audit under RCW 44.75.090 (as recodified by this act), before releasing the results of a performance audit originally ((requested)) directed by the ((executive committee of the legislative transportation committee)) transportation accountability commission to the legislature or the public, the legislative auditor shall submit the preliminary performance audit report to the ((executive committee of the joint committee and the executive committee of the legislative transportation committee)) transportation accountability commission for review and comments solely on the management of the audit. Any comments by the ((executive committee of the joint committee and executive committee of the legislative transportation committee)) transportation accountability commission must be included as a separate addendum to the final performance audit report. Upon consideration and incorporation of the review and comments of the ((executive committee of the joint committee and executive committee of the legislative transportation committee)) transportation accountability commission, the legislative auditor shall transmit the final performance audit report to the affected agency or local government, the director of financial management, the leadership of the senate and the house of representatives, and the appropriate standing committees of the house of representatives and the senate and shall publish the results and make the report available to the public.

Sec. 114. RCW 44.40.025 and 1996 c 288 s 49 are each amended to read as follows:

~~((In addition to the powers and duties authorized in RCW 44.40.020, the committee and))~~ The standing committees on transportation of the house and senate shall, in coordination with the joint legislative audit and review committee, the legislative evaluation and accountability program committee, and the ways and means committees of the senate and house of representatives, ascertain, study, ~~((and/or))~~ and analyze all available facts and matters relating or pertaining to sources of revenue, appropriations, expenditures, and financial condition of the motor vehicle fund and accounts thereof, the highway safety fund, and all other funds or accounts related to transportation programs of the state.

The joint legislative audit and review committee, the legislative evaluation and accountability program committee, and the ways and means committees of the senate and house of representatives shall coordinate their activities with the ~~((legislative))~~ transportation committees of the legislature in carrying out the committees' powers and duties under chapter 43.88 RCW in matters relating to the transportation programs of the state.

Sec. 115. RCW 46.01.320 and 1996 c 315 s 2 are each amended to read as follows:

The title and registration advisory committee is created within the department. The committee consists of the director or a designee, who shall serve as chair, the assistant director for vehicle services, the administrator of title and registration services, two members from each of the house and senate transportation committees, two county auditors nominated by the Washington association of county officials, and two representatives of subagents nominated by an association of vehicle subagents. The committee shall meet at least twice a year, and may meet as often as is necessary.

The committee's purpose is to foster communication between the legislature, the department, county auditors, and subagents. The committee shall make recommendations ~~((when requested by the legislative transportation committee, or on its own initiative,))~~ about revisions to fee structures, implications of fee revisions on cost sharing, and the development of standard contracts provided for in RCW 46.01.140(3).

Sec. 116. RCW 46.01.325 and 1996 c 315 s 3 are each amended to read as follows:

(1) The director shall prepare, with the advice of the title and registration advisory committee, an annual comprehensive analysis and evaluation of agent and subagent fees. The director shall make recommendations for agent and subagent fee revisions approved by the title and registration advisory committee to the ~~((legislative)) senate and house~~ transportation committees by January 1st of every third year starting with 1996. Fee revision recommendations may be made more frequently when justified by the annual analysis and evaluation, and requested by the title and registration advisory committee.

(2) The annual comprehensive analysis and evaluation must consider, but is not limited to:

(a) Unique and significant financial, legislative, or other relevant developments that may impact fees;

(b) Current funding for ongoing operating and maintenance automation project costs affecting revenue collection and service delivery;

(c) Future system requirements including an appropriate sharing of costs between the department, agents, and subagents;

(d) Beneficial mix of customer service delivery options based on a fee structure commensurate with quality performance standards;

(e) Appropriate indices projecting state and national growth in business and economic conditions prepared by the United States department of commerce, the department of revenue, and the revenue forecast council for the state of Washington.

Sec. 117. RCW 46.16.705 and 2003 c 196 s 101 are each amended to read as follows:

(1) The special license plate review board is created.

(2) The board will consist of seven members: One member appointed by the governor and who will serve as chair of the board; four members of the legislature, one from each caucus of the house of representatives and the senate; a department of licensing representative appointed by the director; and a Washington state patrol representative appointed by the chief.

(3) Members shall serve terms of four years, except that four of the members initially appointed will be appointed for terms of two years. No member may be appointed for more than three consecutive terms.

(4) The ~~((legislative transportation committee))~~ respective appointing authority may remove members from the board before the

expiration of their terms only for cause based upon a determination of incapacity, incompetence, neglect of duty, or malfeasance in office as ordered by the Thurston county superior court, upon petition and show cause proceedings brought for that purpose in that court and directed to the board member in question.

Sec. 118. RCW 46.16.715 and 2003 c 196 s 102 are each amended to read as follows:

(1) The board shall meet periodically at the call of the chair, but must meet at least one time each year within ninety days before an upcoming regular session of the legislature. The board may adopt its own rules and may establish its own procedures. It shall act collectively in harmony with recorded resolutions or motions adopted by a majority vote of the members, and it must have a quorum present to take a vote on a special license plate application.

(2) The board will be compensated from the general appropriation for the ~~((legislative transportation committee))~~ department of licensing in accordance with RCW 43.03.250. Each board member will be compensated in accordance with RCW 43.03.250 and reimbursed for actual necessary traveling and other expenses in going to, attending, and returning from meetings of the board or that are incurred in the discharge of duties requested by the chair. However, in no event may a board member be compensated in any year for more than one hundred twenty days, except the chair may be compensated for not more than one hundred fifty days. Service on the board does not qualify as a service credit for the purposes of a public retirement system.

(3) The board shall keep proper records and is subject to audit by the state auditor or other auditing entities.

(4) The department of licensing shall provide administrative support to the board, which must include at least the following:

(a) Provide general staffing to meet the administrative needs of the board;

(b) Report to the board on the reimbursement status of any new special license plate series for which the state had to pay the start-up costs;

(c) Process special license plate applications and confirm that the sponsoring organization has submitted all required documentation. If an incomplete application is received, the department must return it to the sponsoring organization;

(d) Compile the annual financial reports submitted by sponsoring organizations with active special license plate series and present those reports to the board for review and approval.

~~((5) The legislative transportation committee shall provide general oversight of the board, which must include at least the following:~~

~~—(a) Process and approve board member compensation requests;~~

~~—(b) Review the annual financial reports submitted to the board by sponsoring organizations;~~

~~—(c) Review annually the list of the board's approved and rejected special license plate proposals submitted by sponsoring organizations.))~~

Sec. 119. RCW 46.16.725 and 2003 c 196 s 103 are each amended to read as follows:

(1) The creation of the board does not in any way preclude the authority of the legislature to independently propose and enact special license plate legislation.

(2) The board must review and either approve or reject special license plate applications submitted by sponsoring organizations.

(3) Duties of the board include but are not limited to the following:

(a) Review and approve the annual financial reports submitted by sponsoring organizations with active special license plate series and present those annual financial reports to the ~~((legislative))~~ senate and house transportation committees;

(b) Report annually to the ~~((legislative))~~ senate and house transportation committees on the special license plate applications that were considered by the board;

(c) Issue approval and rejection notification letters to sponsoring organizations, the department, the chairs of the senate and house of representatives transportation committees, and the legislative sponsors identified in each application. The letters must be issued within seven days of making a determination on the status of an application;

(d) Review annually the number of plates sold for each special license plate series created after January 1, 2003. The board may submit a recommendation to discontinue a special plate series to the chairs of the senate and house of representatives transportation committees.

Sec. 120. RCW 46.73.010 and 1985 c 333 s 1 are each amended to read as follows:

The Washington state patrol may adopt rules establishing standards for qualifications and hours of service of drivers for private carriers as defined by RCW 81.80.010(6). Such standards shall correlate with and, as far as reasonable, conform to the regulations contained in Title 49 C.F.R., Chapter 3, Subchapter B, Parts 391 and 395, on July 28, 1985. ~~((At least thirty days before filing notice of the proposed rules with the code reviser, the state patrol shall submit them to the legislative transportation committee for review.))~~

Sec. 121. RCW 47.01.280 and 1999 c 94 s 10 are each amended to read as follows:

(1) Upon receiving an application for improvements to an existing state highway or highways pursuant to RCW 43.160.074 from the community economic revitalization board, the transportation commission shall, in a timely manner, determine whether or not the proposed state highway improvements:

(a) Meet the safety and design criteria of the department of transportation;

(b) Will impair the operational integrity of the existing highway system;

(c) Will affect any other improvements planned by the department; and

(d) Will be consistent with its policies developed pursuant to RCW 47.01.071.

(2) Upon completion of its determination of the factors contained in subsection (1) of this section and any other factors it deems pertinent, the transportation commission shall forward its approval, as submitted or amended or disapproval of the proposed improvements to the board, along with any recommendation it may wish to make concerning the desirability and feasibility of the proposed development. If the transportation commission disapproves any proposed improvements, it shall specify its reasons for disapproval.

(3) Upon notification from the board of an application's approval pursuant to RCW 43.160.074, the transportation commission shall direct the department of transportation to carry out the improvements in coordination with the applicant.

~~((4) The transportation commission shall notify the legislative transportation committee of all state highway improvements to be carried out pursuant to RCW 43.160.074 and this section.))~~

Sec. 122. RCW 47.02.120 and 1990 c 293 s 1 are each amended to read as follows:

For the purpose of providing funds for the acquisition of headquarters facilities for district 1 of the department of transportation and costs incidental thereto, together with all improvements and equipment required to make the facilities suitable for the department's use, there shall be issued and sold upon the request of the ~~((Washington transportation commission))~~ department a total of fifteen million dollars of general obligation bonds of the state of Washington.

Sec. 123. RCW 47.02.140 and 1990 c 293 s 3 are each amended to read as follows:

Upon the request of the secretary of transportation ~~((commission)),~~ the state finance committee shall supervise and provide for the issuance, sale, and retirement of the bonds authorized by RCW 47.02.120 through 47.02.190 in accordance with chapter 39.42 RCW. Bonds authorized by RCW 47.02.120 through 47.02.190 shall be sold in such manner, at such time or times, in such amounts, and at such price as the state finance committee shall determine. Except for the purpose of repaying the loan from the motor vehicle fund, no such bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

The state finance committee shall consider the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

Sec. 124. RCW 47.04.210 and 2001 2nd sp.s. c 14 s 601 are each amended to read as follows:

Federal funds that are administered by the department of transportation and are passed through to municipal corporations or political subdivisions of the state and moneys that are received as total reimbursement for goods, services, or projects constructed by the department of transportation are removed from the transportation budget. To process and account for these expenditures a new treasury trust account is created to be used for all department of transportation one hundred percent federal and local reimbursable transportation expenditures. This new account is nonbudgeted and nonappropriated. At the same time, federal and private local appropriations and full-time equivalents in subprograms R2, R3, T6, Y6, and Z2 processed through this new account are removed from the department of transportation's 1997-99 budget.

The department of transportation may make expenditures from the account before receiving federal and local reimbursements. However, at the end of each biennium, the account must maintain a zero or positive cash balance. In the twenty-fourth month of each biennium the department of transportation shall calculate and transfer sufficient cash from either the motor vehicle fund or the multimodal transportation account to cover any negative cash balances. The amount transferred is calculated based on expenditures from each fund. In addition, any interest charges accruing to the new account must be distributed to the motor vehicle fund and the multimodal transportation account.

The department of transportation shall provide an annual report to the ~~((legislative))~~ senate and house transportation committees and the office of financial management on expenditures and full-time equivalents processed through the new account. The report must also include recommendations for process changes, if needed.

Sec. 125. RCW 47.04.220 and 2001 2nd sp.s. c 14 s 602 are each amended to read as follows:

(1) The miscellaneous transportation programs account is created in the custody of the state treasurer.

(2) Moneys from the account may be used only for the costs of:

(a) Miscellaneous transportation services provided by the department that are reimbursed by other public and private entities;

(b) Local transportation projects for which the department is a conduit for federal reimbursement to a municipal corporation or political subdivision; or

(c) Other reimbursable activities as recommended by the ~~((legislative))~~ senate and house transportation committees and approved by the office of financial management.

(3) Moneys received as reimbursement for expenditures under subsection (2) of this section must be deposited into the account.

(4) No appropriation is required for expenditures from this account. This fund is not subject to allotment procedures provided under chapter 43.88 RCW.

(5) Only the secretary of transportation or the secretary's designee may authorize expenditures from the account.

(6) It is the intent of the legislature that this account maintain a zero or positive cash balance at the end of each biennium. Toward this purpose the department may make expenditures from the account before receiving reimbursements under subsection (2) of this section. Before the end of the biennium, the department shall transfer sufficient cash to cover any negative cash balances from the motor vehicle fund and the multimodal transportation account to the miscellaneous transportation programs account for unrecovered reimbursements. The department shall calculate the distribution of this transfer based on expenditures. In the ensuing biennium the department shall transfer the reimbursements received in the miscellaneous transportation programs account back to the motor vehicle fund and the multimodal transportation account to the extent of the cash transferred at biennium end. The department shall also distribute any interest charges accruing to the miscellaneous transportation programs account to the motor vehicle fund and the multimodal transportation account. Adjustments for any indirect cost recoveries may also be made at this time.

(7) The department shall provide an annual report to the ~~((legislative))~~ senate and house transportation committees and the office of financial management on the expenditures and full-time equivalents processed through the miscellaneous transportation programs account. The report must also include recommendations for changes to the process, if needed.

Sec. 126. RCW 47.06.110 and 1996 c 186 s 512 are each amended to read as follows:

The state-interest component of the statewide multimodal transportation plan shall include a state public transportation plan that:

(1) Articulates the state vision of an interest in public transportation and provides quantifiable objectives, including benefits indicators;

(2) Identifies the goals for public transit and the roles of federal, state, regional, and local entities in achieving those goals;

(3) Recommends mechanisms for coordinating state, regional, and local planning for public transportation;

(4) Recommends mechanisms for coordinating public transportation with other transportation services and modes;

(5) Recommends criteria, consistent with the goals identified in subsection (2) of this section and with RCW 82.44.180 (2) and (3), for existing federal authorizations administered by the department to

transit agencies; and

(6) Recommends a statewide public transportation facilities and equipment management system as required by federal law.

In developing the state public transportation plan, the department shall involve local jurisdictions, public and private providers of transportation services, nonmotorized interests, and state agencies with an interest in public transportation, including but not limited to the departments of community, trade, and economic development, social and health services, and ecology, the office of the superintendent of public instruction, the office of the governor, and the office of financial management.

The department shall submit ~~((an initial report))~~ to the ~~((legislative))~~ senate and house transportation committees by December ~~((1, 1993, and shall provide annual))~~ 1st of each year, reports summarizing the plan's progress ~~((each year thereafter)).~~

Sec. 127. RCW 47.06A.020 and 1999 c 216 s 1 are each amended to read as follows:

(1) The board shall:

(a) Adopt rules and procedures necessary to implement the freight mobility strategic investment program;

(b) Solicit from public entities proposed projects that meet eligibility criteria established in accordance with subsection (4) of this section; and

(c) Review and evaluate project applications based on criteria established under this section, and prioritize and select projects comprising a portfolio to be funded in part with grants from state funds appropriated for the freight mobility strategic investment program. In determining the appropriate level of state funding for a project, the board shall ensure that state funds are allocated to leverage the greatest amount of partnership funding possible. After selecting projects comprising the portfolio, the board shall submit them as part of its budget request to the office of financial management and the legislature. The board shall ensure that projects submitted as part of the portfolio are not more appropriately funded with other federal, state, or local government funding mechanisms or programs. The board shall reject those projects that appear to improve overall general mobility with limited enhancement for freight mobility.

The board shall provide periodic progress reports on its activities to the office of financial management and the ~~((legislative))~~ senate and house transportation committees.

(2) The board may:

(a) Accept from any state or federal agency, loans or grants for the financing of any transportation project and enter into agreements with any such agency concerning the loans or grants;

(b) Provide technical assistance to project applicants;

(c) Accept any gifts, grants, or loans of funds, property, or financial, or other aid in any form from any other source on any terms and conditions which are not in conflict with this chapter;

(d) Adopt rules under chapter 34.05 RCW as necessary to carry out the purposes of this chapter; and

(e) Do all things necessary or convenient to carry out the powers expressly granted or implied under this chapter.

(3) The board shall designate strategic freight corridors within the state. The board shall update the list of designated strategic corridors not less than every two years, and shall establish a method of collecting and verifying data, including information on city and county-owned roadways.

~~((From June 11, 1998, through the biennium ending June 30, 2001;))~~ The board shall utilize threshold project eligibility criteria that, at a minimum, includes the following:

(a) The project must be on a strategic freight corridor;

(b) The project must meet one of the following conditions:

(i) It is primarily aimed at reducing identified barriers to freight movement with only incidental benefits to general or personal mobility; or

(ii) It is primarily aimed at increasing capacity for the movement of freight with only incidental benefits to general or personal mobility; or

(iii) It is primarily aimed at mitigating the impact on communities of increasing freight movement, including roadway/railway conflicts; and

(c) The project must have a total public benefit/total public cost ratio of equal to or greater than one.

(5) From June 11, 1998, through the biennium ending June 30, 2001, the board shall use the multicriteria analysis and scoring framework for evaluating and ranking eligible freight mobility and freight mitigation projects developed by the freight mobility project prioritization committee and contained in the January 16, 1998, report entitled "Project Eligibility, Priority and Selection Process for a Strategic Freight Investment Program." The prioritization process shall measure the degree to which projects address important program objectives and shall generate a project score that reflects a project's priority compared to other projects. The board shall assign scoring points to each criterion that indicate the relative importance of the criterion in the overall determination of project priority. After June 30, 2001, the board may supplement and refine the initial project priority criteria and scoring framework developed by the freight mobility project prioritization committee as expertise and experience is gained in administering the freight mobility program.

(6) It is the intent of the legislature that each freight mobility project contained in the project portfolio submitted by the board utilize the greatest amount of nonstate funding possible. The board shall adopt rules that give preference to projects that contain the greatest levels of financial participation from nonprogram fund sources. The board shall consider twenty percent as the minimum partnership contribution, but shall also ensure that there are provisions allowing exceptions for projects that are located in areas where minimal local funding capacity exists or where the magnitude of the project makes the adopted partnership contribution financially unfeasible.

(7) The board shall develop and recommend policies that address operational improvements that primarily benefit and enhance freight movement, including, but not limited to, policies that reduce congestion in truck lanes at border crossings and weigh stations and provide for access to ports during nonpeak hours.

Sec. 128. RCW 47.10.790 and 1985 c 406 s 1 are each amended to read as follows:

(1) In order to provide funds for the location, design, right of way, and construction of selected interstate highway improvements, there shall be issued and sold upon the request of the Washington state transportation commission, a total of one hundred million dollars of general obligation bonds of the state of Washington to pay the state's share of costs for completion of state route 90 (state route 5 to state route 405) and other related state highway projects eligible for regular federal interstate funding and until December 31, 1989, to temporarily pay the regular federal share of construction of completion projects on state route 90 (state route 5 to state route 405) and other related state highway projects eligible for regular interstate funding in advance of federal-aid apportionments under the provisions of 23 U.S.C. Secs. 115 or 122: PROVIDED, That the total amount of bonds issued to temporarily pay the regular federal

share of construction of federal-aid interstate highways in advance of federal-aid apportionments as authorized by this section and RCW 47.10.801 shall not exceed one hundred twenty million dollars: PROVIDED FURTHER, That the transportation commission shall ~~((consult with the legislative transportation committee prior to the adoption of))~~ adopt plans for the obligation of federal-aid apportionments received in federal fiscal year 1985 and subsequent years to pay the regular federal share of federal-aid interstate highway construction projects or to convert such apportionments under the provisions of 23 U.S.C. Secs. 115 or 122.

(2) The transportation commission ~~((in consultation with the legislative transportation committee,))~~ may at any time find and determine that any amount of the bonds authorized in subsection (1) of this section, and not then sold, are no longer required to be issued and sold for the purposes described in subsection (1) of this section.

(3) Any bonds authorized by subsection (1) of this section that the transportation commission determines are no longer required for the purpose of paying the cost of the designated interstate highway improvements described therein shall be issued and sold, upon the request of the Washington state transportation commission, to provide funds for the location, design, right of way, and construction of major transportation improvements throughout the state ~~((that are identified as category C improvements in RCW 47.05.030)).~~

Sec. 129. RCW 47.10.801 and 1999 c 94 s 13 are each amended to read as follows:

(1) In order to provide funds necessary for the location, design, right of way, and construction of selected interstate and other state highway improvements, there shall be issued and sold, subject to subsections (2), (3), and (4) of this section, upon the request of the Washington state transportation commission a total of four hundred sixty million dollars of general obligation bonds of the state of Washington for the following purposes and specified sums:

(a) Not to exceed two hundred twenty-five million dollars to pay the state's share of costs for federal-aid interstate highway improvements and until December 31, 1989, to temporarily pay the regular federal share of construction of federal-aid interstate highway improvements to complete state routes 82, 90, 182, and 705 in advance of federal-aid apportionments under the provisions of 23 U.S.C. Secs. 115 or 122: PROVIDED, That the total amount of bonds issued to temporarily pay the regular federal share of construction of federal-aid interstate highways in advance of federal-aid apportionments as authorized by this section and RCW 47.10.790 shall not exceed one hundred twenty million dollars: PROVIDED FURTHER, That the transportation commission shall ~~((consult with the legislative transportation committee prior to the adoption of))~~ adopt plans for the obligation of federal-aid apportionments received in federal fiscal year 1985 and subsequent years to pay the regular federal share of federal-aid interstate highway construction projects or to convert such apportionments under the provisions of 23 U.S.C. Secs. 115 or 122;

(b) Two hundred twenty-five million dollars for major transportation improvements throughout the state that are identified as category C improvements and for selected major non-interstate construction and reconstruction projects that are included as Category A Improvements ~~((in RCW 47.05.030));~~

(c) Ten million dollars for state highway improvements necessitated by planned economic development, as determined through the procedures set forth in RCW 43.160.074 and 47.01.280.

(2) The amount of bonds authorized in subsection (1)(a) of this section shall be reduced if the transportation commission ~~((in consultation with the legislative transportation committee,))~~

determines that any of the bonds that have not been sold are no longer required.

(3) The amount of bonds authorized in subsection (1)(b) of this section shall be increased by an amount not to exceed, and concurrent with, any reduction of bonds authorized under subsection (1)(a) of this section in the manner prescribed in subsection (2) of this section.

(4) The transportation commission may decrease the amount of bonds authorized in subsection (1)(c) of this section and increase the amount of bonds authorized in subsection (1)(a) or (b) of this section, or both by an amount equal to the decrease in subsection (1)(c) of this section. The transportation commission may decrease the amount of bonds authorized in subsection (1)(c) of this section only if the legislature appropriates an equal amount of funds from the motor vehicle fund - basic account for the purposes enumerated in subsection (1)(c) of this section.

Sec. 130. RCW 47.10.802 and 1986 c 290 s 1 are each amended to read as follows:

Upon request being made by the department of transportation (~~(commission)~~), the state finance committee shall supervise and provide for the issuance, sale, and retirement of the bonds authorized by RCW 47.10.801 in accordance with chapter 39.42 RCW. The amount of such bonds issued and sold under RCW 47.10.801 through 47.10.809 in any biennium may not exceed the amount of a specific appropriation therefor. Such bonds may be sold from time to time in such amounts as may be necessary for the orderly progress of the state highway improvements specified in RCW 47.10.801. The amount of bonds issued and sold under RCW 47.10.801(1)(a) in any biennium shall not, except as provided in that section, exceed the amount required to match federal-aid interstate funds available to the state of Washington. (~~The transportation commission shall give notice of its intent to sell bonds to the legislative transportation committee before requesting the state finance committee to issue and sell bonds authorized by RCW 47.10.801(1)(a).~~) The bonds shall be sold in such manner, at such time or times, in such amounts, and at such price or prices as the state finance committee shall determine. The state finance committee may obtain insurance, letters of credit, or other credit facility devices with respect to the bonds and may authorize the execution and delivery of agreements, promissory notes, and other obligations for the purpose of insuring the payment or enhancing the marketability of the bonds. Promissory notes or other obligations issued under this section shall not constitute a debt or the contracting of indebtedness under any constitutional or statutory indebtedness limitation if their payment is conditioned upon the failure of the state to pay the principal of or interest on the bonds with respect to which the promissory notes or other obligations relate. The state finance committee may authorize the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purposes of retiring the bonds during the life of the project for which they were issued.

Sec. 131. RCW 47.10.843 and 1998 c 321 s 16 are each amended to read as follows:

In order to provide funds necessary for the location, design, right of way, and construction of state and local highway improvements, there shall be issued and sold upon the request of the (~~Washington state transportation commission~~) department a maximum of one billion nine hundred million dollars of general obligation bonds of the state of Washington.

Sec. 132. RCW 47.10.844 and 1998 c 321 s 17 are each

amended to read as follows:

Upon the request of the (~~transportation commission~~) department, the state finance committee shall supervise and provide for the issuance, sale, and retirement of the bonds authorized by RCW 47.10.843 through 47.10.848 in accordance with chapter 39.42 RCW. Bonds authorized by RCW 47.10.843 through 47.10.848 shall be sold in such manner, at such time or times, in such amounts, and at such price as the state finance committee shall determine. No such bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

The state finance committee shall consider the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

Sec. 133. RCW 47.12.200 and 1977 ex.s. c 151 s 55 are each amended to read as follows:

The (~~transportation commission~~) department may enter into agreements with the state finance committee for financing the acquisition, by purchase or condemnation, of real property together with engineering costs that the (~~transportation commission~~) department deems will be necessary for the improvement of the state highway system. Such agreements may provide for the acquisition of an individual parcel or for the acquisition of any number of parcels within the limits of a contemplated highway project.

Sec. 134. RCW 47.12.220 and 1977 ex.s. c 151 s 56 are each amended to read as follows:

Each such agreement shall include, but shall not be limited to the following:

- (1) A provision stating the term of the agreement which shall not extend more than seven years from the effective date of the agreement;
- (2) A designation of the specific fund or funds to be used to carry out such agreement;
- (3) A provision that the department of transportation may redeem warrants purchased by the state finance committee at any time prior to the letting of a highway improvement contract utilizing the property; and further, during the effective period of each such agreement the department of transportation shall redeem such warrants whenever such a highway improvement contract is let, or upon the expiration of such agreement, whichever date is earlier;
- (4) A provision stating the rate of interest such warrants shall bear commencing at the time of purchase by the state finance committee;
- (5) Any additional provisions agreed upon by the (~~transportation commission~~) department and the state finance committee which are necessary to carry out the purposes of such agreement as indicated by RCW 47.12.180 through 47.12.240 (~~as now or hereafter amended~~).

Sec. 135. RCW 47.12.242 and 1991 c 291 s 1 are each amended to read as follows:

The term "advance right of way acquisition" means the acquisition of property and property rights, generally not more than ten years in advance of programmed highway construction projects, together with the engineering costs necessary for such advance right of way acquisition. Any property or property rights purchased must be in designated highway transportation corridors and be for projects approved (~~by the commission~~) as part of the state's (~~six-year~~) ten-year plan or included in the state's route development planning effort.

Sec. 136. RCW 47.12.330 and 1998 c 181 s 2 are each amended to read as follows:

For the purpose of environmental mitigation of transportation projects, the department may acquire or develop, or both acquire and develop, environmental mitigation sites in advance of the construction of programmed projects. The term "advanced environmental mitigation" means mitigation of adverse impacts upon the environment from transportation projects before their design and construction. Advanced environmental mitigation consists of the acquisition of property; the acquisition of property, water, or air rights; the development of property for the purposes of improved environmental management; engineering costs necessary for such purchase and development; and the use of advanced environmental mitigation sites to fulfill project environmental permit requirements. Advanced environmental mitigation must be conducted in a manner that is consistent with the definition of mitigation found in the council of environmental quality regulations (40 C.F.R. Sec. 1508.20) and the governor's executive order on wetlands (EO 90-04). Advanced environmental mitigation is for projects approved by the transportation commission as part of the state's ~~((six-year))~~ ten-year plan or included in the state highway system plan. Advanced environmental mitigation must give consideration to activities related to fish passage, fish habitat, wetlands, and flood management. Advanced environmental mitigation may also be conducted in partnership with federal, state, or local government agencies, tribal governments, interest groups, or private parties. Partnership arrangements may include joint acquisition and development of mitigation sites, purchasing and selling mitigation bank credits among participants, and transfer of mitigation site title from one party to another. Specific conditions of partnership arrangements will be developed in written agreements for each applicable environmental mitigation site.

Sec. 137. RCW 47.17.850 and 1984 c 7 s 139 are each amended to read as follows:

A state highway to be known as state route number 906 is established as follows:

Beginning at a junction with state route number 90 at the West Summit interchange of Snoqualmie Pass, thence along the alignment of the state route number 90 as it existed on May 11, 1967, in a southeasterly direction to a junction with state route number 90 at the Hyak interchange.

~~((The legislative transportation committee, the house and senate transportation committees, and the department shall undertake appropriate studies to evaluate state route number 906 to determine whether or not it should permanently remain on the state system.))~~

Sec. 138. RCW 47.26.167 and 1991 c 342 s 62 are each amended to read as follows:

The legislature recognizes the need for a multijurisdictional body to review future requests for jurisdictional transfers. The board is hereby directed, beginning September 1, 1991, to receive petitions from cities, counties, or the state requesting any addition or deletion from the state highway system. The board is required to utilize the criteria established in RCW 47.17.001 in evaluating petitions and to adopt rules for implementation of this process. The board shall forward to the ~~((legislative))~~ senate and house transportation committees by November 15 each year any recommended jurisdictional transfers.

Sec. 139. RCW 47.26.170 and 1994 c 179 s 16 are each amended to read as follows:

Each county having within its boundaries an urban area and cities and towns shall prepare and submit to the transportation improvement board arterial inventory data required to determine the long-range arterial construction needs. The counties, cities, and towns shall revise the arterial inventory data every four years to show the current arterial construction needs through the advanced planning period, and as revised shall submit them to the transportation improvement board during the first week of January every four years beginning in 1996. The inventory data shall be prepared pursuant to guidelines established by the transportation improvement board. As information is updated, it shall be made available to the commission ~~((and the legislative transportation committee)).~~

Sec. 140. RCW 47.46.030 and 2002 c 114 s 3 are each amended to read as follows:

(1) The secretary or a designee shall solicit proposals from, and negotiate and enter into agreements with, private entities to undertake as appropriate, together with the department and other public entities, all or a portion of the study, planning, design, construction, operation, and maintenance of transportation systems and facilities, using in whole or in part public or private sources of financing.

The public-private initiatives program may develop up to six demonstration projects. Each proposal shall be weighed on its own merits, and each of the six agreements shall be negotiated individually, and as a stand-alone project.

(2) If project proposals selected prior to September 1, 1994, are terminated by the public or private sectors, the department shall not select any new projects, including project proposals submitted to the department prior to September 1, 1994, and designated by the transportation commission as placeholder projects, after June 16, 1995, until June 30, 1997.

The department, in consultation with the legislative transportation committee, shall conduct a program and fiscal audit of the public-private initiatives program for the biennium ending June 30, 1997. The department shall submit a progress report to the legislative transportation committee on the program and fiscal audit by June 30, 1996, with preliminary and final audit reports due December 1, 1996, and June 30, 1997, respectively.

The department shall develop and submit a proposed public involvement plan to the 1997 legislature to identify the process for selecting new potential projects and the associated costs of implementing the plan. The legislature must adopt the public involvement plan before the department may proceed with any activity related to project identification and selection. Following legislative adoption of the public involvement plan, the department is authorized to implement the plan and to identify potential new projects.

The public involvement plan for projects selected after June 30, 1997, shall, at a minimum, identify projects that: (a) Have the potential of achieving overall public support among users of the projects, residents of communities in the vicinity of the projects, and residents of communities impacted by the projects; (b) meet a state transportation need; (c) provide a significant state benefit; and (d) provide competition among proposers and maximum cost benefits to users. Prospective projects may include projects identified by the department or submitted by the private sector.

Projects that meet the minimum criteria established under this section and the requirements of the public involvement plan developed by the department and approved by the legislature shall be submitted to the Washington state transportation commission for its review. ~~((The commission, in turn, shall submit a list of eligible projects to the legislative transportation committee for its~~

~~consideration:))~~ Forty-five days after the submission to the ~~((legislative transportation committee))~~ commission of the list of eligible projects, the secretary is authorized to solicit proposals for the eligible project.

(3) Prior to entering into agreements with private entities under the requirements of RCW 47.46.040 for any project proposal selected before September 1, 1994, or after June 30, 1997, except as provided for in subsections ~~((+2))~~ (11) and ~~((+3))~~ (12) of this section, the department shall require an advisory vote as provided under subsections (5) through ~~((+9))~~ (9) of this section.

(4) The advisory vote shall apply to project proposals selected prior to September 1, 1994, or after June 30, 1997, that receive public opposition as demonstrated by the submission to the department of original petitions bearing at least five thousand signatures of individuals opposing the project collected and submitted in accordance with the dates established in subsections ~~((+2))~~ (11) and ~~((+3))~~ (12) of this section. The advisory vote shall be on the preferred alternative identified under the requirements of chapter 43.21C RCW and, if applicable, the national environmental policy act, 42 U.S.C. 4321 et seq. The execution by the department of the advisory vote process established in this section is subject to the prior appropriation of funds by the legislature for the purpose of conducting environmental impact studies, a public involvement program, local involvement committee activities, traffic and economic impact analyses, engineering and technical studies, and the advisory vote.

(5) In preparing for the advisory vote, the department shall conduct a comprehensive analysis of traffic patterns and economic impact to define the geographical boundary of the project area that is affected by the imposition of tolls or user fees authorized under this chapter. The area so defined is referred to in this section as the affected project area. In defining the affected project area, the department shall, at a minimum, undertake: (a) A comparison of the estimated percentage of residents of communities in the vicinity of the project and in other communities impacted by the project who could be subject to tolls or user fees and the estimated percentage of other users and transient traffic that could be subject to tolls or user fees; (b) an analysis of the anticipated traffic diversion patterns; (c) an analysis of the potential economic impact resulting from proposed toll rates or user fee rates imposed on residents, commercial traffic, and commercial entities in communities in the vicinity of and impacted by the project; (d) an analysis of the economic impact of tolls or user fees on the price of goods and services generally; and (e) an analysis of the relationship of the project to state transportation needs and benefits.

(6)(a) After determining the definition of the affected project area, the department shall establish a committee comprised of individuals who represent cities and counties in the affected project area; organizations formed to support or oppose the project; and users of the project. The committee shall be named the public-private local involvement committee, and be known as the local involvement committee.

(b) The members of the local involvement committee shall be: (i) An elected official from each city within the affected project area; (ii) an elected official from each county within the affected project area; (iii) two persons from each county within the affected project area who represent an organization formed in support of the project, if the organization exists; (iv) two persons from each county within the affected project area who represent an organization formed to oppose the project, if the organization exists; and (v) four public members active in a statewide transportation organization. If the committee makeup results in an even number of committee members,

there shall be an additional appointment of an elected official from the county in which all, or the greatest portion of the project is located.

(c) City and county elected officials shall be appointed by a majority of the members of the city or county legislative authorities of each city or county within the affected project area, respectively. The county legislative authority of each county within the affected project area shall identify and validate organizations officially formed in support of or in opposition to the project and shall make the appointments required under this section from a list submitted by the chair of the organizations. Public members shall be appointed by the governor. All appointments to the local involvement committee shall be made and submitted to the department of transportation no later than January 1, 1996, for projects selected prior to September 1, 1994, and no later than thirty days after the affected project area is defined for projects selected after June 30, 1997. Vacancies in the membership of the local involvement committee shall be filled by the appointing authority under (b)(i) through (v) of this subsection for each position on the committee.

(d) The local involvement committee shall serve in an advisory capacity to the department on all matters related to the execution of the advisory vote.

(e) Members of the local involvement committee serve without compensation and may not receive subsistence, lodging expenses, or travel expenses.

(7) The department shall conduct a minimum thirty-day public comment period on the definition of the geographical boundary of the project area. The department, in consultation with the local involvement committee, shall make adjustments, if required, to the definition of the geographical boundary of the affected project area, based on comments received from the public. Within fourteen calendar days after the public comment period, the department shall set the boundaries of the affected project area in units no smaller than a precinct as defined in RCW ~~((29.01.120))~~ 29A.04.121.

(8) The department, in consultation with the local involvement committee, shall develop a description for selected project proposals. After developing the description of the project proposal, the department shall publish the project proposal description in newspapers of general circulation for seven calendar days in the affected project area. Within fourteen calendar days after the last day of the publication of the project proposal description, the department shall transmit a copy of the map depicting the affected project area and the description of the project proposal to the county auditor of the county in which any portion of the affected project area is located.

(9) ~~((The department shall provide the legislative transportation committee with progress reports on the status of the definition of the affected project area and the description of the project proposal:))~~

~~((+9))~~ Upon receipt of the map and the description of the project proposal, the county auditor shall, within thirty days, verify the precincts that are located within the affected project area. The county auditor shall prepare the text identifying and describing the affected project area and the project proposal using the definition of the geographical boundary of the affected project area and the project description submitted by the department and shall set an election date for the submission of a ballot proposition authorizing the imposition of tolls or user fees to implement the proposed project within the affected project area, which date may be the next succeeding general election to be held in the state, or at a special election, if requested by the department. The text of the project proposal must appear in a voter's pamphlet for the affected project area. The department shall pay the costs of publication and distribution. The special election date must be the next date for a special election provided under RCW

~~((29-13-020))~~ 29A.04.330 that is at least sixty days but, if authorized under RCW ~~((29-13-020))~~ 29A.04.330, no more than ninety days after the receipt of the final map and project description by the auditor. The department shall pay the cost of an election held under this section.

~~((11))~~ (10) Notwithstanding any other provision of law, the department may contract with a private developer of a selected project proposal to conduct environmental impact studies, a public involvement program, and engineering and technical studies funded by the legislature. For projects subject to this subsection, the department shall not enter into an agreement under RCW 47.46.040 prior to the advisory vote on the preferred alternative.

~~((12))~~ (11) Subsections (5) through ~~((10))~~ (9) of this section shall not apply to project proposals selected prior to September 1, 1994, that have no organized public opposition as demonstrated by the submission to the department of original petitions bearing at least five thousand signatures of individuals opposing the project, collected and submitted after September 1, 1994, and by thirty calendar days after June 16, 1995.

~~((13))~~ (12) Subsections (5) through ~~((10))~~ (9) of this section shall not apply to project proposals selected after June 30, 1997, that have no organized public opposition as demonstrated by the submission to the department of original petitions bearing at least five thousand signatures of individuals opposing the project, collected and submitted by ninety calendar days after project selection.

Sec. 141. RCW 47.46.040 and 2002 c 114 s 16 are each amended to read as follows:

(1) The secretary or a designee shall consult with legal, financial, and other experts within and outside state government in the negotiation and development of the agreements.

(2) Agreements may provide for private ownership of the projects during the construction period. After completion and final acceptance of each project or discrete segment thereof, the agreement may provide for state ownership of the transportation systems and facilities and lease to the private entity unless the state elects to provide for ownership of the facility by the private entity during the term of the agreement.

The state may lease each of the demonstration projects, or applicable project segments, to the private entities for operating purposes for up to fifty years.

(3) The department may exercise any power possessed by it to facilitate the development, construction, financing operation, and maintenance of transportation projects under this section. Agreements for maintenance services entered into under this section shall provide for full reimbursement for services rendered by the department or other state agencies. Agreements for police services for projects, involving state highway routes, developed under agreements shall be entered into with the Washington state patrol. The agreement for police services shall provide that the state patrol will be reimbursed for costs on a comparable basis with the costs incurred for comparable service on other state highway routes. The department may provide services for which it is reimbursed, including but not limited to preliminary planning, environmental certification, and preliminary design of the demonstration projects.

(4) The plans and specifications for each project constructed under this section shall comply with the department's standards for state projects. A facility constructed by and leased to a private entity is deemed to be a part of the state highway system for purposes of identification, maintenance, and enforcement of traffic laws and for the purposes of applicable sections of this title. Upon reversion of the facility to the state, the project must meet all applicable state

standards. Agreements shall address responsibility for reconstruction or renovations that are required in order for a facility to meet all applicable state standards upon reversion of the facility to the state.

(5) For the purpose of facilitating these projects and to assist the private entity in the financing, development, construction, and operation of the transportation systems and facilities, the agreements may include provisions for the department to exercise its authority, including the lease of facilities, rights of way, and airspace, exercise of the power of eminent domain, granting of development rights and opportunities, granting of necessary easements and rights of access, issuance of permits and other authorizations, protection from competition, remedies in the event of default of either of the parties, granting of contractual and real property rights, liability during construction and the term of the lease, authority to negotiate acquisition of rights of way in excess of appraised value, and any other provision deemed necessary by the secretary.

(6) The agreements entered into under this section may include provisions authorizing the state to grant necessary easements and lease to a private entity existing rights of way or rights of way subsequently acquired with public or private financing. The agreements may also include provisions to lease to the entity airspace above or below the right of way associated or to be associated with the private entity's transportation facility. In consideration for the reversion rights in these privately constructed facilities, the department may negotiate a charge for the lease of airspace rights during the term of the agreement for a period not to exceed fifty years. If, after the expiration of this period, the department continues to lease these airspace rights to the private entity, it shall do so only at fair market value. The agreement may also provide the private entity the right of first refusal to undertake projects utilizing airspace owned by the state in the vicinity of the public-private project.

(7) Agreements under this section may include any contractual provision that is necessary to protect the project revenues required to repay the costs incurred to study, plan, design, finance, acquire, build, install, operate, enforce laws, and maintain toll highways, bridges, and tunnels and which will not unreasonably inhibit or prohibit the development of additional public transportation systems and facilities. Agreements under this section must secure and maintain liability insurance coverage in amounts appropriate to protect the project's viability and may address state indemnification of the private entity for design and construction liability where the state has approved relevant design and construction plans.

(8) Agreements entered into under this section shall include a process that provides for public involvement in decision making with respect to the development of the projects.

(9)(a) In carrying out the public involvement process required in subsection (8) of this section, the private entity shall proactively seek public participation through a process appropriate to the characteristics of the project that assesses and demonstrates public support among: Users of the project, residents of communities in the vicinity of the project, and residents of communities impacted by the project.

(b) The private entity shall conduct a comprehensive public involvement process that provides, periodically throughout the development and implementation of the project, users and residents of communities in the affected project area an opportunity to comment upon key issues regarding the project including, but not limited to: (i) Alternative sizes and scopes; (ii) design; (iii) environmental assessment; (iv) right of way and access plans; (v) traffic impacts; (vi) tolling or user fee strategies and tolling or user fee ranges; (vii) project cost; (viii) construction impacts; (ix) facility operation; and (x) any other salient characteristics.

(c) If the affected project area has not been defined, the private entity shall define the affected project area by conducting, at a minimum: (i) A comparison of the estimated percentage of residents of communities in the vicinity of the project and in other communities impacted by the project who could be subject to tolls or user fees and the estimated percentage of other users and transient traffic that could be subject to tolls or user fees; (ii) an analysis of the anticipated traffic diversion patterns; (iii) an analysis of the potential economic impact resulting from proposed toll rates or user fee rates imposed on residents, commercial traffic, and commercial entities in communities in the vicinity of and impacted by the project; (iv) an analysis of the economic impact of tolls or user fees on the price of goods and services generally; and (v) an analysis of the relationship of the project to state transportation needs and benefits.

The agreement may require an advisory vote by users of and residents in the affected project area.

(d) In seeking public participation, the private entity shall establish a local involvement committee or committees comprised of residents of the affected project area, individuals who represent cities and counties in the affected project area, organizations formed to support or oppose the project, if such organizations exist, and users of the project. The private entity shall, at a minimum, establish a committee as required under the specifications of RCW 47.46.030(6)(b) (ii) and (iii) and appointments to such committee shall be made no later than thirty days after the project area is defined.

(e) Local involvement committees shall act in an advisory capacity to the department and the private entity on all issues related to the development and implementation of the public involvement process established under this section.

(f) The department and the private entity shall provide the ~~((legislative transportation committee and))~~ local involvement committees with progress reports on the status of the public involvement process including the results of an advisory vote, if any occurs.

(10) Nothing in this chapter limits the right of the secretary and his or her agents to render such advice and to make such recommendations as they deem to be in the best interests of the state and the public.

Sec. 142. RCW 79A.05.125 and 1999 c 301 s 3 are each amended to read as follows:

(1) The department of transportation shall negotiate a franchise with a rail carrier to establish and maintain a rail line over portions of the Milwaukee Road corridor owned by the state between Ellensburg and Lind. The department of transportation may negotiate such a franchise with any qualified rail carrier. Criteria for negotiating the franchise and establishing the right of way include:

(a) Assurances that resources from the franchise will be sufficient to compensate the state for use of the property, including completion of a cross-state trail between Easton and the Idaho border;

(b) Types of payment for use of the franchise, including payment for the use of federally granted trust lands in the transportation corridor;

(c) Standards for maintenance of the line;

(d) Provisions ensuring that both the conventional and intermodal rail service needs of local shippers are met. Such accommodations may comprise agreements with the franchisee to offer or maintain adequate service or to provide service by other carriers at commercially reasonable rates;

(e) Provisions requiring the franchisee, upon reasonable request

of any other rail operator, to provide rail service and interchange freight over what is commonly known as the Stampede Pass rail line from Cle Elum to Auburn at commercially reasonable rates;

(f) If any part of the franchise agreement is invalidated by actions or rulings of the federal surface transportation board or a court of competent jurisdiction, the remaining portions of the franchise agreement are not affected;

(g) Compliance with environmental standards; and

(h) Provisions for insurance and the coverage of liability.

(2) The franchise may provide for periodic review of financial arrangements under the franchise.

(3) The department of transportation, in consultation with the parks and recreation commission and the ~~((legislative))~~ senate and house transportation committees, shall negotiate the terms of the franchise, and shall present the agreement to the parks and recreation commission for approval of as to terms and provisions affecting the cross-state trail or affecting the commission.

(4) This section expires July 1, 2006, if the department of transportation does not enter into a franchise agreement for a rail line over portions of the Milwaukee Road corridor by July 1, 2006.

Sec. 143. RCW 81.80.395 and 1988 c 138 s 1 are each amended to read as follows:

The Washington utilities and transportation commission may enter into an agreement or arrangement with a duly authorized representative of the state of Idaho, for the purpose of granting to operators of commercial vehicles that are properly registered in the state of Idaho, the privilege of operating their vehicles in this state within a designated area near the border of their state without the need for registration as required by chapter 81.80 RCW if the state of Idaho grants a similar privilege to operators of commercial vehicles from this state. The initial designated area shall be limited to state route 195 from the Idaho border to Lewiston, and SR 12 from Lewiston to Clarkston. ~~((The utilities and transportation commission shall submit other proposed reciprocal agreements in designated border areas to the legislative transportation committee for approval.))~~

Sec. 144. RCW 81.104.110 and 1998 c 245 s 165 are each amended to read as follows:

The legislature recognizes that the planning processes described in RCW 81.104.100 provide a recognized framework for guiding high capacity transportation studies. However, the process cannot guarantee appropriate decisions unless key study assumptions are reasonable.

To assure appropriate system plan assumptions and to provide for review of system plan results, an expert review panel shall be appointed to provide independent technical review for development of any system plan which is to be funded in whole or in part by the imposition of any voter-approved local option funding sources enumerated in RCW 81.104.140.

(1) The expert review panel shall consist of five to ten members who are recognized experts in relevant fields, such as transit operations, planning, emerging transportation technologies, engineering, finance, law, the environment, geography, economics, and political science.

(2) The expert review panel shall be selected cooperatively by the chairs of the ~~((legislative))~~ senate and house transportation committees, the secretary of the department of transportation, and the governor to assure a balance of disciplines. In the case of counties adjoining another state or Canadian province the expert review panel membership shall be selected cooperatively with representatives of

the adjoining state or Canadian province.

(3) The chair of the expert review panel shall be designated by the appointing authorities.

(4) The expert review panel shall serve without compensation but shall be reimbursed for expenses according to ~~((chapter 43.03))~~ RCW 43.03.050 and 43.03.060. Reimbursement shall be paid from within the existing resources of the local authority planning under this chapter.

(5) The panel shall carry out the duties set forth in subsections (6) and (7) of this section until the date on which an election is held to consider the high capacity transportation system and financing plans. ~~((Funds appropriated for expenses of the expert panel shall be administered by the department of transportation.))~~

(6) The expert panel shall review all reports required in RCW 81.104.100(2) and shall concentrate on service modes and concepts, costs, patronage and financing evaluations.

(7) The expert panel shall provide timely reviews and comments on individual reports and study conclusions to the department of transportation, the regional transportation planning organization, the joint regional policy committee, and the submitting lead transit agency. In the case of counties adjoining another state or Canadian province, the expert review panel shall provide its reviews, comments, and conclusions to the representatives of the adjoining state or Canadian province.

(8) The ~~((legislative transportation committee))~~ local authority planning under this chapter shall contract for consulting services for expert review panels. The amount of consultant support shall be negotiated with each expert review panel by the ~~((legislative transportation committee))~~ local authority and shall be paid from ~~((appropriations for that purpose from the high capacity transportation account))~~ within the local authority's existing resources.

Sec. 145. RCW 82.33.020 and 1992 c 231 s 34 are each amended to read as follows:

(1) Four times each year the supervisor shall prepare, subject to the approval of the economic and revenue forecast council under RCW 82.33.010:

- (a) An official state economic and revenue forecast;
- (b) An unofficial state economic and revenue forecast based on optimistic economic and revenue projections; and
- (c) An unofficial state economic and revenue forecast based on pessimistic economic and revenue projections.

(2) The supervisor shall submit forecasts prepared under this section, along with any unofficial forecasts provided under RCW 82.33.010, to the governor and the members of the committees on ways and means and the chairs of the committees on transportation of the senate and house of representatives ~~((and the chair of the legislative transportation committee))~~, including one copy to the staff of each of the committees, on or before November 20th, February 20th in the even-numbered years, March 20th in the odd-numbered years, June 20th, and September 20th. All forecasts shall include both estimated receipts and estimated revenues in conformance with generally accepted accounting principles as provided by RCW 43.88.037.

(3) All agencies of state government shall provide to the supervisor immediate access to all information relating to economic and revenue forecasts. Revenue collection information shall be available to the supervisor the first business day following the conclusion of each collection period.

(4) The economic and revenue forecast supervisor and staff shall co-locate and share information, data, and files with the tax research

section of the department of revenue but shall not duplicate the duties and functions of one another.

(5) As part of its forecasts under subsection (1) of this section, the supervisor shall provide estimated revenue from tuition fees as defined in RCW 28B.15.020.

Sec. 146. RCW 82.70.060 and 2003 c 364 s 6 are each amended to read as follows:

The commute trip reduction task force shall determine the effectiveness of the tax credit under RCW 82.70.020, the grant program in RCW 70.94.996, and the relative effectiveness of the tax credit and the grant program as part of its ongoing evaluation of the commute trip reduction law and report to the ~~((legislative))~~ senate and house transportation committees and to the fiscal committees of the house of representatives and the senate. The report must include information on the amount of tax credits claimed to date and recommendations on future funding between the tax credit program and the grant program. The report must be incorporated into the recommendations required in RCW 70.94.537(5).

Sec. 147. RCW 82.80.070 and 2002 c 56 s 413 are each amended to read as follows:

(1) The proceeds collected pursuant to the exercise of the local option authority of RCW 82.80.010, ~~((82.80.020))~~ 82.80.030, and 82.80.050 (hereafter called "local option transportation revenues") shall be used for transportation purposes only, including but not limited to the following: The operation and preservation of roads, streets, and other transportation improvements; new construction, reconstruction, and expansion of city streets, county roads, and state highways and other transportation improvements; development and implementation of public transportation and high-capacity transit improvements and programs; and planning, design, and acquisition of right of way and sites for such transportation purposes. The proceeds collected from excise taxes on the sale, distribution, or use of motor vehicle fuel and special fuel under RCW 82.80.010 shall be used exclusively for "highway purposes" as that term is construed in Article II, section 40 of the state Constitution.

(2) The local option transportation revenues shall be expended for transportation uses consistent with the adopted transportation and land use plans of the jurisdiction expending the funds and consistent with any applicable and adopted regional transportation plan for metropolitan planning areas.

(3) Each local government with a population greater than eight thousand that levies or expends local option transportation funds, is also required to develop and adopt a specific transportation program that contains the following elements:

(a) The program shall identify the geographic boundaries of the entire area or areas within which local option transportation revenues will be levied and expended.

(b) The program shall be based on an adopted transportation plan for the geographic areas covered and shall identify the proposed operation and construction of transportation improvements and services in the designated plan area intended to be funded in whole or in part by local option transportation revenues and shall identify the annual costs applicable to the program.

(c) The program shall indicate how the local transportation plan is coordinated with applicable transportation plans for the region and for adjacent jurisdictions.

(d) The program shall include at least a six-year funding plan, updated annually, identifying the specific public and private sources and amounts of revenue necessary to fund the program. The program shall include a proposed schedule for construction of projects and

expenditure of revenues. The funding plan shall consider the additional local tax revenue estimated to be generated by new development within the plan area if all or a portion of the additional revenue is proposed to be earmarked as future appropriations for transportation improvements in the program.

(4) Local governments with a population greater than eight thousand exercising the authority for local option transportation funds shall periodically review and update their transportation program to ensure that it is consistent with applicable local and regional transportation and land use plans and within the means of estimated public and private revenue available.

(5) In the case of expenditure for new or expanded transportation facilities, improvements, and services, priorities in the use of local option transportation revenues shall be identified in the transportation program and expenditures shall be made based upon the following criteria, which are stated in descending order of weight to be attributed:

(a) First, the project serves a multijurisdictional function;

(b) Second, it is necessitated by existing or reasonably foreseeable congestion;

(c) Third, it has the greatest person-carrying capacity;

(d) Fourth, it is partially funded by other government funds, such as from the state transportation improvement board, or by private sector contributions, such as those from the local transportation act, chapter 39.92 RCW; and

(e) Fifth, it meets such other criteria as the local government determines is appropriate.

(6) It is the intent of the legislature that as a condition of levying, receiving, and expending local option transportation revenues, no local government agency use the revenues to replace, divert, or loan any revenues currently being used for transportation purposes to nontransportation purposes. ~~((The association of Washington cities and the Washington state association of counties, in consultation with the legislative transportation committee, shall study the issue of nondiversion and make recommendations to the legislative transportation committee for language implementing the intent of this section by December 1, 1990.))~~

(7) Local governments are encouraged to enter into interlocal agreements to jointly develop and adopt with other local governments the transportation programs required by this section for the purpose of accomplishing regional transportation planning and development.

(8) Local governments may use all or a part of the local option transportation revenues for the amortization of local government general obligation and revenue bonds issued for transportation purposes consistent with the requirements of this section.

(9) Subsections (1) through (8) of this section do not apply to a regional transportation investment district imposing a tax or fee under the local option authority of this chapter. Proceeds collected under the exercise of local option authority under this chapter by a district must be used in accordance with chapter 36.120 RCW.

Sec. 148. RCW 90.03.525 and 1996 c 285 s 1 and 1996 c 230 s 1617 are each reenacted and amended to read as follows:

(1) The rate charged by a local government utility to the department of transportation with respect to state highway right of way or any section of state highway right of way for the construction, operation, and maintenance of storm water control facilities under chapters 35.67, 35.92, 36.89, 36.94, 57.08, and 86.15 RCW, shall be thirty percent of the rate for comparable real property, except as otherwise provided in this section. The rate charged to the department with respect to state highway right of way or any section of state highway right of way within a local government utility's

jurisdiction shall not, however, exceed the rate charged for comparable city street or county road right of way within the same jurisdiction. The legislature finds that the aforesaid rates are presumptively fair and equitable because of the traditional and continuing expenditures of the department of transportation for the construction, operation, and maintenance of storm water control facilities designed to control surface water or storm water runoff from state highway rights of way.

(2) Charges paid under subsection (1) of this section by the department of transportation must be used solely for storm water control facilities that directly reduce state highway runoff impacts or implementation of best management practices that will reduce the need for such facilities. By January 1st of each year, beginning with calendar year 1997, the local government utility, in coordination with the department, shall develop a plan for the expenditure of the charges for that calendar year. The plan must be consistent with the objectives identified in RCW 90.78.010. In addition, beginning with the submittal for 1998, the utility shall provide a progress report on the use of charges assessed for the prior year. No charges may be paid until the plan and report have been submitted to the department.

(3) The utility imposing the charge and the department of transportation may, however, agree to either higher or lower rates with respect to the construction, operation, or maintenance of any specific storm water control facilities based upon the annual plan prescribed in subsection (2) of this section. ~~((If a different rate is agreed to, a report so stating shall be submitted to the legislative transportation committee.))~~ If, after mediation, the local government utility and the department of transportation cannot agree upon the proper rate, ~~((and after a report has been submitted to the legislative transportation committee and after ninety days from submission of such report,))~~ either may commence an action in the superior court for the county in which the state highway right of way is located to establish the proper rate. The court in establishing the proper rate shall take into account the extent and adequacy of storm water control facilities constructed by the department and the actual benefits to the sections of state highway rights of way from storm water control facilities constructed, operated, and maintained by the local government utility. Control of surface water runoff and storm water runoff from state highway rights of way shall be deemed an actual benefit to the state highway rights of way. The rate for sections of state highway right of way as determined by the court shall be set forth in terms of the percentage of the rate for comparable real property, but shall in no event exceed the rate charged for comparable city street or county road right of way within the same jurisdiction.

(4) The legislature finds that the federal clean water act (national ~~((pollution [pollutant]))~~ pollutant discharge elimination system, 40 C.F.R. parts 122-124), the state water pollution control act, chapter 90.48 RCW, and the highway runoff program under chapter ~~((90.70))~~ 90.71 RCW, mandate the treatment and control of storm water runoff from state highway rights of way owned by the department of transportation. Appropriations made by the legislature to the department of transportation for the construction, operation, and maintenance of storm water control facilities are intended to address applicable federal and state mandates related to storm water control and treatment. This section is not intended to limit opportunities for sharing the costs of storm water improvements between cities, counties, and the state.

Technical

NEW SECTION. **Sec. 149.** RCW 44.75.010, 44.75.020, 44.75.030, 44.75.040, 44.75.050, 44.75.060, 44.75.070, 44.75.080,

44.75.090, 44.75.100, 44.75.110, 44.75.120, 44.75.800, 44.75.900, and 44.75.901 and section 20 of this act are codified or recodified as a new chapter in Title 47 RCW.

NEW SECTION. Sec. 150. The following acts or parts of acts are each repealed:

(1) RCW 44.40.010 (Creation--Composition--Appointments--Vacancies--Rules) and 1999 sp.s. c 1 s 616, 1980 c 87 s 39, 1971 ex.s. c 195 s 1, 1967 ex.s. c 145 s 68, 1965 ex.s. c 170 s 64, & 1963 ex.s. c 3 s 35;

(2) RCW 44.40.013 (Administration) and 2001 c 259 s 5;

(3) RCW 44.40.015 (Executive committee--Selection--Duties) and 2001 c 259 s 6 & 1999 sp.s. c 1 s 617;

(4) RCW 44.40.030 (Participation in activities of other organizations) and 1982 c 227 s 17, 1977 ex.s. c 235 s 7, 1971 ex.s. c 195 s 3, & 1963 ex.s. c 3 s 38;

(5) RCW 44.40.040 (Members' allowances--Procedure for payment of committee's expenses) and 2001 c 259 s 7, 1979 c 151 s 157, 1977 ex.s. c 235 s 8, 1975 1st ex.s. c 268 s 3, 1971 ex.s. c 195 s 4, & 1963 ex.s. c 3 s 39;

(6) RCW 44.40.090 (Delegation of powers and duties to senate and house transportation committees) and 2001 c 259 s 8, 1977 ex.s. c 235 s 10, & 1973 1st ex.s. c 210 s 2;

(7) RCW 44.40.140 (Review of policy on fees imposed on nonpolluting fuels--Report) and 1983 c 212 s 2;

(8) RCW 44.40.150 (Study--Recommendations for consideration--Staffing) and 1998 c 245 s 88 & 1989 1st ex.s. c 6 s 14;

(9) RCW 44.40.161 (Audit review of transportation-related agencies) and 2003 c 362 s 16;

(10) RCW 53.08.350 (Moratorium on runway construction or extension, or initiation of new service--Certain counties affected) and 1992 c 190 s 2;

(11) RCW 44.40.020 (Powers, duties, and studies) and 1996 c 129 s 9, 1977 ex.s. c 235 s 5, 1975 1st ex.s. c 268 s 1, & 1963 ex.s. c 3 s 36;

(12) RCW 44.40.070 (State transportation agencies--Comprehensive programs and financial plans) and 1998 c 245 s 87, 1988 c 167 s 10, 1979 ex.s. c 192 s 3, 1979 c 158 s 112, 1977 ex.s. c 235 s 9, & 1973 1st ex.s. c 201 s 1;

(13) RCW 44.40.080 (State transportation agencies--Recommended budget--Preparation and presentation--Contents) and 1973 1st ex.s. c 201 s 2;

(14) RCW 44.40.100 (Contracts and programs authorized) and 2001 c 259 s 9, 1977 ex.s. c 235 s 11, 1975 1st ex.s. c 268 s 7, & 1973 1st ex.s. c 210 s 3;

(15) RCW 46.23.040 (Review of agreement by legislative transportation committee) and 1982 c 212 s 4;

(16) RCW 47.01.145 (Study reports available to legislators upon request) and 1984 c 7 s 76, 1971 ex.s. c 195 s 6, & 1967 ex.s. c 145 s 78;

(17) RCW 47.05.090 (Application of 1993 c 490--Deviations) and 1993 c 490 s 6;

(18) RCW 47.12.360 (Advanced environmental mitigation--Reports) and 1997 c 140 s 5; and

(19) RCW 47.76.340 (Evaluating program performance) and 1993 c 224 s 13 & 1990 c 43 s 8.

NEW SECTION. Sec. 151. (1) RCW 44.40.120 is recodified as a section in chapter 44.04 RCW.

(2) RCW 44.40.025 is recodified as a section in chapter 43.88 RCW.

NEW SECTION. Sec. 152. 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 July 1, 2005, except for section 103 of this act which takes effect July 1, 2006.

NEW SECTION. Sec. 153. Section 146 of this act expires July 1, 2013.

NEW SECTION. Sec. 154. Subheadings used in this act are no part of the law."

Correct the title.

Signed by Representatives Murray, Chairman; Wallace, Vice Chairman; Woods, Ranking Minority Member; Appleton; Buck; Campbell; Curtis; Dickerson; Erickson; Flannigan; Hankins; Hudgins; Jarrett; Kilmer; Lovick; Morris; Nixon; Rodne; Schindler; Sells; Shabro; Simpson; B. Sullivan; Takko and Upthegrove.

MINORITY recommendation: Without recommendation.
Signed by Representatives Wood.

Passed to Committee on Rules for second reading.

April 2, 2005

SSB 5551 Prime Sponsor, Senate Committee on Labor, Commerce, Research & Development: Studying the minimum wage. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Commerce & Labor. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

SB 5563 Prime Sponsor, Senator Franklin: Including women's contributions in the World War II oral history project. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5599 Prime Sponsor, Senate Committee on Health & Long-Term Care: Providing for a central resource center for

the nursing work force. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Health Care. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

SSB 5610 Prime Sponsor, Senate Committee on Natural Resources, Ocean & Recreation: Promoting salmon recovery on a regionwide basis. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Appropriations and without amendment by Committee on Natural Resources, Ecology & Parks:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 77.85.005 and 1999 sp.s. c 13 s 1 are each amended to read as follows:

The legislature finds that repeated attempts to improve salmonid fish runs throughout the state of Washington have failed to avert listings of salmon and steelhead runs as threatened or endangered under the federal endangered species act (16 U.S.C. Sec. 1531 et seq.). These listings threaten the sport, commercial, and tribal fishing industries as well as the economic well-being and vitality of vast areas of the state. It is the intent of the legislature to begin activities required for the recovery of salmon stocks as soon as possible, although the legislature understands that successful recovery efforts may not be realized for many years because of the life cycle of salmon and the complex array of natural and human-caused problems they face.

The legislature finds that it is in the interest of the citizens of the state of Washington for the state to retain primary responsibility for managing the natural resources of the state, rather than abdicate those responsibilities to the federal government, and that the state may best accomplish this objective by integrating local and regional recovery activities into a statewide ~~((plan))~~ strategy that can make the most effective use of provisions of federal laws allowing for a state lead in salmon recovery, delivered through implementation activities consistent with regional and watershed recovery plans. The legislature also finds that a statewide salmon recovery ~~((plan))~~ strategy must be developed and implemented through an active public involvement process in order to ensure public participation in, and support for, salmon recovery. The legislature also finds that there is a substantial link between the provisions of the federal endangered species act and the federal clean water act (33 U.S.C. Sec. 1251 et seq.). The legislature further finds that habitat restoration is a vital component of salmon recovery efforts. Therefore, it is the intent of the legislature to specifically address salmon habitat restoration in a coordinated manner and to develop a structure that allows for the coordinated delivery of federal, state, and local assistance to communities for habitat projects that will assist in the recovery and

enhancement of salmon stocks. A strong watershed-based locally implemented plan is essential for local, regional, and statewide salmon recovery.

The legislature also finds that credible scientific review and oversight is essential for any salmon recovery effort to be successful.

The legislature further finds that it is important to monitor the overall health of the salmon resource to determine if recovery efforts are providing expected returns. It is important to monitor salmon habitat projects and salmon recovery activities to determine their effectiveness in order to secure federal acceptance of the state's approach to salmon recovery. Adaptive management cannot exist without monitoring. For these reasons, the legislature believes that a coordinated and integrated monitoring ~~((process))~~ system should be developed and implemented.

The legislature therefore finds that a coordinated framework for responding to the salmon crisis is needed immediately. To that end, the salmon recovery office should be created within the governor's office to provide overall coordination of the state's response; an independent science panel is needed to provide scientific review and oversight; a coordinated state funding process should be established through a salmon recovery funding board; the appropriate local or tribal government should provide local leadership in identifying and sequencing habitat projects to be funded by state agencies; habitat projects should be implemented without delay; and a strong locally based effort to restore salmon habitat should be established by providing a framework to allow citizen volunteers to work effectively.

"**Sec. 2.** RCW 77.85.010 and 2002 c 210 s 1 are each amended to read as follows:

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

(1) "Adaptive management" means reliance on scientific methods to test the results of actions taken so that the management and related policy can be changed promptly and appropriately.

(2) "Critical pathways methodology" means a project scheduling and management process for examining interactions between habitat projects and salmonid species, prioritizing habitat projects, and assuring positive benefits from habitat projects.

(3) "Habitat project list" is the list of projects resulting from the critical pathways methodology under RCW 77.85.060(2). Each project on the list must have a written agreement from the landowner on whose land the project will be implemented. Projects include habitat restoration projects, habitat protection projects, habitat projects that improve water quality, habitat projects that protect water quality, habitat-related mitigation projects, and habitat project maintenance and monitoring activities.

(4) "Habitat work schedule" means those projects from the habitat project list that will be implemented during the current funding cycle. The schedule shall also include a list of the entities and individuals implementing projects, the start date, duration, estimated date of completion, estimated cost, and funding sources for the projects.

(5) "Limiting factors" means conditions that limit the ability of habitat to fully sustain populations of salmon. These factors are primarily fish passage barriers and degraded estuarine areas, riparian corridors, stream channels, and wetlands.

(6) "Project sponsor" is a county, city, special district, tribal government, state agency, a combination of such governments through interlocal or interagency agreements, a nonprofit organization, regional fisheries enhancement group, or one or more private citizens. A project sponsored by a state agency may be

funded by the board only if it is included on the habitat project list submitted by the lead entity for that area and the state agency has a local partner that would otherwise qualify as a project sponsor.

(7) "Regional recovery organization" or "regional salmon recovery organization" means an entity formed for the purpose of recovering salmon, which is recognized in statute or by the salmon recovery office.

(8) "Salmon" includes all species of the family Salmonidae which are capable of self-sustaining, natural production.

~~((8))~~ (9) "Salmon recovery plan" means a state or regional plan developed in response to a proposed or actual listing under the federal endangered species act that addresses limiting factors including, but not limited to harvest, hatchery, hydropower, habitat, and other factors of decline.

~~((9))~~ (10) "Salmon recovery region" means geographic areas of the state identified in RCW 77.85.090 that encompass groups of watersheds in the state with common stocks of salmon identified for recovery activities, and that generally are consistent with the geographic areas within the state identified by the national oceanic and atmospheric administration or the United States fish and wildlife service for activities under the federal endangered species act. The salmon recovery regions designated under RCW 77.85.090 are salmon recovery regions for all purposes of this chapter.

(11) "Tribe" or "tribes" means federally recognized Indian tribes.

~~((10))~~ (12) "WRIA" means a water resource inventory area established in chapter 173-500 WAC as it existed on January 1, 1997.

~~((11))~~ (13) "Owner" means the person holding title to the land or the person under contract with the owner to lease or manage the legal owner's property.

Sec. 3. RCW 77.85.020 and 1998 c 246 s 4 are each amended to read as follows:

~~((Beginning in))~~ (1) By December ~~((2000))~~ 1, 2006, the governor shall submit a ~~((biennial state of the salmon))~~ report to the legislature ~~((during the first week of December))~~ regarding the implementation of the state's salmon recovery strategy. The report may include the following:

~~((1))~~ (a) A description of the amount of in-kind and financial contributions, including volunteer, private, and state, federal, tribal as available, and local government money directly spent on salmon recovery in response to actual, proposed, or expected endangered species act listings;

~~((2))~~ (b) A summary of habitat projects including but not limited to:

~~((a))~~ (i) A summary of accomplishments in removing barriers to salmon passage and an identification of existing barriers;

~~((b))~~ (ii) A summary of salmon restoration efforts undertaken in the past two years;

~~((c))~~ (iii) A summary of the role which private volunteer initiatives contribute in salmon habitat restoration efforts; and

~~((d))~~ (iv) A summary of efforts taken to protect salmon habitat;

~~((e))~~ (c) A summary of collaborative efforts undertaken with adjoining states or Canada;

~~((f))~~ (d) A summary of harvest and hatchery management activities affecting salmon recovery;

~~((g))~~ (e) A summary of information regarding impediments to successful salmon recovery efforts;

~~((h))~~ (f) A summary of the number and types of violations of existing laws pertaining to: ~~((1))~~ (i) Water quality; and ~~((b))~~ (ii) salmon. The summary shall include information about the types of sanctions imposed for these violations;

~~((i))~~ (g) Information on the estimated carrying capacity of new

habitat created pursuant to chapter 246, Laws of 1998; and

~~((8))~~ (h) Recommendations to the legislature that would further the success of salmon recovery. The recommendations may include:

~~((a))~~ (i) The need to expand or improve nonregulatory programs and activities; ~~((and~~

~~((b))~~ (ii) The need to expand or improve state and local laws and regulations; and

~~((c))~~ (iii) Recommendations for state funding assistance to recovery activities and projects.

(2) The report shall summarize the monitoring data coordinated by the monitoring forum. The summary must include but is not limited to data and analysis related to:

(a) Measures of progress in fish recovery;

(b) Measures of factors limiting recovery as well as trends in such factors; and

(c) The status of implementation of projects and activities.

Sec. 4. RCW 77.85.030 and 2000 c 107 s 93 are each amended to read as follows:

(1) The salmon recovery office is created within the office of the governor to coordinate state strategy to allow for salmon recovery to healthy sustainable population levels with productive commercial and recreational fisheries. The primary purpose of the office is to coordinate and assist in the development of regional salmon recovery plans ~~((for evolutionarily significant units, and submit those plans to the appropriate tribal governments and federal agencies))~~ as an integral part of a statewide strategy developed consistent with the guiding principles and procedures under RCW 77.85.150. The governor's salmon recovery office ~~((may also:~~

~~((a))~~ shall assist regional recovery organizations in submitting plans to the federal fish services for adoption as federal recovery plans. The governor's salmon recovery office may also:

(a) Assist state agencies, local governments, landowners, and other interested parties in obtaining federal assurances that plans, programs, or activities are consistent with fish recovery under the federal endangered species act;

(b) Act as liaison to local governments, the state congressional delegation, the United States congress, federally recognized tribes, and the federal executive branch agencies for issues related to the state's ~~((endangered species act))~~ salmon recovery plans; and

~~((b))~~ (c) Provide ~~((the biennial state of the salmon report to the legislature))~~ periodic reports pursuant to RCW 77.85.020.

(2) This section expires June 30, ~~((2006))~~ 2007.

Sec. 5. RCW 77.85.040 and 2000 c 107 s 94 are each amended to read as follows:

(1) The governor shall request the national academy of sciences, the American fisheries society, or a comparable institution to screen candidates to serve as members on the independent science panel. The institution that conducts the screening of the candidates shall submit a list of the nine most qualified candidates to the governor, the speaker of the house of representatives, and the majority leader of the senate. The candidates shall reflect expertise in habitat requirements of salmon, protection and restoration of salmon populations, artificial propagation of salmon, hydrology, or geomorphology.

(2) The speaker of the house of representatives and the majority leader in the senate may each remove one name from the nomination list. The governor shall consult with tribal representatives and the governor shall appoint five scientists from the remaining names on the nomination list.

(3) The members of the independent science panel shall serve four-year terms. Vacant positions on the panel shall be filled in the

same manner as the original appointments. Members shall serve no more than two full terms. The independent science panel members shall elect the chair of the panel among themselves every two years. Based upon available funding, the governor's salmon recovery office may contract for services with members of the independent science panel for compensation under chapter 39.29 RCW.

(4) The independent science panel shall be governed by generally accepted guidelines and practices governing the activities of independent science boards such as the national academy of sciences. The purpose of the independent science panel is to help ensure that sound science is used in salmon recovery efforts. The governor's salmon recovery office (~~(shall)~~) may request review of regional salmon recovery plans by the science review panel. The science panel does not have the authority to review individual projects or habitat project lists developed under RCW 77.85.050(~~(c)~~) or 77.85.060(~~(c) and 75.46.080~~) or to make policy decisions. The panel shall periodically submit its findings and recommendations under this subsection to the legislature and the governor.

~~((5) The independent science panel, in conjunction with the technical review team, shall recommend standardized monitoring indicators and data quality guidelines for use by entities involved in habitat projects and salmon recovery activities across the state.~~

~~—(6) The independent science panel, in conjunction with the technical review team, shall also recommend criteria for the systematic and periodic evaluation of monitoring data in order for the state to be able to answer critical questions about the effectiveness of the state's salmon recovery efforts.~~

~~—(7) The recommendations on monitoring as required in this section shall be provided in a report to the governor and to the legislature by the independent science panel, in conjunction with the salmon recovery office, no later than December 31, 2000. The report shall also include recommendations on the level of effort needed to sustain monitoring of salmon projects and other recovery efforts, and any other recommendations on monitoring deemed important by the independent science panel and the technical review team. The report may be included in the biennial state of the salmon report required under RCW 77.85.020.)~~

Sec. 6. RCW 77.85.050 and 1999 sp.s. c 13 s 11 are each amended to read as follows:

(1)(a) Counties, cities, and tribal governments must jointly designate, by resolution or by letters of support, the area for which a habitat project list is to be developed and the lead entity that is to be responsible for submitting the habitat project list. No project included on a habitat project list shall be considered mandatory in nature and no private landowner may be forced or coerced into participation in any respect. The lead entity may be a county, city, conservation district, special district, tribal government, regional recovery organization, or other entity.

(b) The lead entity shall establish a committee that consists of representative interests of counties, cities, conservation districts, tribes, environmental groups, business interests, landowners, citizens, volunteer groups, regional fish enhancement groups, and other habitat interests. The purpose of the committee is to provide a citizen-based evaluation of the projects proposed to promote salmon habitat. ~~((The technical review team may provide the lead entity with organizational models that may be used in establishing the committees:))~~

(c) The committee shall compile a list of habitat projects, establish priorities for individual projects, define the sequence for project implementation, and submit these activities as the habitat project list. The committee shall also identify potential federal, state,

local, and private funding sources.

(2) The area covered by the habitat project list must be based, at a minimum, on a WRIA, combination of WRIs, or any other area as agreed to by the counties, cities, and tribes in resolutions or in letters of support meeting the requirements of this subsection. Preference will be given to projects in an area that contain a salmon species that is listed or proposed for listing under the federal endangered species act.

(3) The lead entity shall submit the habitat project list to the ~~((technical review team))~~ board in accordance with procedures adopted by the board.

Sec. 7. RCW 77.85.090 and 2000 c 107 s 99 are each amended to read as follows:

(1) The southwest Washington salmon recovery region, whose boundaries are provided in chapter 60, Laws of 1998, is created.

(2) The Puget Sound salmon recovery region is created.

(3) The Yakima basin salmon recovery region is created.

(4) The upper Columbia salmon recovery region is created.

(5) The Snake river salmon recovery region is created.

(6) The legislature, with the assistance of the salmon recovery office, may designate additional salmon recovery regions that are generally consistent with the areas within the state designated by the national oceanic and atmospheric administration or the United States fish and wildlife service for federal recovery planning.

Sec. 8. RCW 77.85.130 and 2000 c 107 s 102 and 2000 c 15 s 1 are each reenacted and amended to read as follows:

(1) The salmon recovery funding board shall develop procedures and criteria for allocation of funds for salmon habitat projects and salmon recovery activities on a statewide basis to address the highest priorities for salmon habitat protection and restoration. To the extent practicable the board shall adopt an annual allocation of funding. The allocation should address both protection and restoration of habitat, and should recognize the varying needs in each area of the state on an equitable basis. The board has the discretion to partially fund, or to fund in phases, salmon habitat projects. The board may annually establish a maximum amount of funding available for any individual project, subject to available funding. No projects required solely as a mitigation or a condition of permitting are eligible for funding.

(2)(a) In evaluating, ranking, and awarding funds for projects and activities the board shall give preference to projects that:

(i) Are based upon the limiting factors analysis identified under RCW 77.85.060;

(ii) Provide a greater benefit to salmon recovery based upon the stock status information contained in the department of fish and wildlife salmonid stock inventory (SASSI), the salmon and steelhead habitat inventory and assessment project (SSHAP), and any comparable science-based assessment when available;

(iii) Will benefit listed species and other fish species; ~~((and))~~

(iv) Will preserve high quality salmonid habitat; and

(v) Are included in a regional or watershed-based salmon recovery plan that accords the project, action, or area a high priority for funding.

(b) In evaluating, ranking, and awarding funds for projects and activities the board shall also give consideration to projects that:

(i) Are the most cost-effective;

(ii) Have the greatest matched or in-kind funding; ~~((and))~~

(iii) Will be implemented by a sponsor with a successful record of project implementation; and

(iv) Are part of a regionwide list developed by lead entities.

(3) The board may reject, but not add, projects from a habitat project list submitted by a lead entity for funding.

(4) ~~((For fiscal year 2000, the board may authorize the interagency review team to evaluate, rank, and make funding decisions for categories of projects or activities or from funding sources provided for categories of projects or activities. In delegating such authority the board shall consider the review team's staff resources, procedures, and technical capacity to meet the purposes and objectives of this chapter. The board shall maintain general oversight of the team's exercise of such authority.~~

~~—(5) The board shall seek the guidance of the technical review team to ensure that scientific principles and information are incorporated into the allocation standards and into proposed projects and activities. If the technical review team determines that a habitat project list complies with the critical pathways methodology under RCW 77.85.060, it shall provide substantial weight to the list's project priorities when making determinations among applications for funding of projects within the area covered by the list.~~

~~—(6)) The board shall establish criteria for determining when block grants may be made to a lead entity ((or other recognized regional recovery entity)) consistent with one or more habitat project lists developed for that region. Where a lead entity has been established pursuant to RCW 77.85.050, the board may provide block grants to the lead entity to assist in ((carrying out lead entity functions under this chapter,)) project implementation subject to available funding. The board shall determine an equitable minimum amount of project implementation funds for each recovery region, and shall distribute the remainder of funds on a competitive basis. The board may also provide grants to the lead entity or regional recovery organization to assist in carrying out functions described under this chapter.~~

~~((7)) (5) The board may waive or modify portions of the allocation procedures and standards adopted under this section in the award of grants or loans to conform to legislative appropriations directing an alternative award procedure or when the funds to be awarded are from federal or other sources requiring other allocation procedures or standards as a condition of the board's receipt of the funds. The board shall develop an integrated process to manage the allocation of funding from federal and state sources to minimize delays in the award of funding while recognizing the differences in state and legislative appropriation timing.~~

~~((8)) (6) The board may award a grant or loan for a salmon recovery project on private or public land when the landowner has a legal obligation under local, state, or federal law to perform the project, when expedited action provides a clear benefit to salmon recovery, and there will be harm to salmon recovery if the project is delayed. For purposes of this subsection, a legal obligation does not include a project required solely as a mitigation or a condition of permitting.~~

~~((9)) (7) The board may condition a grant or loan to include the requirement that property may only be transferred to a federal agency if the agency that will acquire the property agrees to comply with all terms of the grant or loan to which the project sponsor was obligated. Property acquired or improved by a project sponsor may be conveyed to a federal agency, but only if the agency agrees to comply with all terms of the grant or loan to which the project sponsor was obligated.~~

Sec. 9. RCW 77.85.150 and 1999 sp.s. c 13 s 9 are each amended to read as follows:

(1) ~~((By September 1, 1999;))~~ The governor, with the assistance of the salmon recovery office, shall ~~((submit a statewide salmon~~

~~recovery strategy to the appropriate federal agencies administering the federal endangered species act))~~ maintain and revise a statewide salmon recovery strategy.

(2) The governor and the salmon recovery office shall be guided by the following considerations in ~~((developing))~~ maintaining and revising the strategy:

(a) The strategy should identify statewide initiatives and responsibilities with regional recovery plans and local watershed initiatives as the principal ~~((mechanism))~~ means for implementing the strategy;

(b) The strategy should emphasize collaborative, incentive-based approaches;

(c) The strategy should address all factors limiting the recovery of Washington's listed salmon stocks, including habitat and water quality degradation, harvest and hatchery management, inadequate streamflows, and other barriers to fish passage. Where other limiting factors are beyond the state's jurisdictional authorities to respond to, such as some natural predators and high seas fishing, the strategy shall include the state's requests for federal action to effectively address these factors;

(d) The strategy should identify immediate actions necessary to prevent extinction of a listed salmon stock, establish performance measures to determine if restoration efforts are working, recommend effective monitoring and data management, and recommend to the legislature clear and certain measures to be implemented if performance goals are not met;

(e) The strategy shall rely on the best scientific information available and provide for incorporation of new information as it is obtained;

(f) The strategy should seek a fair allocation of the burdens and costs upon economic and social sectors of the state whose activities may contribute to limiting the recovery of salmon; and

(g) The strategy should seek clear measures and procedures from the appropriate federal agencies for removing Washington's salmon stocks from listing under the federal act.

(3) Beginning on September 1, 2000, the strategy shall be updated through an active public involvement process, including early and meaningful opportunity for public comment. In obtaining public comment, the salmon recovery office shall hold public meetings throughout the state and shall encourage regional and local recovery planning efforts to similarly ensure an active public involvement process.

(4) This section shall apply prospectively only and not retroactively. Nothing in this section shall be construed to invalidate actions taken in recovery planning at the local, regional, or state level prior to July 1, 1999.

NEW SECTION. Sec. 10. The following acts or parts of acts are each repealed:

(20) RCW 77.85.070 (Technical advisory groups) and 2000 c 107 s 97 & 1998 c 246 s 10; and

(21) RCW 77.85.210 (Monitoring activities--Monitoring oversight committee--Legislative steering committee--Report to the legislature--Monitoring strategy and action plan) and 2001 c 298 s 3."

Correct the title.

Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney;

Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

SSB 5611 Prime Sponsor, Senate Committee on Judiciary: Changing the interest rate on legal financial obligations. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Judiciary. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia and Schual-Berke.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey; Buri; Clements; Hinkle; Pearson and Talcott.

Passed to Committee on Rules for second reading.

April 2, 2005

SSB 5631 Prime Sponsor, Senate Committee on Human Services & Corrections: Changing provisions relating to inmate work programs. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Appropriations and without amendment by Committee on Criminal Justice & Corrections. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia and Schual-Berke.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Hinkle; Pearson; Priest; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 4, 2005

2SSB 5663 Prime Sponsor, Senate Committee on Ways & Means: Changing the tax exemptions for machinery and equipment used to reduce agricultural burning. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended by Committee on Economic Development, Agriculture & Trade. Signed by Representatives McIntire, Chair; Hunter, Vice Chair; Orcutt, Rank Minority Member; Roach, Assistant Ranking Minority Member; Ahern; Conway; Ericksen; Hasegawa and Santos.

Passed to Committee on Rules for second reading.

April 2, 2005

ESB 5710 Prime Sponsor, Senator Poulsen: Requiring the removal of mercury components from end-of-life motor vehicles. (REVISED FOR ENGROSSED: Concerning the removal of mercury-added components in motor vehicles.) Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia and Schual-Berke.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Hinkle; McDonald; Pearson; Priest; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5732 Prime Sponsor, Senate Committee on Early Learning, K-12 & Higher Education: Revising the powers, duties, and membership of the state board of education and the Washington professional educator standards board and eliminating the academic achievement and accountability commission. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Appropriations and without amendment by Committee on Education.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The following acts or parts of acts are each repealed, effective June 30, 2005:

(22) RCW 28A.655.020 (Academic achievement and accountability commission) and 1999 c 388 s 101;

(23) RCW 28A.655.030 (Essential academic learning requirements and assessments--Duties of the academic achievement and accountability commission) and 2004 c 19 s 205, 2002 c 37 s 1, & 1999 c 388 s 102; and

(24) RCW 28A.655.900 (Transfer of powers, duties, and

functions) and 1999 c 388 s 502.

NEW SECTION. Sec. 2. This act takes effect June 30, 2005."

Correct the title.

Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Priest; Schual-Berke; Talcott and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Haigh; Hinkle; McDonald and Pearson.

Passed to Committee on Rules for second reading.

April 2, 2005

SB 5743 Prime Sponsor, Senator Kastama: Enhancing voter registration recordkeeping. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on State Government Operations & Accountability. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia and Schual-Berke.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Hinkle; McDonald; Pearson; Priest; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

E2SSB 5763 Prime Sponsor, Senate Committee on Ways & Means: Creating the omnibus treatment of mental and substance abuse disorders act of 2005. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Health Care and Committee on Appropriations . Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Buri; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Priest; Schual-Berke and Walsh

MINORITY recommendation: Do not pass. Signed by

Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Clements; McDonald; Pearson and Talcott.

Passed to Committee on Rules for second reading.

April 4, 2005

2SSB 5782 Prime Sponsor, Senate Committee on Ways & Means: Modifying provisions of the linked deposit program. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended by Committee on Financial Institutions & Insurance. Signed by Representatives McIntire, Chair; Hunter, Vice Chair; Orcutt, Ranking Minority Member; Roach, Assistant Ranking Minority Member; Ahern, Conway; Ericksen; Hasegawa and Santos.

Passed to Committee on Rules for second reading.

April 2, 2005

SB 5831 Prime Sponsor, Senator Morton: Concerning well construction. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Priest; Schual-Berke and Walsh.

MINORITY recommendation: Without recommendation. Signed by Representatives Anderson, Assistant Ranking Minority Member; Pearson and Talcott.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5872 Prime Sponsor, Senate Committee on Human Services & Corrections: Requiring findings and recommendations regarding a department of family and children's services. (REVISED FOR ENGROSSED: Creating a task force on the administrative organization, structure, and delivery of services to children and families.) Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Appropriations and without amendment by Committee on Children & Family Services:

Strike everything after the enacting clause and insert the

following:

"NEW SECTION. Sec. 1. A joint task force is created to determine the most appropriate and effective administrative structure for delivery of social and health services to the children and families of the state. The joint task force shall study how best to ensure that an administrative structure has defined lines of responsibility for delivering services to children and families in need and the best means for the public to hold government accountable for delivery of those services. The joint task force shall compare the effectiveness of: Including social and health services to children and families within an umbrella agency, such as the current department of social and health services; establishing a separate agency for social and health services to children and families whose administrator reports directly to the governor; or creating a children and family services cabinet reporting directly to the governor. The joint task force shall, as part of the comparison, examine the administrative structures used in other states to deliver social and health services to children and families.

NEW SECTION. Sec. 2. (1) Membership of the joint task force shall consist of the following:

(a) The dean of the school of social work at the University of Washington or an academic professor from a list recommended by the dean, jointly appointed by the chairs of the house of representatives children and family services committee and the senate human services and corrections committee;

(b) Two members of the house of representatives appointed by the speaker of the house of representatives, one of whom shall be a member of the majority caucus and one of whom shall be a member of the minority caucus, and two members of the senate appointed by the president of the senate, one of whom shall be a member of the majority caucus and one of whom shall be a member of the minority caucus;

(c) The secretary of the department of social and health services or the secretary's designee;

(d) An individual with previous experience as an administrator of a public agency providing services to children and families, jointly appointed by the chairs of the house of representatives children and family services committee and the senate human services and corrections committee;

(e) A juvenile court administrator, jointly appointed by the chairs of the house of representatives children and family services committee and the senate human services and corrections committee;

(f) A family superior court judge, jointly appointed by the chairs of the house of representatives children and family services committee and the senate human services and corrections committee;

(g) The director of the office of the family and children's ombudsman;

(h) A social worker with experience in the public sector serving children and families, jointly appointed by the chairs of the house of representatives children and family services committee and the senate human services and corrections committee; and

(i) Two representatives of community-based providers serving children and families, jointly appointed by the chairs of the house of representatives children and family services committee and the senate human services and corrections committee.

(2) The dean of the school of social work at the University of Washington or the academic professor appointed from a list recommended by the dean shall be the chair of the joint task force.

(3) Staff support for the joint task force shall be provided by the house of representatives office of program research and senate

committee services.

(4) Legislative members of the joint task force shall be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

NEW SECTION. Sec. 3. (1) The joint task force shall make recommendations concerning which administrative structure or structures would best realize efficiencies in administration and best achieve positive outcomes for children and families, including, but not limited to, the following:

(a) Reducing the number of children at risk for abuse or neglect and increasing the safety and well-being of children;

(b) Increasing the ability of families to care for their own children and reducing the number of children in foster care;

(c) Increasing placement stability and permanency for children in out-of-home care and reducing unsafe and inappropriate placements;

(d) Delivering appropriate and timely mental health services;

(e) Providing adequate and appropriate staff training and education;

(f) Promoting foster parent recruitment, training, and retention;

(g) Reducing the frequency and duration of sibling separation;

(h) Delivering adequate and timely services to adolescents; and

(i) Increasing responsibility and accountability for achieving goals.

(2) The joint task force shall also make recommendations concerning the costs, benefits, savings, or reductions in services associated with the various administrative structures considered by the joint task force.

NEW SECTION. Sec. 4. The joint task force shall report its recommendations to the governor and the appropriate committees of the legislature by December 1, 2005."

Correct the title.

Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

SB 5898 Prime Sponsor, Senator Regala: Ordering a public information campaign on postpartum depression. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Health Care. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey; Buri;

Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Pearson; Priest; Schual-Berke and Walsh.

MINORITY recommendation: Without recommendation. Signed by Representatives Anderson, Assistant Ranking Minority Member and Talcott.

Passed to Committee on Rules for second reading.

April 2, 2005

SSB 5902 Prime Sponsor, Senate Committee on International Trade & Economic Development: Establishing a small business innovation research program proposal review process. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that small technology-based firms are the source of approximately one-half of the economy's major innovations and that it is in the interest of the state to increase participation by Washington state small businesses in the federal small business innovation research program by assisting them in becoming small business innovation research program grant recipients.

The legislature further finds that many small business innovators lack the grant-writing skills necessary to prepare a successful small business innovation research program proposal, and the federal program that funded grant-writing assistance has stopped operations. Nearly fifty percent of small businesses trained under the federal program won grants compared to less than ten percent of those that did not receive training.

(2) As used in this section:

(a) "Small business innovation research program" means the program, enacted pursuant to the small business innovation development act of 1982, P.L. 97-219, that provided funds to small businesses to conduct innovative research having commercial application.

(b) "Small business" means a corporation, partnership, sole proprietorship, or individual, operating a business for profit, with two hundred fifty employees or fewer, including employees employed in a subsidiary or affiliated corporation, that otherwise meets the requirements of the federal small business innovation research program.

(3) The Washington technology center shall establish a small business innovation research assistance program, including a proposal review process, to train and assist Washington small businesses to win phase I small business innovation research program awards.

(a) The Washington technology center shall give priority to first-time small business innovation research program applicants, new businesses, and firms with fewer than ten employees.

(b) The Washington technology center may charge a fee for this service."

Correct the title.

Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5922 Prime Sponsor, Senate Committee on Human Services & Corrections: Changing procedures for investigations of child abuse or neglect. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass without the amendments by Committee on Children & Family Services. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Pearson; Priest; Schual-Berke and Walsh.

MINORITY recommendation: Without recommendation. Signed by Representatives Anderson, Assistant Ranking Minority Member; Talcott.

Passed to Committee on Rules for second reading.

April 2, 2005

ESSB 5983 Prime Sponsor, Senate Committee on Early Learning, K-12 & Higher Education: Regarding professional certification of teachers. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended by Committee on Education. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey; Buri; Clements; Cody; Conway; Darneille; Dunshee; Grant; Haigh; Hinkle; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McIntire; Miloscia; Pearson; Priest; Schual-Berke; Talcott and Walsh.

Passed to Committee on Rules for second reading.

SSB 6078 Prime Sponsor, Senate Committee on Ways &

Means (Originally sponsored by Senator Regala): Controlling state expenditures. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass as amended:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 43.135.035 and 2001 c 3 s 8 and 2000 2nd sp.s. c 2 s 2 are each reenacted and amended to read as follows:

(1) After July 1, 1995, any action or combination of actions by the legislature that raises state revenue or requires revenue-neutral tax shifts may be taken only if approved by a two-thirds vote of each house, and then only if state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under this chapter. However, for legislation enacted between the effective date of this act and June 30, 2007, any action or combination of actions by the legislature that raises state revenue or requires revenue-neutral tax shifts may be taken with the approval of a majority of members elected to each house, so long as state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under this chapter.

(2)(a) If the legislative action under subsection (1) of this section will result in expenditures in excess of the state expenditure limit, then the action of the legislature shall not take effect until approved by a vote of the people at a November general election. The office of financial management shall adjust the state expenditure limit by the amount of additional revenue approved by the voters under this section. This adjustment shall not exceed the amount of revenue generated by the legislative action during the first full fiscal year in which it is in effect. The state expenditure limit shall be adjusted downward upon expiration or repeal of the legislative action.

(b) The ballot title for any vote of the people required under this section shall be substantially as follows:

"Shall taxes be imposed on in order to allow a spending increase above last year's authorized spending adjusted for inflation and population increases?"

(3)(a) The state expenditure limit may be exceeded upon declaration of an emergency for a period not to exceed twenty-four months by a law approved by a two-thirds vote of each house of the legislature and signed by the governor. The law shall set forth the nature of the emergency, which is limited to natural disasters that require immediate government action to alleviate human suffering and provide humanitarian assistance. The state expenditure limit may be exceeded for no more than twenty-four months following the declaration of the emergency and only for the purposes contained in the emergency declaration.

(b) Additional taxes required for an emergency under this section may be imposed only until thirty days following the next general election, unless an extension is approved at that general election. The additional taxes shall expire upon expiration of the declaration of emergency. The legislature shall not impose additional taxes for emergency purposes under this subsection unless funds in the education construction fund have been exhausted.

(c) The state or any political subdivision of the state shall not impose any tax on intangible property listed in RCW 84.36.070 as that statute exists on January 1, 1993.

(4) If the cost of any state program or function is shifted from

the state general fund on or after January 1, 1993, to another source of funding, or if moneys are transferred from the state general fund to another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall lower the state expenditure limit to reflect the shift. For the purposes of this section, a transfer of money from the state general fund to another fund or account includes any state legislative action taken after July 1, 2000, that has the effect of reducing revenues from a particular source, where such revenues would otherwise be deposited into the state general fund, while increasing the revenues from that particular source to another state or local government account. This subsection does not apply to the dedication or use of lottery revenues under RCW 67.70.240(3) or property taxes under RCW 84.52.068, in support of education or education expenditures.

(5) If the cost of any state program or function is shifted to the state general fund on or after January 1, 2000, from another source of funding, or if moneys are transferred to the state general fund from another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall increase the state expenditure limit to reflect the shift.

NEW SECTION. Sec. 2. 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."

Correct the title.

Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Cody; Conway; Darneille; Dunshee; Grant; Hunter; Kagi; Kenney; Kessler; McDermott; McIntire; Miloscia and Schual-Berke.

MINORITY recommendation: Without recommendation. Signed by Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey; Buri; Clements; Haigh; Hinkle; Linville; Pearson; Priest; Talcott and Walsh.

Passed to Committee on Rules for second reading.

April 2, 2005

SJR 8206 Prime Sponsor, Senator Hargrove: Revising limitations on use of inmate labor. Reported by Committee on Appropriations

MAJORITY recommendation: Do pass. Signed by Representatives Sommers, Chairman; Fromhold, Vice Chairman; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Clements; Cody; Conway; Darneille; Grant; Haigh; Hunter; Kagi; Kenney; Kessler; Linville; McDermott; McDonald; McIntire; Miloscia; Pearson; Schual-Berke and Walsh.

MINORITY recommendation: Do not pass. Signed by Representatives Bailey; Buri; Dunshee; Hinkle; Priest and Talcott.

Passed to Committee on Rules for second reading.

There being no objection, the bills, memorials and resolutions listed on the day's committee reports sheet under the fifth order of business were referred to the committees so designated.

There being no objection, the House advanced to the eleventh order of business.

There being no objection, the House adjourned until 10:00 a.m., April 5, 2005, the 86th Day of the Regular Session.

FRANK CHOPP, Speaker

RICHARD NAFZIGER, Chief Clerk

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