

ONE HUNDRED SECOND DAY

House Chamber, Olympia, Thursday, April 21, 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 Robert Weakly and Mary Morrison. The Speaker (Representative Lovick presiding) led the Chamber in the Pledge of Allegiance. Prayer was offered by Pastor Bob Sievers, First Baptist Church, Olympia.

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

MESSAGES FROM THE SENATE

April 20, 2005

Mr. Speaker:

The Senate concurred in the House amendments to ENGROSSED SUBSTITUTE SENATE BILL NO. 5034 and passed the bills as amended by the House, and the same is herewith transmitted.

Thomas Hoemann, Secretary

April 20, 2005

Mr. Speaker:

The Senate receded from its amendment to SUBSTITUTE HOUSE BILL NO. 1987 and passed the bill without said amendments, and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House advanced to the sixth order of business.

SECOND READING

HOUSE BILL NO. 1044, By Representative Sommers; by request of Office of Financial Management

Changing pension funding methodology.

The bill was read the second time.

There being no objection, Substitute House Bill No. 1044 was substituted for House Bill No. 1044 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1044 was read the second time.

Representative Conway moved the adoption of amendment (584):

On page 7, line 5, strike "2.50" and insert "2.25"

On page 7, line 12, strike "2.50" and insert "2.25"

Representative Conway spoke in favor of the adoption of the amendment.

Representative Alexander spoke against the adoption of the amendment.

The amendment was adopted. The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Sommers and Fromhold spoke in favor of passage of the bill.

Representatives Alexander, Talcott, Cox and Armstrong spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1044.

MOTION

On motion of Representative Clements, Representative Curtis was excused.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1044 and the bill passed the House by the following vote: Yeas - 55, Nays - 42, Absent - 0, Excused - 1.

Voting yea: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh,

Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Sullivan, P., Takko, Upthegrove, Wallace, Williams, Wood and Mr. Speaker - 55.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, DeBolt, Dunn, Ericksen, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kretz, Kristiansen, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Strow, Sump, Talcott, Tom, Walsh and Woods - 42.

Excused: Representative Curtis - 1.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1044, having received the necessary constitutional majority, was declared passed.

HOUSE BILL NO. 2304, By Representatives Sommers, McCoy and Williams; by request of Office of Financial Management

Recovering debts owed to the state for medical assistance.

The bill was read the second time.

There being no objection, Substitute House Bill No. 2304 was substituted for House Bill No. 2304 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 2304 was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Sommers and Cody spoke in favor of passage of the bill.

Representative Alexander spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute House Bill No. 2304.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 2304 and the bill passed the House by the following vote: Yeas - 56, Nays - 41, Absent - 0, Excused - 1.

Voting yea: Representatives Appleton, Blake, Campbell, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Sullivan, P., Takko, Upthegrove, Wallace, Williams, Wood and Mr. Speaker - 56.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Chandler, Clements, Condotta, Cox, Crouse, DeBolt, Dunn, Ericksen, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kretz, Kristiansen, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Strow, Sump, Talcott, Tom, Walsh and Woods - 41.

Excused: Representative Curtis - 1.

SUBSTITUTE HOUSE BILL NO. 2304, having received the necessary constitutional majority, was declared passed.

SENATE AMENDMENTS TO HOUSE BILL

April 14, 2005

Mr. Speaker:

The Senate has passed ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1291, with the following amendment:

On page 2, after line 8, insert the following:

"Sec. 2. RCW 5.64.010 and 1975-'76 2nd ex.s. c 56 s 3 are each amended to read as follows:

(1) In any civil action against a health care provider for personal injuries which is based upon alleged professional negligence ((and which is against:

— (1) A person licensed by this state to provide health care or related services, including, but not limited to, a physician, osteopathic physician, dentist, nurse, optometrist, podiatrist, chiropractor, physical therapist, psychologist, pharmacist, optician, physician's assistant, osteopathic physician's assistant, nurse practitioner, or physician's trained mobile intensive care paramedic, including, in the event such person is deceased, his estate or personal representative;

— (2) An employee or agent of a person described in subsection (1) of this section, acting in the course and scope of his employment, including, in the event such employee or agent is deceased, his estate or personal representative; or

— (3) An entity, whether or not incorporated, facility, or institution employing one or more persons described in subsection (1) of this section, including, but not limited to, a hospital, clinic, health maintenance organization, or nursing home, or an officer, director, employee, or agent thereof acting in the course and scope of his employment, including, in the event such officer, director, employee, or agent is deceased, his estate or personal representative;)), or in any arbitration or mediation proceeding related to such civil action, evidence of furnishing or offering or promising to pay medical, hospital, or similar expenses occasioned by an injury is not admissible ((to prove liability for the injury)).

(2)(a) In a civil action against a health care provider for personal injuries that is based upon alleged professional negligence, or in any arbitration or mediation proceeding related to such civil action, a statement, affirmation, gesture, or conduct identified in (b) of this subsection is inadmissible as evidence if:

(i) More than twenty days before commencement of trial it was conveyed by a health care provider to the injured person, or to a person specified in RCW 7.70.065(1); and

(ii) It relates to the discomfort, pain, suffering, injury, or death of the injured person as the result of the alleged professional negligence.

(b) (a) of this subsection applies to:

(i) Any statement, affirmation, gesture, or conduct expressing apology, fault, sympathy, commiseration, condolence, compassion, or a general sense of benevolence; or

(ii) Any statement or affirmation regarding remedial actions that may be taken to address the act or omission that is the basis for the allegation of negligence.

Sec. 3. RCW 4.24.260 and 1994 sp.s. c 9 s 701 are each amended to read as follows:

((Physicians licensed under chapter 18.71 RCW, dentists licensed under chapter 18.32 RCW, and pharmacists licensed under chapter 18.64 RCW)) Any member of a health profession listed under RCW 18.130.040 who, in good faith, makes a report, files charges, or presents evidence against another member of ((their)) a health profession based on the claimed ((incompetency or gross misconduct)) unprofessional conduct as provided in RCW 18.130.180 or inability to practice with reasonable skill and safety to consumers by reason of any physical or mental condition as provided in RCW 18.130.170 of such person before the ((medical quality assurance commission established under chapter 18.71 RCW, in a proceeding under chapter 18.32 RCW, or to the board of pharmacy under RCW 18.64.160)) agency, board, or commission responsible for disciplinary activities for the person's profession under chapter 18.130 RCW, shall be immune from civil action for damages arising out of such activities. A person prevailing upon the good faith defense provided for in this section is entitled to recover expenses and reasonable attorneys' fees incurred in establishing the defense.

Sec. 4. RCW 18.130.160 and 2001 c 195 s 1 are each amended to read as follows:

Upon a finding, after hearing, that a license holder or applicant has committed unprofessional conduct or is unable to practice with reasonable skill and safety due to a physical or mental condition, the disciplining authority may consider the imposition of sanctions, taking into account any prior findings of fact under RCW 18.130.110, any stipulations to informal disposition under RCW 18.130.172, and any action taken by other in-state or out-of-state disciplining authorities, and issue an order providing for one or any combination of the following:

- (1) Revocation of the license;
- (2) Suspension of the license for a fixed or indefinite term;
- (3) Restriction or limitation of the practice;
- (4) Requiring the satisfactory completion of a specific program of remedial education or treatment;
- (5) The monitoring of the practice by a supervisor approved by the disciplining authority;
- (6) Censure or reprimand;
- (7) Compliance with conditions of probation for a designated period of time;

(8) Payment of a fine for each violation of this chapter, not to exceed five thousand dollars per violation. Funds received shall be placed in the health professions account;

(9) Denial of the license request;

(10) Corrective action;

(11) Refund of fees billed to and collected from the consumer;

(12) A surrender of the practitioner's license in lieu of other sanctions, which must be reported to the federal data bank.

Any of the actions under this section may be totally or partly stayed by the disciplining authority. In determining what action is appropriate, the disciplining authority must first consider what sanctions are necessary to protect or compensate the public. Only after such provisions have been made may the disciplining authority consider and include in the order requirements designed to rehabilitate the license holder or applicant. All costs associated with compliance with orders issued under this section are the obligation of the license holder or applicant.

The licensee or applicant may enter into a stipulated disposition of charges that includes one or more of the sanctions of this section, but only after a statement of charges has been issued and the licensee has been afforded the opportunity for a hearing and has elected on the record to forego such a hearing. The stipulation shall either contain one or more specific findings of unprofessional conduct or inability to practice, or a statement by the licensee acknowledging that evidence is sufficient to justify one or more specified findings of unprofessional conduct or inability to practice. The stipulation entered into pursuant to this subsection shall be considered formal disciplinary action for all purposes.

NEW SECTION. Sec. 5. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Adverse event" means any of the following events or occurrences:

(a) An unanticipated death or major permanent loss of function, not related to the natural course of a patient's illness or underlying condition;

(b) A patient suicide while the patient was under care in the hospital;

(c) An infant abduction or discharge to the wrong family;

(d) Sexual assault or rape of a patient or staff member while in the hospital;

(e) A hemolytic transfusion reaction involving administration of blood or blood products having major blood group incompatibilities;

(f) Surgery performed on the wrong patient or wrong body part;

(g) A failure or major malfunction of a facility system such as the heating, ventilation, fire alarm, fire sprinkler, electrical, electronic information management, or water supply which affects any patient diagnosis, treatment, or care service within the facility; or

(h) A fire which affects any patient diagnosis, treatment, or care area of the facility.

The term does not include an incident.

(2) "Ambulatory surgical facility" means any distinct entity that operates exclusively for the purpose of providing surgical services to patients not requiring hospitalization, whether or not the facility is certified under Title XVIII of the federal social security act.

(3) "Childbirth center" means a facility licensed under chapter 18.46 RCW.

(4) "Correctional medical facility" means a part or unit of a correctional facility operated by the department of corrections under chapter 72.10 RCW that provides medical services for lengths of stay in excess of twenty-four hours to offenders.

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

(6) "Health care worker" means an employee, independent contractor, licensee, or other individual who is directly involved in the delivery of health services in a medical facility.

(7) "Hospital" means a facility licensed under chapter 70.41 RCW.

(8) "Incident" means an event, occurrence, or situation involving the clinical care of a patient in a medical facility which:

(a) Results in unanticipated injury to a patient that is less severe than death or major permanent loss of function and is not related to the natural course of the patient's illness or underlying condition; or

(b) Could have injured the patient but did not either cause an unanticipated injury or require the delivery of additional health care services to the patient.

The term does not include an adverse event.

(9) "Medical facility" means an ambulatory surgical facility, childbirth center, hospital, psychiatric hospital, or correctional medical facility.

(10) "Psychiatric hospital" means a hospital facility licensed as a psychiatric hospital under chapter 71.12 RCW.

NEW SECTION. Sec. 6. (1) Each medical facility shall report to the department the occurrence of any adverse event. The report must be submitted to the department within forty-five days after occurrence of the event has been confirmed.

(2) The report shall be filed in a format specified by the department after consultation with medical facilities. It shall identify the facility but shall not include any identifying information for any of the health care professionals, facility employees, or patients involved. This provision does not modify the duty of a hospital to make a report to the department of health or a disciplinary authority if a licensed practitioner has committed unprofessional conduct as defined in RCW 18.130.180.

(3) Any medical facility or health care worker may report an incident to the department. The report shall be filed in a format specified by the department after consultation with medical facilities and shall identify the facility but shall not include any identifying information for any of the health care professionals, facility employees, or patients involved. This provision does not modify the duty of a hospital to make a report to the department of health or a disciplinary authority if a licensed practitioner has committed unprofessional conduct as defined in RCW 18.130.180.

(4) If, in the course of investigating a complaint received from an employee of a licensed medical facility, the department determines that the facility has not undertaken efforts to investigate the occurrence of an adverse event, the department shall direct the facility to undertake an investigation of the event. If a complaint related to a potential adverse event involves care provided in an ambulatory surgical facility, the department shall notify the facility and request that they undertake an investigation of the event. The protections of RCW 43.70.075 apply to complaints related to adverse events or incidents that are submitted in good faith by employees of medical facilities.

NEW SECTION. Sec. 7. The department shall:

(1) Receive reports of adverse events and incidents under section 6 of this act;

(2) Investigate adverse events;

(3) Establish a system for medical facilities and the health care workers of a medical facility to report adverse events and incidents, which shall be accessible twenty-four hours a day, seven days a week;

(4) Adopt rules as necessary to implement this act;

(5) Directly or by contract:

(a) Collect, analyze, and evaluate data regarding reports of adverse events and incidents, including the identification of performance indicators and patterns in frequency or severity at certain medical facilities or in certain regions of the state;

(b) Develop recommendations for changes in health care practices and procedures, which may be instituted for the purpose of reducing the number and severity of adverse events and incidents;

(c) Directly advise reporting medical facilities of immediate changes that can be instituted to reduce adverse events and incidents;

(d) Issue recommendations to medical facilities on a facility-specific or on a statewide basis regarding changes, trends, and improvements in health care practices and procedures for the purpose of reducing the number and severity of adverse events and incidents. Prior to issuing recommendations, consideration shall be given to the following factors: Expectation of improved quality care, implementation feasibility, other relevant implementation practices, and the cost impact to patients, payers, and medical facilities. Statewide recommendations shall be issued to medical facilities on a continuing basis and shall be published and posted on the department's publicly accessible web site. The recommendations made to medical facilities under this section shall not be considered mandatory for licensure purposes unless they are adopted by the department as rules pursuant to chapter 34.05 RCW; and

(e) Monitor implementation of reporting systems addressing adverse events or their equivalent in other states and make recommendations to the governor and the legislature as necessary for modifications to this chapter to keep the system as nearly consistent as possible with similar systems in other states;

(6) Report no later than January 1, 2007, and annually thereafter to the governor and the legislature on the department's activities under this act in the preceding year. The report shall include:

(a) The number of adverse events and incidents reported by medical facilities on a geographical basis and their outcomes;

(b) The information derived from the data collected including any recognized trends concerning patient safety; and

(c) Recommendations for statutory or regulatory changes that may help improve patient safety in the state.

The annual report shall be made available for public inspection and shall be posted on the department's web site;

(7) Conduct all activities under this section in a manner that preserves the confidentiality of documents, materials, or information made confidential by section 9 of this act.

NEW SECTION. Sec. 8. (1) Medical facilities licensed by the department shall have in place policies to assure that, when appropriate, information about unanticipated outcomes is provided to patients or their families or any surrogate decision makers identified pursuant to RCW 7.70.065. Notifications of unanticipated outcomes under this section do not constitute an acknowledgment or admission of liability, nor can the fact of notification or the content disclosed be introduced as evidence in a civil action.

(2) Beginning January 1, 2006, the department shall, during the survey of a licensed medical facility, ensure that the policy required in subsection (1) of this section is in place.

NEW SECTION. Sec. 9. When a report of an adverse event or incident under section 6 of this act is made by or through a coordinated quality improvement program under RCW 43.70.510 or 70.41.200, or by a peer review committee under RCW 4.24.250, information and documents, including complaints and incident reports, created specifically for and collected and maintained by a quality improvement committee for the purpose of preparing a report

of an adverse event or incident shall be subject to the confidentiality protections of those laws and RCW 42.17.310(1)(hh)."

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

On page 6, after line 14, insert the following:

"**NEW SECTION. Sec. 11.** Sections 5 through 9 of this act constitute a new chapter in Title 70 RCW."

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

On page 1, line 2 of the title, after "amending RCW" strike "43.70.110" and insert "5.64.010, 4.24.260, 18.130.160, 43.70.110," and on line 4, after "RCW;" insert "adding a new chapter to Title 70 RCW;"

On page 4, line 18, strike "shall" and insert "may".

There being no objection, the House refused to concur in the Senate amendment to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1291 and asked the Senate for a conference thereon.

APPOINTMENT OF CONFEREES

The Speaker (Representative Lovick presiding) appointed Representatives Cody, Bailey and Morrell as conferees on ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1291.

MESSAGE FROM THE SENATE

April 20, 2005

Mr. Speaker:

The President has signed:

ENGROSSED SENATE BILL NO. 5094,
SUBSTITUTE SENATE BILL NO. 5902,

and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 21, 2005

Mr. Speaker:

The Senate has passed SENATE CONCURRENT RESOLUTION NO. 8410, and the same is herewith transmitted.

Thomas Hoemann, Secretary

SENATE AMENDMENT TO HOUSE BILL

April 20, 2005

Mr. Speaker:

The Senate receded from its amendment to SUBSTITUTE HOUSE BILL NO. 1708. Under suspension of the rules the bill was returned to second reading for purpose

of amendment. The Senate adopted the following amendment and passed the bill as amended by the Senate:

On page 3, after line 33 of the amendment, insert the following:

"**NEW SECTION. Sec. 4.** The legislature finds that the dropout rate of the state's Native American students is the highest in the state. Approximately one-half of all Native American high school students drop out before graduating with a diploma. The legislature also finds that culturally relevant educational opportunities are important contributors to other efforts to increase the rates of high school graduation for Native American students. The legislature further finds that the higher education participation rate for Native American students is the lowest in the state, and that more can be done to encourage Native American students to pursue higher educational opportunities. The legislature intends to authorize accredited public tribal colleges to participate in the running start program for the purposes of reducing the dropout rate of Native American students and encouraging greater participation rates in higher education.

Sec. 5. RCW 28A.600.300 and 2002 c 80 s 1 are each amended to read as follows:

For the purposes of RCW 28A.600.310 through 28A.600.400, "participating institution of higher education" or "institution of higher education" means:

(1) A community or technical college as defined in RCW 28B.50.030; ~~((and))~~

(2) A public tribal college located in Washington and accredited by the northwest commission on colleges and universities or another accrediting association recognized by the United States department of education; and

(3) Central Washington University, Eastern Washington University, Washington State University, and The Evergreen State College, if the institution's governing board decides to participate in the program in RCW 28A.600.310 through 28A.600.400."

On page 4, line 2 of the title amendment, after "28A.175.010" insert "and 28A.600.300"

On page 4, line 3 of the title amendment, after "creating" strike "a new section" and insert "new sections"

and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House refused to concur in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1708 and asked the Senate to recede therefrom.

SENATE AMENDMENT TO HOUSE BILL

April 20, 2005

Mr. Speaker:

The Senate receded from its amendment to SUBSTITUTE HOUSE BILL NO. 1893. Under suspension of the rules the bill was returned to second reading for purpose of amendment. The Senate adopted the following amendment and passed the bill as amended by the Senate:

On page 1, line 20, strike "state board of education, with advice from the professional educator standards board," and insert "agency responsible for teacher certification"

On page 1, line 27, strike "state board of education" and insert "agency"

On page 2, line 30, strike "state board of education, with advice from the professional educator standards board," and insert "agency responsible for educational staff associate certification"

On page 3, beginning on line 3, strike "state board of education" and insert "agency"

On page 3, line 14, strike "state board of education" and insert "agency responsible for educational staff associate certification"

and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House refused to concur in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1893 and asked the Senate to recede therefrom.

HOUSE AMENDMENT TO SENATE BILL

April 20, 2005

Mr. Speaker:

The Senate refuses to concur in the House amendment to ENGROSSED SUBSTITUTE SENATE BILL NO. 5499 and asks the House to recede therefrom, and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House insisted on its position regarding the House's amendments to ENGROSSED SUBSTITUTE SENATE BILL NO. 5499 and asked for a conference thereon.

HOUSE AMENDMENT TO SENATE BILL

April 20, 2005

Mr. Speaker:

The Senate refuses to concur in the House amendment to ENGROSSED SUBSTITUTE SENATE BILL NO. 5743 and asks the House to recede therefrom, and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House insisted on its position regarding the House's amendments to ENGROSSED SUBSTITUTE SENATE BILL NO. 5743 and asked the Senate to concur therein.

SENATE AMENDMENT TO HOUSE BILL

April 20, 2005

Mr. Speaker:

The Senate receded from its amendment to SECOND SUBSTITUTE HOUSE BILL NO. 1188. Under suspension of the rules the bill was returned to second reading for purpose of amendment. The Senate adopted the following amendment and passed the bill as amended by the Senate:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 41.56.473 and 1999 c 217 s 3 are each amended to read as follows:

(1) In addition to the entities listed in RCW 41.56.020, this chapter applies to the ~~((Washington))~~ state ~~((patrol))~~ with respect to the officers of the Washington state patrol appointed under RCW 43.43.020 ~~((Subjects of bargaining include wage-related matters)),~~ except that the ~~((Washington))~~ state ~~((patrol))~~ is prohibited from negotiating ~~((rates of pay or wage levels and))~~ any matters relating to retirement benefits or health care benefits or other employee insurance benefits.

(2) For the purposes of negotiating wages, wage-related matters, and nonwage matters, the state shall be represented by the governor or the governor's designee who is appointed under chapter 41.80 RCW, and costs of the negotiations under this section shall be reimbursed as provided in RCW 41.80.140.

(3) The governor or the governor's designee shall consult with the chief of the Washington state patrol regarding collective bargaining.

(4) The negotiation of provisions pertaining to wages and wage-related matters in a collective bargaining agreement between the ~~((Washington))~~ state ~~((patrol))~~ and the Washington state patrol officers is subject to the following:

(a) The state's bargaining representative must periodically consult with a subcommittee of the joint committee on employment relations created in RCW 41.80.010(5) which shall consist of the four members appointed to the joint committee with leadership positions in the senate and the house of representatives, and the chairs and ranking minority members of the senate transportation committee and the house transportation committee, or their successor committees. The subcommittee must be consulted regarding the appropriations necessary to implement these provisions in a collective bargaining agreement and, on completion of negotiations, must be advised on the elements of these provisions.

(b) Provisions that are entered into before the legislature approves the funds necessary to implement the provisions must be conditioned upon the legislature's subsequent approval of the funds.

(5) The governor shall submit a request for funds necessary to implement the wage and wage-related matters in the collective bargaining agreement or for legislation necessary to implement the agreement. Requests for funds necessary to implement the provisions of bargaining agreements may not be submitted to the legislature by the governor unless such requests:

(a) Have been submitted to the director of financial management by October 1st before the legislative session at which the requests are to be considered; and

(b) Have been certified by the director of financial management as being feasible financially for the state or reflects the decision of an arbitration panel reached under RCW 41.56.475.

"**Sec. 2.** RCW 41.56.475 and 1999 c 217 s 4 are each amended to read as follows:

In addition to the classes of employees listed in RCW 41.56.030(7), the provisions of RCW 41.56.430 through 41.56.452 and 41.56.470, 41.56.480, and 41.56.490 also apply to Washington state patrol officers appointed under RCW 43.43.020 as provided in this section, subject to the following:

(1) The mediator or arbitration panel may consider only matters that are subject to bargaining under RCW 41.56.473.

(2) The decision of an arbitration panel is not binding on the legislature and, if the legislature does not approve the funds necessary to implement provisions pertaining to wages and wage-related matters of an arbitrated collective bargaining agreement, is not binding on the state or the Washington state patrol.

(3) In making its determination, the arbitration panel shall be mindful of the legislative purpose enumerated in RCW 41.56.430 and, as additional standards or guidelines to aid it in reaching a decision, shall take into consideration the following factors:

- (a) The constitutional and statutory authority of the employer;
- (b) Stipulations of the parties;

(c) Comparison of the hours and conditions of employment of personnel involved in the proceedings with the hours and conditions of employment of like personnel of like employers of similar size on the west coast of the United States;

(d) Changes in any of the foregoing circumstances during the pendency of the proceedings; and

(e) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of matters that are subject to bargaining under RCW 41.56.473."

In line 2 of the title, after "matters;" strike the remainder of the title and insert "and amending RCW 41.56.473 and 41.56.475."

and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House concurred in the Senate amendment to SECOND SUBSTITUTE HOUSE BILL NO. 1188 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Alexander and Simpson spoke in favor of the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be final passage of Second Substitute House Bill No. 1188 as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Second Substitute House Bill No. 1188, as amended by the Senate and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta,

Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SECOND SUBSTITUTE HOUSE BILL NO. 1188, as amended by the Senate having received the constitutional majority, was declared passed.

SENATE AMENDMENT TO HOUSE BILL

April 19, 2005

Mr. Speaker:

The Senate receded from its amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1539. Under suspension of the rules the bill was returned to second reading for purpose of amendment. The Senate adopted the following amendment and passed the bill as amended by the Senate:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 19.122.020 and 2000 c 191 s 15 are each amended to read as follows:

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

(1) "Business day" means any day other than Saturday, Sunday, or a legal local, state, or federal holiday.

(2) "Damage" includes the substantial weakening of structural or lateral support of an underground facility, penetration, impairment, or destruction of any underground protective coating, housing, or other protective device, or the severance, partial or complete, of any underground facility to the extent that the project owner or the affected utility owner determines that repairs are required.

(3) "Emergency" means any condition constituting a clear and present danger to life or property, or a customer service outage.

(4) "Excavation" means any operation in which earth, rock, or other material on or below the ground is moved or otherwise displaced by any means, except the tilling of soil less than twelve inches in depth for agricultural purposes, or road and ditch maintenance that does not change the original road grade or ditch flowline.

(5) "Excavation confirmation code" means a code or ticket issued by the one-number locator service for the site where an excavation is planned. The code must be accompanied by the date and time it was issued.

(6) "Excavator" means any person who engages directly in excavation.

~~((6))~~ (7) "Gas" means natural gas, flammable gas, or toxic or corrosive gas.

~~((7))~~ (8) "Hazardous liquid" means: (a) Petroleum, petroleum products, or anhydrous ammonia as those terms are defined in 49 C.F.R. Part 195 as in effect on March 1, 1998; and (b) carbon dioxide. The utilities and transportation commission may by rule incorporate by reference other substances designated as hazardous by the secretary of transportation.

~~((8))~~ (9) "Identified facility" means any underground facility which is indicated in the project plans as being located within the area of proposed excavation.

~~((9))~~ (10) "Identified but unlocatable underground facility" means an underground facility which has been identified but cannot be located with reasonable accuracy.

~~((10))~~ (11) "Locatable underground facility" means an underground facility which can be field-marked with reasonable accuracy.

~~((11))~~ (12) "Marking" means the use of stakes, paint, or other clearly identifiable materials to show the field location of underground facilities, in accordance with the current color code standard of the American public works association. Markings shall include identification letters indicating the specific type of the underground facility.

~~((12))~~ (13) "Notice" or "notify" means contact in person or by telephone or other electronic methods that results in the receipt of a valid excavation confirmation code.

(14) "One-number locator service" means a service through which a person can notify utilities and request field-marking of underground facilities.

(15) "Operator" means the individual conducting the excavation.

(16) "Person" means an individual, partnership, franchise holder, association, corporation, a state, a city, a county, or any subdivision or instrumentality of a state, and its employees, agents, or legal representatives.

~~((13))~~ (17) "Pipeline" or "pipeline system" means all or parts of a pipeline facility through which hazardous liquid or gas moves in transportation, including, but not limited to, line pipe, valves, and other appurtenances connected to line pipe, pumping units, fabricated assemblies associated with pumping units, metering and delivery stations and fabricated assemblies therein, and breakout tanks. "Pipeline" or "pipeline system" does not include process or transfer pipelines as defined in RCW 81.88.010.

~~((14))~~ (18) "Pipeline company" means a person or entity constructing, owning, or operating a pipeline for transporting hazardous liquid or gas. A pipeline company does not include: (a) Distribution systems owned and operated under franchise for the sale, delivery, or distribution of natural gas at retail; or (b) excavation contractors or other contractors that contract with a pipeline company.

~~((15))~~ (19) "Reasonable accuracy" means location within twenty-four inches of the outside dimensions of both sides of an underground facility.

~~((16))~~ (20) "Transmission pipeline" means a pipeline that transports hazardous liquid or gas within a storage field, or transports hazardous liquid or gas from an interstate pipeline or storage facility to a distribution main or a large volume hazardous liquid or gas user, or operates at a hoop stress of twenty percent or more of the specified minimum yield strength.

(21) "Underground facility" means any item buried or placed below ground for use in connection with the storage or conveyance of water, sewage, electronic, telephonic or telegraphic communications, cablevision, electric energy, petroleum products,

gas, gaseous vapors, hazardous liquids, or other substances and including but not limited to pipes, sewers, conduits, cables, valves, lines, wires, manholes, attachments, and those parts of poles or anchors below ground. This definition does not include pipelines as defined in subsection ~~((13))~~ (17) of this section, but does include distribution systems owned and operated under franchise for the sale, delivery, or distribution of natural gas at retail.

~~((17) "One-number locator service" means a service through which a person can notify utilities and request field-marking of underground facilities.)~~

Sec. 2. RCW 19.122.027 and 2000 c 191 s 16 are each amended to read as follows:

(1) ~~(By December 31, 2000,)~~ The utilities and transportation commission shall cause to be established a single statewide toll-free telephone number to be used for referring excavators to the appropriate one-number locator service.

(2) The utilities and transportation commission, in consultation with the Washington utilities coordinating council, shall establish minimum standards and best management practices for one-number locator services ~~((consistent with the recommendations of the governor's fuel accident prevention and response team issued in December 1999. By December 31, 2000, the commission shall provide its recommendations to the appropriate standing committees of the house of representatives and the senate)).~~

(3) One-number locator services shall be operated by nongovernmental agencies.

Sec. 3. RCW 19.122.055 and 2001 c 238 s 5 are each amended to read as follows:

(1)(a) Any ~~(person)~~ excavator who fails to notify the one-number locator service and causes damage to a hazardous liquid or gas pipeline is subject to a civil penalty of not more than ten thousand dollars for each violation.

(b) The civil penalty in this subsection may also be imposed on any excavator who violates section 5 of this act.

(2) All civil penalties recovered under this section shall be deposited into the pipeline safety account created in RCW 81.88.050.

Sec. 4. RCW 19.122.070 and 1984 c 144 s 7 are each amended to read as follows:

(1) Any person who violates any provision of this chapter not amounting to a violation of RCW 19.122.055, and which violation results in damage to underground facilities, is subject to a civil penalty of not more than one thousand dollars for each violation. All penalties recovered in such actions shall be deposited in the general fund.

(2) Any excavator who willfully or maliciously damages a field-marked underground facility shall be liable for treble the costs incurred in repairing or relocating the facility. In those cases in which an excavator fails to notify known underground facility owners or the one-number locator service, any damage to the underground facility shall be deemed willful and malicious and shall be subject to treble damages for costs incurred in repairing or relocating the facility.

(3) This chapter does not affect any civil remedies for personal injury or for property damage, including that to underground facilities, nor does this chapter create any new civil remedies for such damage.

NEW SECTION. **Sec. 5.** A new section is added to chapter 19.122 RCW to read as follows:

Any excavator who excavates, without a valid excavation confirmation code when required under this chapter, within thirty-five feet of a transmission pipeline is guilty of a misdemeanor.

NEW SECTION. Sec. 6. A new section is added to chapter 19.122 RCW to read as follows:

If charged with a violation of section 5 of this act, an operator will be deemed to have established an affirmative defense to such charges if:

- (1) The operator was provided a valid excavation confirmation code;
- (2) The excavation was performed in an emergency situation;
- (3) The operator was provided a false confirmation code by an identifiable third party; or
- (4) Notice of the excavation was not required under this chapter.

NEW SECTION. Sec. 7. A new section is added to chapter 19.122 RCW to read as follows:

Any person who intentionally provides an operator with a false excavation confirmation code is guilty of a misdemeanor.

NEW SECTION. Sec. 8. A new section is added to chapter 19.122 RCW to read as follows:

Upon receipt, during normal business hours, of notice of an intended excavation, the one-number locator service shall provide an excavation confirmation code."

On page 1, line 2 of the title, after "pipeline;" strike the remainder of the title and insert "amending RCW 19.122.020, 19.122.027, 19.122.055, and 19.122.070; adding new sections to chapter 19.122 RCW; and prescribing penalties."

and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House concurred in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1539 and advanced the bill as amended by the Senate to final passage.

**FINAL PASSAGE OF HOUSE BILL
AS SENATE AMENDED**

Representatives Morris and Crouse spoke in favor the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be final passage of Engrossed Substitute House Bill No. 1539 as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1539, as amended by the Senate and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta,

Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1539, as amended by the Senate having received the constitutional majority, was declared passed.

SENATE AMENDMENTS TO HOUSE BILL

April 19, 2005

Mr. Speaker:

The Senate insists on its position on ENGROSSED SUBSTITUTE HOUSE BILL NO. 1062 and asks the House to concur, and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House concurred in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1062 and advanced the bill as amended by the Senate to final passage.

**FINAL PASSAGE OF HOUSE BILL
AS SENATE AMENDED**

Representatives Morris and Crouse spoke in favor the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be final passage of Engrossed Substitute House Bill No. 1062 as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1062, as amended by the Senate and the bill passed the House by the following vote: Yeas - 85, Nays - 13, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Bailey, Blake, Buck, Campbell, Chase, Clements, Clibborn, Cody, Conway, Cox, Crouse, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia,

Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 85.

Voting nay: Representatives Armstrong, Buri, Chandler, Condotta, Curtis, Dunn, Hinkle, Kretz, Newhouse, Nixon, Orcutt, Serben and Sump - 13.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1062, as amended by the Senate having received the constitutional majority, was declared passed.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5539, By Senate Committee on Ways & Means (originally sponsored by Senators Jacobsen, Oke, Rasmussen, Doumit, Schmidt, Benson, Kastama, Shin, Pridemore, Franklin and Roach)

Establishing the veterans conservation corps.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representative Buck spoke against the passage of the bill.

There being no objection, the House deferred action on SUBSTITUTE SENATE BILL NO. 5539, and the bill held its place on the Third Reading calendar.

APPOINTMENT OF CONFEREES

The Speaker (Representative Lovick presiding) appointed Representatives Bailey, Cody and Morrell as conferees on ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1291.

APPOINTMENT OF CONFEREES

The Speaker (Representative Lovick presiding) appointed Representatives Haigh, Hunt and Nixon as conferees on ENGROSSED SUBSTITUTE SENATE BILL NO. 5499.

APPOINTMENT OF CONFEREES

The Speaker (Representative Lovick presiding) appointed Representatives Haigh, Hunt and Nixon as conferees on ENGROSSED SUBSTITUTE SENATE BILL NO. 5743.

SENATE AMENDMENT TO HOUSE BILL

April 21, 2005

Mr. Speaker:

The Senate refuses to concur in the House amendment to ENGROSSED SUBSTITUTE SENATE BILL NO. 6094 and asks the House for a conference thereon. The President has appointed the following members as Conferees: Senators Fraser, Regala and Hewitt, and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House grants the Senate request for a conference on ENGROSSED SUBSTITUTE SENATE BILL NO. 6094. The Speaker (Representative Lovick presiding) appointed Representatives Dunshee, Ormsby and Jarrett as conferees.

There being no objection, the House reverted to the fifth order of business.

REPORTS OF STANDING COMMITTEES

April 21, 2005

HB 2221 Prime Sponsor, Representative Takko: Modifying the excise taxation of fruit and vegetable processing and storage. Reported by Committee on Finance

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives McIntire, Chairman; Hunter, Vice Chairman; Orcutt, Ranking Minority Member; Roach, Assistant Ranking Minority Member; Ahern; Conway; Ericksen; Hasegawa and Santos.

April 21, 2005

HB 2314 Prime Sponsor, Representative McIntire: Relating to revenue and taxation. Reported by Committee on Finance

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives McIntire, Chairman; Hunter, Vice Chairman; Conway; Hasegawa and Santos.

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

April 21, 2005

ESB 6096 Prime Sponsor, Senator Poulsen: Generating revenues to fund Initiative No. 728. (REVISED FOR ENGROSSED: Generating revenue to fund education.) Reported by Committee on Finance

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

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

There being no objection, the bills listed on the day's committee reports sheet under the fifth order of business were placed on the Second Reading calendar.

SENATE AMENDMENT TO HOUSE BILL

April 21, 2005

Mr. Speaker:

The Senate insists on its position on the Senate amendments to ENGROSSED SUBSTITUTE SENATE BILL NO. 5499 and asks the House for a Conference thereon. The President has appointed the following members as Conferees: Senators Kastama, Berkey and Roach.

SENATE AMENDMENT TO HOUSE BILL

April 21, 2005

Mr. Speaker:

The Senate insists on its position on the Senate amendments to ENGROSSED SUBSTITUTE SENATE BILL NO. 5743 and asks the House for a Conference thereon. The President has appointed the following members as Conferees: Senators Kastama, Berkey and Roach.

SENATE AMENDMENT TO HOUSE BILL

April 21, 2005

Mr. Speaker:

The Senate insists on its position on the Senate amendments to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1903 and asks the House for a Conference thereon. The President has appointed the following members as Conferees: Senators Brown, Fraser and Pflug.

HOUSE AMENDMENT TO SENATE BILL

April 21, 2005

Mr. Speaker:

The Senate insists on its position on the Senate amendments to SECOND SUBSTITUTE SENATE BILL NO. 5370 and asks the House for a Conference thereon. The President has appointed the following members as Conferees: Senators Brown, Shin and Pflug.

SENATE AMENDMENT TO HOUSE BILL

April 21, 2005

Mr. Speaker:

The Senate receded from its amendment to HOUSE BILL NO. 1008 and passed the bill without said amendment, and the same is herewith transmitted.

Thomas Hoemann, Secretary

MESSAGE FROM THE SENATE

April 21, 2005

Mr. Speaker:

The President has signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5034,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6050,
SENATE BILL NO. 6097,

and the same is herewith transmitted.

Thomas Hoemann, Secretary

SENATE AMENDMENT TO HOUSE BILL

April 21, 2005

Mr. Speaker:

The Senate receded from its amendment to SUBSTITUTE HOUSE BILL NO. 1058. Under suspension of the rules the bill was returned to second reading for purpose of amendment. The Senate adopted the following amendment and passed the bill as amended by the Senate:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that, despite explicit statements in statute that the consent of a minor child is not required for a parent-initiated admission to inpatient or outpatient mental health treatment, treatment providers consistently refuse to accept a minor aged thirteen or over if the minor does not also consent to treatment. The legislature intends that the parent-initiated treatment provisions, with their accompanying due process provisions for the minor, be made fully available to parents.

Sec. 2. RCW 71.34.042 and 1998 c 296 s 14 are each amended to read as follows:

(1) A minor thirteen years or older may admit himself or herself to an evaluation and treatment facility for inpatient mental treatment, without parental consent. The admission shall occur only if the professional person in charge of the facility concurs with the need for inpatient treatment. Parental authorization is required for inpatient treatment of a minor under the age of thirteen.

(2) When, in the judgment of the professional person in charge of an evaluation and treatment facility, there is reason to believe that a minor is in need of inpatient treatment because of a mental disorder, and the facility provides the type of evaluation and treatment needed by the minor, and it is not feasible to treat the minor in any less restrictive setting or the minor's home, the minor may be admitted to an evaluation and treatment facility.

(3) Written renewal of voluntary consent must be obtained from the applicant no less than once every twelve months. The minor's need for continued inpatient treatments shall be reviewed and documented no less than every one hundred eighty days.

NEW SECTION. Sec. 3. A new section is added to chapter 71.34 RCW to read as follows:

A minor child shall have no cause of action against an evaluation and treatment facility, inpatient facility, or provider of outpatient mental health treatment for admitting or accepting the minor in good faith for evaluation or treatment under RCW 71.34.052 or 71.34.054 based solely upon the fact that the minor did not consent to evaluation or treatment if the minor's parent has consented to the evaluation or treatment.

Sec. 4. RCW 71.34.052 and 1998 c 296 s 17 are each amended to read as follows:

(1) A parent may bring, or authorize the bringing of, his or her minor child to an evaluation and treatment facility or an inpatient facility licensed under chapter 70.41, 71.12, or 72.23 RCW and request that the professional person as defined in RCW 71.05.020(24) examine the minor to determine whether the minor has a mental disorder and is in need of inpatient treatment.

(2) The consent of the minor is not required for admission, evaluation, and treatment if the parent brings the minor to the facility.

(3) An appropriately trained professional person may evaluate whether the minor has a mental disorder. The evaluation shall be completed within twenty-four hours of the time the minor was brought to the facility, unless the professional person determines that the condition of the minor necessitates additional time for evaluation. In no event shall a minor be held longer than seventy-two hours for evaluation. If, in the judgment of the professional person, it is determined it is a medical necessity for the minor to receive inpatient treatment, the minor may be held for treatment. The facility shall limit treatment to that which the professional person determines is medically necessary to stabilize the minor's condition until the evaluation has been completed. Within twenty-four hours of completion of the evaluation, the professional person shall notify the department if the child is held for treatment and of the date of admission.

(4) No provider is obligated to provide treatment to a minor under the provisions of this section except that no provider may refuse to treat a minor under the provisions of this section solely on the basis that the minor has not consented to the treatment. No provider may admit a minor to treatment under this section unless it is medically necessary.

(5) No minor receiving inpatient treatment under this section may be discharged from the facility based solely on his or her request.

(6) Prior to the review conducted under RCW 71.34.025, the professional person shall notify the minor of his or her right to petition superior court for release from the facility.

(7) For the purposes of this section "professional person" (~~does not include a social worker, unless the social worker is certified under RCW 18.19.110 and appropriately trained and qualified by education and experience, as defined by the department, in psychiatric social work~~) means "professional person" as defined in RCW 71.05.020.

Sec. 5. RCW 71.34.270 and 1985 c 354 s 27 are each amended to read as follows:

No public or private agency or governmental entity, nor officer of a public or private agency, nor the superintendent, or professional person in charge, his or her professional designee or attending staff of any such agency, nor any public official performing functions necessary to the administration of this chapter, nor peace officer responsible for detaining a person under this chapter, nor any county designated mental health professional, nor professional person, nor evaluation and treatment facility, shall be civilly or criminally liable

for performing (~~his or her duties under~~) actions authorized in this chapter with regard to the decision of whether to admit, release, or detain a person for evaluation and treatment: PROVIDED, That such duties were performed in good faith and without gross negligence.

NEW SECTION. Sec. 6. (1) The code reviser shall recodify, as necessary, the following sections of chapter 71.34 RCW in the following order, using the indicated subchapter headings:

General

71.34.010

71.34.020

71.34.140

71.34.032

71.34.250

71.34.280

71.34.260

71.34.240

71.34.230

71.34.210

71.34.200

71.34.225

71.34.220

71.34.160

71.34.190

71.34.170

71.34.290

71.34.056

71.34.800

71.34.805

71.34.810

71.34.015

71.34.027

71.34.130

71.34.270

Minor-Initiated Treatment

71.34.042

71.34.044

71.34.046

71.34.030

Parent-Initiated Treatment

71.34.052

71.34.025

71.34.162

71.34.164

71.34.035

71.34.054

Involuntary Commitment

71.34.040

71.34.050

71.34.060

71.34.070

71.34.080

71.34.090

71.34.100

71.34.120

71.34.110

71.34.150

71.34.180

Technical

71.34.900

71.34.901

(2) The code reviser shall correct all statutory references to sections recodified by this section.

NEW SECTION. Sec. 7. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

On page 1, line 1 of the title, after "minors;" strike the remainder of the title and insert "amending RCW 71.34.042, 71.34.052, and 71.34.270; adding new sections to chapter 71.34 RCW; creating a new section; and recodifying RCW 71.34.010, 71.34.020, 71.34.140, 71.34.032, 71.34.250, 71.34.280, 71.34.260, 71.34.240, 71.34.230, 71.34.210, 71.34.200, 71.34.225, 71.34.220, 71.34.160, 71.34.190, 71.34.170, 71.34.290, 71.34.056, 71.34.800, 71.34.805, 71.34.810, 71.34.015, 71.34.027, 71.34.130, 71.34.270, 71.34.042, 71.34.044, 71.34.046, 71.34.030, 71.34.052, 71.34.025, 71.34.162, 71.34.164, 71.34.035, 71.34.054, 71.34.040, 71.34.050, 71.34.060, 71.34.070, 71.34.080, 71.34.090, 71.34.100, 71.34.120, 71.34.110, 71.34.150, 71.34.180, 71.34.900, and 71.34.901."

and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 1058 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Dickerson and McDonald spoke in favor of the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be final passage of Substitute House Bill No. 1058 as amended by the Senate.

MOTION

On motion of Representative Santos, Representative Morris was excused.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1058, as amended by the Senate and the bill passed the House by the following vote: Yeas - 97, Nays - 0, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz,

Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 97.

Excused: Representative Morris - 1.

SUBSTITUTE HOUSE BILL NO. 1058, as amended by the Senate having received the constitutional majority, was declared passed.

SENATE AMENDMENT TO HOUSE BILL

April 21, 2005

Mr. Speaker:

The Senate receded from its amendment to ENGROSSED HOUSE BILL NO. 1187. Under suspension of the rules the bill was returned to second reading for purpose of amendment. The Senate adopted the following amendment and passed the bill as amended by the Senate:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that emerging research on brain development indicates that adolescent brains, and thus adolescent intellectual and emotional capabilities, differ significantly from those of mature adults. It is appropriate to take these differences into consideration when sentencing juveniles tried as adults. The legislature further finds that applying mandatory minimum sentences for juveniles tried as adults prevents trial court judges from taking these differences into consideration in appropriate circumstances.

(2) The legislature intends to eliminate the application of mandatory minimum sentences under RCW 9.94A.540 to juveniles tried as adults, and to continue to apply all other adult sentencing provisions to juveniles tried as adults.

Sec. 2. RCW 9.94A.540 and 2001 2nd sp.s. c 12 s 315 are each amended to read as follows:

(1) Except to the extent provided in subsection (3) of this section, the following minimum terms of total confinement are mandatory and shall not be varied or modified under RCW 9.94A.535:

(a) An offender convicted of the crime of murder in the first degree shall be sentenced to a term of total confinement not less than twenty years.

(b) An offender convicted of the crime of assault in the first degree or assault of a child in the first degree where the offender used force or means likely to result in death or intended to kill the victim shall be sentenced to a term of total confinement not less than five years.

(c) An offender convicted of the crime of rape in the first degree shall be sentenced to a term of total confinement not less than five years.

(d) An offender convicted of the crime of sexually violent predator escape shall be sentenced to a minimum term of total confinement not less than sixty months.

(2) During such minimum terms of total confinement, no offender subject to the provisions of this section is eligible for community custody, earned release time, furlough, home detention, partial confinement, work crew, work release, or any other form of early release authorized under RCW 9.94A.728, or any other form of authorized leave of absence from the correctional facility while not in the direct custody of a corrections officer. The provisions of this subsection shall not apply: (a) In the case of an offender in need of emergency medical treatment; (b) for the purpose of commitment to an inpatient treatment facility in the case of an offender convicted of the crime of rape in the first degree; or (c) for an extraordinary medical placement when authorized under RCW 9.94A.728(4).

(3)(a) Subsection (1) of this section shall not be applied in sentencing of juveniles tried as adults pursuant to RCW 13.04.030(1)(e)(i).

(b) This subsection (3) applies only to crimes committed on or after the effective date of this act."

On page 1, line 2 of the title, after "adults;" strike the remainder of the title and insert "amending RCW 9.94A.540; and creating a new section."

and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House concurred in the Senate amendment to ENGROSSED HOUSE BILL NO. 1187 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Dickerson and McDonald spoke in favor of the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be final passage of Engrossed House Bill No. 1187 as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 1187, as amended by the Senate and the bill passed the House by the following vote: Yeas - 97, Nays - 0, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald,

McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 97.

Excused: Representative Morris - 1.

ENGROSSED HOUSE BILL NO. 1187, as amended by the Senate having received the constitutional majority, was declared passed.

SENATE AMENDMENT TO HOUSE BILL

April 21, 2005

Mr. Speaker:

The Senate receded from its amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1635. Under suspension of the rules the bill was returned to second reading for purpose of amendment. The Senate adopted the following amendment and passed the bill as amended by the Senate:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that ambulance and emergency medical services are essential services and the availability of these services is vital to preserving and promoting the health, safety, and welfare of people in local communities throughout the state. All persons, businesses, and industries benefit from the availability of ambulance and emergency medical services, and survival rates can be increased when these services are available, adequately funded, and appropriately regulated. It is the legislature's intent to explicitly recognize local jurisdictions' ability and authority to collect utility service charges to fund ambulance and emergency medical service systems that are based, at least in some part, upon a charge for the availability of these services.

Sec. 2. RCW 35.21.766 and 2004 c 129 s 34 are each amended to read as follows:

(1) Whenever a regional fire protection service authority ((or the legislative authority of any city or town)) determines that the fire protection jurisdictions that are members of the authority ((or the city or town or a substantial portion of the city or town is)) are not adequately served by existing private ambulance service, the governing board of the authority may by resolution ((or the legislative authority of the city or town may by appropriate legislation)) provide for the establishment of a system of ambulance service to be operated by the authority as a public utility ((of the city or town, or)) operated by contract after a call for bids.

(2) The legislative authority of any city or town may establish an ambulance service to be operated as a public utility. However, the legislative authority of the city or town shall not provide for the establishment of an ambulance service utility that would compete with any existing private ambulance service, unless the legislative authority of the city or town determines that the city or town, or a substantial portion of the city or town, is not adequately served by an

existing private ambulance service. In determining the adequacy of an existing private ambulance service, the legislative authority of the city or town shall take into consideration objective generally accepted medical standards and reasonable levels of service which shall be published by the city or town legislative authority. The decision of the city council or legislative body shall be a discretionary, legislative act. When it is preliminarily concluded that the private ambulance service is inadequate, before issuing a call for bids or before the city or town establishes an ambulance service utility, the legislative authority of the city or town shall allow a minimum of sixty days for the private ambulance service to meet the generally accepted medical standards and reasonable levels of service. In the event of a second preliminary conclusion of inadequacy within a twenty-four month period, the legislative authority of the city or town may immediately issue a call for bids or establish an ambulance service utility and is not required to afford the private ambulance service another sixty-day period to meet the generally accepted medical standards and reasonable levels of service. Nothing in this act is intended to supersede requirements and standards adopted by the department of health. A private ambulance service which is not licensed by the department of health or whose license is denied, suspended, or revoked shall not be entitled to a sixty-day period within which to demonstrate adequacy and the legislative authority may immediately issue a call for bids or establish an ambulance service utility.

(3) The city or town legislative authority is authorized to set and collect rates and charges in an amount sufficient to regulate, operate, and maintain an ambulance utility. Prior to setting such rates and charges, the legislative authority must determine, through a cost-of-service study, the total cost necessary to regulate, operate, and maintain the ambulance utility. Total costs shall not include capital cost for the construction, major renovation, or major repair of the physical plant. Once the legislative authority determines the total costs, the legislative authority shall then identify that portion of the total costs that are attributable to the availability of the ambulance service and that portion of the total costs that are attributable to the demand placed on the ambulance utility.

(a) Availability costs are those costs attributable to the basic infrastructure needed to respond to a single call for service within the utility's response criteria. Availability costs may include costs for dispatch, labor, training of personnel, equipment, patient care supplies, and maintenance of equipment.

(b) Demand costs are those costs that are attributable to the burden placed on the ambulance service by individual calls for ambulance service. Demand costs shall include costs related to frequency of calls, distances from hospitals, and other factors identified in the cost-of-service study conducted to assess burdens imposed on the ambulance utility.

(4) A city or town legislative authority is authorized to set and collect rates and charges as follows:

(a) The rate attributable to costs for availability described under subsection (3)(a) of this section shall be uniformly applied across user classifications within the utility;

(b) The rate attributable to costs for demand described under subsection (3)(b) of this section shall be established and billed to each utility user classification based on each user classification's burden on the utility;

(c) The fee charged by the utility shall reflect a combination of the availability cost and the demand cost;

(d)(i) Except as provided in (d)(ii) of this subsection, the combined rates charged shall reflect an exemption for persons who are medicaid eligible and who reside in a nursing facility, boarding home, adult family home, or receive in-home services. The combined

rates charged may reflect an exemption or reduction for designated classes consistent with Article VIII, section 7 of the state Constitution. The amounts of exemption or reduction shall be a general expense of the utility, and designated as an availability cost, to be spread uniformly across the utility user classifications.

(ii) For cities with a population less than two thousand five hundred that established an ambulance utility before May 6, 2004, the combined rates charged may reflect an exemption or reduction for persons who are medicaid eligible, and for designated classes consistent with Article VIII, section 7 of the state Constitution;

(e) The legislative authority must continue to allocate at least seventy percent of the total amount of general fund revenues expended, as of May 5, 2004, toward the total costs necessary to regulate, operate, and maintain the ambulance service utility. However, cities or towns that operated an ambulance service before May 6, 2004, and commingled general fund dollars and ambulance service dollars, may reasonably estimate that portion of general fund dollars that were, as of May 5, 2004, applied toward the operation of the ambulance service, and at least seventy percent of such estimated amount must then continue to be applied toward the total cost necessary to regulate, operate, and maintain the ambulance utility. Cities and towns which first established an ambulance service utility after May 6, 2004, must allocate, from the general fund or emergency medical service levy funds, or a combination of both, at least an amount equal to seventy percent of the total costs necessary to regulate, operate, and maintain the ambulance service utility as of May 5, 2004, or the date that the utility is established;

(f) The legislative authority must allocate available emergency medical service levy funds, in an amount proportionate to the percentage of the ambulance service costs to the total combined operating costs for emergency medical services and ambulance services, towards the total costs necessary to regulate, operate, and maintain the ambulance utility;

(g) The legislative authority must allocate all revenues received through direct billing to the individual user of the ambulance service to the demand-related costs under subsection (3)(b) of this section;

(h) The total revenue generated by the rates and charges shall not exceed the total costs necessary to regulate, operate, and maintain an ambulance utility; and

(i) Revenues generated by the rates and charges must be deposited in a separate fund or funds and be used only for the purpose of paying for the cost of regulating, maintaining, and operating the ambulance utility.

(5) Ambulance service rates charged pursuant to this section do not constitute taxes or charges under RCW 82.02.050 through 82.02.090, or RCW 35.21.768, or charges otherwise prohibited by law.

NEW SECTION. Sec. 3. The joint legislative audit and review committee shall study and review ambulance utilities established and operated by cities under this act. The committee shall examine, but not be limited to, the following factors: The number and operational status of utilities established under this act; whether the utility rate structures and user classifications used by cities were established in accordance with generally accepted utility rate-making practices; and rates charged by the utility to the user classifications. The committee shall provide a final report on this review by December 2007."

On page 1, line 1 of the title, after "funding;" strike the remainder of the title and insert "amending RCW 35.21.766; and creating new sections."

and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House concurred in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1635 and advanced the bill as amended by the Senate to final passage.

**FINAL PASSAGE OF HOUSE BILL
AS SENATE AMENDED**

Representatives Simpson, Haler, Schindler and Kessler spoke in favor the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be final passage of Engrossed Substitute House Bill No. 1635 as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1635, as amended by the Senate and the bill passed the House by the following vote: Yeas - 95, Nays - 2, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 95.

Voting nay: Representatives Hinkle and Nixon - 2.

Excused: Representative Morris - 1.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1635, as amended by the Senate having received the constitutional majority, was declared passed.

SENATE AMENDMENT TO HOUSE BILL

April 21, 2005

Mr. Speaker:

The Senate receded from its amendment to SECOND SUBSTITUTE HOUSE BILL NO. 1758. Under suspension of the rules the bill was returned to second reading for purpose of amendment. The Senate adopted the following amendment and passed the bill as amended by the Senate:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 42.17.270 and 1987 c 403 s 4 are each amended to read as follows:

Public records shall be available for inspection and copying, and agencies shall, upon request for identifiable public records, make them promptly available to any person including, if applicable, on a partial or installment basis as records that are part of a larger set of requested records are assembled or made ready for inspection or disclosure. Agencies shall not deny a request for identifiable public records solely on the basis that the request is overbroad. Agencies shall not distinguish among persons requesting records, and such persons shall not be required to provide information as to the purpose for the request except to establish whether inspection and copying would violate RCW 42.17.260(~~(5)~~) (9) or other statute which exempts or prohibits disclosure of specific information or records to certain persons. Agency facilities shall be made available to any person for the copying of public records except when and to the extent that this would unreasonably disrupt the operations of the agency. Agencies shall honor requests received by mail for identifiable public records unless exempted by provisions of this chapter.

Sec. 2. RCW 42.17.300 and 1995 c 397 s 14 and 1995 c 341 s 2 are each reenacted and amended to read as follows:

No fee shall be charged for the inspection of public records. No fee shall be charged for locating public documents and making them available for copying. A reasonable charge may be imposed for providing copies of public records and for the use by any person of agency equipment or equipment of the office of the secretary of the senate or the office of the chief clerk of the house of representatives to copy public records, which charges shall not exceed the amount necessary to reimburse the agency, the office of the secretary of the senate, or the office of the chief clerk of the house of representatives for its actual costs directly incident to such copying. Agency charges for photocopies shall be imposed in accordance with the actual per page cost or other costs established and published by the agency. In no event may an agency charge a per page cost greater than the actual per page cost as established and published by the agency. To the extent the agency has not determined the actual per page cost for photocopies of public records, the agency may not charge in excess of fifteen cents per page. An agency may require a deposit in an amount not to exceed ten percent of the estimated cost of providing copies for a request. If an agency makes a request available on a partial or installment basis, the agency may charge for each part of the request as it is provided. If an installment of a records request is not claimed or reviewed, the agency is not obligated to fulfill the balance of the request.

NEW SECTION. Sec. 3. A new section is added to chapter 42.17 RCW to read as follows:

(1) Each state and local agency shall appoint and publicly identify a public records officer whose responsibility is to serve as a point of contact for members of the public in requesting disclosure of public records and to oversee the agency's compliance with the public records disclosure requirements of this chapter. A state or local agency's public records officer may appoint an employee or official of another agency as its public records officer.

(2) For state agencies, the name and contact information of the agency's public records officer to whom members of the public may direct requests for disclosure of public records and who will oversee

the agency's compliance with the public records disclosure requirements of this chapter shall be published in the state register at the time of designation and annually every year thereafter.

(3) For local agencies, the name and contact information of the agency's public records officer to whom members of the public may direct requests for disclosure of public records and who will oversee the agency's compliance within the public records disclosure requirements of this chapter shall be made in a way reasonably calculated to provide notice to the public, including posting at the local agency's place of business, posting on its internet site, or including in its publications.

Sec. 4. RCW 42.17.348 and 1992 c 139 s 9 are each amended to read as follows:

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

(2) The attorney general, by February 1, 2006, shall adopt by rule an advisory model rule for state and local agencies, as defined in RCW 42.17.020, addressing the following subjects:

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

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

Sec. 5. RCW 42.17.340 and 1992 c 139 s 8 are each amended to read as follows:

(1) Upon the motion of any person having been denied an opportunity to inspect or copy a public record by an agency, the superior court in the county in which a record is maintained may require the responsible agency to show cause why it has refused to allow inspection or copying of a specific public record or class of records. The burden of proof shall be on the agency to establish that refusal to permit public inspection and copying is in accordance with a statute that exempts or prohibits disclosure in whole or in part of specific information or records.

(2) Upon the motion of any person who believes that an agency has not made a reasonable estimate of the time that the agency requires to respond to a public record request, the superior court in the county in which a record is maintained may require the responsible agency to show that the estimate it provided is reasonable. The burden of proof shall be on the agency to show that the estimate it provided is reasonable.

(3) Judicial review of all agency actions taken or challenged under RCW 42.17.250 through 42.17.320 shall be de novo. Courts shall take into account the policy of this chapter that free and open examination of public records is in the public interest, even though such examination may cause inconvenience or embarrassment to public officials or others. Courts may examine any record in camera in any proceeding brought under this section. The court may conduct a hearing based solely on affidavits.

(4) Any person who prevails against an agency in any action in the courts seeking the right to inspect or copy any public record or the right to receive a response to a public record request within a reasonable amount of time shall be awarded all costs, including reasonable attorney fees, incurred in connection with such legal action. In addition, it shall be within the discretion of the court to award such person an amount not less than five dollars and not to

exceed one hundred dollars for each day that he or she was denied the right to inspect or copy said public record.

(5) For actions under this section against counties, the venue provisions of RCW 36.01.050 apply.

(6) Actions under this section must be filed within one year of the agency's claim of exemption or the last production of a record on a partial or installment basis."

On page 1, line 1 of the title, after "disclosure;" strike the remainder of the title and insert "amending RCW 42.17.270, 42.17.348, and 42.17.340; reenacting and amending RCW 42.17.300; and adding a new section to chapter 42.17 RCW."

and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House concurred in the Senate amendment to SECOND SUBSTITUTE HOUSE BILL NO. 1758 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Kessler and Nixon spoke in favor the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be final passage of Second Substitute House Bill No. 1758 as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Second Substitute House Bill No. 1758, as amended by the Senate and the bill passed the House by the following vote: Yeas - 97, Nays - 0, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods, and Mr. Speaker - 97.

Excused: Representative Morris - 1.

SECOND SUBSTITUTE HOUSE BILL NO. 1758, as amended by the Senate having received the constitutional majority, was declared passed.

HOUSE AMENDMENT TO SENATE BILL

April 21, 2005

Mr. Speaker:

The Senate refuses to concur in the House amendment to ENGROSSED SUBSTITUTE SENATE BILL NO. 5922 and asks the House to recede therefrom, and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the rules were suspended and ENGROSSED SUBSTITUTE SENATE BILL NO. 5922 was returned to second reading for purpose of amendment.

There being no objection, the House advanced to the sixth order of business.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5922, By Senate Committee on Human Services & Corrections (originally sponsored by Senators Stevens, Hargrove, Roach, Schmidt, Zarelli, Carrell and Finkbeiner)

Changing procedures for investigations of child abuse or neglect.

Representative Dickerson moved the adoption of amendment (591):

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 26.44.100 and 1998 c 314 s 8 are each amended to read as follows:

(1) The legislature finds parents and children often are not aware of their due process rights when agencies are investigating allegations of child abuse and neglect. The legislature reaffirms that all citizens, including parents, shall be afforded due process, that protection of children remains the priority of the legislature, and that this protection includes protecting the family unit from unnecessary disruption. To facilitate this goal, the legislature wishes to ensure that parents and children be advised in writing and orally, if feasible, of their basic rights and other specific information as set forth in this chapter, provided that nothing contained in this chapter shall cause any delay in protective custody action.

(2) The department shall notify the ~~((alleged perpetrator of the))~~ parent, guardian, or legal custodian of a child of any allegations of child abuse ~~((and))~~ or neglect ~~((at the earliest possible point in the investigation that will not jeopardize the safety and protection of the child or the investigation process))~~ made against such person at the initial point of contact with such person, in a manner consistent with the laws maintaining the confidentiality of the persons making the

complaints or allegations. Investigations of child abuse and neglect should be conducted in a manner that will not jeopardize the safety or protection of the child or the integrity of the investigation process.

Whenever the department completes an investigation of a child abuse or neglect report under chapter 26.44 RCW, the department shall notify the ~~((alleged perpetrator))~~ subject of the report ~~((and))~~ of the department's investigative findings. The notice shall also advise the ~~((alleged perpetrator))~~ subject of the report that:

(a) A written response to the report may be provided to the department and that such response will be filed in the record following receipt by the department;

(b) Information in the department's record may be considered in subsequent investigations or proceedings related to child protection or child custody;

(c) Founded reports of child abuse and neglect may be considered in determining whether the person is disqualified from being licensed to provide child care, employed by a licensed child care agency, or authorized by the department to care for children; and

(d) ~~((An alleged perpetrator))~~ A subject named in a founded report of child abuse or neglect has the right to seek review of the finding as provided in this chapter.

(3) The notification required by this section shall be made by certified mail, return receipt requested, to the person's last known address.

(4) The duty of notification created by this section is subject to the ability of the department to ascertain the location of the person to be notified. The department shall exercise reasonable, good-faith efforts to ascertain the location of persons entitled to notification under this section.

(5) The department shall provide training to all department personnel who conduct investigations under this section that shall include, but is not limited to, training regarding the legal duties of the department from the initial time of contact during investigation through treatment in order to protect children and families.

NEW SECTION. Sec. 2. The legislature finds that whenever possible, children should remain in the home of their parents. It is only when the safety of the child is in jeopardy that the child should be removed from the home.

It is the intent of the legislature that the department of social and health services be permitted to intervene in cases of chronic neglect where the health, welfare, or safety of the child is at risk. One incident of neglect may not rise to the level requiring state intervention; however, a pattern of neglect has been shown to cause damage to the health and well-being of the child subject to the neglect.

It is the intent of the legislature that, when chronic neglect has been found to exist in a family, the legal system reinforce the need for the parent's early engagement in services that will decrease the likelihood of future neglect. However, if the parents fail to comply with the offered necessary and available services, the state has the authority to intervene to protect the children who are at risk. If a parent fails to engage in available substance abuse or mental health services necessary to maintain the safety of a child or a parent fails to correct substance abuse deficiencies that jeopardize the safety of a child, the state has the authority to intervene to protect a child.

Sec. 3. RCW 13.34.138 and 2003 c 227 s 5 are each amended to read as follows:

(1) Except for children whose cases are reviewed by a citizen review board under chapter 13.70 RCW, the status of all children found to be dependent shall be reviewed by the court at least every

six months from the beginning date of the placement episode or the date dependency is established, whichever is first, at a hearing in which it shall be determined whether court supervision should continue. The initial review hearing shall be an in-court review and shall be set six months from the beginning date of the placement episode or no more than ninety days from the entry of the disposition order, whichever comes first. The initial review hearing may be a permanency planning hearing when necessary to meet the time frames set forth in RCW 13.34.145(3) or 13.34.134. The review shall include findings regarding the agency and parental completion of disposition plan requirements, and if necessary, revised permanency time limits. This review shall consider both the agency's and parent's efforts that demonstrate consistent measurable progress over time in meeting the disposition plan requirements. The requirements for the initial review hearing, including the in-court requirement, shall be accomplished within existing resources. The supervising agency shall provide a foster parent, preadoptive parent, or relative with notice of, and their right to an opportunity to be heard in, a review hearing pertaining to the child, but only if that person is currently providing care to that child at the time of the hearing. This section shall not be construed to grant party status to any person who has been provided an opportunity to be heard.

(a) A child shall not be returned home at the review hearing unless the court finds that a reason for removal as set forth in RCW 13.34.130 no longer exists. The parents, guardian, or legal custodian shall report to the court the efforts they have made to correct the conditions which led to removal. If a child is returned, casework supervision shall continue for a period of six months, at which time there shall be a hearing on the need for continued intervention.

(b) If the child is not returned home, the court shall establish in writing:

(i) Whether reasonable services have been provided to or offered to the parties to facilitate reunion, specifying the services provided or offered;

(ii) Whether the child has been placed in the least-restrictive setting appropriate to the child's needs, including whether consideration and preference has been given to placement with the child's relatives;

(iii) Whether there is a continuing need for placement and whether the placement is appropriate;

(iv) Whether there has been compliance with the case plan by the child, the child's parents, and the agency supervising the placement;

(v) Whether progress has been made toward correcting the problems that necessitated the child's placement in out-of-home care;

(vi) Whether the parents have visited the child and any reasons why visitation has not occurred or has been infrequent;

(vii) Whether additional services, including housing assistance, are needed to facilitate the return of the child to the child's parents; if so, the court shall order that reasonable services be offered specifying such services; and

(viii) The projected date by which the child will be returned home or other permanent plan of care will be implemented.

(c) The court at the review hearing may order that a petition seeking termination of the parent and child relationship be filed.

(2)(a) In any case in which the court orders that a dependent child may be returned to or remain in the child's home, the in-home placement shall be contingent upon the following:

(i) The compliance of the parents with court orders related to the care and supervision of the child, including compliance with an agency case plan; and

(ii) The continued participation of the parents, if applicable, in available substance abuse or mental health treatment if substance abuse or mental illness was a contributing factor to the removal of the child.

(b) The following may be grounds for removal of the child from the home, subject to review by the court:

(i) Noncompliance by the parents with the agency case plan or court order;

(ii) The parent's inability, unwillingness, or failure to participate in available services or treatment for themselves or the child, including substance abuse treatment if a parent's substance abuse was a contributing factor to the abuse or neglect; or

(iii) The failure of the parents to successfully and substantially complete available services or treatment for themselves or the child, including substance abuse treatment if a parent's substance abuse was a contributing factor to the abuse or neglect.

(3) The court's ability to order housing assistance under RCW 13.34.130 and this section is: (a) Limited to cases in which homelessness or the lack of adequate and safe housing is the primary reason for an out-of-home placement; and (b) subject to the availability of funds appropriated for this specific purpose.

~~((3))~~ (4) The court shall consider the child's relationship with siblings in accordance with RCW 13.34.130(3).

Sec. 4. RCW 26.44.015 and 1999 c 176 s 28 are each amended to read as follows:

(1) This chapter shall not be construed to authorize interference with child-raising practices, including reasonable parental discipline, which are not injurious to the child's health, welfare, ~~((and))~~ or safety.

(2) Nothing in this chapter may be used to prohibit the reasonable use of corporal punishment as a means of discipline.

(3) No parent or guardian may be deemed abusive or neglectful solely by reason of the parent's or child's blindness, deafness, developmental disability, or other handicap.

Sec. 5. RCW 26.44.020 and 2000 c 162 s 19 are each amended to read as follows:

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

(1) "Court" means the superior court of the state of Washington, juvenile department.

(2) "Law enforcement agency" means the police department, the prosecuting attorney, the state patrol, the director of public safety, or the office of the sheriff.

(3) "Practitioner of the healing arts" or "practitioner" means a person licensed by this state to practice podiatric medicine and surgery, optometry, chiropractic, nursing, dentistry, osteopathic medicine and surgery, or medicine and surgery or to provide other health services. The term "practitioner" includes a duly accredited Christian Science practitioner: PROVIDED, HOWEVER, That a person who is being furnished Christian Science treatment by a duly accredited Christian Science practitioner will not be considered, for that reason alone, a neglected person for the purposes of this chapter.

(4) "Institution" means a private or public hospital or any other facility providing medical diagnosis, treatment or care.

(5) "Department" means the state department of social and health services.

(6) "Child" or "children" means any person under the age of eighteen years of age.

(7) "Professional school personnel" include, but are not limited to, teachers, counselors, administrators, child care facility personnel, and school nurses.

(8) "Social service counselor" means anyone engaged in a professional capacity during the regular course of employment in encouraging or promoting the health, welfare, support or education of children, or providing social services to adults or families, including mental health, drug and alcohol treatment, and domestic violence programs, whether in an individual capacity, or as an employee or agent of any public or private organization or institution.

(9) "Psychologist" means any person licensed to practice psychology under chapter 18.83 RCW, whether acting in an individual capacity or as an employee or agent of any public or private organization or institution.

(10) "Pharmacist" means any registered pharmacist under chapter 18.64 RCW, whether acting in an individual capacity or as an employee or agent of any public or private organization or institution.

(11) "Clergy" means any regularly licensed or ordained minister, priest, or rabbi of any church or religious denomination, whether acting in an individual capacity or as an employee or agent of any public or private organization or institution.

(12) "Abuse or neglect" means ~~((the injury,))~~ sexual abuse, sexual exploitation, ~~((negligent treatment, or maltreatment))~~ or injury of a child by any person under circumstances which ((indicate that)) cause harm to the child's health, welfare, ((and)) or safety ((is harmed)), excluding conduct permitted under RCW 9A.16.100; or the negligent treatment or maltreatment of a child by a person responsible for or providing care to the child. An abused child is a child who has been subjected to child abuse or neglect as defined in this section.

(13) "Child protective services section" means the child protective services section of the department.

(14) "Sexual exploitation" includes: (a) Allowing, permitting, or encouraging a child to engage in prostitution by any person; or (b) allowing, permitting, encouraging, or engaging in the obscene or pornographic photographing, filming, or depicting of a child by any person.

(15) "Negligent treatment or maltreatment" means an act or ~~((omission))~~ a failure to act, or the cumulative effects of a pattern of conduct, behavior, or inaction, that evidences a serious disregard of consequences of such magnitude as to constitute a clear and present danger to ((the)) a child's health, welfare, ((and)) or safety. When considering whether a clear and present danger exists, evidence of a parent's substance abuse as a contributing factor to negligent treatment or maltreatment shall be given great weight. The fact that siblings share a bedroom is not, in and of itself, negligent treatment or maltreatment. Poverty, homelessness, or exposure to domestic violence as defined in RCW 26.50.010 that is perpetrated against someone other than the child do not constitute negligent treatment or maltreatment in and of themselves.

(16) "Child protective services" means those services provided by the department designed to protect children from child abuse and neglect and safeguard such children from future abuse and neglect, and conduct investigations of child abuse and neglect reports. Investigations may be conducted regardless of the location of the alleged abuse or neglect. Child protective services includes referral to services to ameliorate conditions that endanger the welfare of children, the coordination of necessary programs and services relevant to the prevention, intervention, and treatment of child abuse and neglect, and services to children to ensure that each child has a permanent home. In determining whether protective services should be provided, the department shall not decline to provide such services solely because of the child's unwillingness or developmental inability to describe the nature and severity of the abuse or neglect.

(17) "Malice" or "maliciously" means an evil intent, wish, or design to vex, annoy, or injure another person. Such malice may be

inferred from an act done in willful disregard of the rights of another, or an act wrongfully done without just cause or excuse, or an act or omission of duty betraying a willful disregard of social duty.

(18) "Sexually aggressive youth" means a child who is defined in RCW 74.13.075(1)(b) as being a sexually aggressive youth.

(19) "Unfounded" means available information indicates that, more likely than not, child abuse or neglect did not occur. No unfounded allegation of child abuse or neglect may be disclosed to a child-placing agency, private adoption agency, or any other provider licensed under chapter 74.15 RCW.

NEW SECTION. Sec. 6. A new section is added to chapter 26.44 RCW to read as follows:

(1) If the department, upon investigation of a report that a child has been abused or neglected as defined in this chapter, determines that the child has been subject to negligent treatment or maltreatment, the department may offer services to the child's parents, guardians, or legal custodians to: (a) Ameliorate the conditions that endangered the welfare of the child; or (b) address or treat the effects of mistreatment or neglect upon the child.

(2) When evaluating whether the child has been subject to negligent treatment or maltreatment, evidence of a parent's substance abuse as a contributing factor to a parent's failure to provide for a child's basic health, welfare, or safety shall be given great weight.

(3) If the child's parents, guardians, or legal custodians are available and willing to participate on a voluntary basis in in-home services, and the department determines that in-home services on a voluntary basis are appropriate for the family, the department may offer such services.

(4) In cases where the department has offered appropriate and reasonable services under subsection (1) of this section, and the parents, guardians, or legal custodians refuse to accept or fail to obtain available and appropriate treatment or services, or are unable or unwilling to participate in or successfully and substantially complete the treatment or services identified by the department, the department may initiate a dependency proceeding under chapter 13.34 RCW on the basis that the negligent treatment or maltreatment by the parent, guardian, or legal custodian constitutes neglect. When evaluating whether to initiate a dependency proceeding on this basis, the evidence of a parent's substance abuse as a contributing factor to the negligent treatment or maltreatment shall be given great weight.

(5) Nothing in this section precludes the department from filing a dependency petition as provided in chapter 13.34 RCW if it determines that such action is necessary to protect the child from abuse or neglect.

(6) Nothing in this section shall be construed to create in any person an entitlement to services or financial assistance in paying for services or to create judicial authority to order the provision of services to any person or family if the services are unavailable or unsuitable or if the child or family is not eligible for such services.

Sec. 7. RCW 74.13.031 and 2004 c 183 s 3 are each amended to read as follows:

The department shall have the duty to provide child welfare services and shall:

(1) Develop, administer, supervise, and monitor a coordinated and comprehensive plan that establishes, aids, and strengthens services for the protection and care of runaway, dependent, or neglected children.

(2) Within available resources, recruit an adequate number of prospective adoptive and foster homes, both regular and specialized, i.e. homes for children of ethnic minority, including Indian homes for

Indian children, sibling groups, handicapped and emotionally disturbed, teens, pregnant and parenting teens, and annually report to the governor and the legislature concerning the department's success in: (a) Meeting the need for adoptive and foster home placements; (b) reducing the foster parent turnover rate; (c) completing home studies for legally free children; and (d) implementing and operating the passport program required by RCW 74.13.285. The report shall include a section entitled "Foster Home Turn-Over, Causes and Recommendations."

(3)(a) Investigate ~~((complaints of any recent act or failure to act))~~ any reports of child abuse or neglect, as defined in chapter 26.44 RCW, on the part of a parent, guardian, or legal custodian of the child, member of the household of such persons, an agency providing care to the child as defined in chapter 74.15 RCW, or other caretaker ~~((that))~~ of the child who is serving in place of the parent if the child abuse or neglect results in death, serious physical or emotional harm, or sexual abuse or exploitation, or that presents an imminent risk of serious harm ~~((and on the basis of the findings of such investigation, offer)).~~ Evidence of a parent's substance abuse as a contributing factor to the alleged abuse or neglect shall be considered to present an imminent risk of serious harm to the child.

(b) Offer child welfare services ~~((in relation to the problem to such)), where warranted,~~ to parents, legal custodians, or persons serving in ~~((hoco parentis))~~ the place of the parent, ~~((and/or))~~ or bring the situation to the attention of an appropriate court, or another community agency ~~((PROVIDED, That)), including the appropriate law enforcement agency if the investigation reveals that a crime against a child may have been committed.~~ However, an investigation is not required of nonaccidental injuries which are clearly not the result of a lack of care or supervision by the child's parents, legal custodians, or persons serving in ~~((hoco parentis))~~ the place of the parent. ~~((If the investigation reveals that a crime against a child may have been committed, the department shall notify the appropriate law enforcement agency.))~~

(4) Offer, on a voluntary basis, family reconciliation services to families who are in conflict.

(5) Monitor out-of-home placements, on a timely and routine basis, to assure the safety, well-being, and quality of care being provided is within the scope of the intent of the legislature as defined in RCW 74.13.010 and 74.15.010, and annually submit a report measuring the extent to which the department achieved the specified goals to the governor and the legislature.

(6) Have authority to accept custody of children from parents and to accept custody of children from juvenile courts, where authorized to do so under law, to provide child welfare services including placement for adoption, and to provide for the physical care of such children and make payment of maintenance costs if needed. Except where required by Public Law 95-608 (25 U.S.C. Sec. 1915), no private adoption agency which receives children for adoption from the department shall discriminate on the basis of race, creed, or color when considering applications in their placement for adoption.

(7) Have authority to provide temporary shelter to children who have run away from home and who are admitted to crisis residential centers.

(8) Have authority to purchase care for children; and shall follow in general the policy of using properly approved private agency services for the actual care and supervision of such children insofar as they are available, paying for care of such children as are accepted by the department as eligible for support at reasonable rates established by the department.

(9) Establish a children's services advisory committee which shall assist the secretary in the development of a partnership plan for

utilizing resources of the public and private sectors, and advise on all matters pertaining to child welfare, licensing of child care agencies, adoption, and services related thereto. At least one member shall represent the adoption community.

(10) Have authority to provide continued foster care or group care for individuals from eighteen through twenty years of age to enable them to complete their high school or vocational school program.

(11) Refer cases to the division of child support whenever state or federal funds are expended for the care and maintenance of a child, including a child with a developmental disability who is placed as a result of an action under chapter 13.34 RCW, unless the department finds that there is good cause not to pursue collection of child support against the parent or parents of the child.

(12) Have authority within funds appropriated for foster care services to purchase care for Indian children who are in the custody of a federally recognized Indian tribe or tribally licensed child-placing agency pursuant to parental consent, tribal court order, or state juvenile court order; and the purchase of such care shall be subject to the same eligibility standards and rates of support applicable to other children for whom the department purchases care.

Notwithstanding any other provision of RCW 13.32A.170 through 13.32A.200 and 74.13.032 through 74.13.036, or of this section all services to be provided by the department of social and health services under subsections (4), (6), and (7) of this section, subject to the limitations of these subsections, may be provided by any program offering such services funded pursuant to Titles II and III of the federal juvenile justice and delinquency prevention act of 1974.

(13) Within amounts appropriated for this specific purpose, provide preventive services to families with children that prevent or shorten the duration of an out-of-home placement.

(14) Have authority to provide independent living services to youths, including individuals eighteen through twenty years of age, who are or have been in foster care.

NEW SECTION. Sec. 8. The legislature recognizes that the fiscal and workload impact of this act may not be fully determined until after it is implemented and that such impact may further be affected by the funding or availability of community-based prevention and remedial services. For that reason, the department of social and health services shall report on the implementation of this act to the appropriate legislative committees and the governor by December 1, 2006. The report shall include information regarding any change over previous years in the number and type of child abuse and neglect referrals received and investigations conducted, any change in in-home and out-of-home dependency placements and/or filings, any increased service costs, barriers to implementation, and an assessment of the fiscal and workload impact on the department. Such information shall be reviewed by the legislature for possible amendment of this act or additional allocation of resources to the department for implementation purposes.

Sec. 9. RCW 13.34.050 and 2000 c 122 s 3 are each amended to read as follows:

(1) The court may enter an order directing a law enforcement officer, probation counselor, or child protective services official to take a child into custody if: (a) A petition is filed with the juvenile court alleging that the child is dependent and that the child's health, safety, and welfare will be seriously endangered if not taken into custody; (b) an affidavit or declaration is filed by the department in support of the petition setting forth specific factual information

evidencing reasonable grounds that the child's health, safety, and welfare will be seriously endangered if not taken into custody and at least one of the grounds set forth demonstrates a risk of imminent harm to the child. "Imminent harm" for purposes of this section shall include, but not be limited to, circumstances of sexual abuse, ~~((or))~~ sexual exploitation as defined in RCW 26.44.020, and a parent's failure to perform basic parental functions, obligations, and duties as the result of substance abuse; and (c) the court finds reasonable grounds to believe the child is dependent and that the child's health, safety, and welfare will be seriously endangered if not taken into custody.

(2) Any petition that does not have the necessary affidavit or declaration demonstrating a risk of imminent harm requires that the parents are provided notice and an opportunity to be heard before the order may be entered.

(3) The petition and supporting documentation must be served on the parent, and if the child is in custody at the time the child is removed, on the entity with custody other than the parent. Failure to effect service does not invalidate the petition if service was attempted and the parent could not be found.

NEW SECTION. Sec. 10. This act takes effect July 1, 2006.

NEW SECTION. Sec. 11. This act may be known and cited as the Justice and Raiden Act."

Correct the title.

Representative Dickerson moved the adoption of amendment (594) to amendment (591):

On page 13, line 28 of the amendment, after "effect" strike "July 1, 2006" and insert "January 1, 2007"

Representatives Dickerson and Hinkle spoke in favor of the adoption of the amendment to the amendment.

The amendment to the amendment was adopted.

Amendment (591) as amended was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House was placed on final passage.

Representative Dickerson spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5922, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5922, as amended by the House and the bill passed the House by the following vote: Yeas - 96, Nays - 1, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 96.

Voting nay: Representative Dunn - 1.

Excused: Representative Morris - 1.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5922, as amended by the House, having received the necessary constitutional majority, was declared passed.

HOUSE AMENDMENT TO SENATE BILL

April 21, 2005

Mr. Speaker:

The Senate refuses to concur in the House amendment to ENGROSSED SENATE BILL NO. 5513 and asks the House to recede therefrom, and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the rules were suspended and ENGROSSED SENATE BILL NO. 5513 was returned to second reading for purpose of amendment.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

ENGROSSED SENATE BILL NO. 5513, By Senators Haugen, Shin, Kohl-Welles, Rasmussen, Fairley and Prentice

Restructuring certain transportation agencies.

Representative Murray moved the adoption of amendment (588):

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 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 policymaking. Finally, consolidating public outreach and auditing of the state's transportation agencies under a single citizen-governed entity, the transportation 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 47.01.061 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. 5. 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)) (3) In conjunction with the provisions under section 6 of this act, 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;~~

~~—(7)) (4) 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 governor and 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)) (5) 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)) (6) 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)) (7) 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)) (8) To contract with the office of financial management or other appropriate state agencies for administrative support, accounting services, computer services, and other support services necessary to carry out its other statutory duties;~~

~~—(9) To exercise such other specific powers and duties as may be vested in the transportation commission by this or any other provision of law.~~

NEW SECTION. Sec. 6. A new section is added to chapter 47.01 RCW to read as follows:

(1) The transportation commission shall provide a 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 all transportation policy formulation and other matters related to the powers and duties of the department. It may further hold hearings and explore ways to improve the mobility of the citizenry. At least every five years, the commission shall convene regional forums to gather citizen input on transportation issues.

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

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

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

(c) Be developed with the input from state, local, and regional jurisdictions, transportation service providers, and key transportation stakeholders;

(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 by October 1st of each even-numbered year for consideration by the governor.

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

(4) In order to promote a better transportation system, the commission shall offer policy guidance and make recommendations to the governor and the legislature in key issue areas, including but not limited to:

(a) Transportation finance;

(b) Preserving, maintaining, and operating the statewide transportation system;

(c) Transportation infrastructure needs;

(d) Promoting best practices for adoption and use by transportation-related agencies and programs;

(e) Transportation efficiencies that will improve service delivery and/or coordination;

(f) Improved planning and coordination among transportation agencies and providers; and

(g) Use of intelligent transportation systems and other technology-based solutions.

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))~~:

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

(10) 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.

~~((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 the legislature. 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))~~ (4) 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) 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 in order to educate and promote the dissemination of transportation research to state and local government policymakers, including legislators and associated staff. 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 performance audit board.

The executive committee shall adopt rules and procedures for its operations.

NEW SECTION. Sec. 13. The members of the joint transportation committee will receive allowances while attending meetings of the committee 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 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 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 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 commission for the support of the transportation performance audit board. However, the commission may, if staffing needs warrant, assign the employees to other commission functions.

Transportation Performance Audits

Sec. 16. 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))~~ (7) "Transportation performance audit board" or "board" means the board created in RCW 44.75.030.

~~((9))~~ (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. 17. RCW 44.75.030 and 2003 c 362 s 3 are each amended to read as follows:

(1) The transportation performance audit board is created.

(2) The board will consist of four legislative members, ~~((five))~~ three citizen members with transportation-related expertise, two citizen members with performance measurement expertise, one member of the transportation commission, 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 members from the board before the expiration of their terms unless for cause based upon a determination of incapacity, incompetence, neglect of duty, of 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 in question.

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

Sec. 18. RCW 44.75.040 and 2003 c 362 s 4 are each amended to read as follows:

(1) The board 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 will be compensated from the general appropriation for the ~~((legislative))~~ transportation ~~((committee))~~ commission 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 transportation performance audit board 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))~~ commission, 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.))~~ Additionally, the commission shall designate, subject to board approval, a staff person to serve as the board administrator. The board administrator serves as an exempt employee and at the pleasure of the board.

(5) Each member of the transportation performance audit board 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.

Sec. 19. RCW 44.75.050 and 2003 c 362 s 5 are each amended to read as follows:

(1) The transportation performance audit board may review the performance and outcome measures of transportation-related agencies. The purpose of these reviews is to ensure that 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 board 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 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. 20. 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))~~ 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. 21. 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)) board administrator shall, subject to board 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)) board 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 board administrator may, subject to board approval, contract with the legislative auditor or state 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. 22. RCW 44.75.100 and 2003 c 362 s 10 are each amended to read as follows:

(1) When the board has completed a performance audit, the board 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 board within thirty days after receipt of the preliminary report unless a different time period is approved by the board. The board shall incorporate the response of the agency or local government and the office of financial management into the final performance audit

report. The board may also include an addendum with board 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 board 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.

(3) Completed performance audits must be presented to the transportation performance audit board ((and the legislative transportation committee)). Published performance audits must be made available to the public through the ((legislative transportation committee and the joint legislative audit and review committee's)) board'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. 23. RCW 44.75.110 and 2003 c 362 s 11 are each amended to read as follows:

The ((legislative auditor)) board administrator, or the legislative auditor or state auditor if contracted under RCW 44.75.090, shall determine in writing the scope of any performance audit ((requested)) directed by the ((legislative transportation committee or its executive committee)) transportation performance audit board, 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)).~~ In doing so, the ((legislative auditor,)) board administrator, or legislative auditor or state auditor if contracted under RCW 44.75.090, and the transportation performance audit board~~((and the legislative transportation committee or its executive committee))~~ 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. 24. 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, the ~~((legislative auditor))~~ board 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. 25. 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.

References to LTC

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 committee))~~ transportation committees of the legislature, the transportation commission, and the transportation performance audit board 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)~~ joint 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))~~ joint 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, before releasing the results of a performance audit originally ((requested) directed by the ((executive committee of the legislative transportation committee)) transportation performance audit board 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 performance audit board 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 performance audit board 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 performance audit board, 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 47.04.210 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. 123. 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. 124. 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. 125. 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.

(4) ~~((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. 126. 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. 127. 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. 128. RCW 47.10.802 and 1986 c 290 s 1 are each amended to read as follows:

Upon request being made by the 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 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. 129. 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. 130. 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. 131. 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. 132. 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 ~~((+0))~~ (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.~~

~~—((10))~~ 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. 133. 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. 134. 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. 135. 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. 136. 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. 137. 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. 138. 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. 139. 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. 140. 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.

NEW SECTION. Sec. 141. 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;

(19) RCW 47.76.340 (Evaluating program performance) and 1993 c 224 s 13 & 1990 c 43 s 8;

(20) RCW 47.74.010 (Multistate Highway Transportation Agreement enacted, terms) and 1983 c 82 s 1; and

(21) RCW 47.74.020 (Appointment of delegates to represent state) and 1983 c 82 s 2.

NEW SECTION. Sec. 142. Part headings used in this act are no part of the law.

NEW SECTION. Sec. 143. (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. 144. Sections 12 and 13 of this act are each added to chapter 44.04 RCW.

NEW SECTION. Sec. 145. 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. 146. Section 138 of this act expires July 1, 2013."

Correct the title.

Representatives Murray and Woods spoke in favor of the adoption of the amendment.

The amendment was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House was placed on final passage.

Representatives Murray and Woods spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 5513, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 5513, as amended by the House and the bill passed the House by the following vote: Yeas - 95, Nays -3, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 95.

Voting nay: Representatives Buri, Ericksen and Kristiansen - 3.

ENGROSSED SENATE BILL NO. 5513, as amended by the House, having received the necessary constitutional majority, was declared passed.

HOUSE AMENDMENT TO SENATE BILL

April 21, 2005

Mr. Speaker:

The Senate refuses to concur in the House amendment to ENGROSSED SUBSTITUTE SENATE BILL NO. 5952 and asks the House to recede therefrom, and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the rules were suspended and ENGROSSED SUBSTITUTE SENATE BILL NO. 5952 was returned to second reading for purpose of amendment.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5952, By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Jacobsen, Hewitt, Rasmussen and Kohl-Welles)

Exempting transport of persons at horse races from licensing.

Representative Woods moved the adoption of amendment (607):

Beginning on page 4, line 20, strike all of section 2

Renumber the remaining section and correct the title.

Representatives Woods and Murray spoke in favor of the adoption of the amendment.

The amendment was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House was placed on final passage.

Representatives Wood and Woods spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5952, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5952, as amended by the House and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell,

Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5952, as amended by the House, having received the necessary constitutional majority, was declared passed.

REPORT OF CONFERENCE COMMITTEE

On motion of Representative Cody, the House adopted the Report of the Conference Committee on ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5763 and advanced the bill to Final Passage. (For conference committee report, see Journal, 101st Day, April 20, 2005.)

FINAL PASSAGE OF HOUSE BILL AS RECOMMENDED BY THE CONFERENCE COMMITTEE

The Speaker (Representative Lovick presiding) stated the question before the House to be final passage of Engrossed Second Substitute Senate Bill No. 5763 as recommended by the Conference Committee.

Representatives Green and Kagi spoke in favor of the passage of the bill as recommended by the Conference Committee.

Representative Hinkle spoke against the passage of the bill as recommended by the conference committee.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5763, as recommended by the Conference Committee, and the bill passed the House by the following vote: Yeas - 67, Nays - 31, Absent - 0, Excused - 0.

Voting yea: Representatives Appleton, Blake, Buck, Campbell, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McCune, McDermott,

McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Priest, Quall, Roach, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Takko, Tom, Upthegrove, Walsh, Williams, Wood and Mr. Speaker - 67.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buri, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Hinkle, Holmquist, Kretz, Kristiansen, Newhouse, Nixon, Orcutt, Pearson, Rodne, Schindler, Serben, Shabro, Skinner, Sump, Talcott, Wallace and Woods - 31.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5763, as recommended by the Conference Committee, having received the constitutional majority, was declared passed.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

HOUSE BILL NO. 1441, By Representatives Clibborn, Morrell, Campbell, Cody, Tom, Moeller, Schual-Berke, Wallace, Grant, Williams, Lovick, Ormsby, Chase, Kessler, Kagi, Hunt, Appleton, Darneille, Upthegrove, Sells, Roberts, Conway, Miloscia, Fromhold, P. Sullivan, Santos, Takko, Green, Wood, Simpson, Hasegawa and Dickerson

Providing access to health insurance for children.

The bill was read the second time.

There being no objection, Second Substitute House Bill No. 1441 was substituted for House Bill No. 1441 and the second substitute bill was placed on the second reading calendar.

SECOND SUBSTITUTE HOUSE BILL NO. 1441 was read the second time.

Representative Clibborn moved the adoption of amendment (595):

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 74.09 RCW to read as follows:

(1) The legislature finds that:

(a) The health of the children of Washington state is critical to their success in school and throughout their lives. Children with health insurance coverage have better health outcomes than those who lack coverage. Children without health insurance coverage are more likely to be in poor health and more likely to delay receiving, or go without, needed health care services;

(b) Access to preventive and well-child health services for children is a cost-effective investment of both public and private dollars that improves the health of children and of our communities at large; and

(c) Health care coverage for children in Washington state is the product of critical efforts in both the private and public sectors to help children succeed. Private health insurance coverage is complemented by public programs that meet needs of low-income children whose parents are not offered health insurance coverage through their employer or who cannot otherwise afford the costs of coverage. In 2004, thirty-five percent of children in Washington state had some form of public health coverage. Yet, even with the efforts of both the private and public sectors, too many children in Washington state lack health insurance coverage. In 2004, almost one hundred thousand children were uninsured. Two-thirds of these children are low income.

(2) It is therefore the intent of the legislature that all children in the state of Washington have health care coverage by 2010. This should be accomplished by building upon and strengthening the successes of private health insurance coverage and publicly supported children's health insurance programs in Washington state. Access to coverage should be streamlined and efficient, with reductions in unnecessary administrative costs and mechanisms to expeditiously link children with a medical home.

Sec. 2. RCW 74.09.415 and 2002 c 366 s 2 are each amended to read as follows:

(1) There is hereby established a program to be known as the children's health program. The legislature finds that the children's health program is a more appropriate mechanism for providing health services to poor children who are not otherwise eligible for medical assistance than grants to community clinics to offset uncompensated care or coverage through the Washington basic health plan.

To the extent of available funds:

(a) Health care services may be provided to persons who are under eighteen years of age with household incomes at or below the federal poverty level and not otherwise eligible for medical assistance or the limited casualty program for the medically needy.

(b) The determination of eligibility of recipients for health care services shall be the responsibility of the department. ~~((The application process shall be easy to understand and, to the extent possible, applications shall be made available at local schools and other appropriate locations.))~~ The department shall make eligibility determinations within the time frames for establishing eligibility for children on medical assistance, as defined by RCW 74.09.510.

(c) The amount, scope, and duration of health care services provided to eligible children under the children's health program shall be the same as that provided to children under medical assistance, as defined in RCW 74.09.520.

(2) ~~((The legislature is interested in assessing the effectiveness of the prenatal care program. However, the legislature recognizes the cost and complexity associated with such assessment.~~

~~— The legislature accepts the effectiveness of prenatal and maternity care at improving birth outcomes when these services are received by eligible persons. Therefore, the legislature intends to focus scarce assessment resources to determine the extent to which support services such as child care, psychosocial and nutritional assessment and counseling, case management, transportation, and other support services authorized by chapter 296, Laws of 1990, result in receipt of prenatal and maternity care by eligible persons.~~

~~— The University of Washington shall conduct a study, based on a statistically significant statewide sampling of data, to evaluate the~~

~~effectiveness of the maternity care access program set forth in RCW 74.09.760 through 74.09.820 based on the principles set forth in RCW 74.09.770.~~

~~— The University of Washington shall develop a plan and budget for the study in consultation with the joint legislative audit and review committee. The joint legislative audit and review committee shall also monitor the progress of the study.~~

~~— The department of social and health services shall make data and other information available as needed to the University of Washington as required to conduct this study.~~

~~— The study shall determine:~~

~~— (a) The characteristics of women receiving services, including health risk factors;~~

~~— (b) The extent to which access to maternity care and support services have improved in this state as a result of this program;~~

~~— (c) The utilization of services and birth outcomes for women and infants served by this program by type of practitioner;~~

~~— (d) The extent to which birth outcomes for women receiving services under this program have improved in comparison to birth outcomes of nonmedicaid mothers;~~

~~— (e) The impact of increased medicaid reimbursement to physicians on provider participation;~~

~~— (f) The difference between costs for services provided under this program and medicaid reimbursement for the services;~~

~~— (g) The gaps in services, if any, that may still exist for women and their infants as defined by RCW 74.09.790 (1) and (4) served by this program, excluding pregnant substance abusers, and women covered by private health insurance; and~~

~~— (h) The number and mix of services provided to eligible women as defined by subsection (2)(g) of this section and the effect on birth outcomes as compared to nonmedicaid birth outcomes.)) Enrollment in the children's health program shall not result in expenditures that exceed the amount that has been appropriated for the program in the operating budget. If it appears that continued enrollment will result in expenditures exceeding the appropriated level for a particular fiscal year, the department may freeze new enrollment in the program for that year.~~

NEW SECTION. Sec. 3. 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.

Representative Clibborn spoke in favor of the adoption of the amendment.

The amendment was adopted. The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Clibborn, Miloscia, Cody, Darneille, Schual-Berke, Kenney, Eickmeyer and Santos spoke in favor of passage of the bill.

Representatives Hinkle, Alexander, Anderson, Ericksen, Bailey, Anderson (again), Serben, Schindler and Ahern spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Second Substitute House Bill No. 1441.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute House Bill No. 1441 and the bill passed the House by the following vote: Yeas - 66, Nays - 32, Absent - 0, Excused - 0.

Voting yea: Representatives Appleton, Blake, Buri, Campbell, Chase, Clibborn, Cody, Conway, Cox, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Priest, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Sullivan, P., Takko, Tom, Upthegrove, Wallace, Walsh, Williams, Wood and Mr. Speaker - 66.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Chandler, Clements, Condotta, Crouse, Curtis, DeBolt, Dunn, Ericksen, Hinkle, Holmquist, Kretz, Kristiansen, Newhouse, Nixon, Orcutt, Pearson, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Strow, Sump, Talcott and Woods - 32.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1441, having received the necessary constitutional majority, was declared passed.

With the consent of the House, House Rule 10c was suspended.

The Speaker assumed the chair.

HOUSE BILL NO. 2314, By Representative McIntire

Relating to revenue and taxation.

The bill was read the second time.

There being no objection, Substitute House Bill No. 2314 was substituted for House Bill No. 2314 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 2314 was read the second time.

With the consent of the House, amendment (599) was withdrawn.

Representative Roach moved the adoption of amendment (600):

On page 24, after line 14, insert:

"NEW SECTION. Sec. 117. A new section is added to chapter 82.08 RCW to read as follows:

The tax levied by RCW 82.08.020 does not apply to sales of extended warranties for refrigerators, stoves, clothes washers clothes dryers, water heaters, furnaces, wood stoves, or microwave ovens.

NEW SECTION. Sec. 118. A new section is added to chapter 82.12 RCW to read as follows:

The provisions of this chapter do not apply with respect to the use of extended warranties for refrigerators, stoves, clothes washers clothes dryers, water heaters, furnaces, wood stoves, or microwave ovens."

Correct the title.

Representative Roach spoke in favor of the adoption of the amendment.

Representative Hunter spoke against the adoption of the amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker stated the question before the House to be adoption of amendment (600) to Engrossed Substitute House Bill No. 2314.

ROLL CALL

The Clerk called the roll on the adoption of amendment (600) to Engrossed Substitute House Bill No. 2314, and the amendment was not adopted by the following vote: Yeas - 46, Nays - 52, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, Darneille, DeBolt, Ericksen, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Strow, Sullivan, P., Sump, Talcott, Tom, Wallace, Walsh, and Woods - 46.

Voting nay: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Takko, Upthegrove, Williams, Wood, and Mr. Speaker - 52.

Representative McIntire moved the adoption of amendment (596):

On page 26, line 2, after "dollar" insert "and thirty-three cents"

On page 26, line 4, after "agencies," strike "and including" and insert "but excluding"

Representative McIntire spoke in favor of the adoption of the amendment.

Representative Orcutt spoke against the adoption of the amendment.

The amendment was adopted.

Representative Orcutt moved the adoption of amendment (598):

On page 26, line 4, after "agencies," strike "and including" and insert "but excluding"

Representatives Orcutt and Ericksen spoke in favor of the adoption of the amendment.

Representative McIntire spoke against the adoption of the amendment.

The amendment was not adopted.

Representative Holmquist moved the adoption of amendment (603):

On page 49, beginning on line 24, strike everything through page 61, line 10, and insert:

**"PART XI
TOBACCO SALES PROHIBITED**

NEW SECTION. Sec. 1101. A new section is added to chapter 9.91 RCW to read as follows:

(1) It is unlawful for any person to sell any cigarette or tobacco product.

(2) As used in this section:

(a) "Cigarette" means any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and irrespective of the tobacco being flavored, adulterated, or mixed with any other ingredient, where such roll has a wrapper or cover made of paper or any material, except where such wrapper is wholly or in the greater part made of natural leaf tobacco in its natural state.

(b) "Tobacco product" means cigar, cheroot, stogie, perique, granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco, snuff, snuff flour, cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking."

Correct internal references and the title.

POINT OF ORDER

Representative Hunt requested a scope and object ruling on amendment (603) to Substitute House Bill No. 2314.

SPEAKER'S RULING

GET SCOPE & OBJECT RULING

The Speaker: Representative Hunt, your point of order is well taken."

Representative McIntire moved the adoption of amendment (606):

On page 67, line 2, after "116," insert "401 through 403,"

On page 67, after line 10, insert:

"NEW SECTION. Sec. 1304. Sections 401 through 403 of this act take effect July 1, 2006."

Renumber the sections consecutively and correct any internal references accordingly.

Correct the title.

Representative McIntire spoke in favor of the adoption of the amendment.

The amendment was adopted.

Representative Orcutt moved the adoption of amendment (597):

Strike everything after the enacting clause and insert the following:

**"PART I
SELF-SERVICE LAUNDRY
AND DIRECT MAIL DELIVERY CHARGES**

Sec. 101. RCW 82.04.050 and 2004 c 174 s 3 and 2004 c 153 s 407 are each reenacted and amended to read as follows:

(1) "Sale at retail" or "retail sale" means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers other than a sale to a person who presents a resale certificate under RCW 82.04.470 and who:

(a) Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person, but a purchase for the purpose of resale by a regional transit authority under RCW 81.112.300 is not a sale for resale; or

(b) Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or

component of such real or personal property without intervening use by such person; or

(c) Purchases for the purpose of consuming the property purchased in producing for sale a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale; or

(d) Purchases for the purpose of consuming the property purchased in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon; or

(e) Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065. The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any activity classified as a "sale at retail" or "retail sale" even though such property is resold or utilized as provided in (a), (b), (c), (d), or (e) of this subsection following such use. The term also means every sale of tangible personal property to persons engaged in any business which is taxable under RCW 82.04.280 (2) and (7), 82.04.290, and 82.04.2908.

(2) The term "sale at retail" or "retail sale" shall include the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following:

(a) The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of ~~((coin-operated)) self-service laundry facilities ((when such facilities are situated in an apartment house, rooming house, or mobile home park for the exclusive use of the tenants thereof)),~~ and also excluding sales of laundry service to nonprofit health care facilities, and excluding services rendered in respect to live animals, birds and insects;

(b) The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and shall also include the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture;

(c) The charge for labor and services rendered in respect to constructing, repairing, or improving any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement and the property is then reconveyed by title, possession, or any other means to the original owner;

(d) The sale of or charge made for labor and services rendered in respect to the cleaning, fumigating, razing or moving of existing buildings or structures, but shall not include the charge made for janitorial services; and for purposes of this section the term "janitorial services" shall mean those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;

(e) The sale of or charge made for labor and services rendered in respect to automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under chapter 82.16 RCW;

(f) The sale of and charge made for the furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. For the purposes of this subsection, it shall be presumed that the sale of and charge made for the furnishing of lodging for a continuous period of one month or more to a person is a rental or lease of real property and not a mere license to enjoy the same;

(g) The sale of or charge made for tangible personal property, labor and services to persons taxable under (a), (b), (c), (d), (e), and (f) of this subsection when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this subsection shall be construed to modify subsection (1) of this section and nothing contained in subsection (1) of this section shall be construed to modify this subsection.

(3) The term "sale at retail" or "retail sale" shall include the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:

(a) Amusement and recreation services including but not limited to golf, pool, billiards, skating, bowling, ski lifts and tows, day trips for sightseeing purposes, and others, when provided to consumers;

(b) Abstract, title insurance, and escrow services;

(c) Credit bureau services;

(d) Automobile parking and storage garage services;

(e) Landscape maintenance and horticultural services but excluding (i) horticultural services provided to farmers and (ii) pruning, trimming, repairing, removing, and clearing of trees and brush near electric transmission or distribution lines or equipment, if performed by or at the direction of an electric utility;

(f) Service charges associated with tickets to professional sporting events; and

(g) The following personal services: Physical fitness services, tanning salon services, tattoo parlor services, steam bath services, turkish bath services, escort services, and dating services.

(4)(a) The term shall also include:

(i) The renting or leasing of tangible personal property to consumers; and

(ii) Providing tangible personal property along with an operator for a fixed or indeterminate period of time. A consideration of this is that the operator is necessary for the tangible personal property to perform as designed. For the purpose of this subsection (4)(a)(ii), an operator must do more than maintain, inspect, or set up the tangible personal property.

(b) The term shall not include the renting or leasing of tangible personal property where the lease or rental is for the purpose of sublease or subrent.

(5) The term shall also include the providing of telephone service, as defined in RCW 82.04.065, to consumers.

(6) The term shall also include the sale of prewritten computer software other than a sale to a person who presents a resale certificate

under RCW 82.04.470, regardless of the method of delivery to the end user, but shall not include custom software or the customization of prewritten computer software.

(7) The term shall not include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind.

(8) The term shall also not include sales of chemical sprays or washes to persons for the purpose of postharvest treatment of fruit for the prevention of scald, fungus, mold, or decay, nor shall it include sales of feed, seed, seedlings, fertilizer, agents for enhanced pollination including insects such as bees, and spray materials to: (a) Persons who participate in the federal conservation reserve program, the environmental quality incentives program, the wetlands reserve program, and the wildlife habitat incentives program, or their successors administered by the United States department of agriculture; (b) farmers for the purpose of producing for sale any agricultural product; and (c) farmers acting under cooperative habitat development or access contracts with an organization exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3) or the Washington state department of fish and wildlife to produce or improve wildlife habitat on land that the farmer owns or leases.

(9) The term shall not include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including the installing, or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation. Nor shall the term include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority. Nor shall the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other byproducts of weapons production and nuclear research and development.

Sec. 102. RCW 82.08.010 and 2004 c 153 s 406 are each amended to read as follows:

For the purposes of this chapter:

(1) "Selling price" includes "sales price." "Sales price" means the total amount of consideration, except separately stated trade-in property of like kind, including cash, credit, property, and services, for which tangible personal property or services defined as a "retail sale" under RCW 82.04.050 are sold, leased, or rented, valued in money, whether received in money or otherwise. No deduction from the total amount of consideration is allowed for the following: (a) The seller's cost of the property sold; (b) the cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller; (c) charges by the seller for any services necessary to complete the sale, other than delivery and installation charges; (d) delivery charges; (e) installation charges; and (f) the value of exempt tangible personal property given to the purchaser where taxable and exempt tangible personal property have been bundled together and sold by the seller as a single product or piece of merchandise.

When tangible personal property is rented or leased under circumstances that the consideration paid does not represent a reasonable rental for the use of the articles so rented or leased, the "selling price" shall be determined as nearly as possible according to the value of such use at the places of use of similar products of like quality and character under such rules as the department may prescribe.

"Selling price" or "sales price" does not include: Discounts, including cash, term, or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale; interest, financing, and carrying charges from credit extended on the sale of tangible personal property or services, if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser; and any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser;

(2) "Seller" means every person, including the state and its departments and institutions, making sales at retail or retail sales to a buyer, purchaser, or consumer, whether as agent, broker, or principal, except "seller" does not mean the state and its departments and institutions when making sales to the state and its departments and institutions;

(3) "Buyer," "purchaser," and "consumer" include, without limiting the scope hereof, every individual, receiver, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, municipal corporation, quasi municipal corporation, and also the state, its departments and institutions and all political subdivisions thereof, irrespective of the nature of the activities engaged in or functions performed, and also the United States or any instrumentality thereof;

(4) "Delivery charges" means charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services including, but not limited to, transportation, shipping, postage, handling, crating, and packing;

(5) "Direct mail" means printed material delivered or distributed by United States mail or other delivery service to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items are not billed directly to the recipients. "Direct mail" includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material. "Direct mail" does not include multiple items of printed material delivered to a single address;

(6) The meaning attributed in chapter 82.04 RCW to the terms "tax year," "taxable year," "person," "company," "sale," "sale at retail," "retail sale," "sale at wholesale," "wholesale," "business," "engaging in business," "cash discount," "successor," "consumer," "in this state" and "within this state" shall apply equally to the provisions of this chapter;

~~((6))~~ (7) For the purposes of the taxes imposed under this chapter and under chapter 82.12 RCW, "tangible personal property" means personal property that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses. Tangible personal property includes electricity, water, gas, steam, and prewritten computer software.

NEW SECTION. Sec. 103. A new section is added to chapter 82.04 RCW to read as follows:

(1) In computing tax there may be deducted from the measure of tax, amounts derived from delivery charges made for the delivery of direct mail if the charges are separately stated on an invoice or similar billing document given to the purchaser.

(2) "Delivery charges" and "direct mail" have the same meanings as in RCW 82.08.010.

NEW SECTION. Sec. 104. A new section is added to chapter 82.08 RCW to read as follows:

The tax levied by RCW 82.08.020 does not apply to delivery charges made for the delivery of direct mail if the charges are separately stated on an invoice or similar billing document given to the purchaser.

NEW SECTION. Sec. 105. A new section is added to chapter 82.12 RCW to read as follows:

(1) The tax levied by this chapter does not apply to the value of delivery charges made for the delivery of direct mail if the charges are separately stated on an invoice or similar billing document given to the purchaser.

(2) "Delivery charges" and "direct mail" have the same meanings as in RCW 82.08.010.

PART II BOARDING HOMES

NEW SECTION. Sec. 201. A new section is added to chapter 82.04 RCW to read as follows:

(1) This chapter does not apply to amounts received by a nonprofit boarding home licensed under chapter 18.20 RCW for providing room and domiciliary care to residents of the boarding home.

(2) As used in this section:

(a) "Domiciliary care" has the meaning provided in RCW 18.20.020.

(b) "Nonprofit boarding home" means a boarding home that is operated as a religious or charitable organization, is exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3), is incorporated under chapter 24.03 RCW, is operated as part of a nonprofit hospital, or is operated as part of a public hospital district.

Sec. 202. RCW 82.04.2908 and 2004 c 174 s 1 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of providing room and domiciliary care to residents of a boarding home licensed under chapter 18.20 RCW, the amount of tax with respect to such business shall be equal to the gross income (~~from such services~~) of the business, multiplied by the rate of 0.275 percent.

~~(2) (If the persons described in subsection (1) of this section receive income from sources other than those described in subsection (1) of this section or provide services other than those named in subsection (1) of this section, that income and those services are subject to tax as otherwise provided in this chapter.~~

~~(3))~~ For the purposes of this section, "domiciliary care" has the ((same)) meaning ((as)) provided in RCW 18.20.020.

PART III COMPREHENSIVE CANCER CENTERS

NEW SECTION. Sec. 301. A new section is added to chapter 82.04 RCW to read as follows:

(1) This chapter does not apply to amounts received by a comprehensive cancer center to the extent the amounts are exempt from federal income tax.

(2) For the purposes of this section, "comprehensive cancer center" means a cancer center that has written confirmation that it is recognized by the national cancer institute as a comprehensive cancer center and that qualifies as an exempt organization under 26 U.S.C. Sec. 501(c)(3) as existing on the effective date of this section.

NEW SECTION. Sec. 302. A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to the sale of medical supplies, chemicals, or materials to a comprehensive cancer center. The exemption in this section does not apply to the sale of construction materials, office equipment, building equipment, administrative supplies, or vehicles.

(2) For the purposes of this section, the following definitions apply:

(a) "Comprehensive cancer center" has the meaning provided in section 301 of this act.

(b) "Chemical" means any catalyst, solvent, water, acid, oil, or other additive that physically or chemically interacts with blood, bone, or tissue.

(c) "Materials" means any item of tangible personal property, including, but not limited to, bags, packs, collecting sets, filtering materials, testing reagents, antisera, and refrigerants used or consumed in performing research on, procuring, testing, processing, storing, packaging, distributing, or using blood, bone, or tissue.

(d) "Research" means basic and applied research that has as its objective the design, development, refinement, testing, marketing, or commercialization of a product, service, or process.

(e) "Medical supplies" means any item of tangible personal property, including any repair and replacement parts for such tangible personal property, used by a comprehensive cancer center for the purpose of performing research on, procuring, testing, processing, storing, packaging, distributing, or using blood, bone, or tissue. The term includes tangible personal property used to:

- (i) Provide preparatory treatment of blood, bone, or tissue;
- (ii) Control, guide, measure, tune, verify, align, regulate, test, or physically support blood, bone, or tissue; and
- (iii) Protect the health and safety of employees or others present during research on, procuring, testing, processing, storing, packaging, distributing, or using blood, bone, or tissue.

NEW SECTION. Sec. 303. A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply in respect to the use of medical supplies, chemicals, or materials by a comprehensive cancer center. The exemption in this section does not apply to the use of construction materials, office equipment, building equipment, administrative supplies, or vehicles.

(2) The definitions in sections 301 and 302 of this act apply to this section.

PART IV COMMERCIAL AIRPLANE MANUFACTURING

Sec. 401. RCW 82.04.4463 and 2003 2nd sp.s. c 1 s 15 are each amended to read as follows:

(1) In computing the tax imposed under this chapter, a credit is allowed for property taxes paid during the calendar year.

(2) The credit is equal to:

(a)(i) Property taxes paid on new buildings, and land upon which this property is located, built after December 1, 2003, and used exclusively in manufacturing commercial airplanes or components of such airplanes; or

(ii) Property taxes attributable to an increase in assessed value due to the renovation or expansion, after December 1, 2003, of a building used exclusively in manufacturing commercial airplanes or components of such airplanes; and

(b) An amount equal to property taxes paid on machinery and equipment exempt under RCW 82.08.02565 or 82.12.02565 (~~used in manufacturing commercial airplanes or components of such airplanes~~) and acquired after December 1, 2003, multiplied by a fraction. The numerator of the fraction is the total taxable amount subject to the tax imposed under RCW 82.04.260(13) and the denominator of the fraction is the total taxable amount subject to the tax imposed under all manufacturing classifications in chapter 82.04 RCW, required to be reported on the person's returns for the calendar year before the calendar year in which the credit under this section is earned. No credit is available under this subsection (2)(b) if either the numerator or the denominator of the fraction is zero. If the fraction is greater than or equal to nine-tenths, then the fraction is rounded to one. For purposes of this subsection, "returns" means the combined excise tax returns for the calendar year.

(3) For the purposes of this section, "commercial passenger airplane" and "component" have the meanings given in RCW 82.32.550.

(4) A person taking the credit under this section is subject to all the requirements of chapter 82.32 RCW. In addition, the person must report as required under RCW 82.32.545. A credit earned during one calendar year may be carried over to be credited against taxes incurred in a subsequent calendar year, but may not be carried over a second year. No refunds may be granted for credits under this section.

(5) In addition to all other requirements under this title, a person taking the credit under this section must report as required under RCW 82.32.545.

(6) This section expires July 1, 2024.

PART V AMPHITHEATERS

Sec. 501. RCW 82.29A.130 and 1999 c 165 s 21 are each amended to read as follows:

The following leasehold interests shall be exempt from taxes imposed pursuant to RCW 82.29A.030 and 82.29A.040:

(1) All leasehold interests constituting a part of the operating properties of any public utility which is assessed and taxed as a public utility pursuant to chapter 84.12 RCW.

(2) All leasehold interests in facilities owned or used by a school, college or university which leasehold provides housing for students and which is otherwise exempt from taxation under provisions of RCW 84.36.010 and 84.36.050.

(3) All leasehold interests of subsidized housing where the fee ownership of such property is vested in the government of the United States, or the state of Washington or any political subdivision thereof but only if income qualification exists for such housing.

(4) All leasehold interests used for fair purposes of a nonprofit fair association that sponsors or conducts a fair or fairs which receive support from revenues collected pursuant to RCW 67.16.100 and allocated by the director of the department of agriculture where the fee ownership of such property is vested in the government of the United States, the state of Washington or any of its political

subdivisions: PROVIDED, That this exemption shall not apply to the leasehold interest of any sublessee of such nonprofit fair association if such leasehold interest would be taxable if it were the primary lease.

(5) All leasehold interests in any property of any public entity used as a residence by an employee of that public entity who is required as a condition of employment to live in the publicly owned property.

(6) All leasehold interests held by enrolled Indians of lands owned or held by any Indian or Indian tribe where the fee ownership of such property is vested in or held in trust by the United States and which are not subleased to other than to a lessee which would qualify pursuant to this chapter, RCW 84.36.451 and 84.40.175.

(7) All leasehold interests in any real property of any Indian or Indian tribe, band, or community that is held in trust by the United States or is subject to a restriction against alienation imposed by the United States: PROVIDED, That this exemption shall apply only where it is determined that contract rent paid is greater than or equal to ninety percent of fair market rental, to be determined by the department of revenue using the same criteria used to establish taxable rent in RCW 82.29A.020(2)(b).

(8) All leasehold interests for which annual taxable rent is less than two hundred fifty dollars per year. For purposes of this subsection leasehold interests held by the same lessee in contiguous properties owned by the same lessor shall be deemed a single leasehold interest.

(9) All leasehold interests which give use or possession of the leased property for a continuous period of less than thirty days: PROVIDED, That for purposes of this subsection, successive leases or lease renewals giving substantially continuous use of possession of the same property to the same lessee shall be deemed a single leasehold interest: PROVIDED FURTHER, That no leasehold interest shall be deemed to give use or possession for a period of less than thirty days solely by virtue of the reservation by the public lessor of the right to use the property or to allow third parties to use the property on an occasional, temporary basis.

(10) All leasehold interests under month-to-month leases in residential units rented for residential purposes of the lessee pending destruction or removal for the purpose of constructing a public highway or building.

(11) All leasehold interests in any publicly owned real or personal property to the extent such leasehold interests arises solely by virtue of a contract for public improvements or work executed under the public works statutes of this state or of the United States between the public owner of the property and a contractor.

(12) All leasehold interests that give use or possession of state adult correctional facilities for the purposes of operating correctional industries under RCW 72.09.100.

(13) All leasehold interests used to provide organized and supervised recreational activities for disabled persons of all ages in a camp facility and for public recreational purposes by a nonprofit organization, association, or corporation that would be exempt from property tax under RCW 84.36.030(1) if it owned the property. If the publicly owned property is used for any taxable purpose, the leasehold excise taxes set forth in RCW 82.29A.030 and 82.29A.040 shall be imposed and shall be apportioned accordingly.

(14) All leasehold interests in the public or entertainment areas of a baseball stadium with natural turf and a retractable roof or canopy that is in a county with a population of over one million, that has a seating capacity of over forty thousand, and that is constructed on or after January 1, 1995. "Public or entertainment areas" include ticket sales areas, ramps and stairs, lobbies and concourses, parking

areas, concession areas, restaurants, hospitality and stadium club areas, kitchens or other work areas primarily servicing other public or entertainment areas, public rest room areas, press and media areas, control booths, broadcast and production areas, retail sales areas, museum and exhibit areas, scoreboards or other public displays, storage areas, loading, staging, and servicing areas, seating areas and suites, the playing field, and any other areas to which the public has access or which are used for the production of the entertainment event or other public usage, and any other personal property used for these purposes. "Public or entertainment areas" does not include locker rooms or private offices exclusively used by the lessee.

(15) All leasehold interests in the public or entertainment areas of a stadium and exhibition center, as defined in RCW 36.102.010, that is constructed on or after January 1, 1998. For the purposes of this subsection, "public or entertainment areas" has the same meaning as in subsection (14) of this section, and includes exhibition areas.

(16) All leasehold interests in public facilities districts, as provided in chapter 36.100 or 35.57 RCW.

(17) All leasehold interests in the public or entertainment areas of an amphitheater if a private entity is responsible for one hundred percent of the cost of constructing the amphitheater which is not reimbursed by the public owner, both the public owner and the private lessee sponsor events at the facility on a regular basis, the lessee is responsible under the lease or agreement to operate and maintain the facility, and the amphitheater has a seating capacity of over seventeen thousand reserved and general admission seats and is in a county with a population of over three hundred fifty thousand, but less than four hundred twenty-five thousand. For the purposes of this subsection, "public or entertainment areas" include box offices or other ticket sales areas, entrance gates, ramps and stairs, lobbies and concourses, parking areas, concession areas, restaurants, hospitality areas, kitchens or other work areas primarily servicing other public or entertainment areas, public rest room areas, press and media areas, control booths, broadcast and production areas, retail sales areas, museum and exhibit areas, scoreboards or other public displays, storage areas, loading, staging, and servicing areas, seating areas including lawn seating areas and suites, stages, and any other areas to which the public has access or which are used for the production of the entertainment event or other public usage, and any other personal property used for these purposes. "Public or entertainment areas" does not include office areas used predominately by the lessee.

PART VI HISTORIC AUTOMOBILE MUSEUM

NEW SECTION. Sec. 601. A new section is added to chapter 82.32 RCW to read as follows:

(1) The governing board of a nonprofit organization, corporation, or association may apply for deferral of taxes on an eligible project. Application shall be made to the department in a form and manner prescribed by the department. The application shall contain information regarding the location of the project, estimated or actual costs of the project, time schedules for completion and operation of the project, and other information required by the department. The department shall rule on the application within sixty days. All applications for the tax deferral under this section must be received no later than December 31, 2008.

(2) The department shall issue a sales and use tax deferral certificate for state and local sales and use taxes due under chapters 82.08, 82.12, and 82.14 RCW on each eligible project.

(3) The nonprofit organization, corporation, or association shall begin paying the deferred taxes in the fifth year after the date certified by the department as the date on which the eligible project is operationally complete. The first payment is due on December 31st of the fifth calendar year after such certified date, with subsequent annual payments due on December 31st of the following nine years. Each payment shall equal ten percent of the deferred tax.

(4) The department may authorize an accelerated repayment schedule upon request of the nonprofit organization, corporation, or association.

(5) Except as provided in subsection (6) of this section, interest shall not be charged on any taxes deferred under this section for the period of deferral. The debt for deferred taxes is not extinguished by insolvency or other failure of the nonprofit organization, corporation, or association.

(6) If the project is not operationally complete within five calendar years from issuance of the tax deferral or if at any time the department finds that the project is not eligible for tax deferral under this section, the amount of deferred taxes outstanding for the project shall be immediately due and payable. If deferred taxes must be repaid under this subsection, the department shall assess interest, but not penalties, on amounts due under this subsection. Interest shall be assessed at the rate provided for delinquent taxes under this chapter, retroactively to the date of deferral, and shall accrue until the deferred taxes due are repaid.

(7) Applications and any other information received by the department of revenue under this section are not confidential under RCW 82.32.330. This chapter applies to the administration of this section.

(8) This section applies to taxable eligible project activity that occurs on or after July 1, 2007.

(9) The following definitions apply to this section:

(a) "Eligible project" means a project that is used primarily for a historic automobile museum.

(b) "Historic automobile museum" means a facility owned and operated by a nonprofit organization, corporation, or association that is used to maintain and exhibit to the public a collection of at least five hundred motor vehicles.

(c) "Nonprofit organization, corporation, or association" means an organization, corporation, or association exempt from tax under section 501(c) (3), (4), or (10) of the federal internal revenue code (26 U.S.C. Sec. 501(c) (3), (4), or (10)).

(d) "Project" means the construction of new structures, the acquisition and installation of fixtures that are permanently affixed to and become a physical part of those structures, and site preparation. For purposes of this subsection, structures do not include parking facilities used for motor vehicles that are not on display or part of the museum collection.

(e) "Site preparation" includes soil testing, site clearing and grading, demolition, or any other related activities that are initiated before construction. Site preparation does not include landscaping services or landscaping materials.

PART VII NURSING HOMES

Sec. 701. RCW 82.71.020 and 2003 1st sp.s. c 16 s 2 are each amended to read as follows:

(1) In addition to any other tax, a quality maintenance fee is imposed on every operator of a nonexempt nursing facility in this state. The quality maintenance fee shall be:

(a) Six dollars and fifty cents per patient day through June 30, 2005;

(b) Five dollars and twenty-five cents per patient day for the period July 1, 2005, through June 30, 2007;

(c) Three dollars per patient day for the period July 1, 2007, through June 30, 2009; and

(d) One dollar and fifty cents per patient day for the period July 1, 2009, through June 30, 2011.

(2) Each operator of a nonexempt nursing facility shall file a return with the department on a monthly basis. The return shall include the following:

(a) The number of patient days for nonexempt nursing facilities operated by that person in that month; and

(b) Remittance of the nonexempt nursing facility operator's quality maintenance fee for that month.

(3) This section expires July 1, 2011.

Sec. 702. 2003 1st sp.s. c 16 s 6 (uncodified) is amended to read as follows:

(1) ~~((Sections 1 through 5 of this act))~~ RCW 82.71.010, 82.71.020, 82.71.030, 74.46.091, and 74.46.535 shall expire on the effective date that federal medicaid matching funds are substantially reduced or that a federal sanction is imposed due to the quality maintenance fee under ~~((section 2 of this act))~~ RCW 82.71.020, as such date is certified by the secretary of social and health services.

(2) The expiration of ~~((sections 1 through 5 of this act))~~ RCW 82.71.010, 82.71.020, 82.71.030, 74.46.091, and 74.46.535 shall not be construed as affecting any existing right acquired or liability or obligation incurred under those sections or under any rule or order adopted under those sections, nor as affecting any proceeding instituted under those sections.

PART VIII

COMMERCIAL DISTRICT REVITALIZATION

NEW SECTION. Sec. 801. (1) The legislature finds:

(a) The continued economic vitality of downtown and neighborhood commercial districts in our state's cities is essential to community preservation, social cohesion, and economic growth;

(b) In recent years there has been a deterioration of downtown and neighborhood commercial districts in both rural and urban communities due to a shifting population base, changes in the marketplace, and greater competition from suburban shopping malls, discount centers, and business transacted through the internet;

(c) This decline has eroded the ability of businesses and property owners to renovate and enhance their commercial and residential properties; and

(d) Business owners in these districts need to maintain their local economies in order to provide goods and services to adjacent residents, to provide employment opportunities, to avoid disinvestment and economic dislocations, and to develop and sustain downtown and neighborhood commercial district revitalization programs to address these problems.

(2) It is the intent of the legislature to establish a program to:

(a) Work in partnership with these organizations;

(b) Provide technical assistance and training to local governments, business organizations, downtown and neighborhood commercial district organizations, and business and property owners to accomplish community and economic revitalization and development of business districts; and

(c) Certify a downtown or neighborhood commercial district organization's use of available tax incentives.

NEW SECTION. Sec. 802. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Applicant" means a person applying for a tax credit under this chapter.

(2) "Contribution" means cash contributions.

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

(4) "Person" has the meaning given in RCW 82.04.030.

(5) "Program" means a nonprofit organization under internal revenue code sections 501(c)(3) or 501(c)(6), with the sole mission of revitalizing a downtown or neighborhood commercial district area, that is designated by the department of community, trade, and economic development as described in sections 808 through 812 of this act.

(6) "Main street trust fund" means the department of community, trade, and economic development's main street trust fund account under section 812 of this act.

NEW SECTION. Sec. 803. (1) Application for tax credits under this chapter must be made to the department before making a contribution to a program or the main street trust fund. The application shall be made to the department in a form and manner prescribed by the department. The application shall contain information regarding the proposed amount of contribution to a program or the main street trust fund, and other information required by the department to determine eligibility under this act. The department shall rule on the application within forty-five days. Applications shall be approved on a first-come basis.

(2) The person must make the contribution described in the approved application by the end of the calendar year in which the application is approved to claim a credit allowed under section 804 of this act.

(3) The department shall not accept any applications before January 1, 2006.

NEW SECTION. Sec. 804. (1) Subject to the limitations in this chapter, a credit is allowed against the tax imposed by chapters 82.04 and 82.16 RCW for approved contributions that are made by a person to a program or the main street trust fund.

(2) The credit allowed under this section is limited to an amount equal to:

(a) Seventy-five percent of the approved contribution made by a person to a program; or

(b) Fifty percent of the approved contribution made by a person to the main street trust fund.

(3) The department may not approve credit with respect to a program in a city or town with a population of one hundred ninety thousand persons or more.

(4) The department shall keep a running total of all credits approved under this chapter for each calendar year. The department shall not approve any credits under this section that would cause the total amount of approved credits statewide to exceed one million five hundred thousand dollars in any calendar year.

(5) The total credits allowed under this chapter for contributions made to each program may not exceed one hundred thousand dollars in a calendar year. The total credits allowed under this chapter for a person may not exceed two hundred fifty thousand dollars in a calendar year.

(6) The credit may be claimed against any tax due under chapters 82.04 and 82.16 RCW only in the calendar year immediately following the calendar year in which the credit was approved by the department and the contribution was made to the program or the main

street trust fund. Credits may not be carried over to subsequent years. No refunds may be granted for credits under this chapter.

(7) The total amount of the credit claimed in any calendar year by a person may not exceed the lesser amount of the approved credit, or seventy-five percent of the amount of the contribution that is made by the person to a program and fifty percent of the amount of the contribution that is made by the person to the main street trust fund, in the prior calendar year.

NEW SECTION. Sec. 805. To claim a credit under this chapter, a person must electronically file with the department all returns, forms, and other information the department requires in an electronic format as provided or approved by the department. Any return, form, or information required to be filed in an electronic format under this section is not filed until received by the department in an electronic format. As used in this subsection, "returns" has the same meaning as "return" in RCW 82.32.050.

NEW SECTION. Sec. 806. The department of community, trade, and economic development shall provide information to the department to administer this chapter, including a list of designated programs that shall be updated as necessary.

NEW SECTION. Sec. 807. Chapter 82.32 RCW applies to the administration of this chapter.

NEW SECTION. Sec. 808. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Area" means a geographic area within a local government that is described by a closed perimeter boundary.

(2) "Department" means the department of community, trade, and economic development.

(3) "Director" means the director of the department of community, trade, and economic development.

(4) "Local government" means a city, code city, or town.

(5) "Qualified levels of participation" means a local downtown or neighborhood commercial district revitalization program that has been designated by the department.

NEW SECTION. Sec. 809. The Washington main street program is created within the department. In order to implement the Washington main street program, the department shall:

(1) Provide technical assistance to businesses, property owners, organizations, and local governments undertaking a comprehensive downtown or neighborhood commercial district revitalization initiative and management strategy. Technical assistance may include, but is not limited to, initial site evaluations and assessments, training for local programs, training for local program staff, site visits and assessments by technical specialists, local program design assistance and evaluation, and continued local program on-site assistance;

(2) To the extent funds are made available, provide financial assistance to local governments or local organizations to assist in initial downtown or neighborhood commercial district revitalization program start-up costs, specialized training, specific project feasibility studies, market studies, and design assistance;

(3) Develop objective criteria for selecting recipients of assistance under subsections (1) and (2) of this section, which shall include priority for downtown or neighborhood commercial district revitalization programs located in a rural county as defined in RCW

43.160.020(12), and provide for designation of local programs under section 810 of this act;

(4) Operate the Washington main street program in accordance with the plan developed by the department, in consultation with the Washington main street advisory committee created under section 811 of this act; and

(5) Consider other factors the department deems necessary for the implementation of this chapter.

NEW SECTION. Sec. 810. (1) The department shall adopt criteria for the designation of local downtown or neighborhood commercial district revitalization programs and official local main street programs. In establishing the criteria, the department shall consider:

(a) The degree of interest and commitment to comprehensive downtown or neighborhood commercial district revitalization and, where applicable, historic preservation by both the public and private sectors;

(b) The evidence of potential private sector investment in the downtown or neighborhood commercial district;

(c) Where applicable, a downtown or neighborhood commercial district with sufficient historic fabric to become a foundation for an enhanced community image;

(d) The capacity of the organization to undertake a comprehensive program and the financial commitment to implement a long-term downtown or neighborhood commercial district revitalization program that includes a commitment to employ a professional program manager and maintain a sufficient operating budget;

(e) The department's existing downtown revitalization program's tier system;

(f) The national main street center's criteria for designating official main street cities; and

(g) Other factors the department deems necessary for the designation of a local program.

(2) The department shall designate local downtown or neighborhood commercial district revitalization programs and official local main street programs. The programs shall be limited to three categories of designation, one of which shall be the main street level.

(3) Section 802 of this act does not apply to any local downtown or neighborhood commercial district revitalization program unless the boundaries of the program have been identified and approved by the department. The boundaries of a local downtown or neighborhood commercial district revitalization program are typically defined using the pedestrian core of a traditional commercial district.

(4) The department may not designate a local downtown or neighborhood commercial district revitalization program or official local main street program if the program is undertaken by a local government with a population of one hundred ninety thousand persons or more.

NEW SECTION. Sec. 811. (1) The Washington main street advisory committee is created within the department. The members of the advisory committee are appointed by the director and consist of:

(a) The director, or the director's designee, who shall serve as chair;

(b) Two representatives from local governments;

(c) Five representatives from existing local main street programs or downtown and neighborhood commercial district programs including a combination of staff, property owners, and business owners; and

(d) One representative from the Washington trust for historic preservation.

(2) The department shall develop a plan for the Washington main street program, in consultation with the Washington main street advisory committee. The plan must describe:

(a) The objectives and strategies of the Washington main street program;

(b) How the Washington main street program will be coordinated with existing federal, state, local, and private sector business development and historic preservation efforts;

(c) The means by which private investment will be solicited and employed;

(d) The methods of selecting and providing assistance to participating local programs; and

(e) A means to solicit private contributions for state and local operations of the Washington main street program.

NEW SECTION. Sec. 812. The Washington main street trust fund account is created in the state treasury. All receipts from private contributions, federal funds, legislative appropriations, and fees for services, if levied, must be deposited into the account. Expenditures from the account may be used only for the operation of the Washington main street program.

PART IX HIGH TECHNOLOGY BUSINESSES

NEW SECTION. Sec. 901. A new section is added to chapter 82.32 RCW to read as follows:

(1) If the department finds that the failure of a taxpayer to file an annual survey under RCW 82.04.4452 by the due date was the result of circumstances beyond the control of the taxpayer, the department shall extend the time for filing the survey. Such extension shall be for a period of thirty days from the date the department issues its written notification to the taxpayer that it qualifies for an extension under this section. The department may grant additional extensions as it deems proper.

(2) In making a determination whether the failure of a taxpayer to file an annual survey by the due date was the result of circumstances beyond the control of the taxpayer, the department shall be guided by rules adopted by the department for the waiver or cancellation of penalties when the underpayment or untimely payment of any tax was due to circumstances beyond the control of the taxpayer.

NEW SECTION. Sec. 902. A new section is added to chapter 82.32 RCW to read as follows:

(1) Persons required to file surveys under RCW 82.04.4452 must electronically file with the department all surveys, returns, and any other forms or information the department requires in an electronic format as provided or approved by the department, unless the department grants relief under subsection (2) of this section. As used in this section, "returns" has the same meaning as "return" in RCW 82.32.050.

(2) Upon request, the department may relieve a person of the obligations in subsection (1) of this section if the person's taxes have been reduced a cumulative total of less than one thousand dollars from all of the credits, exemptions, or preferential business and occupation tax rates, for which a person is required to file an annual survey under RCW 82.04.4452, 82.32.535, 82.32.545, 82.32.570, 82.32.560, 82.60.070, or 82.63.020.

(3) Persons who no longer qualify for relief under subsection (2) of this section will be notified in writing by the department and must comply with subsection (1) of this section by the date provided in the notice.

(4) Any survey, return, or any other form or information required to be filed in an electronic format under subsection (1) of this section is not filed until received by the department in an electronic format.

Sec. 903. RCW 82.04.4452 and 2004 c 2 s 2 are each amended to read as follows:

(1) In computing the tax imposed under this chapter, a credit is allowed for each person whose research and development spending during the year in which the credit is claimed exceeds 0.92 percent of the person's taxable amount during the same calendar year.

(2) The credit shall be calculated as follows:

(a) Determine the greater of the amount of qualified research and development expenditures of a person or eighty percent of amounts received by a person other than a public educational or research institution in compensation for the conduct of qualified research and development;

(b) Subtract 0.92 percent of the person's taxable amount from the amount determined under (a) of this subsection;

(c) Multiply the amount determined under (b) of this subsection by ~~((the rate provided in RCW 82.04.260(3) in the case of a nonprofit corporation or nonprofit association engaging within this state in research and development, and the person's average tax rate for every other person))~~ the following:

(i) For the period June 10, 2004, through December 31, 2006, the person's average tax rate for the calendar year for which the credit is claimed;

(ii) For the calendar year ending December 31, 2007, the greater of the person's average tax rate for that calendar year or 0.75 percent;

(iii) For the calendar year ending December 31, 2008, the greater of the person's average tax rate for that calendar year or 1.0 percent;

(iv) For the calendar year ending December 31, 2009, the greater of the person's average tax rate for that calendar year or 1.25 percent;

(v) For the calendar year ending December 31, 2010, and thereafter, 1.50 percent.

For purposes of calculating the credit, if a person's reporting period is less than annual, the person may use an estimated average tax rate for the calendar year for which the credit is claimed by using the person's average tax rate for each reporting period. A person who uses an estimated average tax rate must make an adjustment to the total credit claimed for the calendar year using the person's actual average tax rate for the calendar year when the person files its last return for the calendar year for which the credit is claimed.

(3) Any person entitled to the credit provided in subsection (2) of this section as a result of qualified research and development conducted under contract may assign all or any portion of the credit to the person contracting for the performance of the qualified research and development.

(4) The credit, including any credit assigned to a person under subsection (3) of this section, shall be ~~((taken))~~ claimed against taxes due for the same calendar year in which the qualified research and development expenditures are incurred. The credit, including any credit assigned to a person under subsection (3) of this section, for each calendar year shall not exceed the lesser of two million dollars or the amount of tax otherwise due under this chapter for the calendar year.

(5) For any person ((taking)) claiming the credit, including any credit assigned to a person under subsection (3) of this section, whose research and development spending during the calendar year in which the credit is claimed fails to exceed 0.92 percent of the person's taxable amount during the same calendar year ((shall be liable for payment of the additional)) or who is otherwise ineligible, the department shall declare the taxes ((represented by the amount of)) against which the credit ((taken together with)) was claimed to be immediately due and payable. The department shall assess interest, but not penalties, on the taxes against which the credit was claimed. Interest shall be ((due)) assessed at the rate provided for delinquent excise taxes under chapter 82.32 RCW, retroactively to the date the credit was ((taken until the taxes are paid)) claimed, and shall accrue until the taxes against which the credit was claimed are repaid. Any credit assigned to a person under subsection (3) of this section that is disallowed as a result of this section may be ((taken)) claimed by the person who performed the qualified research and development subject to the limitations set forth in subsection (4) of this section.

(6) ((Any person claiming the credit, and any person assigning a credit as provided in subsection (3) of this section, shall file an annual report in a form prescribed by the department which shall include the amount of the credit claimed, the qualified research and development expenditures during the calendar year for which the credit is claimed, and the taxable amount during the calendar year for which the credit is claimed, and such additional information as the department may prescribe. The report is due by March 31st following any year a credit is taken.

—((7)))(a) 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.

(b) A person claiming the credit shall ((agree to)) file a complete ((an)) annual survey with the department. ((The annual survey is in addition to the annual report due under subsection (6) of this section.)) The survey is due by March 31st following any year in which a credit is ((taken)) claimed. The department may extend the due date for timely filing of annual surveys under this section as provided in section 901 of this act. The survey shall include the amount of the tax credit ((taken)) claimed, the qualified research and development expenditures during the calendar year for which the credit is claimed, the taxable amount during the calendar year for which the credit is claimed, the number of new products or research projects by general classification, ((and)) the number of trademarks, patents, and copyrights associated with the research and development activities for which a credit was ((taken)) claimed, and whether the credit has been assigned under subsection (3) of this section and who assigned the credit. The survey shall also include the following information for employment positions in Washington:

(i) The number of total employment positions;

(ii) Full-time, part-time, and temporary employment positions as a percent of total employment;

(iii) The number of employment positions according to the following wage bands: Less than thirty thousand dollars; thirty thousand dollars or greater, but less than sixty thousand dollars; and sixty thousand dollars or greater. A wage band containing fewer than three individuals may be combined with another wage band; and

(iv) The number of employment positions that have employer-provided medical, dental, and retirement benefits, by each of the wage bands.

(c) The department may request additional information necessary to measure the results of the tax credit program, to be submitted at the same time as the survey.

(d)(i) All information collected under this subsection, except the amount of the tax credit ((taken)) claimed, is deemed taxpayer information under RCW 82.32.330 ((and is not disclosable)). Information on the amount of tax credit ((taken)) claimed is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request, except ((that)) as provided in this subsection (6)(d). If the amount of the tax credit as reported on the survey is different than the amount actually claimed on the taxpayer's tax returns or otherwise allowed by the department, the amount actually claimed or allowed may be disclosed.

—(ii) Persons ((taking)) for whom the actual amount of the tax credit claimed on the taxpayer's returns or otherwise allowed by the department is less than ten thousand dollars ((of credit)) during the period covered by the survey may request the department to treat the tax credit amount as confidential under RCW 82.32.330.

(e) If a person fails to file a complete ((the)) annual survey required under this subsection with the department by the due date or any extension under section 901 of this act, the person entitled to the credit provided in subsection (2) of this section is not eligible to ((take)) claim or assign the credit provided in subsection (2) of this section in the year the person failed to timely file a complete ((the)) survey.

—((8)) (7) The department shall use the information from subsection ((7)) (6) of this section to prepare summary descriptive statistics by category. No fewer than three taxpayers shall be included in any category. The department shall report these statistics to the legislature each year by September 1st.

—((9)) (8) The department shall use the information from subsection ((7)) (6) of this section to study the tax credit program authorized under this section. The department shall report to the legislature by December 1, 2009, and December 1, 2013. The reports shall measure the effect of the program on job creation, the number of jobs created for Washington residents, company growth, the introduction of new products, the diversification of the state's economy, growth in research and development investment, the movement of firms or the consolidation of firms' operations into the state, and such other factors as the department selects.

—((10)) (9) For the purpose of this section:

(a) "Average tax rate" means a person's total tax liability under this chapter for the ((reporting period)) calendar year for which the credit is claimed divided by the taxpayer's total taxable ((income)) amount under this chapter for the ((reporting period)) calendar year for which the credit is claimed.

(b) "Qualified research and development expenditures" means operating expenses, including wages, compensation of a proprietor or a partner in a partnership as determined under rules adopted by the department, benefits, supplies, and computer expenses, directly incurred in qualified research and development by a person claiming the credit provided in this section. The term does not include amounts paid to a person other than a public educational or research institution to conduct qualified research and development. Nor does the term include capital costs and overhead, such as expenses for land, structures, or depreciable property.

(c) "Qualified research and development" shall have the same meaning as in RCW 82.63.010.

(d) "Research and development spending" means qualified research and development expenditures plus eighty percent of amounts paid to a person other than a public educational or research institution to conduct qualified research and development.

(e) "Taxable amount" means the taxable amount subject to the tax imposed in this chapter required to be reported on the person's combined excise tax returns ((during)) for the calendar year ((in)) for

which the credit is claimed, less any taxable amount for which a credit is allowed under RCW 82.04.440.

~~((H))~~ (10) This section expires January 1, 2015.

NEW SECTION. Sec. 904. (1) A person who owes additional tax as a result of section 903(9)(a), chapter ..., Laws of 2005 (section 903(9)(a) of this act) is liable for interest, but not penalties as provided in RCW 82.32.090 (1) and (2), if the entire additional tax liability is paid in full to the department of revenue before January 1, 2006. Interest shall be assessed at the rate provided for delinquent excise taxes under chapter 82.32 RCW, retroactively to the date the credit was claimed, and shall accrue until the additional tax is repaid.

(2) Persons who fail to repay the full amount of additional tax owed as a result of section 903(9)(a), chapter ..., Laws of 2005 (section 903(9)(a) of this act) before January 1, 2006, are subject to all applicable penalties and interest as provided in chapter 82.32 RCW on the additional tax owing after December 31, 2005.

(3) This section expires December 31, 2010.

PART X ESTATES

Sec. 1001. RCW 83.100.--- and 2005 c ... (ESB 6096) s 4 are each amended to read as follows:

(1) For the purposes of determining the Washington taxable estate, a deduction is allowed from the federal taxable estate for ~~(the value of qualified real property and the value of any tangible personal property used primarily for farming purposes conducted on the qualified real property, reduced by any amounts allowable as a deduction in respect of the qualified real property and tangible personal property under section 2053(a)(4) of the Internal Revenue Code, if the decedent was at the time of his or her death a citizen or resident of the United States. For the purposes of determining the deduction amount, the value of property is its value as used to determine the value of the gross estate):~~

(a) The value of qualified real property reduced by any amounts allowable as a deduction in respect of the qualified real property and tangible personal property under section 2053(a)(4) of the internal revenue code, if the decedent was at the time of his or her death a citizen or resident of the United States.

(b) The value of any tangible personal property used by the decedent or a member of the decedent's family for a qualified use on the date of the decedent's death, reduced by any amounts allowable as a deduction in respect of the tangible personal property under section 2053(a)(4) of the internal revenue code, if all of the requirements of subsection (10)(f)(i)(A) of this section are met and the decedent was at the time of his or her death a citizen or resident of the United States.

(c) The value of real property that is not deductible under (a) of this subsection solely by reason of subsection (10)(f)(i)(B) of this section, reduced by any amounts allowable as a deduction in respect of the qualified real property and tangible personal property under section 2053(a)(4) of the internal revenue code, if the requirements of subsection (10)(f)(i)(C) of this section are met with respect to the property and the decedent was at the time of his or her death a citizen or resident of the United States.

(2) Property shall be considered to have been acquired from or to have passed from the decedent if:

(a) The property is so considered under section 1014(b) of the Internal Revenue Code;

(b) The property is acquired by any person from the estate; or

(c) The property is acquired by any person from a trust, to the extent the property is includible in the gross estate of the decedent.

(3) If the decedent and the decedent's surviving spouse at any time held qualified real property as community property, the interest of the surviving spouse in the property shall be taken into account under this section to the extent necessary to provide a result under this section with respect to the property which is consistent with the result which would have obtained under this section if the property had not been community property.

(4) In the case of any qualified woodland, the value of trees growing on the woodland may be deducted if otherwise qualified under this section.

(5) If property is qualified real property with respect to a decedent, hereinafter in this subsection referred to as the "first decedent," and the property was acquired from or passed from the first decedent to the surviving spouse of the first decedent, active management of the farm by the surviving spouse shall be treated as material participation by the surviving spouse in the operation of the farm.

(6) Property owned indirectly by the decedent may qualify for a deduction under this section if owned through an interest in a corporation, partnership, or trust as the terms corporation, partnership, or trust are used in section 2032A(g) of the Internal Revenue Code. In order to qualify for a deduction under this subsection, the interest, in addition to meeting the other tests for qualification under this section, must qualify under section 6166(b)(1) of the Internal Revenue Code as an interest in a closely held business on the date of the decedent's death and for sufficient other time, combined with periods of direct ownership, to equal at least five years of the eight-year period preceding the death.

(7)(a) If, on the date of the decedent's death, the requirements of subsection (10)(f)(i)(C)(II) of this section with respect to the decedent for any property are not met, and the decedent (i) was receiving old age benefits under Title II of the social security act for a continuous period ending on such date, or (ii) was disabled for a continuous period ending on this date, then subsection (10)(f)(i)(C)(II) of this section shall be applied with respect to the property by substituting "the date on which the longer of such continuous periods began" for "the date of the decedent's death" in subsection (10)(f)(i)(C) of this section.

(b) For the purposes of (a) of this subsection, an individual shall be disabled if the individual has a mental or physical impairment which renders that individual unable to materially participate in the operation of the farm.

(8) Property may be deducted under this section whether or not special valuation is elected under section 2032A of the Internal Revenue Code on the federal return. For the purposes of determining the deduction under this section, the value of property is its value as used to determine the value of the gross estate.

(9)(a) In the case of any qualified replacement property, any period during which there was ownership, qualified use, or material participation with respect to the replaced property by the decedent or any member of the decedent's family shall be treated as a period during which there was ownership, use, or material participation, as the case may be, with respect to the qualified replacement property.

(b) Subsection (9)(a) of this section shall not apply to the extent that the fair market value of the qualified replacement property, as of the date of its acquisition, exceeds the fair market value of the replaced property, as of the date of its disposition.

(c) For the purposes of this subsection (9), the following definitions apply:

(i) "Qualified replacement property" means any real property:

(A) Which is acquired in an exchange which qualifies under section 1031 of the Internal Revenue Code; or

(B) The acquisition of which results in the nonrecognition of gain under section 1033 of the Internal Revenue Code.

The term "qualified replacement property" only includes property which is used for the same qualified use as the replaced property was being used before the exchange.

(ii) "Replaced property" means the property was:

(A) Transferred in the exchange which qualifies under section 1031 of the Internal Revenue Code; or

(B) Compulsorily or involuntarily converted within the meaning of section 1033 of the Internal Revenue Code.

(10) For the purposes of this section, the following definitions apply:

(a) "Active management" means the making of the management decisions of a farm, other than the daily operating decisions.

(b) "Farm" includes stock, dairy, poultry, fruit, furbearing animal, and truck farms; plantations; ranches; nurseries; ranges; greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities; and orchards and woodlands.

(c) "Farming purposes" means:

(i) Cultivating the soil or raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of animals on a farm;

(ii) Handling, drying, packing, grading, or storing on a farm any agricultural or horticultural commodity in its unmanufactured state, but only if the owner, tenant, or operator of the farm regularly produces more than one-half of the commodity so treated; and

(iii)(A) The planting, cultivating, caring for, or cutting of trees; or

(B) The preparation, other than milling, of trees for market.

(d) "Member of the family" means, with respect to any individual, only:

(i) An ancestor of the individual;

(ii) The spouse of the individual;

(iii) A lineal descendant of the individual, of the individual's spouse, or of a parent of the individual; or

(iv) The spouse of any lineal descendant described in (d)(iii) of this subsection.

For the purposes of this subsection (10)(d), a legally adopted child of an individual shall be treated as the child of such individual by blood.

(e) "Qualified heir" means, with respect to any property, a member of the decedent's family who acquired property, or to whom property passed, from the decedent.

(f)(i) "Qualified real property" means real property which was acquired from or passed from the decedent to a qualified heir of the decedent and which, on the date of the decedent's death, was being used for a qualified use by the decedent or a member of the decedent's family, but only if:

(A) Fifty percent or more of the adjusted value of the gross estate consists of the adjusted value of real or personal property which:

(I) On the date of the decedent's death, was being used for a qualified use by the decedent or a member of the decedent's family; and

(II) Was acquired from or passed from the decedent to a qualified heir of the decedent;

(B) Twenty-five percent or more of the adjusted value of the gross estate consists of the adjusted value of real property which

meets the requirements of (f)(i)(A)(II) and (f)(i)(C) of this subsection; and

(C) During the eight-year period ending on the date of the decedent's death there have been periods aggregating five years or more during which:

(I) The real property was owned by the decedent or a member of the decedent's family and used for a qualified use by the decedent or a member of the decedent's family; and

(II) There was material participation by the decedent or a member of the decedent's family in the operation of the farm. For the purposes of this subsection (f)(i)(C)(II), material participation shall be determined in a manner similar to the manner used for purposes of section 1402(a)(1) of the Internal Revenue Code.

(ii) For the purposes of this subsection, the term "adjusted value" means:

(A) In the case of the gross estate, the value of the gross estate, determined without regard to any special valuation under section 2032A of the Internal Revenue Code, reduced by any amounts allowable as a deduction under section 2053(a)(4) of the Internal Revenue Code; or

(B) In the case of any real or personal property, the value of the property for purposes of chapter 11 of the Internal Revenue Code, determined without regard to any special valuation under section 2032A of the Internal Revenue Code, reduced by any amounts allowable as a deduction in respect of such property under section 2053(a)(4) of the Internal Revenue Code.

(g) "Qualified use" means the property is used as a farm for farming purposes. In the case of real property which meets the requirements of (f)(i)(C) of this subsection, residential buildings and related improvements on the real property occupied on a regular basis by the owner or lessee of the real property or by persons employed by the owner or lessee for the purpose of operating or maintaining the real property, and roads, buildings, and other structures and improvements functionally related to the qualified use shall be treated as real property devoted to the qualified use. For tangible personal property eligible for a deduction under subsection (1)(b) of this section, "qualified use" means the property is used primarily for farming purposes on a farm.

(h) "Qualified woodland" means any real property which:

(i) Is used in timber operations; and

(ii) Is an identifiable area of land such as an acre or other area for which records are normally maintained in conducting timber operations.

(i) "Timber operations" means:

(i) The planting, cultivating, caring for, or cutting of trees; or

(ii) The preparation, other than milling, of trees for market.

PART XI MISCELLANEOUS

NEW SECTION. Sec. 1101. Part headings used in this act are not any part of the law.

NEW SECTION. Sec. 1102. Except as otherwise specifically provided in this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2005.

NEW SECTION. Sec. 1103. Sections 102 through 105, 901, 903, 904, 1001, 1110, and 1111 of this act are necessary for the immediate preservation of the public peace, health, or safety, or

support of the state government and its existing public institutions, and take effect immediately.

NEW SECTION. Sec. 1104. Sections 401 and 902 of this act take effect January 1, 2006.

NEW SECTION. Sec. 1105. Section 601 of this act takes effect July 1, 2007.

NEW SECTION. Sec. 1106. Sections 801 and 808 through 812 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 1107. Sections 802 through 807 of this act constitute a new chapter in Title 82 RCW.

NEW SECTION. Sec. 1108. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 1109. Sections 801 through 812 of this act may be known and cited as the Washington main street act.

NEW SECTION. Sec. 1110. Section 903 of this act applies retroactively to June 10, 2004.

NEW SECTION. Sec. 1111. Section 901 of this act applies retroactively to annual surveys required under RCW 82.04.4452 that are due after December 31, 2004."

Correct the title.

Representatives Orcutt, Anderson, Roach, Ericksen and Armstrong spoke in favor of the adoption of the amendment.

Representatives McIntire and Hunter spoke against the adoption of the amendment.

The amendment was not adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives McIntire, Hunter, Conway, Kagi, Dickerson, Darneille, Schual-Berke and Kessler spoke in favor of passage of the bill.

Representatives Anderson, Orcutt, Curtis, Talcott, Tom, Newhouse, Roach, Holmquist, Dunn, Anderson (again), DeBolt, Armstrong, Roach (again) and Ericksen spoke against the passage of the bill.

The Speaker stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 2314.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 2314 and the bill passed the House by the following vote: Yeas - 51, Nays - 47, Absent - 0, Excused - 0.

Voting yea: Representatives Appleton, Blake, Buck, Campbell, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hankins, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Sullivan, B., Upthegrove, Williams, Wood and Mr. Speaker - 51.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buri, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Green, Haler, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, McCune, McDonald, Morrell, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Springer, Strow, Sullivan, P., Sump, Takko, Talcott, Tom, Wallace, Walsh and Woods - 47.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2314, having received the necessary constitutional majority, was declared passed.

There being no objection, the House immediately reconsidered the vote on final passage by which ENGROSSED SUBSTITUTE HOUSE BILL NO. 2314 passed the House.

RECONSIDERATION

The Speaker stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 2314 on reconsideration.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 2314 on reconsideration, and the bill passed the House by the following vote: Yeas - 50, Nays - 48, Absent - 0, Excused - 0.

Voting yea: Representatives Appleton, Blake, Campbell, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hankins, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Sullivan, B., Upthegrove, Williams, Wood and Mr. Speaker - 50.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Green, Haler, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen,

McCune, McDonald, Morrell, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Springer, Strow, Sullivan, P., Sump, Takko, Talcott, Tom, Wallace, Walsh and Woods - 48.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2314, on reconsideration, having received the constitutional majority, was declared passed.

There being no objection, the House reverted to the fourth order of business.

INTRODUCTION & FIRST READING

ESSB 6091 by Senate Committee on Transportation (originally sponsored by Senators Haugen and Swecker; by request of Governor Gregoire)

AN ACT Relating to transportation funding and appropriations; amending RCW 81.84.020; amending 2004 c 229 ss 101, 207, 208, 209, 210, 211, 212, 213, 215, 218, 219, 220, 222, 223, 224, 225, 401, 402, 404, and 405 (uncodified); amending 2003 c 360 ss 201 and 218 (uncodified); creating new sections; making appropriations and authorizing expenditures for capital improvements; and declaring an emergency.

ESSB 6103 by Senate Committee on Transportation (originally sponsored by Senators Haugen and Swecker)

AN ACT Relating to transportation revenue; amending RCW 82.36.025, 82.38.030, 46.68.090, 46.68.110, 82.38.035, 82.38.045, 43.84.092, 46.68.035, 46.16.237, 46.16.270, 46.20.055, 46.20.070, 46.20.117, 46.20.120, 46.20.311, 46.20.049, and 43.135.045; reenacting and amending RCW 43.84.092, 46.16.070, and 46.20.308; adding new sections to chapter 46.68 RCW; adding new sections to chapter 46.16 RCW; adding a new chapter to Title 46 RCW; creating new sections; making an appropriation; providing effective dates; providing an expiration date; and declaring an emergency.

SCR 8410 By Senator Brown

Exempting House Bill No. 1515 from SCR 8400.

Referred to Committee on Rules.

There being no objection, the bills and resolution listed on the day's introduction sheet under the fourth order of business were referred to the committees so designated with the exception of ENGROSSED SUBSTITUTE SENATE BILL NO. 6091 and ENGROSSED SUBSTITUTE SENATE BILL NO. 6103 which were placed on the Second Reading calendar.

SIGNED BY THE SPEAKER

The Speaker signed:

- HOUSE BILL NO. 1002,
- ENGROSSED HOUSE BILL NO. 1003,
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1031,
- HOUSE BILL NO. 1034,
- SUBSTITUTE HOUSE BILL NO. 1054,
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1064,
- SUBSTITUTE HOUSE BILL NO. 1065,
- ENGROSSED HOUSE BILL NO. 1068,
- ENGROSSED HOUSE BILL NO. 1074,
- HOUSE BILL NO. 1108,
- HOUSE BILL NO. 1110,
- SUBSTITUTE HOUSE BILL NO. 1116,
- HOUSE BILL NO. 1124,
- HOUSE BILL NO. 1128,
- HOUSE BILL NO. 1128,
- HOUSE BILL NO. 1136,
- SUBSTITUTE HOUSE BILL NO. 1137,
- SUBSTITUTE HOUSE BILL NO. 1147,
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1152,
- SUBSTITUTE HOUSE BILL NO. 1158,
- SECOND SUBSTITUTE HOUSE BILL NO. 1168,
- SUBSTITUTE HOUSE BILL NO. 1174,
- SUBSTITUTE HOUSE BILL NO. 1179,
- SUBSTITUTE HOUSE BILL NO. 1181,
- SUBSTITUTE HOUSE BILL NO. 1185,
- SUBSTITUTE HOUSE BILL NO. 1189,
- SUBSTITUTE HOUSE BILL NO. 1216,
- SUBSTITUTE HOUSE BILL NO. 1218,
- SECOND SUBSTITUTE HOUSE BILL NO. 1220,
- ENGROSSED HOUSE BILL NO. 1222,
- SUBSTITUTE HOUSE BILL NO. 1236,
- HOUSE BILL NO. 1247,
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1252,
- HOUSE BILL NO. 1254,
- SUBSTITUTE HOUSE BILL NO. 1266,
- SUBSTITUTE HOUSE BILL NO. 1280,
- SUBSTITUTE HOUSE BILL NO. 1281,
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1290,
- SUBSTITUTE HOUSE BILL NO. 1299,
- HOUSE BILL NO. 1303,
- SUBSTITUTE HOUSE BILL NO. 1304,
- HOUSE BILL NO. 1307,
- SUBSTITUTE HOUSE BILL NO. 1313,
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1314,
- HOUSE BILL NO. 1315,
- HOUSE BILL NO. 1330,
- SUBSTITUTE HOUSE BILL NO. 1345,
- SUBSTITUTE HOUSE BILL NO. 1347,
- SUBSTITUTE HOUSE BILL NO. 1366,
- SUBSTITUTE HOUSE BILL NO. 1379,
- SUBSTITUTE HOUSE BILL NO. 1381,
- HOUSE BILL NO. 1386,
- SUBSTITUTE HOUSE BILL NO. 1393,
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1397,
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1402,
- SUBSTITUTE HOUSE BILL NO. 1408,
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1418,
- SUBSTITUTE HOUSE BILL NO. 1426,
- SUBSTITUTE HOUSE BILL NO. 1463,
- HOUSE BILL NO. 1469,
- SUBSTITUTE HOUSE BILL NO. 1478,
- SUBSTITUTE HOUSE BILL NO. 1486,
- SUBSTITUTE HOUSE BILL NO. 1495,
- SUBSTITUTE HOUSE BILL NO. 1496,
- SUBSTITUTE HOUSE BILL NO. 1512,
- HOUSE BILL NO. 1533,
- SUBSTITUTE HOUSE BILL NO. 1541,

ENGROSSED HOUSE BILL NO. 1561,
 ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1605,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1631,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1640,
 SUBSTITUTE HOUSE BILL NO. 1652,
 SUBSTITUTE HOUSE BILL NO. 1681,
 SUBSTITUTE HOUSE BILL NO. 1687,
 ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1688,
 SUBSTITUTE HOUSE BILL NO. 1689,
 HOUSE BILL NO. 1690,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1696,
 SUBSTITUTE HOUSE BILL NO. 1699,
 SUBSTITUTE HOUSE BILL NO. 1711,
 HOUSE BILL NO. 1739,
 SUBSTITUTE HOUSE BILL NO. 1754,
 SUBSTITUTE HOUSE BILL NO. 1756,
 HOUSE BILL NO. 1771,
 SUBSTITUTE HOUSE BILL NO. 1847,
 SUBSTITUTE HOUSE BILL NO. 1856,
 HOUSE BILL NO. 1864,
 ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1888,
 SUBSTITUTE HOUSE BILL NO. 1951,
 SUBSTITUTE HOUSE BILL NO. 1995,
 HOUSE BILL NO. 1999,
 SUBSTITUTE HOUSE BILL NO. 2085,
 HOUSE BILL NO. 2101,
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 2126,
 SUBSTITUTE HOUSE BILL NO. 2173,
 HOUSE BILL NO. 2189,
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5034,
 SUBSTITUTE SENATE BILL NO. 5038,
 SENATE BILL NO. 5039,
 ENGROSSED SENATE BILL NO. 5049,
 SUBSTITUTE SENATE BILL NO. 5052,
 SUBSTITUTE SENATE BILL NO. 5064,
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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 22, 2005, the 103rd Day of the Regular Session.

FRANK CHOPP, Speaker

RICHARD NAFZIGER, Chief Clerk

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