

SIXTY EIGHTH DAY

House Chamber, Olympia, Friday, March 20, 2015

The House was called to order at 9:55 a.m. by the Speaker (Representative Orwall presiding).

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

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

INTRODUCTION & FIRST READING

HB 2196 by Representatives Blake, Condotta, Moscoso, Appleton, Takko, Dunshee and Walsh

AN ACT Relating to authorizing the growing of up to six marijuana plants per domicile; amending RCW 69.50.4013; and creating a new section.

Referred to Committee on Commerce & Gaming.

HB 2197 by Representatives Shea, Condotta, Young, Taylor, Scott, G. Hunt and McCaslin

AN ACT Relating to establishing the constitutional currency restoration act; adding a new chapter to Title 43 RCW; and providing an effective date.

Referred to Committee on Judiciary.

HB 2198 by Representatives Shea, Taylor, Scott, G. Hunt, Condotta, McCaslin and Young

AN ACT Relating to adopting the Washington state health care freedom act of 2015; and adding new sections to chapter 48.44 RCW.

Referred to Committee on Health Care & Wellness.

HB 2199 by Representatives Shea, Taylor, Condotta, Scott, Young, G. Hunt and McCaslin

AN ACT Relating to creating the Washington state preservation of liberty act condemning the unlawful detention of United States citizens and lawful resident aliens under the national defense authorization act; adding a new section to chapter 42.20 RCW; adding a new section to chapter 38.40 RCW; creating new sections; prescribing penalties; and declaring an emergency.

Referred to Committee on Public Safety.

HB 2200 by Representatives Shea, Taylor, Condotta, Scott and McCaslin

AN ACT Relating to acts of official oppression by public servants; adding new sections to chapter 42.20 RCW; creating

a new section; prescribing penalties; and declaring an emergency.

Referred to Committee on Public Safety.

There being no objection, the bills listed on the day's introduction sheet under the fourth order of business were referred to the committees so designated.

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

REPORTS OF STANDING COMMITTEES

March 19, 2015
HCR 4401 Prime Sponsor, Representative Hunt, S.: Renaming "Office Building 2" as the "Human Services Building." Reported by Committee on State Government

MAJORITY recommendation: Do pass. Signed by Representatives Hunt, S., Chair; Bergquist, Vice Chair; Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member; Appleton; Gregory and Hawkins.

Passed to Committee on Rules for second reading.

March 18, 2015
SB 5011 Prime Sponsor, Senator Becker: Addressing third-party payor release of health care information. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 70.02.045 and 2014 c 223 s 18 are each amended to read as follows:

Third-party payors shall not release health care information disclosed under this chapter, except as required by chapter 43.371 RCW and to the extent that health care providers are authorized to do so under RCW 70.02.050, 70.02.200, and 70.02.210.

NEW SECTION. Sec. 2. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Correct the title.

Signed by Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant

Ranking Minority Member; Caldier; Clibborn; DeBolt; Jinkins; Johnson; Moeller; Robinson; Rodne; Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

March 18, 2015

SSB 5023 Prime Sponsor, Committee on Health Care: Concerning the filing of group health benefit plans other than small group plans, stand-alone dental plans, and stand-alone vision plans by disability insurers, health care service contractors, and health maintenance organizations. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier; Clibborn; DeBolt; Jinkins; Johnson; Moeller; Robinson; Rodne; Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

March 19, 2015

SB 5075 Prime Sponsor, Senator Baumgartner: Making nonsubstantive changes to procurement law. Reported by Committee on State Government

MAJORITY recommendation: Do pass. Signed by Representatives Hunt, S., Chair; Bergquist, Vice Chair; Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member; Appleton; Gregory and Hawkins.

Passed to Committee on Rules for second reading.

March 19, 2015

SB 5176 Prime Sponsor, Senator Keiser: Concerning the capitol furnishings preservation committee. Reported by Committee on State Government

MAJORITY recommendation: Do pass. Signed by Representatives Hunt, S., Chair; Bergquist, Vice Chair; Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member; Appleton; Gregory and Hawkins.

Passed to Committee on Rules for second reading.

March 18, 2015

SSB 5293 Prime Sponsor, Committee on Health Care: Concerning the use of hydrocodone products by licensed optometrists in Washington state. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier; Clibborn; DeBolt; Jinkins; Johnson; Moeller; Robinson; Rodne; Short; Tharinger and Van De Wege.

Passed to Committee on Rules for second reading.

March 18, 2015

SSB 5299

Prime Sponsor, Committee on Financial Institutions & Insurance: Updating, clarifying, and strengthening department of financial institutions' enforcement, licensing, and examination statutes relating to residential mortgage lending, and enhancing the crime of mortgage fraud in the residential mortgage lending process. Reported by Committee on Business & Financial Services

MAJORITY recommendation: Do pass as amended.

On page 29, line 18, after "means a" strike all material through "transferred" on line 20 and insert "sum of money lent at interest or for a fee or other charge"

Signed by Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Ranking Minority Member; Blake; Hunt, G.; Hurst; Kochmar; McCabe; Santos and Stanford.

Passed to Committee on Rules for second reading.

March 19, 2015

SSB 5348 Prime Sponsor, Committee on Government Operations & Security: Allowing public agencies to enter into contracts providing for the joint utilization of architectural or engineering services. Reported by Committee on State Government

MAJORITY recommendation: Do pass. Signed by Representatives Hunt, S., Chair; Bergquist, Vice Chair; Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member; Appleton; Gregory and Hawkins.

Passed to Committee on Rules for second reading.

March 18, 2015

SSB 5485 Prime Sponsor, Committee on Financial Institutions & Insurance: Concerning debt adjusters. Reported by Committee on Business & Financial Services

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 18.28.010 and 2012 c 56 s 1 are each reenacted and amended to read as follows:

Unless a different meaning is plainly required by the context, the following words and phrases as hereinafter used in this chapter shall have the following meanings:

- (1) "Debt adjuster," which includes any person known as a debt pooler, debt manager, debt consolidator, debt prorater, or credit counselor, is any person engaging in or holding himself or herself out as engaging in the business of debt adjusting for compensation. The term shall not include:
 - (a) Attorneys-at-law, escrow agents, accountants, broker-dealers in securities, or investment advisors in securities, while performing services solely incidental to the practice of their professions;
 - (b) Any person, partnership, association, or corporation doing business under and as permitted by any law of this state or of the United States relating to banks, consumer finance businesses, consumer loan companies, trust companies, mutual savings banks, savings and loan associations, building and loan

associations, credit unions, crop credit associations, development credit corporations, industrial development corporations, title insurance companies, insurance companies, or third-party account administrators;

- (c) Persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt adjusting, perform credit services for their employer;
- (d) Public officers while acting in their official capacities and persons acting under court order;
- (e) Any person while performing services incidental to the dissolution, winding up or liquidation of a partnership, corporation, or other business enterprise;
- (f) Nonprofit organizations dealing exclusively with debts owing from commercial enterprises to business creditors;
- (g) Nonprofit organizations engaged in debt adjusting and which do not assess against the debtor a service charge in excess of fifteen dollars per month.
- (2) "Debt adjusting" means the managing, counseling, settling, adjusting, prorating, or liquidating of the indebtedness of a debtor, or receiving funds for the purpose of distributing said funds among creditors in payment or partial payment of obligations of a debtor.
- (3) "Debt adjusting agency" is any partnership, corporation, or association engaging in or holding itself out as engaging in the business of debt adjusting.
- (4) "Financial institution" means any person doing business under the laws of any state or the United States relating to commercial banks, bank holding companies, savings banks, savings and loan associations, trust companies, or credit unions.
- (5) "Third-party account administrator" means an independent entity that holds or administers a dedicated bank account for fees and payments to creditors, debt collectors, debt adjusters, or debt adjusting agencies in connection with the renegotiation, settlement, reduction, or other alteration of the terms of payment or other terms of a debt.
- (6) "Fair share" means the creditor contributions paid to nonprofit debt adjusters by the creditors whose consumers receive debt adjusting services from the nonprofit debt adjusters and pay down their debt accordingly. "Fair share" does not include grants received by nonprofit debt adjusters for services unrelated to debt adjusting.

Sec. 2. RCW 18.28.080 and 2012 c 56 s 2 are each amended to read as follows:

- (1) By contract a debt adjuster may charge a reasonable fee for debt adjusting services. The total fee for debt adjusting services, including, but not limited to, any fee charged by a financial institution or a third-party account administrator, may not exceed fifteen percent of the total debt listed by the debtor on the contract. The fee retained by the debt adjuster from any one payment made by or on behalf of the debtor may not exceed fifteen percent of the payment not including fair share contributions to a nonprofit debt adjuster. The debt adjuster may make an initial charge of up to twenty-five dollars which shall be considered part of the total fee. If an initial charge is made, no additional fee may be retained which will bring the total fee retained to date to more than fifteen percent of the total payments made to date. No fee whatsoever shall be applied against rent and utility payments for housing.
- In the event of cancellation or default on performance of the contract by the debtor prior to its successful completion, the debt adjuster may collect in addition to fees previously received, six percent of that portion of the remaining indebtedness listed on said contract which was due when the

contract was entered into, but not to exceed twenty-five dollars.

- (2) A debt adjuster who receives fair share must disclose this in writing, along with an explanation of fair share, to the debtor prior to accepting any fair share.
 - (3) A debt adjuster shall not be entitled to retain any fee until notifying all creditors listed by the debtor that the debtor has engaged the debt adjuster in a program of debt adjusting.
 - ((3)) (4) The department of financial institutions has authority to enforce compliance with this section.
- Sec. 3. RCW 18.28.120 and 1999 c 151 s 106 are each amended to read as follows:
- (1) A debt adjuster shall not:
 - ((2)) (a) Take any contract, or other instrument which has any blank spaces when signed by the debtor;
 - ((3)) (b) Receive or charge any fee in the form of a promissory note or other promise to pay or receive or accept any mortgage or other security for any fee, whether as to real or personal property;
 - ((3)) (c) Lend money or credit;
 - ((4)) (d) Take any confession of judgment or power of attorney to confess judgment against the debtor or appear as the debtor in any judicial proceedings;
 - ((5)) (e) Take, concurrent with the signing of the contract or as a part of the contract or as part of the application for the contract, a release of any obligation to be performed on the part of the debt adjuster;
 - ((6)) (f) Advertise services, display, distribute, broadcast or televise, or permit services to be displayed, advertised, distributed, broadcasted or televised in any manner whatsoever wherein any false, misleading or deceptive statement or representation with regard to the services to be performed by the debt adjuster, or the charges to be made therefor, is made;
 - ((7)) (g) Offer, pay, or give any cash, fee, gift, bonus, premiums, reward, or other compensation to any person for referring any prospective customer to the debt adjuster;
 - ((8)) (h) Receive any cash, fee, gift, bonus, premium, reward, or other compensation, other than fair share contributions to a nonprofit debt adjuster, from any person other than the debtor or a person in the debtor's behalf in connection with his or her activities as a debt adjuster; or
 - ((9)) (i) Disclose to anyone the debtors who have contracted with the debt adjuster; nor shall the debt adjuster disclose the creditors of a debtor to anyone other than: (a) The debtor; or (b) another creditor of the debtor and then only to the extent necessary to secure the cooperation of such a creditor in a debt adjusting plan.
 - (2) Any nonprofit organization engaged in debt adjusting in this state or exempt from this chapter pursuant to RCW 18.28.010(1)(g) shall provide the following information to the department of financial institutions in a form prescribed by the department by June 30, 2016 and again on June 30th, 2017:
 - (a) The number and percentage of Washington debtors for whom the debt adjuster provides or provided debt adjusting services in the previous year who became inactive in, canceled, or terminated those services without settlement of all of the debtor's debts, by year of enrollment;
 - (b) The total fees collected from Washington debtors during the previous year;
 - (c) The total fair share contributions collected from creditors of Washington debtors during the previous year;
 - (d) For each debtor for whom the debt adjuster provides debt adjusting services:
 - (i) The date of contracting;
 - (ii) The number of debts included in the contract between the debt adjuster and the debtor;

- (iii) The principal amount of each debt at the time the contract was signed;
- (iv) The source of each debtor's obligation, categorized as credit card, student loans, auto, medical, small loans under chapter 31.45 RCW, other secured debt, and other unsecured debt;
- (v) Whether each debt is active, terminated, or settled;
- (vi) If a debt has been settled, the settlement amount of the debt and the savings amount, calculated by subtracting the amount paid to settle the debt from the principal amount of the debt at the time the contract was signed; and
- (vii) The total fees charged to the debtor and how the fees were calculated;
- (e) For Washington debtors who became inactive in, canceled, or terminated debt adjuster services during the previous year, the number and percentage of debtors who, as measured by the aggregate amount of each debtor's enrolled debts:
- (i) Settled zero percent of their enrolled debt;
- (ii) Settled up to twenty-five percent of their enrolled debt;
- (iii) Settled twenty-five percent to fifty percent of their enrolled debt;
- (iv) Settled fifty-one percent to seventy-five percent of their enrolled debt;
- (v) Settled seventy-six percent to ninety-nine percent of their enrolled debt;
- (f) The number and percentage of Washington debtors for whom the debt adjuster provides or provided debt adjusting services in the previous three years who fully settled one hundred percent of their enrolled debt through those debt adjusting services, by year of enrollment; and
- (g)(i) The nonprofit organization's form 990 submitted to the internal revenue service in the preceding year; or
- (ii) A statement of previous year's base salary and other compensation of the nonprofit organization's officers, directors, trustees, and other employees and independent contractors receiving greater than one hundred fifty thousand dollars in total compensation, if the form 990 does not contain such information or if the organization did not submit a form 990 in the preceding year.
- (3) The department of financial institutions shall make public and submit to the appropriate committees of the legislature a report summarizing the information received under subsection (1) of this section by December 1, 2016 and again on December 1, 2017."

Signed by Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Ranking Minority Member; Blake; Hunt, G.; Hurst; Kochmar; McCabe; Santos and Stanford.

Passed to Committee on Rules for second reading.

March 19, 2015

SB 5532 Prime Sponsor, Senator Rolfes: Modifying certain Washington gift of life award provisions. Reported by Committee on State Government

MAJORITY recommendation: Do pass. Signed by Representatives Hunt, S., Chair; Bergquist, Vice Chair; Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member; Appleton; Gregory and Hawkins.

Passed to Committee on Rules for second reading.

March 18, 2015

ESB 5616 Prime Sponsor, Senator Benton: Concerning pawnbroker fees and interest rates. Reported by Committee on Business & Financial Services

MAJORITY recommendation: Do pass. Signed by Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Ranking Minority Member; Blake; Hunt, G.; Hurst; Kochmar; McCabe and Santos.

MINORITY recommendation: Do not pass. Signed by Representative Stanford.

Passed to Committee on Rules for second reading.

March 17, 2015

SB 5757 Prime Sponsor, Senator Benton: Addressing credit unions' corporate governance and investments. Reported by Committee on Business & Financial Services

MAJORITY recommendation: Do pass. Signed by Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Blake; Hunt, G.; Hurst; Kochmar; McCabe; Santos and Stanford.

Passed to Committee on Rules for second reading.

There being no objection, the bills listed on the day's committee reports under the fifth order of business were referred to the committees so designated.

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

There being no objection, the House adjourned until 9:55 a.m., March 23, 2015, the 71st Day of the Regular Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

2196	Introduction & 1st Reading	1
2197	Introduction & 1st Reading	1
2198	Introduction & 1st Reading	1
2199	Introduction & 1st Reading	1
2200	Introduction & 1st Reading	1
4401	Committee Report	1
5011	Committee Report	1
5023-S	Committee Report	1
5075	Committee Report	1
5176	Committee Report	1
5293-S	Committee Report	1
5299-S	Committee Report	1
5348-S	Committee Report	1
5485-S	Committee Report	1
5532	Committee Report	1
5616	Committee Report	1
5757	Committee Report	1

