

SEVENTY FOURTH DAY

House Chamber, Olympia, Thursday, March 26, 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.

MESSAGE FROM THE SENATE

March 25, 2015

MR. SPEAKER:

The Senate has passed:

SUBSTITUTE HOUSE BILL NO. 1610
and the same are herewith transmitted.

Hunter G. Goodman, Secretary

RESOLUTION

HOUSE RESOLUTION NO. 4626, by Representatives Takko and Blake

WHEREAS, The 2014-2015 Mark Morris girls' basketball team, the Mighty Monarchs, once again triumphed over all Class 2A teams in the state girls' basketball tournament; and

WHEREAS, The Mark Morris girls' basketball team dominated its opponents like no other 2A girls' teams have; and

WHEREAS, The Mark Morris girls' basketball team, since January 1, 2015, beat every opponent by 20 points; and

WHEREAS, The Mark Morris girls' basketball team was the state champions in two out of the last three state tournaments; and

WHEREAS, Ashley Coons, Karley Eaton, and Kourtney Eaton were chosen to be on the All-State 2A girls' basketball team; and

WHEREAS, The members of the Mark Morris High School girls' basketball team were proud and worthy ambassadors for their high school, their school district, and the City of Longview;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives honor the tremendous achievement of the Mark Morris High School girls' basketball team; and

BE IT FURTHER RESOLVED, That Basketball Head Coach Steve Rookledge and Assistants Rex Giles, Chris Coffee, and Jan Karnowski be commended for their outstanding leadership in crafting their team into champions; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Mark Morris High School.

The Speaker (Representative Orwall presiding) stated the question before the House to be adoption of House Resolution No. 4626.

HOUSE RESOLUTION NO. 4626 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 4627, by Representative Goodman

WHEREAS, In 2014, many households in Washington State struggled to provide enough food for their family; and

WHEREAS, According to the United States Department of Agriculture, 14.3 percent of the population of Washington State experiences food insecurity, with 5.6 percent of those experiencing very low food security; and

WHEREAS, Children are more likely to experience hunger than the population as a whole; and

WHEREAS, In 2014, the National Association of Letter Carriers' Stamp Out Hunger Food Drive collected 72.5 million pounds of donated food nationwide, and distributed it to 10,000 cities and towns across America; and

WHEREAS, According to Food Lifeline, in 2014, 1,697,265 pounds of donated food were collected in Washington State; and

WHEREAS, The National Association of Letter Carriers continues to work to alleviate the challenges of hunger in Washington State through its 23rd annual Stamp Out Hunger Food Drive; and

WHEREAS, The food drive's 2015 motto is, "If we all work together we can deliver a whole bag full of hope!"; and

WHEREAS, On May 9, 2015, the second Saturday of May, letter carriers will collect donations to the food banks and pantries in their communities, at a time when pantries start running out of donations received during the holiday season;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives support the observation of May 9, 2015, as Letter Carriers' Stamp Out Hunger Food Drive Day in Washington, and urge all Washingtonians to join in this special observance.

The Speaker (Representative Orwall presiding) stated the question before the House to be adoption of House Resolution No. 4627.

HOUSE RESOLUTION NO. 4627 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 4628, by Representatives Pettigrew and Santos

WHEREAS, The Honorable Garfield Bulldogs are the 2015 Washington State 3A Boys Basketball Champions, defeating the three-time defending champions, the Rainer Beach Vikings, 66 to 51; and

WHEREAS, This championship illustrates the hard work of the student athletes at Garfield High School, as well as the effective teamwork, leadership, and discipline necessary to be a championship team; and

WHEREAS, A state championship win reflects the dedication and sacrifices of coaches and families, and the support of the entire community; and

WHEREAS, The Garfield community, including staff, parents, and fellow students, provided morale and spirit by rallying behind their Garfield Bulldogs; and

WHEREAS, The House of Representatives would like to recognize the accomplishment of Head Coach Ed Haskins and his staff, who led these young men to victory through their admirable guidance, dedication, and patience; and

WHEREAS, The House of Representatives would also like to recognize the commendable efforts and hard work of Garfield High School sophomore Mr. Jaylen Nowell, who was the 3A state tournament MVP, working alongside his teammates to achieve victory and honoring the team motto "what we can't do alone. . . we can do together";

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives recognize and honor the Garfield Bulldogs boys basketball team for their well-earned championship title, and their incredible and distinct sense of community, pride, and student excellence; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the Washington State House of Representatives to Garfield High School.

The Speaker (Representative Orwall presiding) stated the question before the House to be adoption of House Resolution No. 4628.

HOUSE RESOLUTION NO. 4628 was adopted.

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

INTRODUCTION & FIRST READING

HB 2212 by Representatives Cody and Schmick

AN ACT Relating to exempting hospitals licensed under chapter 70.41 RCW that receive capital funds to operate new psychiatric services from certain certificate of need requirements; adding a new section to chapter 70.38 RCW; creating a new section; providing an expiration date; and declaring an emergency.

Referred to Committee on Capital Budget.

HB 2213 by Representatives Walsh and Kilduff

AN ACT Relating to prevocational services for individuals with developmental disabilities; adding a new section to chapter 71A.12 RCW; and creating a new section.

Referred to Committee on Early Learning & Human Services.

HB 2214 by Representatives Reykdal, Taylor, Pettigrew, Shea, Gregory, G. Hunt, Pollet, Holy, Ryu, Haler, Sells,

Santos, Farrell, Tarleton, Bergquist, Appleton, Moscoso, Takko, Peterson, Dunshee, Riccelli, Sawyer, Tharinger, Condotta, Gregerson, Stanford, Robinson, Fitzgibbon, Kilduff, Orwall, Ortiz-Self, Van De Wege, Goodman, Kirby, Blake, Wylie, Moeller, Fey, McBride and Hurst

AN ACT Relating to increasing academic rigor and streamlining assessment requirements for high school students; amending RCW 28A.655.061, 28A.230.090, 28A.655.066, 28A.655.068, 28A.655.070, 28A.230.125, 28A.320.195, and 28A.700.080; creating a new section; repealing RCW 28A.655.063, 28A.655.065, and 28A.655.066; and providing an effective date.

Referred to Committee on Appropriations.

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 23, 2015

SSB 5012 Prime Sponsor, Committee on Agriculture, Water & Rural Economic Development: Authorizing the growing of industrial hemp. Reported by Committee on Commerce & Gaming

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that hemp has been continuously cultivated for millennia, is accepted and available in the global marketplace, and has numerous beneficial, practical, and economic uses, including, but not limited to: High strength fiber; textiles; clothing; biofuel; paper products; protein rich food containing fatty acids and amino acids; biodegradable plastics; resins; nontoxic medicinal and cosmetic products; construction materials; rope; and value-added crafts.

The many beneficial agricultural and environmental uses of hemp include, but are not limited to: Livestock feed and bedding; carbon dioxide absorption and conversion; stream buffering; erosion control; water and soil purification; and weed control.

The hemp plant is an annual herbaceous plant that, on average, varies in height from three to nineteen feet and has a stem diameter averaging between one-quarter to one and one-half inches. The hemp plant is morphologically distinctive and readily identifiable as an agricultural crop grown for the cultivation and harvesting of its fiber and seed.

The agricultural act of 2014, known as the farm bill, passed by congress last year, authorizes the growing of hemp by institutions of higher learning and state departments of agriculture for academic or agricultural research purposes, but only in those states that have already legalized hemp production. At least eight states have passed legislation generally authorizing the production and marketing of industrial hemp and eleven others have authorized either hemp pilot studies or the production of hemp for agricultural research purposes, or both.

Hemp cultivation will enable the state of Washington to accelerate economic growth and job creation, promote environmental stewardship, and expand export opportunities.

Therefore, it is the intent of the legislature to legalize the agricultural production of industrial hemp and provide a regulatory framework that will ensure the security and safety of hemp crops while at the same time facilitate the ability of Washington farmers to successfully compete in the global hemp marketplace.

NEW SECTION. Sec. 2. (1) Industrial hemp is an agricultural product that may be legally grown, produced, possessed, processed, and commercially traded in accordance with the provisions of this chapter. Interstate and international commercial transactions may be conducted by state licensed industrial hemp producers and processors with respect to industrial hemp and industrial hemp products produced in this state by licensees. The department is granted the rule-making authority necessary to implement the provisions of this chapter.

(2) The department is authorized to adopt rules addressing the prevention of cross-pollination between industrial hemp plants and marijuana plants. Any rule making regarding this issue must be done in consultation with the state liquor control board in order to ensure consistency between the rules developed by the department and the state liquor control board, respectively, relating to cross-pollination issues potentially affecting licensees under this chapter and chapter 69.50 RCW.

NEW SECTION. Sec. 3. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Cultivar" means a variation of genera *Cannabis* that has been developed through cultivation by selective breeding.

(2) "Department" means the Washington state department of agriculture.

(3) "Grower" means any person or entity growing industrial hemp and being duly licensed in accordance with the provisions of this chapter.

(4) "Hemp products" include all products made from industrial hemp including, but not limited to, cloth, cordage, fiber, food, fuel, paint, paper, building materials, plastics, seed, livestock feed, seed meal, seed oil intended for consumption, seed certified for cultivation, or any other hemp product derived from industrial hemp, provided the product is derived from seeds originating from industrial hemp cultivars approved by the department in accordance with the provisions of this chapter.

(5) "Industrial hemp" means all parts and varieties of the genera *Cannabis*, cultivated or possessed by a grower, whether growing or not, that contain a tetrahydrocannabinol concentration of 0.3 percent or less by dry weight, except that the THC concentration limit of 0.3 percent may be exceeded with respect to seeds used for licensed industrial hemp research conducted in accordance with the requirements of sections 8 and 10 of this act. Industrial hemp does not include plants of the genera *Cannabis* that meet the definition of "marijuana" under RCW 69.50.101.

(6) "THC" or "tetrahydrocannabinol" means the component delta-9-tetrahydrocannabinol contained in the genera *Cannabis*, or in the resinous extractives of the genera *Cannabis*, or the synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity.

(7) "THC concentration" means percent of total THC, which is the percent of delta-9 tetrahydrocannabinol in any part of the genera *Cannabis*, regardless of moisture content.

NEW SECTION. Sec. 4. (1) The department shall administer and enforce the provisions of this chapter.

(2) The department is authorized to investigate compliance with this chapter, and have access, subject to the provisions of subsection (3) of this section, to all land, buildings, or places where industrial hemp is grown, kept, stored, or handled, and to all records relating to hemp production. The department may make copies of the records.

(3) The department may access properties and records specified in subsection (2) of this section during regular business hours upon the consent of the grower or when the department has probable cause to believe that any grower licensed under this chapter is otherwise in violation of this chapter or rules adopted under it.

NEW SECTION. Sec. 5. (1) Any person or entity wishing to engage in the production of industrial hemp must be licensed as an industrial hemp grower by the department. A department-issued license authorizes industrial hemp production only at the site or sites specified by the licensee in the licensee's license application.

(2) In order to obtain a license, a prospective licensee must file an application with the department. The department must make a determination to either grant or deny a license within sixty days of receipt of the application. A department-issued license is valid for thirty-six months and may be renewed, but may not be transferred.

(3) To qualify for a license, an applicant shall demonstrate to the satisfaction of the department, in a manner prescribed by the department, that the applicant intends to and is capable of growing industrial hemp and has adopted methods to ensure its safe production, which at a minimum include:

(a) Securing the supply of all industrial hemp seed obtained for planting in compliance with this chapter;

(b) Ensuring the integrity of the industrial hemp crop while it is in the field, which includes filing with the department the location and acreage of all parcels sown and other field reference information as may be required by the director;

(c) Agreeing to the provisions of section 4 of this act regarding inspections and records requests by the department; and

(d) Maintaining records that reflect compliance with the provisions of this chapter and with all other state law regulating the planting and cultivation of hemp.

(4)(a) Except as provided in (b) of this subsection, all licensed growers must maintain all production records for at least three years at the production site.

(b) Licensed growers who are corporate entities must maintain production records for at least three years either at the production site or at a corporate office located within the state.

(5) Every grower shall place signs at the natural access points of industrial hemp fields that communicate, at a minimum, that the crop is industrial hemp and that the THC content is insignificant. The minimum length of the signs is twenty-four inches and the minimum height is eighteen inches.

NEW SECTION. Sec. 6. (1) The department may deny, suspend, revoke, or refuse to renew the license of any grower that:

(a) Makes a false statement or misrepresentation on an application for a license or renewal of a license;

(b) Fails to comply with or violates any provision of this chapter or any rule adopted under it; or

(c) Fails to take any action required by the department under the provisions of this chapter.

(2) Revocation or suspension of a license may be in addition to any criminal penalties or fines imposed on a grower under other state law.

NEW SECTION. Sec. 7. (1) The department shall charge an annual fee for each license granted to a grower under this chapter. The fee amount charged for the first growing season after the effective date of this section is thirty dollars per acre of land under cultivation. After the first growing season, the department shall adopt by rule a fee sufficient to fully fund and administer the program, to be used beginning with the growing season following the first growing season. All fee revenue must be deposited in the dedicated industrial hemp account created in section 12 of this act.

(2) After the third growing season, the department shall report to the legislature on the fee amount, the acres of industrial hemp in production, and the revenue generated from industrial hemp.

NEW SECTION. Sec. 8. (1) The industrial hemp authorized for production under this chapter must be propagated through certified, conventionally bred pedigreed seeds as determined by the department through its rule-making authority. Except when grown by an accredited agricultural research institution or by a registered seed breeder developing a new Washington seed cultivar, industrial hemp must be grown only from seed types identified on a list of approved seed cultivars to be established by the department by rule.

(2) The following varieties of seed cultivars are approved by the department for industrial hemp production and are exempt from the THC testing required under section 9 of this act: Alyssa; Anka; CFX-1; CFX-2; Delores; X-59 (Hemp Nut); Crag; CRS-1; USO 14; USO 31; and Zolotonosha 11.

(3) The following varieties of seed cultivars are approved by the department for industrial hemp production but must undergo THC testing as required under section 9 of this act unless and until such time as the department determines they are exempt from THC testing: Canda; CanMa; Carmagnola; Carmen; CS; Deni; Epsilon 68; ESTA-1; Fasamo; Fedrina 74; Fedura 17; Felina 34; Ferimon; Fibranova; Fibriko; Fibrimon 24; Fibrimon 56; Finola; Futura 75; Joey; Jutta; Komplti; Kompolti Hybrid TC; Kompolti Sargaszaru; Lovrin 110; Petera; Santhica 27; Silesia; UC-RGM; Uniko B; Yvonne; and Zolotonosha 15.

(4) In addition to those approved cultivars identified in subsections (2) and (3) of this section, the department must determine and adopt by rule a list of approved seed cultivars. In establishing the list of department-approved seed cultivars, the department should consider the following:

(a) Industrial hemp seed cultivars that have been certified by or after January 1, 2013, by member organizations of the association of official seed certifying agencies, including, but not limited to, the Canadian seed growers' association; and

(b) Industrial hemp seed cultivars that have been certified by or after January 1, 2013, by the organization of economic cooperation and development.

(5) Industrial hemp seeds are subject to the provisions and requirements of RCW 15.49.370, which establishes the general regulatory authority of the department with respect to agricultural seeds. Pursuant to this authority, the department may sample, inspect, analyze, and generally regulate the industrial hemp seeds used by licensed growers in this state. The department may also charge fees and special assessments to licensed growers, as established by rule, related to the inspection, testing, and certification of industrial hemp seeds.

(6) For the purposes of this section and RCW 15.49.370, industrial hemp seed samples collected for inspection and testing purposes must be directly taken into the custody of an authorized employee of the department. Following collection, the department employee must package and transport the seeds in a manner that ensures that the integrity of the sample is maintained until delivery to the testing facility.

(7) The department is not responsible for:

(a) Determining whether a specific hemp product has been derived from approved industrial hemp cultivars; or

(b) Taking any enforcement action requiring the determination of whether a hemp product has been derived from approved industrial hemp cultivars.

NEW SECTION. Sec. 9. (1) Industrial hemp growers are required to annually submit plant samples to an independent, department-certified testing laboratory for the testing of THC levels in accordance with the requirements of this chapter. The annual test results must be retained by the grower for a period of three years. The samples must be from each noncontiguous, individually identifiable field, regardless of size, that is owned or controlled by the grower. The costs of the testing must be borne by the producer and the test results must be provided to the department by either the laboratory or the grower, or both, at the request of the department. The department has discretionary authority to require random testing at any time.

(2) The department may exempt a grower from the annual testing requirement established under this section if the annual test results of the hemp varieties grown by that producer prove to contain 0.3 percent THC or less for three consecutive years.

(3) The department shall adopt by rule the criteria for the certification of a testing laboratory and the testing standards and processes to be used by a laboratory under this section.

NEW SECTION. Sec. 10. (1) Subject to receiving federal or private funds for this purpose, Washington State University shall study the feasibility and desirability of industrial hemp production in Washington state. In conducting the study, Washington State University shall gather information from agricultural and scientific literature, consulting with experts and the public, and reviewing the best practices of other states and countries worldwide regarding the development of markets for industrial hemp and hemp products. The study must include an analysis of:

(a) The market economic conditions affecting the development of an industrial hemp industry in the state;

(b) The estimated value-added benefit that Washington's economy would obtain from having a developed industrial hemp industry in the state;

(c) Whether Washington soils and growing conditions are appropriate for economically viable levels of industrial hemp production;

(d) Issues related to the potential for cross-pollination between industrial hemp plants and marijuana plants;

(e) The threat posed to industrial hemp by agricultural pests and diseases and the potential remedies for these agricultural threats;

(f) Any potential threat to the state's hop industry posed by the agricultural production of industrial hemp and methods that might be used to mitigate such threat;

(g) The agronomy research being conducted worldwide relating to industrial hemp varieties, production, and use; and

(h) Other legislative acts, experiences, and outcomes around the world regarding industrial hemp production.

(2)(a) Washington State University shall report its findings to the legislature by January 14, 2016.

(b) The report must include recommendations for any legislative actions necessary to encourage and support the development of an industrial hemp industry in the state of Washington.

(3) This section expires August 1, 2016.

NEW SECTION. Sec. 11. Raw hemp seeds intended for human consumption may not be sold to the public at retail unless the processing of the seeds includes heating sufficient to kill the seed so as to ensure that the seed is incapable of germination. This requirement does not apply to retail sales of raw hemp seeds that have had the hulls removed.

NEW SECTION. Sec. 12. The dedicated industrial hemp account is created in the custody of the state treasurer. All receipts from license fees, seed testing fees and assessments, penalties, forfeitures, and all other moneys, income, or revenue received by the department from industrial hemp-related activities must be deposited into the account. Expenditures from the account may be used only for the purposes of this chapter in order to defray the costs of activities and expenditures related to the regulation of industrial hemp. Only the director of the department or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. Sec. 13. By January 15th of each year, the department must report to the relevant committees of the legislature with jurisdiction over agricultural activities regarding implementation of this chapter and on the commercialization of industrial hemp in this state and elsewhere in the world, and recommend any changes to this chapter deemed appropriate.

Sec. 14. RCW 69.50.345 and 2013 c 3 s 10 are each amended to read as follows:

The state liquor control board, subject to the provisions of chapter 3, Laws of 2013, must adopt rules (~~by December 1, 2013~~) that establish the procedures and criteria necessary to implement the following:

- (1) Licensing of marijuana producers, marijuana processors, and marijuana retailers, including prescribing forms and establishing application, reinstatement, and renewal fees;
- (2) Determining, in consultation with the office of financial management, the maximum number of retail outlets that may be licensed in each county, taking into consideration:
 - (a) Population distribution;
 - (b) Security and safety issues; and
 - (c) The provision of adequate access to licensed sources of useable marijuana and marijuana-infused products to discourage purchases from the illegal market;
- (3) Determining the maximum quantity of marijuana a marijuana producer may have on the premises of a licensed location at any time without violating Washington state law;
- (4) Determining the maximum quantities of marijuana, useable marijuana, and marijuana-infused products a marijuana processor may have on the premises of a licensed location at any time without violating Washington state law;
- (5) Determining the maximum quantities of useable marijuana and marijuana-infused products a marijuana retailer may have on the premises of a retail outlet at any time without violating Washington state law;
- (6) In making the determinations required by subsections (3) through (5) of this section, the state liquor control board shall take into consideration:
 - (a) Security and safety issues;
 - (b) The provision of adequate access to licensed sources of marijuana, useable marijuana, and marijuana-infused products to discourage purchases from the illegal market; and

(c) Economies of scale, and their impact on licensees' ability to both comply with regulatory requirements and undercut illegal market prices;

(7) Determining the nature, form, and capacity of all containers to be used by licensees to contain marijuana, useable marijuana, and marijuana-infused products, and their labeling requirements, to include but not be limited to:

(a) The business or trade name and Washington state unified business identifier number of the licensees that grew, processed, and sold the marijuana, useable marijuana, or marijuana-infused product;

(b) Lot numbers of the marijuana, useable marijuana, or marijuana-infused product;

(c) THC concentration of the marijuana, useable marijuana, or marijuana-infused product;

(d) Medically and scientifically accurate information about the health and safety risks posed by marijuana use; and

(e) Language required by RCW 69.04.480;

(8) In consultation with the department of agriculture, establishing classes of marijuana, useable marijuana, and marijuana-infused products according to grade, condition, cannabinoid profile, THC concentration, or other qualitative measurements deemed appropriate by the state liquor control board;

(9) Addressing issues relating to the prevention of cross-pollination between industrial hemp plants and marijuana plants. Any rule making on this issue must be done in consultation with the department of agriculture in order to ensure consistency between the rules developed by the department of agriculture and the state liquor control board, respectively, related to cross-pollination issues potentially affecting licensees under this chapter and chapter 15.-- RCW (the new chapter created in section 17 of this act);

(10) Establishing reasonable time, place, and manner restrictions and requirements regarding advertising of marijuana, useable marijuana, and marijuana-infused products that are not inconsistent with the provisions of chapter 3, Laws of 2013, taking into consideration:

(a) Federal laws relating to marijuana that are applicable within Washington state;

(b) Minimizing exposure of people under twenty-one years of age to the advertising; and

(c) The inclusion of medically and scientifically accurate information about the health and safety risks posed by marijuana use in the advertising;

~~((10))~~ (11) Specifying and regulating the time and periods when, and the manner, methods, and means by which, licensees shall transport and deliver marijuana, useable marijuana, and marijuana-infused products within the state;

~~((11))~~ (12) In consultation with the department and the department of agriculture, establishing accreditation requirements for testing laboratories used by licensees to demonstrate compliance with standards adopted by the state liquor control board, and prescribing methods of producing, processing, and packaging marijuana, useable marijuana, and marijuana-infused products; conditions of sanitation; and standards of ingredients, quality, and identity of marijuana, useable marijuana, and marijuana-infused products produced, processed, packaged, or sold by licensees;

~~((12))~~ (13) Specifying procedures for identifying, seizing, confiscating, destroying, and donating to law enforcement for training purposes all marijuana, useable marijuana, and marijuana-infused products produced, processed, packaged, labeled, or offered for sale in this state that do not conform in all respects to the standards prescribed by chapter 3, Laws of 2013 or the rules of the state liquor control board.

Sec. 15. RCW 69.50.101 and 2014 c 192 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, definitions of terms shall be as indicated where used in this chapter:

(a) "Administer" means to apply a controlled substance, whether by injection, inhalation, ingestion, or any other means, directly to the body of a patient or research subject by:

(1) a practitioner authorized to prescribe (or, by the practitioner's authorized agent); or

(2) the patient or research subject at the direction and in the presence of the practitioner.

(b) "Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser. It does not include a common or contract carrier, public warehouseperson, or employee of the carrier or warehouseperson.

(c) "Commission" means the pharmacy quality assurance commission.

(d) "Controlled substance" means a drug, substance, or immediate precursor included in Schedules I through V as set forth in federal or state laws, or federal or commission rules.

(e)(1) "Controlled substance analog" means a substance the chemical structure of which is substantially similar to the chemical structure of a controlled substance in Schedule I or II and:

(i) that has a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II; or

(ii) with respect to a particular individual, that the individual represents or intends to have a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II.

(2) The term does not include:

(i) a controlled substance;

(ii) a substance for which there is an approved new drug application;

(iii) a substance with respect to which an exemption is in effect for investigational use by a particular person under Section 505 of the federal Food, Drug and Cosmetic Act, 21 U.S.C. Sec. 355, to the extent conduct with respect to the substance is pursuant to the exemption; or

(iv) any substance to the extent not intended for human consumption before an exemption takes effect with respect to the substance.

(f) "Deliver" or "delivery," means the actual or constructive transfer from one person to another of a substance, whether or not there is an agency relationship.

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

(h) "Dispense" means the interpretation of a prescription or order for a controlled substance and, pursuant to that prescription or order, the proper selection, measuring, compounding, labeling, or packaging necessary to prepare that prescription or order for delivery.

(i) "Dispenser" means a practitioner who dispenses.

(j) "Distribute" means to deliver other than by administering or dispensing a controlled substance.

(k) "Distributor" means a person who distributes.

(l) "Drug" means (1) a controlled substance recognized as a drug in the official United States pharmacopoeia/national formulary or the official homeopathic pharmacopoeia of the United States, or any supplement to them; (2) controlled substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in individuals or animals; (3) controlled substances (other than food) intended to affect the structure or any function of the body of individuals or animals; and (4) controlled

substances intended for use as a component of any article specified in (1), (2), or (3) of this subsection. The term does not include devices or their components, parts, or accessories.

(m) "Drug enforcement administration" means the drug enforcement administration in the United States Department of Justice, or its successor agency.

(n) "Electronic communication of prescription information" means the transmission of a prescription or refill authorization for a drug of a practitioner using computer systems. The term does not include a prescription or refill authorization verbally transmitted by telephone nor a facsimile manually signed by the practitioner.

(o) "Immediate precursor" means a substance:

(1) that the commission has found to be and by rule designates as being the principal compound commonly used, or produced primarily for use, in the manufacture of a controlled substance;

(2) that is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled substance; and

(3) the control of which is necessary to prevent, curtail, or limit the manufacture of the controlled substance.

(p) "Isomer" means an optical isomer, but in subsection (z)(5) of this section, RCW 69.50.204(a) (12) and (34), and 69.50.206(b)(4), the term includes any geometrical isomer; in RCW 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and 69.50.208(a) the term includes any positional or geometric isomer.

(q) "Lot" means a definite quantity of marijuana, useable marijuana, or marijuana-infused product identified by a lot number, every portion or package of which is uniform within recognized tolerances for the factors that appear in the labeling.

(r) "Lot number" shall identify the licensee by business or trade name and Washington state unified business identifier number, and the date of harvest or processing for each lot of marijuana, useable marijuana, or marijuana-infused product.

(s) "Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled substance, either directly or indirectly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container. The term does not include the preparation, compounding, packaging, repackaging, labeling, or relabeling of a controlled substance:

(1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled substance in the course of the practitioner's professional practice; or

(2) by a practitioner, or by the practitioner's authorized agent under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.

(t) "Marijuana" or "marihuana" means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include industrial hemp, as defined in section 3 of this act, seeds used for licensed industrial hemp research under sections 8 and 10 of this act, the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

(u) "Marijuana concentrates" means products consisting wholly or in part of the resin extracted from any part of the plant Cannabis and having a THC concentration greater than sixty percent.

(v) "Marijuana processor" means a person licensed by the state liquor control board to process marijuana into useable marijuana and marijuana-infused products, package and label useable marijuana and marijuana-infused products for sale in retail outlets, and sell useable marijuana and marijuana-infused products at wholesale to marijuana retailers.

(w) "Marijuana producer" means a person licensed by the state liquor control board to produce and sell marijuana at wholesale to marijuana processors and other marijuana producers.

(x) "Marijuana-infused products" means products that contain marijuana or marijuana extracts, are intended for human use, and have a THC concentration greater than 0.3 percent and no greater than sixty percent. The term "marijuana-infused products" does not include either useable marijuana or marijuana concentrates.

(y) "Marijuana retailer" means a person licensed by the state liquor control board to sell useable marijuana and marijuana-infused products in a retail outlet.

(z) "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

(1) Opium, opium derivative, and any derivative of opium or opium derivative, including their salts, isomers, and salts of isomers, whenever the existence of the salts, isomers, and salts of isomers is possible within the specific chemical designation. The term does not include the isoquinoline alkaloids of opium.

(2) Synthetic opiate and any derivative of synthetic opiate, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, and salts is possible within the specific chemical designation.

(3) Poppy straw and concentrate of poppy straw.

(4) Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives or ecgonine or their salts have been removed.

(5) Cocaine, or any salt, isomer, or salt of isomer thereof.

(6) Cocaine base.

(7) Ecgonine, or any derivative, salt, isomer, or salt of isomer thereof.

(8) Any compound, mixture, or preparation containing any quantity of any substance referred to in subparagraphs (1) through (7).

(aa) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability. The term includes opium, substances derived from opium (opium derivatives), and synthetic opiates. The term does not include, unless specifically designated as controlled under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). The term includes the racemic and levorotatory forms of dextromethorphan.

(bb) "Opium poppy" means the plant of the species *Papaver somniferum* L., except its seeds.

(cc) "Person" means individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

(dd) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

(ee) "Practitioner" means:

(1) A physician under chapter 18.71 RCW; a physician assistant under chapter 18.71A RCW; an osteopathic physician and surgeon under chapter 18.57 RCW; an osteopathic physician assistant under chapter 18.57A RCW who is licensed under RCW 18.57A.020 subject to any limitations in RCW 18.57A.040; an

optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010 subject to any limitations in RCW 18.53.010; a dentist under chapter 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; a veterinarian under chapter 18.92 RCW; a registered nurse, advanced registered nurse practitioner, or licensed practical nurse under chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW who is licensed under RCW 18.36A.030 subject to any limitations in RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific investigator under this chapter, licensed, registered or otherwise permitted insofar as is consistent with those licensing laws to distribute, dispense, conduct research with respect to or administer a controlled substance in the course of their professional practice or research in this state.

(2) A pharmacy, hospital or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.

(3) A physician licensed to practice medicine and surgery, a physician licensed to practice osteopathic medicine and surgery, a dentist licensed to practice dentistry, a podiatric physician and surgeon licensed to practice podiatric medicine and surgery, a licensed physician assistant or a licensed osteopathic physician assistant specifically approved to prescribe controlled substances by his or her state's medical quality assurance commission or equivalent and his or her supervising physician, an advanced registered nurse practitioner licensed to prescribe controlled substances, or a veterinarian licensed to practice veterinary medicine in any state of the United States.

(ff) "Prescription" means an order for controlled substances issued by a practitioner duly authorized by law or rule in the state of Washington to prescribe controlled substances within the scope of his or her professional practice for a legitimate medical purpose.

(gg) "Production" includes the manufacturing, planting, cultivating, growing, or harvesting of a controlled substance.

(hh) "Retail outlet" means a location licensed by the state liquor control board for the retail sale of useable marijuana and marijuana-infused products.

(ii) "Secretary" means the secretary of health or the secretary's designee.

(jj) "State," unless the context otherwise requires, means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or insular possession subject to the jurisdiction of the United States.

(kk) "THC concentration" means percent of delta-9 tetrahydrocannabinol content per dry weight of any part of the plant *Cannabis*, or per volume or weight of marijuana product, or the combined percent of delta-9 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant *Cannabis* regardless of moisture content.

(ll) "Ultimate user" means an individual who lawfully possesses a controlled substance for the individual's own use or for the use of a member of the individual's household or for administering to an animal owned by the individual or by a member of the individual's household.

(mm) "Useable marijuana" means dried marijuana flowers. The term "useable marijuana" does not include either marijuana-infused products or marijuana concentrates.

Sec. 16. RCW 69.50.204 and 2010 c 177 s 2 are each amended to read as follows:

Unless specifically excepted by state or federal law or regulation or more specifically included in another schedule, the following controlled substances are listed in Schedule I:

(a) Any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation:

- (1) Acetyl-alpha-methylfentanyl (N-[1-(1-methyl-2-phenethyl)-4-piperidinyl]-N-phenylacetamide);
- (2) Acetylmethadol;
- (3) Allylprodine;
- (4) Alphacetylmethadol, except levo-alphacetylmethadol, also known as levo-alpha-acetylmethadol, levomethadyl acetate, or LAAM;
- (5) Alphameprodine;
- (6) Alphamethadol;
- (7) Alpha-methylfentanyl (N-[1-(alpha-methyl-beta-phenyl)ethyl-4-piperidyl] propionanilide); (1-(1-methyl-2-phenylethyl)-4-(N-propanilido) piperidine);
- (8) Alpha-methylthiofentanyl (N-[1-methyl-2-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide);
- (9) Benzethidine;
- (10) Betacetylmethadol;
- (11) Beta-hydroxyfentanyl (N-[1-(2-hydroxy-2-phenethyl)-4-piperidinyl]-N-phenylpropanamide);
- (12) Beta-hydroxy-3-methylfentanyl, some trade or other names: N-[1-(2-hydrox-2-phenethyl)-3-methyl-4-piperidinyl]-N-phenylpropanamide;
- (13) Betameprodine;
- (14) Betamethadol;
- (15) Betaprodine;
- (16) Clonitazene;
- (17) Dextromoramide;
- (18) Diampromide;
- (19) Diethylthiambutene;
- (20) Difenoxin;
- (21) Dimenoxadol;
- (22) Dimepheptanol;
- (23) Dimethylthiambutene;
- (24) Dioxaphetyl butyrate;
- (25) Dipipanone;
- (26) Ethylmethylthiambutene;
- (27) Etonitazene;
- (28) Etoxeridine;
- (29) Furethidine;
- (30) Hydroxypethidine;
- (31) Ketobemidone;
- (32) Levomoramide;
- (33) Levophenacylmorphane;
- (34) 3-Methylfentanyl (N-[3-methyl-1-(2-phenylethyl)-4-piperidyl]-N-phenylprop anamide);
- (35) 3-Methylthiofentanyl (N-[(3-methyl-1-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide);
- (36) Morpheridine;
- (37) MPPP (1-methyl-4-phenyl-4-propionoxypiperidine);
- (38) Noracetylmethadol;
- (39) Norlevorphanol;
- (40) Normethadone;
- (41) Norpipanone;
- (42) Para-fluorofentanyl (N-(4-fluorophenyl)-N-[1-(2-phenethyl)-4-piperidinyl] propanamide);
- (43) PEPAP(1-(2-phenethyl)-4-phenyl-4-acetoxypiperidine);
- (44) Phenadoxone;
- (45) Phenampromide;
- (46) Phenomorphan;
- (47) Phenoperidine;
- (48) Piritramide;
- (49) Proheptazine;
- (50) Properidine;

- (51) Propiram;
- (52) Racemoramide;
- (53) Thiofentanyl (N-phenyl-N-[1-(2-thienyl)ethyl-4-piperidinyl]-propanamide);
- (54) Tilidine;
- (55) Trimeperidine.

(b) Opium derivatives. Unless specifically excepted or unless listed in another schedule, any of the following opium derivatives, including their salts, isomers, and salts of isomers whenever the existence of those salts, isomers, and salts of isomers is possible within the specific chemical designation:

- (1) Acetorphine;
- (2) Acetyldihydrocodeine;
- (3) Benzylmorphine;
- (4) Codeine methylbromide;
- (5) Codeine-N-Oxide;
- (6) Cyprenorphine;
- (7) Desomorphine;
- (8) Dihydromorphine;
- (9) Drotebanol;
- (10) Etorphine, except hydrochloride salt;
- (11) Heroin;
- (12) Hydromorphinol;
- (13) Methyl-desorphine;
- (14) Methyl-dihydromorphine;
- (15) Morphine methylbromide;
- (16) Morphine methylsulfonate;
- (17) Morphine-N-Oxide;
- (18) Myrophine;
- (19) Nicocodeine;
- (20) Nicomorphine;
- (21) Normorphine;
- (22) Pholcodine;
- (23) Thebacon.

(c) Hallucinogenic substances. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following hallucinogenic substances, including their salts, isomers, and salts of isomers whenever the existence of those salts, isomers, and salts of isomers is possible within the specific chemical designation. For the purposes of this subsection only, the term "isomer" includes the optical, position, and geometric isomers:

- (1) Alpha-ethyltryptamine: Some trade or other names: Etryptamine; monase; a-ethyl-1H-indole-3-ethanamine; 3-(2-aminobutyl) indole; a-ET; and AET;
- (2) 4-bromo-2,5-dimethoxy-amphetamine: Some trade or other names: 4-bromo-2,5-dimethoxy-a-methylphenethylamine; 4-bromo-2,5-DMA;
- (3) 4-bromo-2,5-dimethoxyphenethylamine: Some trade or other names: 2-(4-bromo-2,5-dimethoxyphenyl)-1-aminoethane; alpha-desmethyl DOB; 2C-B, nexus;
- (4) 2,5-dimethoxyamphetamine: Some trade or other names: 2,5-dimethoxy-a-methylphenethylamine; 2,5-DMA;
- (5) 2,5-dimethoxy-4-ethylamphetamine (DOET);
- (6) 2,5-dimethoxy-4-(n)-propylthiophenethylamine: Other name: 2C-T-7;
- (7) 4-methoxyamphetamine: Some trade or other names: 4-methoxy-a-methylphenethylamine; paramethoxyamphetamine, PMA;
- (8) 5-methoxy-3,4-methylenedioxy-amphetamine;
- (9) 4-methyl-2,5-dimethoxy-amphetamine: Some trade and other names: 4-methyl-2,5-dimethoxy-a-methylphenethylamine; "DOM"; and "STP";
- (10) 3,4-methylenedioxy amphetamine;
- (11) 3,4-methylenedioxymethamphetamine (MDMA);

(12) 3,4-methylenedioxy-N-ethylamphetamine, also known as N-ethyl-alpha-methyl-3,4(methylenedioxy)phenethylamine, N-ethyl MDA, MDE, MDEA;

(13) N-hydroxy-3,4-methylenedioxyamphetamine also known as N-hydroxy-alpha-methyl-3,4(methylenedioxy)phenethylamine, N-hydroxy MDA;

(14) 3,4,5-trimethoxy amphetamine;

(15) Alpha-methyltryptamine: Other name: AMT;

(16) Bufotenine: Some trade or other names: 3-(beta-Dimethylaminoethyl)-5-hydroxyindole; 3-(2-dimethylaminoethyl)-5-indolol; N, N-dimethylserotonin; 5-hydroxy-N,N-dimethyltryptamine; mappine;

(17) Diethyltryptamine: Some trade or other names: N,N-Diethyltryptamine; DET;

(18) Dimethyltryptamine: Some trade or other names: DMT;

(19) 5-methoxy-N,N-diisopropyltryptamine: Other name: 5-MeO-DIPT;

(20) Ibogaine: Some trade or other names: 7-Ethyl-6,6 beta,7,8,9,10,12,13,-octahydro-2-methoxy-6,9-methano-5H-pyrido (1',2' 1,2) azepino (5,4-b) indole; Tabernanthe iboga;

(21) Lysergic acid diethylamide;

(22) Marihuana or marijuana;

(23) Mescaline;

(24) Parahexyl-7374: Some trade or other names: 3-Hexyl-1-hydroxy-7, 8, 9, 10-tetrahydro-6, 6, 9-trimethyl-6H-dibenzo[b,d]pyran; synhexyl;

(25) Peyote, meaning all parts of the plant presently classified botanically as *Lophophora Williamsii* Lemaire, whether growing or not, the seeds thereof, any extract from any part of such plant, and every compound, manufacture, salts, derivative, mixture, or preparation of such plant, its seeds, or extracts; (interprets 21 U.S.C. Sec. 812 (c), Schedule I (c)(12));

(26) N-ethyl-3-piperidyl benzilate;

(27) N-methyl-3-piperidyl benzilate;

(28) Psilocybin;

(29) Psilocyn;

(30)(i) Tetrahydrocannabinols, meaning tetrahydrocannabinols naturally contained in a plant of the (~~(genus)~~) genera *Cannabis* (~~((cannabis plant))~~), as well as synthetic equivalents of the substances contained in (~~(the)~~) such plant, or in the resinous extractives of the genera *Cannabis*. (~~((species,))~~) and/or synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity such as the following:

((~~(#)~~)) (A) 1 - cis - or trans tetrahydrocannabinol, and their optical isomers, excluding tetrahydrocannabinol in sesame oil and encapsulated in a soft gelatin capsule in a drug product approved by the United States Food and Drug Administration;

((~~(#)~~)) (B) 6 - cis - or trans tetrahydrocannabinol, and their optical isomers;

((~~(#)~~)) (C) 3,4 - cis - or trans tetrahydrocannabinol, and its optical isomers;

(Since nomenclature of these substances is not internationally standardized, compounds of these structures, regardless of numerical designation of atomic positions covered.)

(ii) Industrial hemp, as defined in section 3 of this act, is excepted from the categories of controlled substances identified under this section.

(31) Ethylamine analog of phencyclidine: Some trade or other names: N-ethyl-1-phenylcyclohexylamine, (1-phenylcyclohexyl) ethylamine; N-(1-phenylcyclohexyl)ethylamine; cyclohexamine; PCE;

(32) Pyrrolidine analog of phencyclidine: Some trade or other names: 1-(1-phenylcyclohexyl)pyrrolidine; PCPy; PHP;

(33) Thiophene analog of phencyclidine: Some trade or other names: 1-(1-[2-thienyl]-cyclohexyl)-piperidine; 2-thienyl analog of phencyclidine; TPCP; TCP;

(34) 1-[1-(2-thienyl)cyclohexyl]pyrrolidine: A trade or other name is TCPy.

(d) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

(1) Gamma-hydroxybutyric acid: Some other names include GHB; gamma-hydroxybutyrate; 4-hydroxybutyrate; 4-hydroxybutanoic acid; sodium oxybate; sodium oxybutyrate;

(2) Mecloqualone;

(3) Methaqualone.

(e) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

(1) Aminorex: Some other names: aminoxaphen; 2-amino-5-phenyl-2-oxazoline; or 4, 5-dihydro-5-phenyl-2-oxazolamine;

(2) N-Benzylpiperazine: Some other names:

BZP, 1-benzylpiperazine;

(3) Cathinone, also known as 2-amino-1-phenyl-1-propanone, alpha-aminopropiophenone, 2-aminopropiophenone and norephedrone;

(4) Fenethylamine;

(5) Methcathinone: Some other names: 2-(methylamino)-propiofenone; alpha-(methylamino)propiofenone; 2-(methylamino)-1-phenylpropan-1-one; alpha-N-methylaminopropiophenone; monomethylpropion; ephedrone; N-methylcathinone; methylcathinone; AL-464; AL-422; AL-463 and UR1432, its salts, optical isomers, and salts of optical isomers;

(6) (+)-cis-4-methylaminorex ((+)-cis-4,5-dihydro-4-methyl-5-phenyl-2-oxazolamine);

(7) N-ethylamphetamine;

(8) N,N-dimethylamphetamine: Some trade or other names: N,N-alpha-trimethyl-benzeneethanamine; N,N-alpha-trimethylphenoethylene.

The controlled substances in this section may be added, rescheduled, or deleted as provided for in RCW 69.50.201.

NEW SECTION. Sec. 17. Sections 2 through 9 and 11 through 13 of this act constitute a new chapter in Title 15 RCW." Correct the title.

Signed by Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Blake; Kirby; Scott; Van De Wege and Vick.

Referred to Committee on Appropriations.

March 24, 2015

SB 5314

Prime Sponsor, Senator Benton: Modifying the use of local storm water charges paid by the department of transportation. Reported by Committee on Environment

MAJORITY recommendation: Do pass. Signed by Representatives Fitzgibbon, Chair; Peterson, Vice Chair; Shea,

Ranking Minority Member; Short, Assistant Ranking Minority Member; Farrell; Fey; Goodman; Harris; McBride and Pike.

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

Referred to Committee on Transportation.

March 24, 2015
SB 5330 Prime Sponsor, Senator Braun: Concerning stage II gasoline vapor control programs. Reported by Committee on Environment

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The department of ecology, in consultation with clean air agencies, and in conjunction with the United States environmental protection agency's "Guidance on Removing Stage II Gasoline Vapor Control Programs from State Implementation Plans and Assessing Comparable Measures," published August 7, 2012, must analyze stage II gasoline vapor recovery system requirements under RCW 70.94.165. The department of ecology must cite all sources of peer-reviewed science and other sources of scientific information that it relied upon in the analysis.

(2) The analysis must include:

- (a) An estimate of when stage II gasoline vapor control requirements will begin to increase emissions;
- (b) Costs to businesses and time frames necessary to remove stage II gasoline vapor recovery systems;
- (c) Impacts to areas required to meet United States environmental protection agency ozone standards and national ambient air quality standards;
- (d) Identification of areas or regions with state implementation plans requiring approval by the United States environmental protection agency if state stage II gasoline vapor recovery system requirements are revised;
- (e) The need for revisions to state implementation plans approved by the United States environmental protection agency, should state requirements change; and
- (f) The applicability requirements of stage II gasoline vapor recovery systems.

(3) By December 1, 2015, the department of ecology must provide its analysis and recommendations to the legislature, in accordance with RCW 43.01.036. The recommendations must address: Assistance to businesses; cost-effective measures to ensure minimal increases in gas vapor emissions; assistance to clean air agencies required to revise state implementation plans; and necessary statutory revisions."

Correct the title.

Signed by Representatives Fitzgibbon, Chair; Peterson, Vice Chair; Shea, Ranking Minority Member; Short, Assistant Ranking Minority Member; Farrell; Fey; Goodman; Harris; McBride and Pike.

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

Passed to Committee on Rules for second reading.

March 23, 2015

SSB 5463

Prime Sponsor, Committee on Ways & Means: Concerning access to and creation of cultural and heritage programs and facilities. Reported by Committee on Community Development, Housing & Tribal Affairs

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"PART I INTENT

NEW SECTION. Sec. 101. INTENT. (1) The legislature finds that:

(a) The cultural organizations of the state provide numerous public benefits. Providing support for the state's cultural organizations is in the public interest and will serve multiple public purposes including, among others, enhancing and extending the educational reach and offerings of cultural organizations; ensuring continued and expanded access to the facilities and programs of cultural organizations by economically and geographically underserved populations; and providing financial stability to the organizations to enable them to focus on core missions as well as to continue and extend the numerous public benefits they provide.

(b) Economic impact studies consistently confirm that cultural institutions represent a multibillion dollar segment of the state's overall economy and are directly responsible for tens of thousands of jobs.

(2) The purpose of this chapter is to authorize the cultural access program, under which counties authorize funding for public school cultural access programs and support cultural organizations.

PART II DEFINITIONS

NEW SECTION. Sec. 201. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Administrative costs" means all operating, administrative, and maintenance expenses for a program, a designated public agency, or a designated entity.

(2) "Attendance" means the total number of visits by persons in physical attendance during a year at cultural organization facilities located or cultural organization programs provided within the county creating a program, including attendance for which admission was paid, discounted, or free, consistent with and verifiable under guidelines adopted by the appropriate program.

(3) "Cultural organization" means a nonprofit corporation incorporated under the laws of the state of Washington and recognized by the internal revenue service as described in section 501(c)(3) of the internal revenue code of 1986, as amended, with its principal location or locations and conducting a majority of its activities within the state, not including: Any agency of the state or any of its political subdivisions; any municipal corporation; any organization that raises funds for redistribution to multiple cultural organizations; or any radio or television broadcasting network or station, cable communications system, internet-based communications venture or service, newspaper, or magazine. The primary purpose of the organization must be the advancement and preservation of science or technology, the visual or performing arts, zoology, botany, anthropology, heritage, or natural history

and any organization must directly provide programming or experiences available to the general public. Any organization with the primary purpose of advancing and preserving zoology such as zoos and aquariums must be or support a facility that is accredited by the association of zoos and aquariums or its functional successor. A state-related cultural organization may be a cultural organization.

(4) "Designated entity" means the entity designated by the legislative authority of a county creating the program, as required under section 601(1)(d) of this act. The entity may be a public agency, including the state arts commission established under chapter 43.46 RCW, or a Washington nonprofit corporation that is not a cultural organization eligible for funding under this chapter.

(5) "Designated public agency" means the public agency designated by the legislative authority of a county creating the program, as required under section 601(2)(h) of this act.

(6) "Program" means a cultural access program established by a county by ordinance.

(7) "Revenues" means revenues from all sources generated by a cultural organization, consistent with generally accepted accounting practices and any program guidelines, excluding: (a) Revenues associated with capital projects other than major maintenance projects including, but not limited to, capital campaign expenses; (b) funds provided under this chapter; (c) revenue that would be considered unrelated business taxable income under the internal revenue code of 1986, as amended; and (d) with respect to a state-related cultural organization, state funding received by it or for the institution it supports. Revenues include transfers from an organization's endowment or reserves and may include the value of in-kind goods and services to the extent permitted under any program guidelines.

(8) "State-related cultural organization" means an organization incorporated as a nonprofit corporation under the laws of the state of Washington and recognized by the internal revenue service as described in section 501(c)(3) of the internal revenue code of 1986, as amended, with a primary purpose and directly providing programming or experiences available to the general public consistent with the requirements for recognition as a cultural organization under this chapter operating in a facility owned and supported by the state, a state agency, or state educational institution.

PART III CULTURAL ACCESS PROGRAM

NEW SECTION. Sec. 301. CREATION. (1) Any county legislative authority may create a cultural access program by ordinance.

(2) Any contiguous group of counties may create a program by entering into an interlocal agreement under chapter 39.34 RCW, approved by resolution of the county legislative authorities.

(3) A city may create a cultural access program if the county legislative authority in which the city is located adopts a resolution stating that the county forfeits its option to create a program or does not place a proposition before the people to create such a program by June 30, 2017. In the event the exception in this subsection occurs, all references in this chapter to a county must include a city that has exercised its authority under this subsection, unless the context clearly requires otherwise.

NEW SECTION. Sec. 302. START-UP FUNDING AND CONDITIONAL FORMATION. (1) The county creating a program may advance to the program funding for its administrative costs, including the cost of informing the public about the

formation of the program, how it is proposed to be funded, and the public benefits to be realized if it is successful. However, this subsection does not authorize the preparation and distribution of information to the general public for the purpose of influencing the outcome of any election called for voter authorization of a proposed tax to support a program.

(2) The county creating a program may provide for repayment of any start-up funding advanced to a program from the proceeds of taxes authorized under sections 401 through 403 of this act and approved by voters after the taxes are first collected. The funds may be repaid to such county with interest at the internal rate of return on the invested funds of such county.

NEW SECTION. Sec. 303. NONSUPPLANTATION. In creating a program under this chapter, any county creating the program must affirm that any funding such county usually and customarily provides to cultural organizations similar to funding that would be available to those organizations under this chapter may not be replaced or materially diminished as a result of funding becoming available under this chapter. If an organization designated to receive funds under this chapter is a state-related cultural organization, the funds received under this chapter may not replace or materially diminish any funding usually or customarily provided by the state.

NEW SECTION. Sec. 304. ADVISORY COUNCILS. Each county creating a program under this chapter may establish an advisory council, the membership of which must include citizen representatives of constituencies and organizations with interests relevant to the work of the program including, but not limited to, leaders in the business, educational, and cultural communities. Advisory council members should be residents of the county creating the program. Policies concerning the size and operation of any advisory council must be established by the county that creates the program.

NEW SECTION. Sec. 305. ALTERNATIVE ADMINISTRATIVE ARRANGEMENTS. A county with a population of less than one million five hundred thousand may contract with the state arts commission formed under chapter 43.46 RCW for the provision of consulting, management, or other administrative services to be provided to its program created under this chapter. Any county creating a program may elect to consolidate administration of such a program with that of the entity or public agency designated by the county creating such a program to perform the functions required under section 601 of this act.

PART IV FUNDING

NEW SECTION. Sec. 401. PROGRAM TO IMPOSE TAX. (1)(a) Except as provided in (b) of this subsection, a county creating a program under this chapter may impose sales and use taxes under section 402 of this act or additional regular property tax levies under section 403 of this act for the purposes authorized under this chapter.

(b) A county with a population of one million five hundred thousand or more may not impose additional regular property tax levies under section 403 of this act.

(2) If a county imposes sales and use taxes under section 402 of this act, the county may not impose an additional regular property

tax levy under section 403 of this act so long as such sales and use taxes are in effect.

(3) If a county imposes an additional regular property tax levy under section 403 of this act, the county may not impose sales and use taxes under section 402 of this act so long as such property tax levy is in effect.

(4) All revenue from taxes imposed under this chapter must be credited to a special fund in the treasury of the county imposing such tax and used solely for the purpose of paying all or any part of the cost of cultural access programs as provided in this chapter.

NEW SECTION. Sec. 402. A new section is added to chapter 82.14 RCW to read as follows:

SALES AND USE TAXES. (1) The legislative authority of a county or a city may impose a sales and use tax of up to one-tenth of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, for the purposes authorized under chapter 36.--- RCW (the new chapter created in section 702 of this act). The legislative authority of the county or city may impose the sales and use tax by ordinance and must condition its imposition on the specific authorization of a majority of the voters voting on a proposition submitted at a special or general election held after June 30, 2016. The ordinance and ballot proposition may provide for the tax to apply for a period of up to seven consecutive years.

(2) The tax authorized in this section is in addition to any other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event.

(3) The legislative authority of a county or city may reimpose a tax imposed under this section for one or more additional periods of up to seven consecutive years. The legislative authority of the county or city may only reimpose the sales and use tax by ordinance and on the prior specific authorization of a majority of the voters voting on a proposition submitted at a special or general election.

(4) Moneys collected under this section may only be used for the purposes set forth in section 601 of this act.

(5) The department must perform the collection of taxes under this section on behalf of a county or city at no cost to the county or city, and the state treasurer must distribute those taxes as available on a monthly basis to the county or city or, upon the direction of the county or city, to its treasurer or a fiscal agent, paying agent, or trustee for obligations issued or incurred by the program.

(6) The definitions in section 201 of this act apply to this section.

NEW SECTION. Sec. 403. A new section is added to chapter 84.52 RCW to read as follows:

PROPERTY TAX. (1) The legislative authority of a county or city may impose an additional regular property tax levy for the purposes authorized under chapter 36.--- RCW (the new chapter created in section 702 of this act). The legislative authority of the county or city may impose the additional levy by ordinance and must condition its imposition of the levy upon prior specific authorization of a majority of the voters voting on a proposition submitted at a special or general election held after June 30, 2016. The ordinance and the ballot proposition must set forth the total dollar amount to be collected in the first year of the levy and the estimated levy rate for the first year and may provide for a levy for a period of up to seven consecutive years. The total dollar amount to be set forth in the ordinance and the ballot proposition may not exceed an amount equal to: The total taxable retail sales and taxable uses in the county or the city levying the property tax for

the most recent calendar year as reported by the department multiplied by one-tenth of one percent. Any county or city levying the property tax in this section must calculate the total dollar amount to be collected using the most recent calendar year publicly available data of taxable retail sales published on the department's web site.

(2) The legislative authority of a county or city may reimpose an additional regular property tax levy imposed under subsection (1) of this section for one or more additional periods of up to seven consecutive years. The legislative authority of the county or city may only reimpose the regular property tax levy by ordinance and on the prior specific authorization of a majority of the voters voting on a proposition submitted at a special or general election. The ordinance and the ballot proposition must set forth the total dollar amount to be collected in the first year and the estimated levy rate for the first year of the reimposed levy. The total dollar amount to be set forth in the ordinance and the ballot proposition may not exceed an amount equal to: The total taxable retail sales and taxable uses in the county or the city levying the property tax for the most recent calendar year as reported by the department multiplied by one-tenth of one percent. Any county or city levying the property tax in this section must calculate the total dollar amount to be collected using the most recent calendar year publicly available data of taxable retail sales published on the department's web site.

(3) In the event a county or city is levying property taxes under this section that, in combination with property taxes levied by other taxing districts, exceed the limitation in RCW 84.52.050 or 84.52.043(2), the county's or city's property tax levy under this section must be reduced or eliminated consistent with RCW 84.52.010.

(4) The limitation in RCW 84.55.010 does not apply to the first levy imposed under subsection (1) of this section or to the first levy reimposed under subsection (2) of this section.

(5) The limitations in RCW 84.52.043(1) do not apply to the tax levy authorized in this section.

(6) Moneys collected under this section may only be used for the purposes set forth in section 601 of this act.

(7) The definitions in section 201 of this act apply to this section.

Sec. 404. RCW 84.52.010 and 2011 1st sp. s. c 28 s 2 are each amended to read as follows:

(1) Except as is permitted under RCW 84.55.050, all taxes must be levied or voted in specific amounts.

(2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

(3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor must recompute and establish a consolidated levy in the following manner:

(a) The full certified rates of tax levy for state, county, county road district, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy takes precedence over all other levies

and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, 84.52.140, and the protected portion of the levy under RCW 86.15.160 by flood control zone districts in a county with a population of seven hundred seventy-five thousand or more that are coextensive with a county, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:

(i) The portion of the levy by a metropolitan park district that has a population of less than one hundred fifty thousand and is located in a county with a population of one million five hundred thousand or more that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the protected portion of the levy imposed under RCW 86.15.160 by a flood control zone district in a county with a population of seven hundred seventy-five thousand or more that is coextensive with a county must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.140 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district with a population of one hundred fifty thousand or more that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(viii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated; and

(ix) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated.

(b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:

(i) First, the certified property tax levy authorized under section 403 of this act must be reduced on a pro rata basis or eliminated;

(ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or eliminated;

~~((ii) Second)~~ (iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts other than the portion of a levy protected under RCW 84.52.815 must be reduced on a pro rata basis or eliminated;

~~((iii) Third)~~ (iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, must be reduced on a pro rata basis or eliminated;

~~((iv) Fourth)~~ (v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, must be reduced on a pro rata basis or eliminated;

~~((v) Fifth)~~ (vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or eliminated; and

~~((vi) Sixth)~~ (vii) Seventh, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, must be reduced on a pro rata basis or eliminated.

Sec. 405. RCW 84.52.010 and 2009 c 551 s 7 are each amended to read as follows:

(1) Except as is permitted under RCW 84.55.050, all taxes ~~((shall))~~ must be levied or voted in specific amounts.

(2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, ~~((shall))~~ must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county ~~((shall))~~ must be determined, calculated and fixed by the county assessors of the respective counties, within the

limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

(3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor ~~((shall))~~ must recompute and establish a consolidated levy in the following manner:

~~((+))~~ (a) The full certified rates of tax levy for state, county, county road district, and city or town purposes ~~((shall))~~ must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy ~~((shall))~~ takes precedence over all other levies and ~~((shall))~~ may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and 84.52.140, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies ~~((shall))~~ must be reduced as follows:

~~((+))~~ (i) The levy imposed by a county under RCW 84.52.140 ~~((shall))~~ must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or ~~((shall))~~ must be eliminated;

~~((+))~~ (ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 ~~((shall))~~ must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or ~~((shall))~~ must be eliminated;

~~((+))~~ (iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

~~((+))~~ (iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

~~((+))~~ (v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district that is protected under RCW 84.52.120 ~~((shall))~~ must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or ~~((shall))~~ must be eliminated;

~~((+))~~ (vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, ~~((shall))~~ must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or ~~((shall))~~ must be eliminated; and

~~((+))~~ (vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 ~~((shall))~~ must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or eliminated.

~~((+))~~ (b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property ~~((shall))~~ must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:

~~((+))~~ ~~(First)~~ (i) First, the certified property tax levy authorized under section 403 of this act must be reduced on a pro rata basis or eliminated;

~~((+))~~ ~~(Second)~~ (ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 ~~((shall))~~ must be reduced on a pro rata basis or eliminated;

~~((+))~~ ~~(Second)~~ ~~(iii)~~ ~~Third~~, (iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts ~~((shall))~~ must be reduced on a pro rata basis or eliminated;

~~((+))~~ ~~(Third)~~ (iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, ~~((shall))~~ must be reduced on a pro rata basis or eliminated;

~~((+))~~ ~~(Fourth)~~ (v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, ~~((shall))~~ must be reduced on a pro rata basis or eliminated;

~~((+))~~ ~~(Fifth)~~ (vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) ~~((shall))~~ must be reduced on a pro rata basis or eliminated; and

~~((+))~~ ~~(Sixth)~~ (vii) Seventh, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, ~~((shall))~~ must be reduced on a pro rata basis or eliminated.

PART V PUBLIC BENEFITS AND PUBLIC SCHOOL CULTURAL ACCESS PROGRAM

NEW SECTION. Sec. 501. PUBLIC BENEFITS. (1) A program created under this chapter must provide or continue to provide funding authorized under this chapter only to cultural organizations that provide discernible public benefits. Each program created under this chapter must identify a range of public benefits that cultural organizations may provide or continue to provide in satisfaction of this requirement for eligibility to receive funding authorized under this chapter. The public benefits include, without limitation: Reasonable opportunities for access to facilities, programs, and services on a reduced or no admission fee basis, particularly for diverse and underserved populations and communities; providing, through technological and other means, services or programs in locations other than an organization's own facilities; providing educational programs and experiences both at

an organization's own facilities and in schools and other venues; broadening cultural programs, performances, and exhibitions for the enlightenment and entertainment of the public; supporting collaborative relationships with other cultural organizations in order to extend the reach and impact of the collaborating organizations for the benefit of the public; and, in the case of community-based cultural organizations, organizational capacity-building projects or activities that an organization can demonstrate, to the reasonable satisfaction of the designated entity, will enhance the ability of the organization to provide or continue to provide meaningful public benefits not otherwise achievable.

(2) Each program created under this chapter must adopt guidelines establishing a baseline standard of continuous performance with respect to the provision of public benefits required under this chapter and for evaluating the eligibility of any cultural organization to receive funds under this chapter based on the continuous performance of the organization in the provision of the public benefits. The guidelines must include: (a) Procedures for notifying any organization at risk of losing its eligibility to receive funds under this chapter for failure to achieve the program's baseline standard of performance with respect to the continuous provision of public benefits; and (b) measures or procedures available to the organization for either retaining or recovering eligibility, as appropriate.

NEW SECTION. Sec. 502. PUBLIC SCHOOL CULTURAL ACCESS PROGRAM. (1) A program created under this chapter must develop and provide a public school cultural access program, as provided in section 601 of this act.

(2) To the extent practicable consistent with available resources, the public school cultural access element of a program of a county described in section 601(2) of this act must include the following attributes:

(a) Provide benefits designed to increase public school student access to the programming offered and facilities operated by regional and community-based cultural organizations receiving funding under this chapter, giving priority to the activities in the order described in (c) of this subsection;

(b) Offer benefits to every public school in the county while scaling the range of benefits available to and the frequency of opportunities to participate by any particular school to coincide with the relative percentage of students attending the school who participate in the national free or reduced-price school meals program;

(c) Benefits provided under the public school cultural access program must include, without limitation:

(i) Providing directly or otherwise funding and arranging for transportation for all public school students at participating schools to attend and participate annually in the age appropriate programs and activities offered by such organizations;

(ii) Should funding available under this program for student transportation be inadequate in any one year due to more demand for student transportation than can be funded, the subsequent annual percentage allocation to the public school cultural access program must be increased up to two percent so as to provide sufficient funds to ensure adequate funding of student transportation;

(iii) Establishing and operating, within funding provided to support the public school cultural access program under this subsection, of a centralized service available to regional and community-based cultural organizations receiving funding under this chapter and public schools in the county to coordinate opportunities for public school student access to the programs and activities offered by the organizations both at the facilities and venues operated by the organizations and through programs and

experiences provided by the organizations at schools and elsewhere;

(iv) In consultation with cultural organizations located within the county, preparing and maintaining a readily accessible and current guide cataloging access opportunities and facilitating scheduling;

(v) Coordinating closely with cultural organizations to maximize student utilization of available opportunities in a cost-efficient manner including possible scheduling on a single day opportunities for different grade levels at any one school and participation in multiple programs or activities in the same general area for which program-funded transportation is provided;

(vi) Supporting the development of tools, materials, and media by cultural organizations to ensure that school access programs and activities correlate with school curricula and extend the reach of access programs and activities for classroom use with or without direct on-site participation, to the extent practicable;

(vii) Building meaningful partnerships with public schools and cultural organizations in order to maximize participation in school access programs and activities and ensure their relevance and effectiveness;

(d) When a program determines that its program element required under (c)(i) through (vii) of this subsection has achieved sufficient scale and participation among public schools located within its boundaries and that it has resources remaining to devote to additional public school cultural access programs without diminishing such participation, the county may develop and financially support other public school cultural access activities in conjunction with cultural organizations receiving funds under this chapter; public school districts; and other public or nonprofit organizations that support cultural access. Any funding for development and support of such activities provided to cultural organizations receiving funds under this subsection must only be used to supplement the public benefits provided by such organizations as required under this chapter and may not be used by such organizations to replace or diminish funding for such required public benefits;

(e) Preparation of an annual public school cultural access plan for review and adoption prior to implementation; and

(f) Compilation of an annual report documenting the reach and evaluating the effectiveness of program-funded public school cultural access efforts, including information about the numbers and types of students who participated in the program and recommendations to the county for improvements.

PART VI USE OF FUNDS

NEW SECTION. Sec. 601. ALLOCATION. (1) A program in a county with a population of less than one million five hundred thousand must allocate the proceeds of taxes authorized under sections 402 and 403 of this act as follows:

(a) If any start-up funding has been provided to the program under section 302 of this act with the expectation that the funding will be repaid, the program must annually reserve from total funds available funding sufficient to provide for repayment of such start-up funding until any such start-up funding has been fully repaid;

(b) The funding determined by the county forming such a program to be reserved for program costs, including direct administrative costs, and repaying any start-up funding provided under section 303 of this act. Information disclosing the amount of funding to be reserved for program administrative costs must be included in any proposition submitted to voters under section 402 or 403 of this act;

(c) The county must determine the percentage of total funds available annually to be reserved for a public school cultural access program established and managed by the county to increase access to cultural activities and programming for public school students resident in the county. The activities and programming need not be located or provided within the county. In developing its program, the county may consider the attributes prescribed for a public school cultural access program required to be undertaken under section 502(2) of this act and may also consider providing funding for music and arts education in public schools that is in addition to that provided for in the program of basic education funding;

(d) Remaining funds available annually, including all funds not initially reserved under (a), (b), and (c) of this subsection as well as funds not distributed by the county from the reserved funds must be distributed by the county to the entity designated by the legislative authority of the county creating the program. The county must determine:

(i) Guidelines, consistent with the requirements of this chapter, it deems necessary or appropriate for determining the eligibility of cultural organizations to receive funding under this chapter;

(ii) Criteria for the award of funds to eligible cultural organizations, including the public benefits to be derived from projects submitted for funding;

(iii) The amount of funding to be allocated to support designated entity administrative costs;

(iv) Criteria for the identification by the county or, if so directed by the county, by the designated entity of any cultural organization or organizations that would receive annual distributions of funds in such amounts determined by the county or, if so directed by the county, the designated entity; and

(v) Procedures to be used by the designated entity in awarding funding to other cultural organizations that may, but are not required to include a periodic competitive process for awarding funds for particular purposes or projects proposed by eligible cultural organizations;

(e) In evaluating requests for funding authorized under this chapter, the designated entity responsible for the distribution of the funds must consider the public benefits that any cultural organizations represented will be derived from proposed projects. At the conclusion of a project approved for funding, such organization is required to report to the designated entity on the public benefits realized;

(f) Funds distributed to cultural organizations may be used to support cultural and educational activities, programs, and initiatives; public benefits and communications; and basic operations. Funds may also be used for: (i) Capital expenditures or acquisitions including, but not limited to, the acquisition of or construction of improvements to real property; and (ii) technology, equipment, and supplies reasonably related to or necessary for a project otherwise eligible for funding under this chapter. Program guidelines may also determine the circumstances under which funds may be used to fund start-up expenses of new community-based cultural organizations;

(g) If the county or designated entity determine the eligibility of a cultural organization to receive funding or the relative magnitude of the funding it receives on the basis of its budget, revenues, or expenses, any determination with respect to a qualifying state-related cultural organization must exclude any state funding received by the organization or for the institution it supports.

(2) A county with a population of more than one million five hundred thousand must allocate the proceeds of the taxes authorized under section 402 of this act as follows:

(a) If any start-up funding has been provided to the program under section 302 of this act with the expectation that the funding will be repaid, the program must annually reserve from total funds

available annually funding sufficient to provide for repayment of such start-up funding until any such start-up funding has been fully repaid;

(b) After allocating any funds as required in (a) of this subsection, up to one and one-fourth percent of total funds available annually may be used for program administrative costs;

(c) After allocating funds as required in (a) and (b) of this subsection, ten percent of remaining funds available annually must be used to fund a public school cultural access program to be administered by the program, subject to section 502(2) of this act;

(d) Seventy-five percent of total remaining funds available annually excluding funds initially reserved under (a), (b), and (c) of this subsection must be reserved for distribution by the program to regional cultural organizations that are cultural organizations that own, operate, or support cultural facilities or provide performances, exhibits, educational programs, experiences, or entertainment that widely benefit and are broadly attended by the public, subject to further definition under guidelines adopted by the program. A regional cultural organization may also generally be characterized under program guidelines as a financially stable, substantial organization with full-time support and program staff, maintaining a broad-based membership, having year-round or enduring seasonal operations, being a substantial financial contributor to the development, operation, and maintenance of the organization's principal venue or venues, and providing substantial public benefits. The funding must be provided only to those regional cultural organizations that the program determines, on an annual basis, to have met the following guidelines:

(i) For at least the preceding three years, the organization has been continuously in good standing as a nonprofit corporation under the laws of the state of Washington;

(ii) The organization has its principal location or locations and conducts the majority of its activities within the county area primarily for the benefit of county residents;

(iii) The organization has not declared bankruptcy or suspended or substantially curtailed operations for a period longer than six months during the preceding two years;

(iv) The organization provided to the program audited annual financial statements for at least its two most recent fiscal years;

(v) Over the three preceding years, the organization has minimum average annual revenues of at least one million two hundred fifty thousand dollars. The program must annually and cumulatively adjust the minimum revenues by the annual percentage change in the consumer price index for the prior year for the Seattle-Tacoma-Bellevue, Washington metropolitan statistical area for all urban consumer, all goods, as published by the United States department of labor, bureau of labor statistics. The minimum revenues requirement, adjusted for inflation as provided in this section, remains effective through the date on which the initial tax authorized by the voters under section 402 or 403 of this act expires. Thereafter, the program must, at the beginning of each subsequent period of funding as approved by the voters, establish initial minimum average annual revenues of not less than the amount of the minimum revenues required during the final year of the immediately preceding period of funding;

(vi) For purposes of determining the eligibility of a regional organization to receive funding or the relative magnitude of the funding it receives on the basis of its revenues, any determination with respect to a qualifying state-related cultural organization must exclude any state funding received by the organization or for the institution it supports; and

(vii) Any additional guidelines, consistent with section 201 of this act and this section, as the program deems necessary or appropriate for determining the eligibility of prospective regional cultural organizations to receive funding under this section and for establishing the amount of funding any organization may receive;

(e) Funds available under (d) of this subsection must be distributed among eligible regional cultural organizations based on an annual ranking of eligible organizations by the combined size of their average annual revenues and their average annual attendance, both over the three preceding years. However, an organization's attendance must have twice the weight of the organization's revenues in determining its relative ranking. Available funds must be distributed proportionally among eligible organizations, consistent with the ranking, such that the organization with the largest combined revenues and weighted attendance would receive the most funding and the organization with the smallest combined revenues and weighted attendance would receive the least funding. However, no organization may receive funds in excess of fifteen percent of its average annual revenues over the three preceding years. Any funds available under (d) of this subsection not distributed to regional cultural organizations as a result of application of the formula provided under this subsection (2)(e) must be allocated by the program for distribution under (g) of this subsection;

(f) Funds distributed to regional cultural organizations under (d) of this subsection must be used to support cultural and educational activities, programs and initiatives, public benefits and communications, and basic operations. No funds distributed to regional cultural organizations under (d) of this subsection may be used for capital expenditures or acquisitions including, but not limited to, the acquisition of or the construction of improvements to real property;

(g) In addition to providing or continuing to provide public benefits identified by the program under this section, regional cultural organizations receiving funding under this subsection (2) must participate in good faith in the program's public school cultural access program required under section 502 of this act. The regional cultural organizations must provide or continue to provide public benefits under this section in addition to participating in the public school cultural access program. Each regional cultural organization receiving funds authorized under this chapter pursuant to a program allocation formula must annually, prior to year end, preview for the program public benefits the organization's plans to provide or continue to provide in the following year and report on public benefits it provided or continued to provide during the current year;

(h) Remaining funds available annually, including funds not initially reserved under (a) through (d) of this subsection as well as funds not distributed by the program from the reserved funds must be distributed by the program to the public agency designated by the legislative authority of the county creating such a program;

(i) Funds distributed by the designated public agencies under (h) of this subsection must be applied as follows:

(i) Not more than eight percent of such funds must be used for administrative costs of the public agency designated by a county creating the program; and

(ii) The balance must be used to fund community-based cultural organizations that are cultural organizations or a community preservation and development authority formed under chapter 43.167 RCW prior to January 1, 2011, that primarily function, focus their activities, and are supported or patronized within a local community and are not a regional cultural organization, subject to further definition under guidelines adopted by the designated public agency. Designated public agencies must adopt:

(A) Guidelines, consistent with the requirements of this chapter, it deems necessary or appropriate for determining the eligibility of community-based cultural organizations to receive funding under this chapter and for establishing the amount of funding any organization may receive;

(B) Criteria for the award of funds to eligible community-based cultural organizations, including the public benefits to be derived from projects submitted for funding; and

(C) Procedures for conducting, at least annually, a competitive process for the award of available funding;

(j) Funds distributed to community-based cultural organizations may be used to support cultural and educational activities, programs, and initiatives; public benefits and communications; and basic operations. Funds may also be used for: (i) Capital expenditures or acquisitions including, but not limited to, the acquisition of or construction of improvements to real property; and (ii) technology, equipment, and supplies reasonably related to or necessary for a project otherwise eligible for funding under this chapter. Program guidelines may also determine the circumstances under which funds may be used to fund start-up expenses of new community-based cultural organizations.

PART VII MISCELLANEOUS

NEW SECTION. Sec. 701. No direct or collateral attack on any program purported to be authorized or created in conformance with this chapter may be commenced more than thirty days after creation.

NEW SECTION. Sec. 702. Sections 101 through 305, 401, 501, 502, and 601 of this act constitute a new chapter in Title 36 RCW.

NEW SECTION. Sec. 703. 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. 704. The provisions of this act must be liberally construed to effectuate the policies and purposes of this act.

NEW SECTION. Sec. 705. Section 404 of this act expires January 1, 2018.

NEW SECTION. Sec. 706. Section 405 of this act takes effect January 1, 2018."

Correct the title.

Signed by Representatives Appleton, Chair; Robinson, Vice Chair; Johnson, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Hawkins; Moscoso and Sawyer.

Passed to Committee on Rules for second reading.

March 24, 2015

2SSB 5486

Prime Sponsor, Committee on Ways & Means:
Creating the parents for parents program.
Reported by Committee on Early Learning & Human Services

MAJORITY recommendation: Do pass. Signed by Representatives Kagi, Chair; Walkinshaw, Vice Chair; Walsh,

Ranking Minority Member; Dent; Hawkins; Kilduff; Ortiz-Self; Sawyer and Senn.

MINORITY recommendation: Do not pass. Signed by Representatives Scott, Assistant Ranking Minority Member and McCaslin.

Referred to Committee on Appropriations.

March 24, 2015

ESB 5577 Prime Sponsor, Senator Braun: Concerning pharmaceutical waste. Reported by Committee on Environment

MAJORITY recommendation: Do pass. Signed by Representatives Fitzgibbon, Chair; Peterson, Vice Chair; Shea, Ranking Minority Member; Short, Assistant Ranking Minority Member; Farrell; Fey; Goodman; Harris; McBride; Pike and Taylor.

Passed to Committee on Rules for second reading.

March 25, 2015

SSB 5705 Prime Sponsor, Committee on Natural Resources & Parks: Establishing a mineral prospecting and mining advisory committee. Reported by Committee on Agriculture & Natural Resources

MAJORITY recommendation: Do pass. Signed by Representatives Blake, Chair; Lytton, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chandler; Dunshee; Kretz; Orcutt; Pettigrew and Schmick.

Referred to Committee on General Government & Information Technology.

March 24, 2015

ESSB 5743 Prime Sponsor, Committee on Financial Institutions & Insurance: Addressing insurance producers, insurers, and title insurance agents activities with customers and potential customers. 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.

March 24, 2015

SSB 5887 Prime Sponsor, Committee on Government Operations & Security: Authorizing longer leases for property at the former Northern State Hospital site. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass. Signed by Representatives Dunshee, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Kilduff; Kochmar; Peterson; Riccelli and Walsh.

Passed to Committee on Rules for second reading.

March 25, 2015

SJM 8013 Prime Sponsor, Senator Honeyford: Concerning aquatic invasive species. Reported by Committee on Agriculture & Natural Resources

MAJORITY recommendation: Do pass. Signed by Representatives Blake, Chair; Lytton, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chandler; Dunshee; Kretz; Orcutt; Pettigrew and Schmick.

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 27, 2015, the 75th Day of the Regular Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

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