



**2016**

**FINAL LEGISLATIVE  
REPORT**

**64<sup>TH</sup> WASHINGTON STATE LEGISLATURE**





64<sup>TH</sup> WASHINGTON STATE LEGISLATURE

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**Sixty-Fourth  
Washington State Legislature**

2016 Regular Session

2016 First Special Session

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**2016**





## 64<sup>TH</sup> WASHINGTON STATE LEGISLATURE

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## Statistical Summary

2016 Regular Session of the 63rd Legislature

2016 Special Session of the 63rd Legislature

Bills Before Legislature	Introduced	Passed Legislature	Vetoed	Partially Vetoed	Enacted
<i>2016 Regular Session (January 11 - March 10)</i>					
House	719	144	1	5	143
Senate	532	126 <sup>1</sup>	3 <sup>2</sup>	5	123
<b>TOTALS</b>	<b>1251</b>	<b>270</b>	<b>4</b>	<b>10</b>	<b>266</b>
<i>2016 Special Session (March 10 - March 29)</i>					
House	1	7	0	2	7
Senate	6	4	0	1	4
<b>TOTALS</b>	<b>7</b>	<b>11</b>	<b>0</b>	<b>3</b>	<b>11</b>

Joint Memorials, Joint Resolutions and Concurrent Resolutions Before Legislature	Introduced	Filed with the Secretary of State
<i>2016 Regular Session (January 11 - March 10)</i>		
House	15	5
Senate	20	3
<b>TOTALS</b>	<b>35</b>	<b>8</b>
<i>2016 Special Session (March 10 - March 29)</i>		
House	2	2
Senate	1	1
<b>TOTALS</b>	<b>3</b>	<b>3</b>

Initiatives & Tax Advisories		
<i>2016 Regular Session (January 11 - March 10)</i>	6	4
Gubernatorial Appointments	Referred	Confirmed
<i>2016 Regular Session (January 11 - March 10)</i>	99	28
<i>2016 Special Session (March 10 - March 29)</i>	0	0

## Historical - Bills Passed Legislature

Ten-Year Average	Actual											
	Odd Year	Even Years	Biennial	2015					2016			2015-16
				Reg.	1st Sp.	2nd Sp.	3rd Sp.	Total	Reg.	1st Sp.	Total	Biennium
House Bills	248	151	399	141	4	10	20	175	144	7	151	326
Senate Bills	209	141	350	157	5	1	25	188	126	4	130	318
<b>TOTALS</b>	<b>457</b>	<b>292</b>	<b>749</b>	<b>298</b>	<b>9</b>	<b>11</b>	<b>45</b>	<b>363</b>	<b>270</b>	<b>11</b>	<b>281</b>	<b>644</b>

<sup>1</sup> Includes Senate/House veto override of Senate Bills: 5145, 5265, 5458, 5549, 5767, 6148, 6162, 6170, 6177, 6196, 6206, 6220, 6281, 6284, 6290, 6326, 6341, 6342, 6354, 6398, 6401, 6466, 6491, 6498, 6569, 6606, 6633. Also includes 6194, which became law without the Governor's signature [Art. 3, Sec. 12, WA State Const.].

<sup>2</sup> Does not include 27 vetoes (listed above) that were overridden by the Legislature.



## 64<sup>TH</sup> WASHINGTON STATE LEGISLATURE

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**I 1366**  
C 1 L 16

Relating to taxes and fees imposed by state government.

By People of the State of Washington

**Background:** History of Legislation Requiring Super-Majority Legislative Approval for State Tax Increases and Legislative Approval for State Fee Increases. From 1993 until 2012, special statutory requirements applied to legislation increasing state taxes or fees.

In 1993 voters enacted Initiative 601. Among other things, Initiative 601 required a two-thirds vote of both houses of the Legislature to increase state tax revenue. The Legislature temporarily suspended the supermajority requirement from March 2002 through June 2003 and again from April 2005 through June 2006.

Initiative 960, enacted by the voters in 2007, restated this requirement for a supermajority legislative vote to raise taxes, and it also declared that under the state Constitution the Legislature may refer tax increases to the voters through the referendum bill process. It added a definition of "raises taxes." In addition, Initiative 960 required prior legislative approval of any new or increased state fees. It also established publicity and cost projection requirements for legislation that raises taxes or increases fees, and required advisory votes for legislation that raises taxes if the legislation was not referred to the voters for their approval.

In 2010 the Legislature suspended, until July 1, 2011, the two-thirds vote requirement for state tax increases, and the requirement for advisory votes for tax increases. Later in 2010, the voters enacted Initiative 1053, which reinstated the two-thirds vote requirement for state tax increases and restated the majority legislative approval requirement for new state fees and fee increases. In 2012, the voters enacted Initiative 1185, which restated these tax and fee requirements.

In February 2013, the state Supreme Court ruled that the two-thirds tax vote requirement was unconstitutional. The court held that the state Constitution requires a supermajority vote for specified types of legislation but otherwise establishes a general rule under which legislation passes with a majority vote of the members elected to each house. For this reason, the court determined that only a constitutional amendment may establish a two-thirds vote requirement, so the statutory two-thirds requirement in Initiative 1053 was unconstitutional.

Constitutional Amendments. Article XXIII, section 1 of the state Constitution governs constitutional amendments. Under this section, ratification of a constitutional amendment is a two-step process. First, the proposed amendment must receive the approval of each house of the Legislature by at least a two-thirds majority vote. Second, if this legislative supermajority requirement is met, the amendment must then be submitted to the voters at the next general election and approved by a majority of the voters voting on the amendment. Washington's constitu-

tion does not authorize the voters to directly amend the constitution via the initiative process.

Sales and Use Taxes. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the consumer or end user acquired the property, digital product, or service, then use taxes apply to the value of property, digital products, or service when used in this state.

The general state sales and use tax rate is 6.5 percent. Revenues collected from the general state sales and use tax are deposited in the general fund. The general state sales and use tax is forecasted to generate almost \$10 billion in fiscal year 2017, which is approximately \$1.5 billion per fiscal year for each percentage point in the tax rate.

**Summary:** The general state sales and use tax rate is reduced on April 15, 2016, by one percentage point from 6.5 percent to 5.5 percent unless by April 15, 2016, the Legislature submits a constitutional amendment to the voters that would require two-thirds legislative approval, or voter approval, to raise taxes and majority legislative approval to impose new state fees or increase state fees. (The constitutional amendment would appear on the November 2016 statewide ballot.)

"Raises taxes" must be defined in the constitutional amendment to mean "any action or combination of actions by the state Legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund."

"Majority legislative approval for fee increases" must be defined in the constitutional amendment to mean that "only the Legislature may set a fee increase's amount and must list it in a bill so it can be subject to the 10-year cost projection and other accountability procedures" provided in statute such as public notification of when a bill increasing fees is scheduled for public hearing.

**Effective:** December 3, 2015

**I 1401**  
C 2 L 16

Concerns trafficking of animal species threatened with extinction.

By the People of Washington State.

**Background:** State Fish and Wildlife Laws. The Washington Department of Fish and Wildlife (WDFW) is the agency primarily charged with enforcing the state's criminal laws related to fish and wildlife. These laws are generally related to the unlawful harvesting, possession, or trafficking of fish and wildlife species that are native to the state of Washington. However, there are criminal prohibitions against the possession or trafficking of certain animals that are not endemic to the state. These prohibitions



extend to the fins of sharks harvested outside of Washington waters and to the possession of any fish or wildlife that was taken in another state or country in a known violation of that state or country's fish and wildlife laws.

Fish and wildlife violations are assigned various penalty categories. There are infractions, misdemeanors, gross misdemeanors, class C felonies, and class B felonies. In addition, certain violations have associated mandatory criminal wildlife penalty assessments. These assessments are in addition to any underlying criminal sanctions and are used by the WDFW, in part, to fund the investigation and prosecution of fish and wildlife crimes and to provide rewards to individuals who provide information regarding fish and wildlife violations. The criminal wildlife penalty assessments range from \$500 for the unlawful fishing of a green sturgeon to \$12,000 for the unlawful hunting of a mountain caribou, grizzly bear, or trophy mountain sheep.

**International Fish and Wildlife Treaty.** The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is a multilateral treaty regarding the international movement of endangered plants and animals. Under the CITES treaty, endangered species are organized in one of three appendices. Appendix I, covering approximately 1,200 species, lists the species that are threatened with extinction and are subject to strict export and import permits. Appendix II, which covers approximately 21,000 species, lists species that are not threatened with extinction but could become so absent regulation of their trade. Appendix II species are subject to export certificates but do not, under CITES, require import documentation. Appendix III is reserved for species of special concern for an individual CITES signatory nation.

**Federal Law.** The United States is a signatory to the CITES treaty and enforces it domestically primarily through the Lacey Act, a federal law first enacted in the year 1900. The Lacey act makes illegal the knowing importation, exportation, sale, and acquisition of any fish, wildlife, or plants that are taken, possessed, transported, or sold in violation of a treaty entered into by the United States or in violation of federal, state, or foreign law. The Lacey Act also specifically limits the importation, exportation, or sale of any lion, tiger, leopard, cheetah, jaguar, or cougar. Violations of the Lacey Act are enforced both criminally and civilly with a potential fine up to \$10,000.

**Summary:** It is unlawful to distribute or engage in trade of parts from certain endangered animals or products that contain parts from endangered animals. The covered endangered animals (covered species) include species of elephants, rhinoceroses, tigers, lions, leopards, cheetahs, pangolins, marine turtles, sharks, and rays if the individual species is listed either: (1) in Appendix I or II by the process established for the CITES treaty or (2) as critically endangered, endangered, or vulnerable on the list of threatened species maintained by the Switzerland-based international non-governmental organization known as the

International Union for Conservation of Nature and Natural Resources.

A person can be found guilty of Unlawful Trafficking in a Species Threatened with Extinction in either the second or the first degree. Unlawful Trafficking in a Species Threatened with Extinction in the second degree, which is punishable as gross misdemeanor, occurs when a person distributes or trades in a covered species part or a product containing a part of a covered species that is valued at less than \$250. Unlawful Trafficking in a Species Threatened with Extinction in the first degree, which is punishable as a class C felony, occurs if one of the following three events occur: (1) distribution or trade in a covered species part or product that is valued at \$250 or greater; (2) distribution or trade in covered species parts or products of any value if the person has ever been convicted of Unlawful Trafficking in a Species Threatened with Extinction in the first or second degree at any time in the past; or (3) distribution or trade in covered species parts or products of any value if the person has been convicted of any other fish and wildlife-related gross misdemeanor or felony in the previous five years.

In addition to criminal sanctions, a person convicted of Unlawful Trafficking in a Species Threatened with Extinction in the first or second degree is subject to a mandatory criminal wildlife penalty assessment. A second degree conviction is subject to a \$2,000 assessment and a first degree conviction is subject to a \$4,000 assessment. In the event that multiple individuals are convicted from a single event, the criminal wildlife penalty assessment must be applied to each person individually but may be collected jointly and severally.

There are some exceptions that allow a person to lawfully distribute or trade in covered animal parts or products that contain covered animal parts. These exceptions allow: the distribution of covered animal parts or products to a museum or for other educational or scientific purposes; as part of the legal distribution of property following the death of the owner; any intrastate distribution expressly allowed under federal law or by a permit; and the distribution of a musical instrument that has as part of its construction a covered animal part as long as the covered animal part or parts comprise less than 15 percent of the instrument's volume. There is also an exception for bona fide antiques older than 100 years that contain covered animal parts. To qualify for the antique exception, the owner or seller of the product must establish the historical documentation that evidences the provenance and age of the item. Like musical instruments, the portion of an antique item that is composed of covered animal parts must comprise less than 15 percent of the item's overall volume in order to qualify for the exemption.

The WDFW's existing authority to seize wildlife, fish, and shellfish with probable cause of a legal violation is extended to include covered animal parts and products that contain covered animal parts. Once seized, the WDFW

may dispose of the parts or products by way of donation to a bona fide educational or scientific institution solely for the purposes of raising awareness of the trafficking and threatened nature of endangered species.

**Effective:** December 3, 2015  
April 15, 2016 (Section 2)

**EHB 1003**

C 37 L 16

Concerning the development of a model policy on natural disaster school infrastructure recovery.

By Representatives Hawkins, Lytton, Magendanz, Bergquist, Hayes, Robinson, Parker, Ortiz-Self, Harris, Reykdal, Johnson, Senn, Muri, Farrell, Klippert, Pollet, Nealey, Manweller, Kretz, Hargrove, Appleton, Gregerson, Condotta, Kilduff and Walkinshaw.

House Committee on Education  
Senate Committee on Early Learning & K-12 Education

**Background:** Safe School Plans. School districts must adopt comprehensive Safe School Plans that prepare them for on-campus emergencies, security issues, and large scale disasters. The plans, among other things, must:

- include required school safety policies and procedures;
- address emergency mitigation, preparedness, response, and recovery; and
- use the training guidance provided by the Washington Emergency Management Division of the state Military Department (EMD) and the School Safety Center.

The Office of the Superintendent of Public Instruction's (OSPI's) School Safety Center developed a School Safety Planning Manual, with chapters on Safe School Plans and responding to emergencies and disasters. In 2008 the OSPI developed a Safe School Plan Compliance Checklist to assist districts with determining the degree to which their plans comply with law; this checklist does not include items related to post-crisis recovery or restoring a safe learning environment after a disaster.

Washington Emergency Management Division. The EMD's mission is to minimize the impact of emergencies and disasters on the people, property, environment, and economy of Washington, including the impact on schools.

Federal Emergency Management Agency. The Federal Emergency Management Agency (FEMA) helps citizens and first responders prepare for, protect against, respond to, recover from, and mitigate all hazards. In 2013 the FEMA, with other federal agencies, published Guidelines for Developing High-Quality School Emergency Operation Plans and Sample School Emergency Operations Plans.

Washington State School Directors' Association. The Washington State School Directors' Association (WSS-

DA) provides leadership and advocacy for school leaders, professional development and training for school board members, and policy and legal services for school districts.

**Summary:** The WSSDA is directed to develop a model policy addressing restoration of the safe learning environment disrupted by natural disaster impacts to school district infrastructures, and distribute the policy to districts by August 31, 2017, with encouragement to adopt the model policy and review the districts' Safe School Plans.

In developing the policy, the WSSDA may consult with stakeholders, including the appropriate resources within the OSPI, the EMD, risk management entities that work with school districts, nonprofit experts in disaster recovery, Educational Service Districts, and school districts affected by natural disasters.

The model policy must:

- take into consideration any guidance on infrastructure recovery developed by the FEMA and the EMD;
- include an infrastructure recovery checklist that a school impacted by a natural disaster can use to restore its essential physical and organizational structures, services, and facilities;
- list the offices or divisions of state agencies that school districts may contact for assistance with infrastructure recovery after a natural disaster;
- list examples of state and federal emergency funding sources for which school districts impacted by a natural disaster have qualified; and
- include a model continuity of operations plan for use by school districts.

**Votes on Final Passage:**

2015 Regular Session

House	96	0	
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2016 Regular Session

House	96	1	
Senate	48	0	(Senate amended)
House	95	1	(House concurred)

**Effective:** June 9, 2016

**HB 1022**

C 73 L 16

Prohibiting general power of attorney provisions in bail bond agreements.

By Representatives Appleton and Goodman.

House Committee on Public Safety  
Senate Committee on Law & Justice

**Background:** Bail bond agencies are businesses that sell and issue corporate surety bail bonds or provide security in the form of personal or real property to ensure the appearance of a criminal defendant before a court.

To perform the functions of a bail bond agent or operate a bail bond agency, a person must be licensed by the Department of Licensing (Department). A licensee is subject to discipline by the Department for unprofessional conduct.

In addition to behavior that is categorized as unprofessional conduct across all business and profession licensees, unprofessional conduct specific to bail bond agents includes:

- failure to meet the qualifications of the license or comply with the profession's regulations and laws;
- mishandling funds or other collateral or improperly failing to return collateral;
- failing to keep records and maintain a trust account;
- any conduct in a bail bond transaction that demonstrates bad faith, dishonesty, or untrustworthiness;
- wearing badges or making statements to create the false impression that the bail bond agent is a sworn peace officer;
- hiring or performing as a bail bond recovery agent without proper licensing and contracts or without adequate care for the safety or property of persons other than the defendant; and
- using a dog in the apprehension of a fugitive criminal defendant.

Unprofessional conduct may be disciplined through an order by the Department's disciplinary authority requiring revocation or suspension of the license, restriction of practice, a program of education or treatment, censure, probation, denial of license renewal, or a fine of up to \$5,000 per violation.

**Summary:** Entering into a contract, including a general power of attorney, with a person that gives the bail bond agent full authority over the person's finances, assets, real property, or personal property creates a presumption of unprofessional conduct that may be overcome by a preponderance of the evidence, determined by the Department.

**Votes on Final Passage:**

2015 Regular Session

House 98 0

2016 Regular Session

House 96 0

Senate 47 0

**Effective:** June 9, 2016

**SHB 1111**

C 74 L 16

Concerning court transcripts.

By House Committee on Judiciary (originally sponsored by Representatives Kilduff, Stokesbary, Walkinshaw, Goodman, Gregerson, Jinkins, Muri, Rodne and Moeller; by request of Board For Judicial Administration).

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** Court reporters make verbatim records of court proceedings, depositions, and other official proceedings by means of written symbols or abbreviations in shorthand, machine writing, or oral recording by a stenograph reporter. The report of the official reporter, when transcribed and certified as being a correct transcript of the stenographic notes, is considered a prima facie correct statement of the testimony or oral proceedings. Upon request of the court or an attorney or party to a suit, the official reporter and clerk of court must make or cause to be made a transcript of testimony, which is filed with the trial court for the use of the court or parties to the action.

Under court rule, in any superior court proceeding, electronic or mechanical recording devices may be used to record oral testimony in lieu of or supplementary to causing shorthand notes to be taken. Discretion as to the use of such devices rests with the court. Courts of limited jurisdiction are required to electronically record proceedings. Pursuant to statute, the Administrator for the Courts (AOC) is required to supervise the selection, installation, and operation of any electronic recording equipment in courts of limited jurisdiction. There is a statutory \$25 fee for each video tape or other electronic storage medium of duplicated recordings of court proceedings.

Recently, a number of amendments were made to the court rules pertaining to electronic recording and transcription of court proceedings. Among the changes is a new court rule defining "authorized transcriptionist" as a person approved by a superior court to prepare an official verbatim report of proceedings of an electronically recorded court proceeding. The rule contains minimum requirements for authorized transcriptionists, which are that the person must: (a) be certified as a court reporter; (b) be certified by the American Association of Electronic Reporters and Transcribers; or (c) have completed a one-year supervised mentorship with a certified court reporter or authorized transcriptionist. Other amendments to the court rules require filing a report of proceedings for purposes of appeal to the appellate court, rather than the court in which the trial was held.

**Summary:** Amendments are made to various statutory provisions regarding court transcripts.

In addition to official court reporters employed by the court, certified court reporters and authorized transcriptionists may make official transcripts of testimony or proceedings. An official report of an electronically recorded proceeding prepared by a certified court reporter or an authorized transcriptionist has the same status as the report of an official court reporter, and is considered a prima facie correct statement of the testimony or oral proceedings. The requirement to file a transcript of proceedings with the trial court is amended to make exception for transcripts requested for an appellate case. The \$25 fee for duplicated

recordings of a court's proceedings is a fee for duplication to a "video" rather than to a "video tape."

The AOC is designated as a consultant for the implementation of electronic recording equipment in courts of limited jurisdiction, instead of a required supervisor.

**Votes on Final Passage:**

2015 Regular Session

House 97 0

2016 Regular Session

House 98 0

Senate 45 1

**Effective:** June 9, 2016

## SHB 1130

C 75 L 16

Concerning water power license fees.

By House Committee on Environment (originally sponsored by Representatives Fey, Short, Tharinger, Fitzgibbon and Gregerson; by request of Department of Ecology and Department of Fish and Wildlife).

House Committee on Environment

House Committee on General Government & Information Technology

Senate Committee on Energy, Environment & Telecommunications

**Background:** The Department of Ecology (ECY) issues federal Clean Water Act water quality certifications to hydroelectric dam operators licensed by the Federal Energy Regulatory Commission (FERC). The ECY's water quality certification process is typically conducted in conjunction with the FERC licensing or relicensing process for the hydropower project. The FERC licenses to hydropower operators under the Federal Power Act are issued for 30 to 50 years. After the FERC license and water quality certificate have been issued for a project, compliance with water quality protection criteria is monitored by the ECY and the Washington Department of Fish and Wildlife (WDFW).

Most claimants to water intended to be used for power development are required to pay an annual fee to the ECY. The fee is assessed on approximately 93 different power generation facilities and is based on the theoretical amount of water claimed by the entity developing power. All revenues are deposited into the Reclamation Account.

The fees for water power development are based on a two-step model that considers theoretical horsepower claimed. The first step is the base fee paid by all water power claimants. Base fees are calculated using the following formula:

- Facilities that generate between 51 and 1,000 horsepower pay 18 cents per horsepower.
- Facilities that generate between 1,001 and 10,000 horsepower pay 3.6 cents per horsepower.

- Facilities that generate more than 10,001 horsepower pay 1.8 cents per horsepower.

In addition to the base fee, all water power generation facilities that are regulated by the FERC must, until June 30, 2017, pay an additional fee. Only power generation facilities above a certain power generating threshold are required to be licensed by the FERC. The additional fees are calculated using the following formula:

- Facilities that generate between 51 and 1,000 horsepower pay 32 cents per horsepower.
- Facilities that generate between 1,001 and 10,000 horsepower pay 6.4 cents per horsepower for horsepower above 1,001 and 32 cents per horsepower for the first 1,000 horsepower.
- Facilities that generate more than 10,001 horsepower pay 3.2 cents per horsepower for horsepower above 10,001, 6.4 cents per horsepower for horsepower above 1,001, and 32 cents per horsepower for the first 1,000 horsepower.

The base fee and the second fee paid by facilities licensed by the FERC are additive until June 30, 2017, when the additional fee expires and all facilities are only required to pay the base fee.

According to the ECY, the base fees generated \$583,000 in the 2012-2013 biennium and the additional fee generated \$1,017,000. These funds are used by the ECY and the WDFW to assist power generation facilities in meeting environmental regulatory requirements and other requirements associated with the FERC licensing process.

The ECY submits a biennial report to the Legislature describing how license fees were spent on the ECY and the WDFW's water quality certification work for the FERC-licensed hydropower projects.

**Summary:** The expiration date for the additional fee charged to water power generating facilities that are licensed by the FERC is extended six years, from the year 2017 until the year 2023. The fee is also specified to only apply to FERC projects that are subject to review for federal Clean Water Act certification. The rates and collection methods of the additional fee are not changed.

After June 30, 2023, all claimants to water used for power generation will only pay the base fee.

In the biennial report to the Legislature, the ECY must detail how much money from licensing fees and other program funds was spent on work for each hydropower project. The detailed program expenditure information in the report must include:

- project-specific costs and staff time associated with work undertaken by the agencies during prelicensing, licensing or relicensing, and license implementation phases of a hydropower project;
- sufficient information to determine that hydropower license fees charged are not used for activities per-

# ESHB 1213

formed by other state agencies, federal agencies, or tribes, and that duplication is avoided; and

- an estimate of expected workload, program costs, and staff time for Clean Water Act certifications or FERC license implementation for projects in the upcoming two year reporting period.

Certain administrative requirements are established related to the implementation of the hydropower project licensing program by the ECY and the WDFW:

- The ECY and the WDFW must assign individual staff members as project leads for each hydropower project.
- The ECY and the WDFW must develop an annual work plan for their hydropower licensing programs.
- The ECY and the WDFW must circulate an annual survey to licensees regarding their interactions with the program staff of the departments. This survey's results must be analyzed and summarized prior to an annual meeting that the ECY and the WDFW must host for hydropower project licensees and other interested parties.

### Votes on Final Passage:

House	71	27	
Senate	46	3	(Senate amended)
House	80	16	(House concurred)

**Effective:** June 9, 2016

## ESHB 1213

C 76 L 16

Concerning the definition of veteran for the purposes of the county veterans assistance fund.

By House Committee on Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Orwall, Klippert, MacEwen, Moeller, Hayes, Moscoso, Ormsby, Muri, Kilduff and Tarleton).

House Committee on Community Development, Housing & Tribal Affairs

Senate Committee on Government Operations & Security

**Background:** Veterans' Assistance Program. In 2005 each county was required to establish a Veterans' Assistance Program (VAP) to provide relief for indigent veterans and their families. Under the VAP, a county must provide funding for qualifying indigent and suffering veterans or family members. The county must consult with and solicit recommendations from the local veterans' advisory board to determine the appropriate services needed for local indigent veterans. Counties also must pay for the burial or cremation costs of indigent veterans and their families.

Veterans' Assistance Fund. County VAP funding is established in a Veterans' Assistance Fund (Fund). Counties may levy taxes for the Fund. The Fund may be used

for the VAP, the burial or cremation of indigent veterans or their families, and direct or indirect costs of the administration of the Fund.

For purposes of qualifying for veterans' assistance funding, "family" means: (1) the spouse or domestic partner; (2) the surviving spouse; (3) the surviving domestic partner; and (4) dependent children of a living or deceased veteran. The definition of "veteran" includes: (1) active service members who have served in an armed conflict; and (2) members of the Armed Forces Reserves or National Guard who have received an honorable or medical discharge and have fulfilled their military service obligations. A county may extend VAP services to any service member who has received a general discharge under honorable conditions or a medical discharge. Indigent status is determined by each county, based on public assistance received, income level, or ability to afford basic needs.

**Summary:** The definition of "family" for purposes of the Veterans' Assistance Fund (Fund) is modified to also apply to spouses, surviving domestic partners, and dependent children of service members who were killed in the line of duty regardless of the number of days served.

The definition for "veteran" is defined, solely for the purposes of the Fund, as a person who served in active duty with any branch of service and:

- served at least 180 days and was released with an honorable discharge;
- received an honorable or general under honorable characterization of service with a medical reason, regardless of days served;
- received an honorable discharge and has received a rating for a service connected disability from the United States Department of Veteran's Affairs, regardless of days served;
- is a current member honorably serving in the Armed Forces Reserves or National Guard who was activated by presidential call for purposes other than training; or
- is a former member of the Armed Forces Reserves, or National Guard who was released with an honorable discharge before his or her term ended or after fulfilling his or her initial service obligation.

Counties have the discretion to expand the eligibility for purpose of the Fund, which includes serving veterans with additional discharge characterizations.

### Votes on Final Passage:

House	98	0
Senate	48	0

**Effective:** June 9, 2016

**HB 1345**

C 77 L 16

Adopting a definition and standards of professional learning.

By Representatives Lytton, Magendanz and Bergquist.

House Committee on Education

House Committee on Appropriations

Senate Committee on Early Learning & K-12 Education

**Background:** According to a meta-analysis of research conducted by the Washington State Institute for Public Policy, general professional development for teachers such as workshops, seminars and conferences does not have a positive benefit-to-cost ratio in terms of improving student achievement, although professional development that is focused on improving teaching in a specific academic content area such as mathematics, reading, or science does show benefits.

Some states, including Michigan, Kentucky, Idaho, and New Jersey, have adopted statewide definitions and standards for high-quality professional development or professional learning, and then encourage or require professional learning activities by schools and school districts to meet them. The definitions and standards in these states have been informed by the work of a national organization called Learning Forward (formerly the National Staff Development Council).

**Summary:** Findings and Intent. Findings are made that:

- Effective professional learning enables educators to acquire and apply the knowledge, skills, practices, and dispositions needed to help students learn and achieve at higher levels.
- A clear definition of professional learning provides a foundational vision that sets the course for how state, regional, and local education leaders support professional learning in order to advance student learning. It also serves as a piece of critical infrastructure and an accountability measure.

Intent is expressed to adopt a statewide definition of effective professional learning. Each public school and school district should establish targeted, sustained, relevant professional learning opportunities that meet the definition and are aligned to state and district goals.

Definition. The term "professional learning" means a comprehensive, sustained, job-embedded, and collaborative approach to improving teachers' and principals' effectiveness in raising student achievement. It also fosters collective responsibility for improved student performance and must comprise learning that is aligned with student learning needs, educator development needs, and school district or state improvement goals.

Professional learning is an ongoing process that incorporates differentiated, coherent, sustained, and evidence-based strategies that improve educator effectiveness and

student achievement. Professional learning should include the work of established collaborative teams of educators who commit to work on an ongoing basis to accomplish common goals and who are engaged in a continuous cycle of professional improvement focused on:

- Identifying learning needs using multiple sources of data;
- defining a clear set of learning goals;
- continuously assessing, through reflection, observation, and sustained support, the effectiveness of the professional learning in achieving learning goals, improving teaching, and assisting all students in meeting state academic learning standards;
- using formative and summative measures; and
- realizing the three primary purposes for professional learning: (1) individual improvement aligned with individual goals; (2) school and team improvement aligned with school and team improvement; and (3) program implementation aligned with state, district, and school improvement goals and initiatives.

Facilitation of professional learning should be by well-prepared school and district leaders, including curriculum specialists, central office administrators, principals, coaches, mentors, master teachers, and other teacher leaders. Professional learning may be supported by external expert assistance.

Standards are specified for content, process, and context of professional learning. Definitions are included for the terms: differentiated, job-embedded, student outcomes, and sustained.

**Votes on Final Passage:**

2015 Regular Session

House	91	7
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2016 Regular Session

House	81	16
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Senate	45	3
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**Effective:** June 9, 2016

**ESHB 1351**

C 78 L 16

Concerning license fees for national guard members under Title 77 RCW.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Blake, Harris, DeBolt and Stanford).

House Committee on Agriculture & Natural Resources  
House Committee on General Government & Information Technology

Senate Committee on Natural Resources & Parks

**Background:** Introduction to Fishing and Hunting Licenses. The Washington Department of Fish and Wildlife

(WDFW) is responsible for issuing hunting and fishing licenses at fees that are set in statute for each license type. These fees generally are a set amount for an adult state resident, an elevated rate for a non-state resident, and a reduced rate for a youth participant. Reduced rate licenses are also available to individuals with certain disabilities and certain veterans.

Reduced Rate Licenses. Residents. To qualify for a reduced rate license (the fee set for a youth license), a Washington resident must satisfy one of the following criteria:

- be an honorably discharged veteran who is at least 65 years old and who has a service-related disability of any kind;
- be an honorably discharged veteran of any age who has a 30 percent or greater service-related disability; or
- have, regardless of military service, a developmental disability, or a disability that results in the permanent use of a wheelchair, blindness, or another visual impairment.

Non-Residents. To qualify for a reduced rate license (the fee set for a resident license), a non-Washington resident must be an honorably discharged veteran who is either 65 years old with a service-related disability or who has a 30 percent or greater service-related disability of any kind. Additionally, active duty military personnel serving in any branch of the United States Armed Forces qualify for a combination fishing license at the fee set for a resident license.

Types of Licenses. Various licenses, permits, and tags are required to fish or hunt for specific types of fish and wildlife and at specific times of the year. The following are types of recreational fishing and hunting licenses that the WDFW issues:

- small game hunting license;
- supplemental migratory bird permit;
- big game hunting license;
- special hunting season permit (fee to enter drawing to receive a permit);
- disabled hunter permit;
- primary turkey tag and additional turkey tags;
- western Washington pheasant permit;
- personal use fishing license (freshwater, saltwater, or combination license);
- group fishing permit;
- shellfish and seaweed license;
- razor clam license; and
- scientific permit.

**Summary:** Upon written application and verification by the WDFW, the following recreational hunting licenses must be issued at no cost to a resident member of the Washington State Guard or National Guard, as long as the Washington State Guard or National Guard member is an

active full-time Washington State Guard or National Guard employee or is required to participate in drill training on a part-time basis:

- a small game hunting license;
- a supplemental migratory bird permit; and
- a big game hunting license.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House	95	0	(House concurred)

**Effective:** June 9, 2016

**2SHB 1408**

C 79 L 16

Concerning the development of a definition and model for "family engagement coordinator" and other terms used interchangeably with it.

By House Committee on Education (originally sponsored by Representatives Ortiz-Self, Magendanz, Sawyer, Santos, Senn, Robinson, Orwall, Tarleton, Bergquist and Gregerson).

House Committee on Education

Senate Committee on Early Learning & K-12 Education

**Background:** The Office of the Education Ombuds (OEO), within the Office of the Governor, was established in 2006 to be independent from the public education system. The OEO resolves complaints impartially and confidentially and works with parents, students, schools, and district staff to find collaborative solutions focusing on the student's best interest. The OEO also collects data and makes public policy recommendations, promotes family engagement in education, and identifies strategies to close the achievement gap.

The Educational Opportunity Gap Oversight and Accountability Committee (EOGOAC) was created in 2009 to address the achievement gap in Washington's public schools. The committee is tasked with recommending to the educational agencies specific policies and strategies to:

- support and facilitate parent and community involvement and outreach;
- enhance the cultural competency of current and future educators and the cultural relevance of curriculum and instruction;
- expand pathways and strategies to prepare and recruit diverse teachers and administrators;
- recommend current programs and resources that should be redirected to narrow the gap;
- identify data elements and systems needed to monitor progress in closing the gap;
- make closing the achievement gap part of the school and school district improvement process; and

- explore innovative school models that have shown success in closing the achievement gap.

A variety of initiatives across the state and across the country focus on encouraging parents, guardians, and families to understand and demonstrate the importance of education, to participate in their student's learning process, and to become involved in school activities. Beginning in September 2018, the prototypical school model will include funding for one "parent involvement coordinator" per prototypical elementary, middle, and high school.

A graduation coach is a staff person who works with the school counselors to identify and provide intervention services to students who have dropped out or are at risk of dropping out of school or of not graduating on time. A report published by the Office of the Superintendent of Public Instruction (OSPI) in 2013 describes a model policy that defines the skill sets and responsibilities of graduation coaches.

**Summary:** By December 1, 2016, the OEO must collaborate with the EOGOAC to recommend to the Legislature:

- a definition for the term that is variously referred to as "family engagement coordinator," "parent and family engagement coordinator," and "parent involvement coordinator;" and
- a model or framework for such a staff position.

In developing the model or framework for the staff position, the OEO and the EOGOAC must collaborate with: the OSPI, the Washington Education Association, the Public School Employees of Washington, the Washington School Counselors' Association, the Association of Washington School Principals, and the Washington State School Directors' Association.

**Votes on Final Passage:**

2015 Regular Session

House	88	9
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2016 Regular Session

House	77	20
Senate	43	3

**Effective:** June 9, 2016

**EHB 1409**

C 80 L 16

Concerning the disclosure of vessel owner information.

By Representatives Walkinshaw, Hayes, Clibborn, Hargrove, Fey, Farrell, Zeiger, Orcutt and Tarleton.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** Vessels are registered and titled in Washington like vehicles. The DOL administers the registration and titling processes. The information that is required when titling a vessel is the registration number, decal number, hull identification number, model year, manufacturer,

the registered owner's name, physical address, and mailing address.

Until the summer of 2014, the DOL had been disclosing personal information contained in vessel records in the same manner as vehicle records. The information was disclosed to certain entities for specific purposes. In 2014, legislation was enacted outlining the purposes for which the DOL may furnish lists of registered vehicle owners to prescribed entities for specific purposes. The federal Driver's Privacy Protection Act does not apply to release of certain information in vessel registration and title records.

Similar to vehicles, there are federal laws requiring the disclosure of some vessel owner information for the purpose of notifying owners of safety recall notices.

The Public Records Act (PRA) requires that state and local government agencies make public records available for public inspection and copying unless the records are exempt. Certain vehicle and vessel information is exempt from public inspection and copying. For vehicles, any record pertaining to a vehicle license plate, driver's license, or identicard that, alone or in combination with any other records, may reveal the identity of an individual is exempt. For vessels, any record pertaining to a vessel registration issued that, alone or in combination with any other records, may reveal the identity of an individual is exempt.

**Summary:** For purposes of vessel information disclosure, vessel record information is treated in the same way as motor vehicle record information.

Disclosure of Lists of Vessel Owners. The DOL may furnish lists of registered and legal vessel owners to:

- manufacturers of vessels or their authorized agents, to allow the manufacturers to notify owners of safety recalls;
- manufacturers of vessels, legitimate businesses as defined by the DOL in rule, or their authorized agents, for using the lists of registered and legal owner information to conduct research activities and produce statistical reports, as long as the entity does not allow personal information to be published, re-disclosed, or used to contact individuals—the DOL may only provide the manufacturer of a vessel, or the manufacturer of components contained in a vessel, the lists of registered or legal owners who purchased or leased a vessel manufactured by that manufacturer or a vessel containing components manufactured by that component manufacturer;
- United States and Canadian governmental agencies, for use in the enforcement of vessel laws and safety programs;
- insurers or insurance support organizations, self-insured entities, or their agents, employees, or contractors for use in connection with claims investiga-



tion activities, antifraud activities, and rating or underwriting;

- law enforcement entities for use in locating the owner of a vessel that has become unmoored and is drifting or beached;
- authorized agents or contractors of the DOL to be used in connection with providing vessel excise tax, licensing, title, and registration information to vessel dealers; and
- businesses regularly making loans to persons to finance the purchase of a vessel.

Prior to the release of any information, the DOL must enter into a contract with an authorized entity. The contract must contain provisions requiring the DOL or its agents to conduct regular permissible use and data security audits.

The DOL must charge fees for lists of vessel owners requested by a private entity. A fee of \$10 per 1,000 records during 2015; \$20 per 1,000 records beginning January 1, 2016; and \$25 per 1,000 records beginning January 1, 2021. The DOL must prorate the fee when the request is for less than a full 1,000 records.

If the request is an update of vessel records that have changed, the DOL must collect a fee of 1 cent per record during 2015; 2 cents per record beginning January 1, 2016; and 2.5 cents per record beginning January 1, 2021. The DOL must deposit these fees into the DOL Technology Improvement and Data Management Account.

Where a mailing address and a residence address are on the vessel record, only the mailing address will be disclosed. Both addresses will be disclosed when a request is from courts, law enforcement agencies, or government entities with enforcement, investigative, or taxing authority, and only for use in the normal course of conducting their business.

If a list of registered and legal owners of vessels is used for any purpose other than that authorized, the entity responsible for the unauthorized disclosure or use will be denied further access to the information by the DOL.

The contract must include that the DOL or its agents conduct both permissible use and data security audits subject to the following conditions and limitations:

- The data security audits must demonstrate compliance with the data security standards adopted by the Office of the Chief Information Officer.
- The DOL must take into consideration any third-party audit a data recipient has previously had and if it meets both recognized national and international standards.
- The costs of the audits must be paid for by the data recipient.

Disclosure of Individual Vessel Owners. The name or address of an individual vessel owner may not be released

by the DOL, county auditor, agency, or firm authorized by the DOL except for the following circumstances:

- The requesting party is a business entity that requests information for use in the course of business.
- There is a written request for disclosure that specifies the purpose for which the information will be used.
- The requesting party must enter into a disclosure agreement with the DOL that the information will only be used for the purpose stated in the request.
- Personal information received by any of these entities is prohibited from being used for direct marketing purposes.
- Where both a mailing address and a residence address are on the vessel record, only the mailing address will be disclosed. Both addresses will be disclosed when a request is from courts, law enforcement agencies, or government entities with enforcement, investigative, or taxing authority, and only for use in the normal course of conducting their business.
- The disclosing entity must retain the request for disclosure for three years.

Any person furnished with a vessel owner's information is responsible for assuring that the information furnished is not used for a purpose other than stated in the agreement between the person and the DOL.

The DOL must charge a fee of \$2 for each record provided to a business entity and deposit the fee into the Highway Safety Account.

Requests from law enforcement officers for vessel information must be granted.

The DOL must disclose vessel records for any vessel owned by a governmental entity upon request.

The DOL may review the activities of a person who receives vessel record information to ensure compliance with the limitations imposed on the use of the information. The DOL must suspend or revoke for five years the privilege of obtaining vessel record information of a person found in violation. In addition to the five-year information restriction, the unauthorized disclosure from a vessel record, the false representation to obtain information from the DOL vessel records, the use of information obtained from the DOL vessel records for a purpose other than intended, or the sale or distribution of a vessel owner's name or address to another person not disclosed is a gross misdemeanor with a fine to \$10,000, or by imprisonment in a county jail for up to 364 days, or by both a fine and imprisonment for each violation.

The circumstances in which the DOL may release vessel owner information are changed from when the vessel has become unmoored and is drifting or beached to when the vessel has become a hazard. Law enforcement may re-disclose a vessel owner's name and address when trying to locate the owner of, or otherwise deal with, a vessel that has become a hazard.

**Votes on Final Passage:**

House	96	1
Senate	43	3

**Effective:** June 9, 2016**2SHB 1448**

C 158 L 16

Providing procedures for responding to reports of threatened or attempted suicide.

By House Committee on Judiciary (originally sponsored by Representatives Riccelli, Holy, Parker, Ormsby, Calder, Hayes, Jinkins, Walkinshaw, Gregerson, Appleton, Ryu, McBride and Shea).

House Committee on Judiciary

House Committee on Appropriations

Senate Committee on Human Services, Mental Health &amp; Housing

Senate Committee on Ways &amp; Means

**Background:** Standard for Involuntary Mental Health Treatment. A person may be committed for involuntary mental health treatment under the Involuntary Treatment Act (ITA) if the person, due to a mental disorder, poses a likelihood of serious harm or is gravely disabled and will not voluntarily accept appropriate treatment. Among other circumstances, a person poses a likelihood of serious harm if there is a substantial risk that the person will inflict physical harm upon himself or herself as evidenced by threats or attempts to commit suicide.

Emergent Detention by Law Enforcement. The ITA grants law enforcement officers the power to temporarily detain persons under emergent conditions. A law enforcement officer with reasonable cause to believe a person is suffering from a mental disorder and poses an imminent likelihood of serious harm or is in imminent danger due to grave disability may take the person into custody and immediately deliver the person to an emergency room or other facility listed in statute. "Imminence" for the purposes of the ITA means that the danger of harm is likely to occur at any moment, or is near at hand, rather than being distant or remote.

A facility may hold a person taken into custody by law enforcement for up to 12 hours from the time of medical clearance. A mental health professional must examine the person within three hours, and a designated mental health professional (DMHP) must determine within 12 hours whether the individual meets detention criteria. A mental health professional is a psychiatrist, psychologist, psychiatric advanced registered nurse practitioner, psychiatric nurse, social worker, or other mental health professional as defined in agency rules. "Designated mental health professionals" are mental health professionals who are responsible for investigating whether or not a person should

be detained for an evaluation for involuntary mental health treatment under the ITA.

Initial Detention under the Involuntary Treatment Act.

In conducting an investigation, a DMHP must assess the credibility of the information received and attempt to interview the subject of the investigation. If satisfied that the person meets the ITA detention standard and that the person will not voluntarily accept treatment, the DMHP may take action to have the person detained for up to 72 hours for the purpose of examination and treatment.

**Summary:** Legislative intent is stated, encouraging officers to facilitate contact between persons who have threatened self-harm and mental health professionals, in instances in which those persons do not meet criteria to be taken into custody under the ITA.

By July 1, 2017, all general authority law enforcement agencies must establish criteria and procedures for an officer to refer a person to a mental health agency after receiving a report of the person's attempted or threatened suicide. When funded, the Washington Association of Sheriffs and Police Chiefs, in consultation with the Criminal Justice Training Commission (CJTC), must develop and adopt a model policy for use by law enforcement agencies. The model policy must compliment the CJTC's crisis intervention training curriculum.

When any person is referred by a law enforcement officer to a DMHP agency, a mental health professional must attempt to contact the subject of the referral in order to determine whether further mental health intervention is necessary. Further intervention may include, if needed, a DMHP assessment for initial detention under the ITA. The mental health professional must attempt to contact the subject of the referral as soon as possible, but no later than 24 hours from the officer's referral, excluding weekends and holidays. The DMHP agency is required to maintain documentation of the attempt to contact the person.

Officers and their employing agencies are not liable for referring or failing to refer a person to a mental health agency pursuant to the law enforcement agency's policy, as long as the action or inaction is taken in good faith and without gross negligence.

**Votes on Final Passage:**2015 Regular Session

House	93	5
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2016 Regular Session

House	95	2
Senate	48	0 (Senate amended)
House	94	2 (House concurred)

**Effective:** June 9, 2016

4SHB 1541

C 72 L 16

Implementing strategies to close the educational opportunity gap, based on the recommendations of the educational opportunity gap oversight and accountability committee.

By House Committee on Appropriations (originally sponsored by Representatives Santos, Ortiz-Self, Tharinger, Moscoso, Orwall and Gregerson).

House Committee on Education  
House Committee on Appropriations  
Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means

**Background:** Educational Opportunity Gap Oversight and Accountability Committee. In 2009 the Educational Opportunity Gap Oversight and Accountability Committee (EOGOAC) was established to recommend policies and strategies to close the achievement gap. The EOGOAC has six legislative members, representatives of the Office of Education Ombuds (OEO) and the Office of the Superintendent of Public Instruction (OSPI), and five members representing the state ethnic commissions and federally recognized tribes.

In its 2015 report to the Legislature, the EOGOAC made the following recommendations:

- reduce the length of time students of color are excluded from school due to suspension and expulsion, and provide student support for reengagement plans;
- enhance the cultural competence of current and future educators and classified staff;
- endorse all educators in English Language Learner (ELL) and second language acquisition;
- account for the Transitional Bilingual Instruction Program (TBIP) for instructional services provided to ELL students;
- analyze the opportunity gap through deeper disaggregation of student demographic data;
- invest in the recruitment, hiring, and retention of educators of color;
- incorporate integrated student services (ISS) and family engagement; and
- strengthen student transitions.

Student Discipline. Each school district board of directors must adopt and make available written policies regarding student conduct and discipline. The OSPI must adopt rules for providing due-process rights to students who are subject to disciplinary actions. Disciplinary actions made at the discretion of the school district must be in compliance with district policies and state laws and rules. Long-term suspension is defined as more than 10 days.

In 2013 made following changes were made to the laws regarding student discipline:

- required collection of disaggregated data through the student data system on nine categories of student behavior, seven categories of interventions, and the number of days of suspension or expulsion;
- required a Student Discipline Task Force to be convened by the OSPI to develop standard definitions for the data collected at the discretion of the school districts;
- prohibited indefinite suspensions or expulsions and required an end date of no more than one year, with a petition process to exceed the one-year limitation for reasons of public health or safety; and
- required districts to create an individualized reengagement plan for students returning to their school program.

Cultural Competence. The Professional Educator Standards Board (PESB) must incorporate standards for cultural competence into each level of teacher certification. Cultural competence is defined as: (1) knowledge of students' cultural histories and contexts; (2) knowledge and skills in accessing community resources and community and parent outreach; and (3) skills in adapting instruction to students' experiences and identifying cultural contexts for individual students.

Application of knowledge about students' cultural development and a commitment to closing the achievement gap are among the criteria for evaluating teacher and principal performance under revised evaluation systems. The OSPI must design a professional development program to support implementation of the revised evaluation systems.

English Language Learner Instruction and Accountability. The state allocates additional funding for the TBIP to provide additional support for ELL students to gain English language proficiency.

Under federal accountability rules, states and school districts must report the following data on ELL instruction programs:

- students making progress in learning English;
- students attaining language proficiency and exiting the TBIP; and
- student performance on state academic assessments.

Disaggregated Data. The OSPI collects student data on race and ethnicity through the statewide student data system. The data system contains 57 different racial subcategories and nine ethnic subcategories, but school districts are not required to report at this level of disaggregation. The K-12 Data Governance Group oversees data collection protocols and standards, and provides guidance for school districts.

Federal race and ethnicity reporting guidelines require, at a minimum, reporting of student race as White, African American/Black, Asian, American Indian/Alaskan Native, Native Hawaiian/Pacific Islander, and then a separate reporting of ethnicity as Hispanic or non-Hispanic. The 2015 Legislature required that, starting no later

than the 2016-17 school year, data on students from military families must be collected according to these federal guidelines, with the following additions:

- further disaggregation of the African American/Black category and Asian category;
- further disaggregation of the White category to include Eastern European nationalities with significant populations in Washington; and
- reporting of students by their discrete racial categories if they report as multi-racial.

During the 2010-11 school year, the OSPI reduced the number of students that must be in a subgroup before data on the subgroup may be publicly displayed from 30 to 20. The United States Department of Education (ED) reported, in 2012, that some states are reporting data for subgroups as small as five students.

**Recruitment and Retention.** About 5 percent of teachers leave the workforce each year. The Recruiting Washington Teachers program was established in 2007 to recruit and provide training and support for high school students to enter the teaching profession, especially in teacher shortage areas and among underrepresented groups and multilingual, multicultural students.

The demographics of the student population in Washington public schools has changed over the past decade to include more students of color. The demographics of educators has not changed at the same rate as that of students.

**Transitions.** The Early Achievers (EA) program is the quality rating and improvement system for the early care and education system in Washington. The EA program establishes a common set of expectations and standards that define, measure, and improve the quality of early learning and care settings, including licensed or certified child care facilities and early learning programs serving nonschool-age children and receiving state funds. As of August 2015, 2,746 licensed providers are participating in the EA program.

**Integrated Student Supports and Family Engagement.** Integrated student supports is an educational reform that is being implemented across the country. The ISS model is a school-based approach that promotes the academic success of at-risk students by coordinating academic and non-academic supports to reduce barriers to success. These academic and nonacademic resources include: tutoring and mentoring; physical and mental health care; and connecting families to parent education, family counseling, food banks, and employment assistance. Studies suggest that providing ISS can impact students' academic achievement and behavior.

**Center for the Improvement of Student Learning.** The Center for the Improvement of Student Learning (CISL), housed at the OSPI, serves as a clearinghouse for information, promising practices, and research that promotes and supports effective learning environments for all students, especially those in underserved communities. The duties

of the CISL are contingent on funds appropriated for the purpose.

**Learning Assistance Program.** The Learning Assistance Program (LAP) provides instructional support for students who are performing below grade level in reading, writing, and mathematics. School districts must submit an annual plan that identifies the activities to be conducted and the expenditure of funds under the LAP. The plan is required to have a number of specified elements and must be approved by the OSPI.

**Summary: Student Discipline. Opportunity to Receive Educational Services.** School districts may not suspend the provision of educational services to a student as a disciplinary action, whether discretionary or nondiscretionary. Students may be excluded from classrooms or instructional or activity areas for the period of suspension or expulsion, but districts must provide students with an opportunity to receive educational services during that time.

If educational services are provided in an alternate setting, the alternate setting should be comparable, equitable, and appropriate to the regular education services a student would have received without the exclusionary discipline.

**Limits.** School districts may not use long-term suspension or expulsion as a form of discretionary discipline. "Discretionary discipline" means a disciplinary action taken by a district for student behavior that violates the rules of student conduct, except for actions taken in response to:

- a violation of the prohibition against firearms on school premises, transportation, or facilities;
- certain violent offenses, sex offenses, offenses related to liquor, controlled substances, and toxic inhalants, and certain crimes related to firearms, assault, kidnapping, harassment, and arson;
- two or more violations within a three-year period of criminal gang intimidation or other gang activity on school grounds, possessing dangerous weapons on school facilities, willfully disobeying school administrators or refusing to leave public property, or defacing or injuring school property; or
- behavior that adversely impacts the health or safety of other students or educational staff.

Except for violation of the prohibition against firearms on school premises, districts should consider alternative actions before using long-term suspension or expulsion for any of the violations listed above.

Possession of a telecommunication device and violation of dress and grooming codes are removed from the list of discretionary violations that, if performed two or more times within a three-year period, may result in long-term suspension or expulsion.

Where disciplinary action involves a suspension or expulsion for more than 10 days, the end date must be no more than the length of an academic term, as defined by

the school district, rather than one year, from the time of the disciplinary action.

*Reengagement.* After a student is suspended or expelled, the district must, rather than should, convene a reengagement meeting with the student and family. Families must have access to, provide meaningful input on, and have the opportunity to participate in a culturally sensitive and culturally responsive reengagement plan.

*Discipline Policies and Procedures.* The Washington State School Directors' Association (WSSDA) must create and publicly post model school district discipline policies and procedures by December 1, 2016, and update the policies as necessary. The districts must adopt and enforce discipline policies and procedures consistent with the WSSDA model policy by the beginning of the 2017-18 school year and annually disseminate these policies to the community. Districts must use disaggregated student-level data to monitor the impact of the school district's discipline policies and procedures. Districts must, in consultation with school district staff, students, families, and the community, periodically review and update their discipline rules, policies, and procedures.

The OSPI must develop a training program to support the implementation of discipline policies and procedures, as specified. Districts are strongly encouraged to train school and district staff on the discipline policies and procedures.

*Civil Liability.* Neither the requirement that school districts provide students with the opportunity to received education services nor the limitation on imposing long-term suspension or expulsion as a form of disciplinary action create any civil liability for districts or create a new cause of action or theory of negligence against a school board, district, or the state.

*Other provisions.* Tribal representatives are added to the membership of the Student Discipline Task Force.

The Education Research and Data Center (ERDC) must prepare a regular report on the educational and workforce outcomes of youth in the juvenile justice system. To enable this data collection, certain research data held by the Administrative Office of the Courts may be shared with the ERDC. The Department of Social and Health Services is added to the list of agencies that must work with the ERDC.

Cultural Competence. Professional development programs to support teacher and principal evaluation systems must be aligned to cultural competence standards, focus on multicultural education and principals of English language acquisition, and include best practices to implement the tribal history and culture curriculum.

Cultural competency training must be developed by the OSPI for administrators and school staff, and by the WSSDA for school board directors and superintendents.

Required Action Districts, districts with schools that receive the federal School Improvement Grant, and dis-

tricts with schools identified by the Superintendent of Public Instruction as priority or focus are strongly encouraged to provide cultural competence professional development and training.

English Language Learner Instruction and Accountability. All classroom teachers in the TBIP must hold an endorsement in bilingual education or ELL by the 2019-20 school year.

At the beginning of each school year, the OSPI must identify schools in the top 5 percent of schools with the highest percent growth in ELL students during the previous two years and strongly encourage districts with identified schools to provide cultural competence professional development and training.

The Legislature is no longer required to approve and fund the TBIP evaluations before the program can be implemented. Subject to funding, the OSPI must provide districts with assistance and support related to the TBIP.

Disaggregated Data. The OSPI must collect, and school districts must submit, student data using federal race and ethnicity reporting guidelines, including subracial and subethnic categories, with the following additions:

- further disaggregation of the African American/Black category and Asian category;
- further disaggregation of the White category to include Eastern European nationalities with significant populations in Washington; and
- reporting of students by their discrete racial categories if they report as multi-racial.

This data must be collected beginning in the 2017-18 school year for students who newly enroll, transfer, or change schools within a district. The K-12 Data Governance Group must develop protocols and guidance for this data collection, and the OSPI must incorporate training on best practices for collecting data on racial and ethnic categories into other data-related training. The OSPI must convene a task force to review the ED guidelines to clarify why collection of race and ethnicity data is important and how students and families can help administrators properly identify them.

Subject to funding, the OSPI must convene a task force to review the federal race and ethnicity reporting guidelines and develop race and ethnicity guidance for the state. The content of the guidance is specified.

By August 1, 2016, and in cooperation with certain state entities, the OSPI must adopt a rule that the only student data that should not be reported for public reporting and accountability are data where the school or district has fewer than 10 students in a grade level or student subgroup.

Recruitment and Retention. The OSPI must, to the extent data are available, post on the Internet the percentage of classroom teachers per school district and per school, and the average length of service of these teachers, disag-

gregated by race and ethnicity as described for student-level data.

**Transitions.** The Department of Early Learning (DEL) must collaborate with the OSPI to create a community information and involvement plan to inform home-based, tribal, and family early learning providers of the EA program.

**Integrated Student Services and Family Engagement.** Subject to funding, the Washington ISS Protocol (WISSP) is established at the CISL within the OSPI. The purposes of the WISSP include:

- supporting a school-based approach to promoting the success of all students by coordinating academic and nonacademic supports to reduce barriers to academic achievement and educational attainment;
- fulfilling a vision of public education where educators focus on education, students focus on learning, and auxiliary supports enable teaching and learning to occur unimpeded;
- encouraging the creation, expansion, and quality improvement of community-based supports that can be integrated into the academic environment of schools and school districts;
- increasing public awareness of the evidence showing that academic outcomes are a result of both academic and nonacademic factors; and
- supporting statewide and local organizations in their efforts to provide leadership, coordination, technical assistance, professional development, and advocacy to implement high-quality, evidence-based, student-centered, coordinated approaches throughout the state.

A framework is provided for the WISSP, including needs assessments, integration and coordination, community partnerships, and a requirement that the WISSP be data driven. The framework must facilitate the ability of any academic or nonacademic provider to support the needs of at-risk students, including: out-of-school providers, social workers, mental health counselors, physicians, dentists, speech therapists, and audiologists.

Subject to funding, the OSPI must create a work group to determine how to best implement the framework and report to the Legislature by October 1, 2016 and 2017.

**Learning Assistance Program.** The requirement that expenditure of funds from the LAP be consistent with certain academic achievement and accountability provisions is removed. The school board, rather than the OSPI, must approve in an open meeting the community-based organization or local agency before LAP funds may be expended.

### Votes on Final Passage:

#### 2015 Regular Session

House 53 45

#### 2015 Second Special Session

House 53 43

#### 2015 Third Special Session

House 54 44

#### 2016 Regular Session

House 50 47

Senate 38 10 (Senate amended)

House 59 38 (House concurred)

**Effective:** June 9, 2016

## 2ESHB 1553

C 81 L 16

Encouraging certificates of restoration of opportunity.

By House Committee on Public Safety (originally sponsored by Representatives Walkinshaw, MacEwen, Ryu, Appleton, Moscoso, Holy, Gregerson, Zeiger, Peterson, Farrell, Walsh, Reykdal, Orwall, Pettigrew, Tharinger, Fitzgibbon and Kagi).

House Committee on Public Safety

Senate Committee on Law & Justice

**Background:** *Occupational Licensure.* Occupation licensure is the process by which a government entity grants individuals permission to engage in a specified professional occupation upon finding that individual applicants have attained the minimal degree of competency required to ensure that the public's health, safety, and welfare will be reasonably well protected. There are at least 120 types of occupations requiring licensing, certification, and registration in Washington state. Some occupational licensure procedures require state entities to conduct criminal background investigations and assess or exclude someone from licensure for certain types of criminal convictions.

*Employment and Licensing Disqualification for Felony Convictions.* Any state, city, county, or other municipal entity is prohibited from disqualifying a person from employment, or any occupation, trade, vocation, or business for which a state or local license, permit, certificate or registration is required solely because of a prior conviction of a felony. However, a prior conviction may be considered in conjunction with other factors.

There are exceptions allowing disqualification solely based on criminal history when:

- the felony is directly related to the employment or profession sought and it has been fewer than 10 years since conviction;
- the felony was for embezzlement or theft and the position is in a county treasurer's office; or

- the felony was committed against a child and the position is an education position requiring certification or is a position with a school district or educational service district.

Health professions are exempt from the prohibition on disqualification. In addition, many other occupations regulated by the state contain specific requirements for considering criminal history, including requirements barring applicants from participating in certain occupations in some contexts.

**Summary:** The Certificate of Restoration of Opportunity (CROP) is created.

*Eligibility Requirements.* A person may obtain a CROP from a superior court if he or she meets certain eligibility requirements. Specific time periods must have passed since sentencing for those sentenced to probation or some other noncustodial sentence, or since release from confinement for those sentenced to jail or prison, before a person is eligible for a CROP. The time periods are as follows:

- one year for misdemeanors and gross misdemeanors when sentenced to probation or some other noncustodial sentence;
- 18 months for misdemeanors and gross misdemeanors when sentenced to a term of confinement;
- two years for a class B or C felony; or
- five years for any violent offense.

An applicant must be in compliance with or completed all sentencing requirements, including legal financial obligations. An applicant is not eligible if he or she has any new arrests, convictions, or pending criminal charges or known imminent charges, or is required to register as a sex offender. An applicant is not eligible if he or she has ever been convicted of any of the following:

- a class A felony, an attempt to commit a class A felony, or criminal solicitation of or criminal conspiracy to commit a class A felony;
- a sex offense;
- a crime that includes sexual motivation;
- Extortion in the first degree;
- Drive-by Shooting;
- Vehicular Assault; or
- Luring.

*Occupational Licensing and Qualifications.* When a qualified applicant holds a CROP and meets all other statutory or regulatory requirements, the state and any county, municipal department, board, officer, or agency may not disqualify him or her for a license, certificate of authority, or qualification to engage in the practice of any profession or business solely based on the applicant's criminal history. The state and other government entities are immune from suit for damages based on the exercise of any discretion with respect to CROPs.

The Department of Social and Health Services (DSHS) and the Department of Health (DOH) have discretion to disqualify an individual who holds a CROP solely based on criminal history if the employment involves unsupervised access to vulnerable adults, children, or individuals with mental illness or developmental disabilities. The DSHS and the DOH are immune from suit for damages based on the exercise of this discretion.

Certain professional licenses are not covered by a CROP, including the following: accountants; assisted living facilities employees; bail bond agents; escrow agents; long-term care workers; nursing home administrators; nurses; physicians and physician assistants; private investigators; receivers; security guards; teachers; notaries public; private investigators; real estate brokers and salespersons; security guards; and vulnerable adult care providers. Criminal justice agencies and the Washington State Bar Association are exempt and may disqualify an individual solely based on criminal history, regardless of whether the individual holds a CROP.

*Employment and Housing.* An employer or housing provider has the discretion to consider a CROP in making employment or housing decisions. Evidence of a crime for which a CROP has been issued is inadmissible in court for actions alleging negligence or intentionally tortious conduct of an employer or housing provider with respect to the employment or housing of a CROP holder. Employers and housing providers are immune from suit for damages based on the exercise of its discretion to consider a CROP.

**Votes on Final Passage:**

2015 Regular Session

House	97	0
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2016 Regular Session

House	97	0
Senate	49	0

**Effective:** June 9, 2016

**EHB 1578**

C 121 L 16

Authorizing insurers to offer customer satisfaction benefits.

By Representatives Kirby and Vick.

House Committee on Business & Financial Services  
Senate Committee on Financial Institutions & Insurance

**Background:** Unless it is expressly provided for in an insurance policy, no insurer, insurance producer, or title insurance agent must offer, promise, or pay to the insured or any employee of an insured, any of the following:

- a rebate, discount, abatement, or reduction of a premium or a commission on a premium; or
- earnings, profits, dividends, or other benefit, or any other valuable consideration or inducement.

If it is not expressly provided for in the policy, any of these otherwise prohibited offerings must be provided for in an applicable filing with the Office of the Insurance Commissioner.

A premium includes all sums charged, received, or deposited as consideration for an insurance contract or the continuance of such contract.

**Summary:** An insurer may include contractual benefits based on customer satisfaction as part of a personal insurance policy. The insurer must file the policy or endorsement for approval, and the contractual benefits may include sums of money provided or credited to a policyholder if the policyholder is dissatisfied with the service provided by the insurer.

A sum that is provided to or credited to a policyholder as part of an approved contractual benefit based on customer satisfaction is not a premium. A policy premium reduced by such a credit will be taxed on the full cost of the premium before application of the customer satisfaction credit.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** June 9, 2016

## 3SHB 1682

C 157 L 16

Improving educational outcomes for homeless students through increased in-school guidance supports, housing stability, and identification services.

By House Committee on Appropriations (originally sponsored by Representatives Fey, Stambaugh, Walsh, Ricceli, Goodman, Orwall, Zeiger, Appleton, Van De Wege, Lytton, Gregerson, Reykdal, Tarleton, Ortiz-Self, Kagi, Carlyle, Wylie, Bergquist, S. Hunt, Tharinger, Senn, Robinson, Moscoso, Pollet, Walkinshaw, McBride and Jinkins).

House Committee on Education  
House Committee on Appropriations  
Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means

**Background:** According to a 2015 report from the Office of Superintendent of Public Instruction (OSPI), between the 2008-09 school year and the 2013-14 school year, the state experienced a 56 percent increase in the number of enrolled homeless students reported by school districts. During the 2013-14 school year, 32,494 students were identified as homeless. The percentage of homeless students meeting standard on assessments is much lower than the percentage for all students statewide. Homeless students had a 46.1 percent four-year graduation rate and a 31.5 percent cohort dropout rate, compared to an all stu-

dent statewide graduation rate of 77.2 percent and a cohort dropout rate of 12.3 percent.

State law establishes homeless student data collection and reporting requirements for school districts and the OSPI. School districts are required to track additional expenditures for transporting homeless students using a uniform process established by the OSPI. The OSPI is required to post on its website the total expenditures related to the transportation of homeless students, and is required also to report specific homeless student data to the Office of the Governor and the Legislature every two years. Reported data must include information about "unaccompanied homeless students." Legislation adopted in 2015 (*i.e.*, 2SSB 5404, enacted as Chapter 69, Laws of 2015) defined "unaccompanied homeless student" as a student who is not in the physical custody of a parent or guardian and is without a fixed, regular, and adequate nighttime residence as set forth in the federal McKinney-Vento Homeless Assistance Act.

The Department of Commerce (Department) has a number of homeless assistance and prevention programs within its portfolio, including:

- Consolidated Homeless Grant (CHG) combines state homeless resources into a single grant opportunity for county governments and other designated entities.
- Emergency Solutions Grants (ESG) is funded by the Department of Housing and Urban Development (HUD) Homeless Emergency Assistance and Rapid Transitions to Housing Act of 2009. The Department is a grantee of HUD and administers this award for eligible counties and cities that are not direct recipients of HUD. The purpose of the ESG program is to provide homelessness prevention assistance to households who would otherwise become homeless and to provide assistance to rapidly re-house persons who are experiencing homelessness.
- Independent Youth Housing Program (IYHP) provides rental assistance and case management for eligible youth who have aged out of the state foster care system. The Department contracts with five agencies to provide program services.
- Homeless Management Information Systems (HMIS) is used by state and federally funded homeless and housing service providers to collect and manage data gathered during the course of providing housing assistance to people already experiencing homelessness and to households at-risk of losing their housing.

**Consent for Medical Treatment of Minor.** Generally, persons under the age of 18 cannot provide consent for their own medical procedures in Washington state. However, minors can receive medical treatment without the consent of an authorized adult if the minor:

- is in need of emergency medical treatment;



- is seeking family planning services or pregnancy care;
- is aged 15 or older and satisfies the "mature minor rule," meaning the minor has, based on a number of factors, demonstrated the maturity to provide consent for medical treatment;
- is aged 13 or older and seeking mental health treatment; or
- is aged 13 or older and seeking outpatient substance abuse treatment.

If a minor's consent is not sufficient to access health care services, an individual authorized by statute must furnish consent for a health care provider to treat the patient. State law provides that informed consent for health care may be obtained from a member of one of the following classes of persons in the following order of priority:

1. the court-appointed guardian or custodian of the patient, if any;
2. a person authorized by the court to consent to medical care for a child in out-of-home placement pursuant to the dependency and termination of parental rights statutes, if applicable;
3. parents of the minor patient;
4. the individual, if any, to whom the minor's parent has given signed authorization to make health care decisions for the minor patient; or
5. a competent adult representing himself or herself to be a relative responsible for the healthcare of such a minor patient or a competent adult who has signed and dated a declaration under penalty of perjury stating that the adult person is a relative responsible for the health care of the minor patient.

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3. parents of the minor patient;
4. the individual, if any, to whom the minor's parent has given signed authorization to make health care decisions for the minor patient; or
5. a competent adult representing himself or herself to be a relative responsible for the healthcare of such a minor patient or a competent adult who has signed and dated a declaration under penalty of perjury stating that the adult person is a relative responsible for the health care of the minor patient.

Summary: Competitive Grant Program. Subject to funds appropriated, the Office of Superintendent of Public Instruction (OSPI) is tasked with creating a competitive grant process to evaluate and award state-funded grants to school districts to pilot increased identification of homeless students and the capacity of the districts to provide support. Support may include homeless education liaisons. The process must complement any similar federal grant program or programs in order to minimize agency overhead and administrative costs for the Superintendent of Public Instruction and school districts. Districts may access both federal and state money to identify and support homeless students.

Award criteria for the grants must be based on demonstrated need and may consider the number or overall percentage, or both, of homeless children and youths enrolled in preschool, elementary, and secondary school in the district and the ability of the district to meet these needs. School districts may not use grant funds to supplant existing federal, state, or local resources for homeless student supports.

Housing Grant Program. Subject to funds appropriated, the Department of Commerce (Department), in consultation with the OSPI, is charged with administering a grant program that links homeless students, their families, and unaccompanied homeless students with stable housing located in the homeless student's school district. The OSPI may award grants of up to \$100,000 per school to school districts partnered with eligible organizations. Total awards may not exceed \$500,000 per school district and may not exceed 15 school districts per school year.

In determining which school districts receive grants, preference must be given to districts with a demonstrated commitment of partnership and history with eligible organizations. "Eligible organization" means any local government, local housing authority, Regional Support Network, nonprofit community or neighborhood-based organization, federally recognized Indian tribe within the

state, or regional or statewide nonprofit housing assistance organization.

Beneficiaries of funds from the grant program must be from very low-income households. "Very low-income" is defined as a family or unrelated persons living together whose adjusted income is less than 50 percent of the median family income, adjusted for household size, for the county where the grant recipient is located.

Applications for the grant program must include contractual agreements between the housing providers and the school districts defining the responsibilities and commitments of each party to identify, house, and support students. Eligible activities for assistance include, but are not limited to:

- rental assistance, including security deposits, utilities, and moving expenses;
- transportation assistance, including gasoline for vehicles and bus passes;
- emergency shelter; and
- housing stability case management.

Grantee school districts must compile and report information to the Department. The Department must report to the Legislature the findings of the grantee, the housing stability of the homeless families, the academic performance of the grantee population, and any related policy recommendations.

Data on all grant program participants must be entered into and tracked through the Department's Homeless Client Management Information System. Program review and monitoring may be conducted concurrently with other program reviews and monitoring.

Homeless Student Reporting. The OSPI's data collection and reporting requirements on homeless students is expanded to include the number of identified homeless students of color. When reporting the number of identified unaccompanied homeless students, the OSPI must also include the number for each district and report the information on the Washington state report card website.

Health Care Consent. A school nurse, school counselor, or homeless student liaison is authorized to provide consent for health care for a homeless student under the following conditions:

- consent is necessary for nonemergency outpatient primary care services;
- the patient meets the definition of a "homeless child or youth" under the federal McKinney-Vento Homeless Assistance Act; and
- the patient is not under the supervision or control of a parent, custodian, or legal guardian.

A person consenting care and the person's employing school are not liable for any care or payment for care, and must provide written notice of his or her exemption from liability to the person providing care.

**Votes on Final Passage:**

2015 Regular Session

House 82 16

2016 Regular Session

House 68 28

Senate 42 6 (Senate amended)

House 80 16 (House concurred)

**Effective:** June 9, 2016

**E3SHB 1713**

C 29 L 16 E 1

Integrating the treatment systems for mental health and chemical dependency.

By House Committee on Appropriations (originally sponsored by Representatives Cody, Harris, Jinkins, Moeller, Tharinger, Appleton, Ortiz-Self and Pollet).

House Committee on Judiciary

House Committee on Appropriations

Senate Committee on Human Services, Mental Health & Housing

Senate Committee on Ways & Means

**Background:** Involuntary Mental Health Treatment. Under the involuntary mental health treatment systems for both minors and adults, a person may be committed for involuntary mental health treatment if he or she poses a likelihood of serious harm or is gravely disabled. The likelihood of serious harm or grave disability must be due to a mental disorder.

Jurisdiction over involuntary mental health treatment proceedings is with the superior court. County prosecutors represent petitioners, unless the petitioner is a state facility, in which case the Attorney General provides representation.

Involuntary Treatment of Adults. The Involuntary Treatment Act (ITA) sets forth the procedures, rights, and requirements for involuntary mental health treatment of adults. Under the ITA, designated mental health professionals (DMHPs) are responsible for investigating whether or not a person should be detained to an evaluation and treatment facility for an initial 72-hour evaluation. The professional staff of the treatment facility providing the 72-hour evaluation may petition the court to have the person committed for further mental health treatment. A petition must be signed by certain combinations of two examining professionals, including physicians, mental health professionals, and psychiatric advanced registered nurse practitioners.

Following a hearing, if the person is found by a preponderance of the evidence to pose a likelihood of serious harm or be gravely disabled, the court may order the person to be involuntarily committed for up to 14 days of additional treatment at an evaluation and treatment facility. Upon subsequent petitions and hearings, if commitment

criteria are met by clear, cogent, and convincing evidence, a court may order up to an additional 90 days of commitment, followed by up to 180 days of commitment. Successive 180-day orders are permissible on the same grounds and pursuant to the same procedures as the original 180-day commitment. Inpatient commitment on an order allowing up to 90 or up to 180 days of treatment takes place at a state hospital.

When entering an order for up to 14, 90, or 180 days of treatment, if the court finds that the person poses a likelihood of serious harm or is gravely disabled, but that treatment in a less restrictive alternative (LRA) than detention is in the best interest of the person or others, the court must order an appropriate less restrictive course of treatment rather than inpatient treatment. Less restrictive alternative treatment is for up to 90 days if ordered instead of a 14- or 90-day inpatient order, and is for up to 180 days if ordered instead of a 180-day inpatient order.

*Involuntary Mental Health Treatment of Minors.* The provisions governing involuntary mental health treatment of minors over the age of 13 are in parallel with the ITA in most respects. A DMHP, upon a determination that commitment standards are met, may seek a minor's initial 72-hour detention. Upon subsequent petitions and court orders, a minor may be committed for a term of up to 14 days of treatment, followed by successive orders of up to 180 days of treatment.

Initial and 14-day treatment takes place at an evaluation and treatment facility that provides treatment services for minors. Subsequent treatment is in the custody of the Department of Social and Health Services (DSHS) or at a private facility if the minor's parents have assumed responsibility for payment. The court must order LRA treatment rather than inpatient treatment if it is in the best interest of the minor.

Involuntary Chemical Dependency Treatment. An adult or minor may be committed for involuntary chemical dependency treatment upon petition of a Designated Chemical Dependency Specialist (DCDS), a hearing, and a finding by clear, cogent, and convincing evidence that the person, due to chemical dependency, poses a likelihood of serious harm or is gravely disabled. The petition of the DCDS must be accompanied by a certificate of a licensed physician who has examined the person within the previous five days or documentation that the person refused an examination. A petition may only be filed, and the court may only order involuntary treatment, if placement in a chemical dependency program is available and deemed appropriate.

In some cases, a person may be detained prior to the DCDS filing for involuntary treatment. A person who is found to be incapacitated or gravely disabled by alcohol or other drugs at the time of, or following, admission to an approved treatment program may be detained for no longer than 72 hours, unless a petition is filed for involuntary commitment.

Persons committed as chemically dependent are committed for a term of 60 days, unless sooner discharged, and upon a subsequent petition and hearing, for a term of 90 days, unless sooner discharged. A treating facility may conditionally release a committed person in appropriate circumstances.

Jurisdiction over involuntary chemical dependency treatment proceedings is with the superior court, district court, or other court identified in court rule. The county prosecutor may, but is not obligated to, represent petitioners in involuntary chemical dependency treatment proceedings.

Integrated Crisis Response and Involuntary Treatment Pilot Program. The Integrated Crisis Response and Involuntary Treatment Pilot Program (ICR) established an integrated crisis response system at two pilot sites. The ICR authorized involuntary detention and treatment of adults meeting the likelihood of serious harm or grave disability standard due to either a chemical dependency or a mental disorder. Detentions were performed by a "designated crisis responder" (DCR) with the authority and training to detain in either the chemical dependency or mental health system.

The ICR followed the procedures and standards in the ITA with respect to emergency and non-emergency detentions. Additionally, the ICR created a 14-day inpatient commitment order and 90-day LRA order for chemical dependency treatment. Initial detentions and 14-day commitments for chemically dependent persons were to a secure detoxification facility or other certified chemical dependency provider. "Secure detoxification facility" was defined as a publicly or privately operated facility, or program of an agency, providing acute and subacute detoxification services for intoxicated persons and that includes security measures sufficient to protect the patients, staff, and community.

In line with the ITA, prosecutors were required to represent petitioners for commitments based on chemical dependency under the ICR.

Minor-Initiated and Parent-Initiated Treatment. Mental Health System. A minor age 13 or older may, without parental consent, admit himself or herself to an evaluation and treatment facility for inpatient mental health treatment or request and receive outpatient mental health treatment. The minor may only be admitted if the professional person in charge of the facility believes the minor is in need of inpatient treatment, and the facility administrator must notify the minor's parents of the admission. A minor voluntarily admitted to inpatient treatment may give notice of intent to leave at any time. Parental consent is needed for inpatient or outpatient treatment of a minor under 13 years old.

A parent may bring his or her minor child to an evaluation and treatment facility and request an evaluation for inpatient treatment or to an outpatient provider and request an examination for the need for outpatient treatment. The consent of the minor is not required, and, if admitted for

medically necessary inpatient treatment, the minor may not be discharged based solely on his or her request. The minor may petition the court for release from the facility.

*Chemical Dependency System.* The provisions for minor-initiated and parent-initiated chemical dependency treatment of minors are similar to those pertaining to mental health treatment. However, parental consent is required for inpatient chemical dependency treatment of a minor.

*Administration of Chemical Dependency and Mental Health Services. Integration of Behavioral Health Services Purchasing.* Historically, the DSHS contracted with regional support networks to oversee the delivery of mental health services for adults and children suffering from mental illness or severe emotional disturbance. A regional support network could be a county, group of counties, or a nonprofit or for-profit entity. Regional support networks were paid by the state on a capitation basis and funding was adjusted based on caseload. The regional support networks contracted with local providers to provide an array of mental health services, monitored the activities of local providers, and oversee the distribution of funds under the state managed care plan.

The DSHS formerly contracted with counties to provide outpatient chemical dependency prevention, treatment, and support services, either directly or by subcontracting with certified providers. The DSHS determined chemical dependency service priorities for those activities funded by the DSHS.

In 2014 legislation was enacted directing the DSHS to integrate the purchase of chemical dependency services and mental health services. Beginning April, 2016, the integrated services are to be provided primarily through managed care contracts. The integrated system is administered on a regional level through entities called "behavioral health organizations."

*Business and Occupational Tax Deduction for Provision of Government-Funded Mental Health Services.* Nonprofit health or social welfare organizations and behavioral health organizations may qualify for a business and occupation (B&O) tax deduction for amounts received for providing mental health services under a government-funded program. This tax deduction is scheduled to expire on August 1, 2016.

*Licensure and Regulation of Medical Care and Behavioral Health Providers.* Different regulatory, licensure, and certification requirements apply to providers in the fields of medical care, mental health, and chemical dependency. Depending on the type of provider and whether the activity relates to contracting or licensing, the regulatory activities may be conducted by either the Department of Health (DOH), the DSHS, or the Health Care Authority (HCA). License holders and contractors may also undergo audits from the federal government, county authorities, and other entities. State law requires the DSHS to deem entities as compliant with state minimum standards for licensed behavioral health providers if they are accredited

by behavioral health accrediting organizations that are recognized by, and have a current agreement with, the DSHS.

**Summary:** "Ricky Garcia's Act" is enacted.

Short-Term Changes to the Chemical Dependency Involuntary Treatment System. Changes are made to the chemical dependency involuntary treatment system, which remain in effect until April 1, 2018.

A 14-day chemical dependency commitment order replaces the 60-day order, and will issue upon the court's finding that commitment criteria are met by a preponderance of the evidence. The ability of the petitioner to file, and of the court to order commitment, remains subject to available space in an approved treatment program.

Upon a hearing for a 14-day or 90-day order, if the court finds that the criteria for commitment are met, but that placement in a less restrictive setting than inpatient treatment is in the best interest of the person or others, the court must enter an order for up to 90 days of LRA treatment and may not order inpatient treatment. If the program designated to provide less restrictive treatment is different than the program providing initial involuntary treatment, the designated program must agree in writing to assume the responsibility.

The list of qualified examining professionals that may sign a petition for 14-day or 90-day treatment includes physicians, psychiatric advanced registered nurse practitioners, mental health professionals, and physician assistants. An authorized combination of two professionals must sign the petition.

Prosecutors must represent petitioners in chemical dependency commitment proceedings.

Providers of minor-initiated chemical dependency treatment may notify a minor's parents of the minor's request for treatment if the provider determines that notice is in the best interest of the minor in achieving recovery.

Integrated Treatment System for Substance Use Disorders and Mental Health. The involuntary mental health and involuntary substance use disorder treatment systems for minors and adults are integrated, and the minor-initiated and parent-initiated mental health and substance use disorder treatment provisions are integrated, effective April 1, 2018. References to "chemical dependency" and related terms are changed to "substance use disorder."

*Involuntary Treatment.* The ITA and the provisions pertaining to involuntary mental health treatment for minors are amended to include commitments for substance use disorders. Statutes governing involuntary chemical dependency commitment are repealed. Substance use disorder commitment (formerly "chemical dependency commitment") follows the same procedures, rights, requirements, and timelines as mental health commitment.

Designated mental health professionals and DCDSs are replaced by DCRs. The DSHS, by rule, must combine the functions of a DMHP and DCDS by establishing a DCR who is authorized to conduct investigations, detain

persons for up to 72 hours to the proper facility, and carry out other functions. The DSHS must develop a transition process for persons who are a DMHP or DCDS prior to the integration to become DCRs.

Initial detentions and 14-day commitments based on substance use disorders take place at secure detoxification facilities or approved substance use disorder treatment programs. For longer commitments, involuntary substance use disorder treatment takes place at an approved substance use disorder treatment program. Commitment to a secure detoxification facility or approved substance use disorder treatment program is contingent upon facility or program availability and adequate space until July 1, 2026. The DSHS must ensure that at least one secure detoxification facility is operational by April 1, 2018, and that an additional secure detoxification facility is operational by April 1, 2019. If at any time during the implementation of secure detoxification facility capacity federal funding becomes unavailable for federal match for services provided in these facilities, the DSHS must discontinue the expansion pending further direction by the Legislature.

The superior court has jurisdiction over involuntary treatment proceedings for mental health and substance use disorders. Prosecutors represent all petitioners, including petitioners for involuntary substance use disorder treatment, unless the petitioner is a state facility, in which case the Attorney General represents the petitioner.

*Minor-Initiated and Parent-Initiated Treatment of Minors.* Provisions regarding minor-initiated mental health treatment and parent-initiated mental health treatment are amended to include minor-initiated and parent-initiated substance use disorder treatment. Statutes governing minor-initiated and parent-initiated chemical dependency treatment are repealed.

Washington State Institute for Public Policy Study. The Washington State Institute for Public Policy (WSIPP) must evaluate the effect of the integration of the involuntary treatment systems for substance use disorders and mental health. Preliminary reports are due to the Legislature by December 1, 2020, and June 30, 2021, and a final report must be submitted by June 30, 2023. The evaluation must include an assessment of whether the integrated system:

- has increased efficiency of evaluation and treatment of persons involuntarily detained for substance use disorders;
- is cost-effective, including impacts on health care, housing, employment, and criminal justice costs;
- results in better outcomes for involuntarily detained persons;
- increases the effectiveness of the crisis response system statewide;
- has an impact on commitments based upon mental disorders;

- has been sufficiently resourced; and
- has diverted a significant number of individuals from the mental health system whose risk results from substance abuse, including associated net savings.

Integration of Administrative Provisions Related to Substance Use Disorders and Mental Health. Administrative provisions related to substance use disorders and mental health are integrated, effective April 1, 2016. References to "chemical dependency" are changed to "substance use disorder." References to the "state mental health program" are changed to the "state behavioral health program." References to "behavioral health disorders" are changed to "mental health disorder, substance use disorders, or both."

Provisions related to the administration of local substance use disorder programs are recodified into the community mental health system administration code. The DSHS' authority related to substance use disorders is merged with its authority regarding mental health, including contracting, the use of federal funds, and coordinating behavioral health programs. The DSHS' licensing authority related to establishing minimum standards for licensed service providers is clarified to apply to behavioral health service providers, specifically those licensed to provide mental health services, substance use disorder treatment services, or services to persons with co-occurring disorders.

Elements of substance use disorder programs are made requirements of programs administered by behavioral health organizations, including required services such as withdrawal management, residential treatment, and outpatient treatment, and optional services such as peer support, supported housing, supported employment, crisis diversion, and recovery support services. The treatment must be provided primarily through managed care contracts, except for services and funding provided through the Criminal Justice Treatment Account. Mental health advisory boards established by behavioral health organizations are renamed "behavioral health advisory boards" and must include representation from consumers of both substance use disorder services and mental health services and their families.

Certain provisions related to substance use disorder programs are repealed, including the establishment of a discrete program for substance use disorders, the establishment of an interdepartmental coordinating committee, and requirements related to the confidentiality of records.

The mental health services B&O tax deduction is expanded, enabling non-profit health or social welfare organizations to qualify for a B&O tax deduction for amounts received for providing chemical dependency services under a government-funded program. The expiration date for the B&O tax deduction is extended from August 1, 2016, to January 1, 2020.

The DSHS and the HCA must convene a task force to align regulations between behavioral health and primary care settings and simplify regulations for behavioral health providers. Additionally, the DSHS must collaborate with the HCA, the DOH, and other appropriate government partners to reduce unneeded costs and burdens to health plans and providers associated with excessive audits, the licensing process, and contracting. The DSHS must also review its practices related to deeming accreditation by a recognized behavioral health accrediting body as equivalent to meeting licensure requirements to determine compliance with statute and standard practices. The DSHS and the HCA must report their progress to the Legislature by December 15, 2016.

The task force convened by the DSHS and the HCA must also consider means of providing parental notification when a minor requests chemical dependency treatment, consistent with federal privacy laws and the best interests of the minor and the minor's parents. The task force must provide a report to the Legislature by December 1, 2016.

**Votes on Final Passage:**

2015 Regular Session

House	63	35	
Senate	48	1	(Senate amended)
House			(House refused to concur)

2015 First Special Session

House	61	34	
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2016 Regular Session

House	82	15	
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2016 First Special Session

House	82	13	
Senate	40	2	(Senate amended)
House	89	5	(House concurred)

**Effective:** June 28, 2016

April 1, 2016 (Sections 501, 503-532, and 701)

April 1, 2018 (Sections 201-210, 212, 214-224, 226-232, 234-237, 239-242, 244-267, 269, 271, 273, 274, 276, 278, 279, 281, 401-429, and 502)

July 1, 2026 (Sections 211, 213, 225, 233, 238, 243, 268, 270, 272 275, 277, and 280)

## E2SHB 1725

C 30 L 16 E 1

Concerning the consumer's right to assign hours to individual providers and the department of social and health services' authority to adopt rules related to payment of individual providers.

By House Committee on Appropriations (originally sponsored by Representatives Cody and Tharinger; by request of Department of Social and Health Services).

House Committee on Labor & Workplace Standards  
House Committee on Appropriations  
Senate Committee on Health Care  
Senate Committee on Ways & Means

**Background:** Aging persons on Medicaid and people with developmental disabilities are eligible to receive in-home care services. The Department of Social and Health Services (DSHS) assesses these eligible persons (consumers) to determine the level of their in-home care needs. The consumers may choose to receive services either from an individual provider (IP) or agency provider. Consumers have the right to select, hire, supervise the work of, and terminate any IP providing services to them. The state is the employer only for the purposes of collective bargaining.

Wages, hours, and working conditions of IPs are determined through the collective bargaining process. No state agency or department may establish policies or rules governing the wages or hours of IPs. The consumer has the right to assign hours to one or more IPs selected by the consumer, within the maximum hours determined by the consumer's care plan.

In fiscal year (FY) 2015, IPs provided a total of approximately 46 million hours of paid care to DSHS consumers. Of that amount, approximately 4 million hours or 8.75 percent were hours worked by an IP above 40 in one week.

The Fair Labor Standards Act (FLSA) specifically exempts from federal overtime laws domestic service workers who provide "companionship services" to the elderly and people with illnesses, injuries, or disabilities. In 2014 the United States Department of Labor (DOL) modified a "domestic service rule" that requires third-party employers, such as the state, to pay overtime (150 percent of the hourly wage) when home care workers such as IPs provide over 40 hours per week of authorized care. Those rules were set to go into effect January 1, 2015; however, a federal court held that the DOL's rules were inconsistent with the language in the FLSA and Congress' intent. The court vacated the rules, and the case was appealed. In August 2015, the United States Federal Court of Appeals upheld the DOL rules. The modified DOL rules went into effect January 1, 2016. The case is on appeal to the Supreme Court of the United States.

The Caseload Forecast Council (CFC) is the state agency charged with forecasting caseloads for entitlement programs and other specified programs. The CFC consists of two individuals appointed by the Governor and one appointee each from the two largest caucuses in the House of Representatives and in the Senate. The CFC oversees the preparation and approval of the state caseload forecasts used in the operating budget.

**Summary:** The DSHS is authorized to establish rules that limit the number of hours it may pay any single IP, and is provided emergency rulemaking authority until permanent rules can be adopted. The consumer's right to assign hours

to IPs of the consumer's choice must be consistent with rules adopted by the DSHS.

An 8.75 percent cap is placed on total IP overtime hours as a share of total IP hours projected by the CFC for each FY.

Limitations on the total weekly hours that may be worked by an IP are established for IPs in two categories:

- IPs who worked in excess of 40 hours total per week on average in January 2016 are limited to 65 total hours per week in FY 2016 and FY 2017 and 60 total hours per week in subsequent FYs; and
- IPs who worked zero to 40 hours total per week on average in January 2016 are limited to 40 total hours per week.

Hours worked above these weekly limits may be authorized by the DSHS for:

- statutorily-required IP training;
- IPs who successfully appeal to the DSHS that their average weekly hours in January 2016 materially underrepresent their average weekly hours in the first three months of 2016; and
- IPs working for consumers for whom the DSHS has not yet reviewed a plan of care.

In addition, the DSHS may adopt criteria in rule to authorize hours above the weekly hour limits. The criteria must be designed to reduce the state's exposure to payment of overtime and to:

- ensure that consumers are not at increased risk of institutionalization;
- address situations in which there is a limited number of IPs in a consumer's geographic area;
- address situations in which there is a limited number of IPs available to support a consumer with complex medical and behavioral needs or specific language needs;
- avoid emergencies that could pose a health and safety risk to the consumer; and
- address situations in which the cost of the authorized hour is less than other care alternatives for the consumer, distinct from increased risk of institutionalization.

The CFC may, upon a majority vote, adopt a temporary adjustment to the 8.75 percent cap, up to a maximum 10 percent cap, if it finds that a higher percentage of IP overtime hours is necessary to provide adequate consumer care.

A Joint Legislative-Executive Overtime Oversight Task Force (Task Force) is created with the following members:

- two members from each of the two largest caucuses of the Senate, appointed by the respective caucus leaders;

- two members from each of the two largest caucuses of the House of Representatives, appointed by the Speaker of the House of Representatives;
- members representing the DSHS and the Office of Financial Management, appointed by the Governor; and
- two members representing IPs and two members representing consumers of care from IPs, appointed by the Governor.

For each FY, the DSHS shall establish a spending plan and system to monitor the authorization and cost of IP overtime hours. In addition, the DSHS shall provide quarterly reports to the legislative fiscal committees and task force that includes specific information on the number of IPs receiving payment for overtime, the number of overtime hours paid, and the amount of the overtime payments.

**Votes on Final Passage:**

2015 Third Special Session

House 97 0

2016 Regular Session

House 97 0

2016 First Special Session

House 95 0

Senate 42 1

**Effective:** April 18, 2016

**EHB 1752**

C 82 L 16

Addressing the qualifications for chief examiners.

By Representatives Hawkins and Takko.

House Committee on Local Government

Senate Committee on Government Operations & Security

**Background:** Civil Service Commissions – Office of the County Sheriff. Civil service commissions for county sheriffs' offices (commissions) establish a merit system of employment for county deputy sheriffs and other employees of county sheriffs' offices. The stated purpose of the civil service system is to raise the standards and efficiency of such offices and law enforcement in general.

A commission is created for each county or each combination of counties operating under a civil service system. Each commission is composed of three members appointed by the county legislative authority; however, the county or combined counties may increase the number from three to five members.

Commission members must be United States citizens, residents of the county for at least two years immediately preceding appointment to the commission, and registered voters of the county. Members are not paid, and they are prohibited from holding any salaried public office or en-

gaging in county employment apart from their commission duties.

Commissions have numerous duties and powers. For example, they:

- adopt rules and regulations, including those regulating the manner of examination, appointment, promotion, suspension, and discharge of employees and deputies of the sheriff's office;
- administer practical tests to determine a person's capacity to perform duties of a position, including physical fitness and manual skills tests; and
- conduct hearings and investigations in accordance with statute and rules adopted by the commission.

**Chief Examiners.** Commissions are charged with appointing a chief examiner, who must also serve as secretary of the commission. The commission has supervisory responsibility over the chief examiner. The chief examiner keeps the records for the commission, preserves all reports made to the commission, and keeps a record of all examinations. The commission may prescribe additional duties of the chief examiner.

The chief examiner must be appointed to the position as a result of a competitive examination open to all properly qualified citizens of the county. The appointee is prohibited from being an employee of the sheriff's office.

**Summary:** Requirements for chief examiners of civil service commissions of county sheriffs' offices are modified to allow residents of the county or of an adjacent county to serve as chief examiner.

**Votes on Final Passage:**

2015 Regular Session

House	92	5
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2016 Regular Session

House	92	4
Senate	48	0

**Effective:** June 9, 2016

## E2SHB 1763

C 38 L 16

Regulating music licensing agencies.

By House Committee on General Government & Information Technology (originally sponsored by Representatives Van De Wege, Lytton, Riccelli and Tharinger).

House Committee on Business & Financial Services  
House Committee on General Government & Information Technology

Senate Committee on Commerce & Labor

**Background:** Music licensing agencies, also known as performing rights societies, license for a fee the music of songwriters and music publishers that the performing rights societies represent. Performing rights societies may collect royalties on the performance rights whenever the

music is played in a public setting. Venues that are subject to the royalties include bars, nightclubs, funeral parlors, grocery stores, sports arenas, skating rinks, and fitness centers.

Three of the most prominent performing rights societies are the American Society of Composers, Authors and Publishers; Broadcast Music, Incorporated; and the Society of European Stage Authors and Composers. The license fees may range from amounts in the hundreds of dollars per year for smaller businesses into the thousands of dollars, per location per year, for larger operations. The performing rights societies may file legal action to enforce the copyright claims on behalf of the song writers and music publishers that they represent.

**Summary: Registration and Filing Requirements.** A performing rights society that licenses the performing rights to music may not license or attempt to license the use of, or collect or attempt to collect any compensation on account of, any sale, license, or other disposition regarding the performance rights of music unless the performing rights society has a valid Washington unified business identifier number, registers with the Department of Licensing (DOL), and files annually with the DOL an electronic copy of each performing rights form agreement providing for the payment of royalties. A performing rights society must also make available to business proprietors, electronically, the most current list of members and affiliates represented by the performing arts society and the list of performed works that the performing rights society licenses.

**Requirements and Prohibitions Concerning Contracts and Seeking Payment.** Before seeking payment or a contract for payment for the use of copyrighted works by a proprietor, a representative or agent of a performing rights society must identify himself or herself, disclose that the representative or agent is acting on behalf of a performing rights society, and disclose the purpose for being on the premises.

Additionally, a representative or agent of a performing rights society may not do any of the following:

- use obscene, abusive, or profane language when communicating with the proprietor or the proprietor's employees;
- communicate by telephone or in-person with a proprietor other than at the proprietor's place of business during the hours when the proprietor's business is open to the public;
- engage in any coercive conduct, act, or practice that is substantially disruptive to a proprietor's business;
- use or attempt to use any unfair or deceptive act or practice in negotiating with a proprietor; or
- communicate with an unlicensed proprietor about licensing performances of musical works at the proprietor's establishment after receiving notification in writing from an attorney representing the proprietor



that all further communications related to the licensing of the proprietor's establishment by the performing rights society should be addressed to the attorney. However, the performing rights society may resume communicating directly with the proprietor if the attorney fails to respond to communications from the performing rights society within 60 days or the attorney becomes nonresponsive for a period of 60 days or more.

A performing rights society may not enter into, or offer to enter into, a contract for the payment of royalties by a proprietor unless at least 72 hours prior to the execution of the contract the performing rights society provides to the proprietor, in writing, a schedule of the rates and terms of royalties under the contract and notice that the proprietor is entitled to view, electronically, the most current available list of members and affiliates represented by the performing rights society and the most current available list of the performed works that the performing rights society licenses.

Additionally, a contract for the payment of royalties executed in Washington must be in writing, be signed by the parties, and include the proprietor's name and business address, the name and location of each place of business to which the contract applies, the duration of the contract, and the schedule of rates and terms of the royalties to be collected under the contract, including any sliding scale or schedule for any increase or decrease of those rates for the duration of the contract.

**Penalties.** A person who willfully violates any requirements or prohibitions may be liable for a civil penalty of not more than \$1,000 per violation. Multiple violations on a single day may be considered separate violations. The Office of the Attorney General (AG), acting in the name of the state, may seek recovery of all penalties in a civil action. The AG may issue civil investigative demands for the inspection of documents, interrogatory responses, and oral testimony in the AG's enforcement efforts.

**Consumer Awareness.** The Department of Revenue must inform proprietors of proprietors' rights and responsibilities regarding the public performance of copyrighted music as part of the business licensing service. Performing rights societies are encouraged to conduct outreach campaigns to educate existing proprietors on their rights and responsibilities regarding the public performance of copyrighted music.

A performing rights society is not prohibited from conducting investigations to determine the existence of music use by a proprietor's business or informing a proprietor of the proprietor's obligations under federal copyright law.

**Votes on Final Passage:**

2015 Regular Session

House 92 6

2016 Regular Session

House 72 25  
Senate 48 0 (Senate amended)  
House 93 3 (House concurred)

**Effective:** January 1, 2017

**SHB 1830**

C 15 L 16

Creating Washington state wrestling special license plates.

By House Committee on Transportation (originally sponsored by Representative Muri).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** The Department of Licensing (DOL) issues special vehicle license plates that may be used in lieu of standard plates. A governmental or nonprofit sponsoring organization seeking to sponsor a special plate either submits an application to the DOL or requests legislation to create the special plate. The sponsoring organization seeking to sponsor the special plate is required to reimburse the DOL for the costs of establishing the new special plate.

For special license plates that are enacted by the Legislature, a sponsoring organization must, within 30 days of enactment, submit prepayment of all start-up costs to the DOL. If the sponsoring organization is not able to meet the prepayment requirement, revenues generated from the sale of the special license plate are first used to pay off any costs associated with establishing the new plate. The sponsoring organization must also provide a proposed license plate design to the DOL. Additionally, the sponsoring organization must submit an annual financial report to the DOL detailing actual revenues generated from the sale of the special license plate. The reports are reviewed, approved, and presented to the Joint Transportation Committee.

The DOL collects special license plate fees and, for administrative expenses, deducts an amount not to exceed \$12 for new plate issuance and \$2 for renewal. After these expenses are paid, the State Treasurer deposits the proceeds into the Motor Vehicle Account until the DOL determines the start-up costs for a special license plate are paid.

**Summary:** The Washington State Wrestling special license plate is created, which promotes and supports college wrestling in Washington. In addition to all fees and taxes required to be paid upon application for a vehicle registration, a fee of \$40 is be charged for a Washington State Wrestling special license plate and a \$30 fee is charged for renewal of the plate.

After the costs associated with establishing the special license plates are recovered, funds go to the Washington State Wrestling Foundation to fund new and existing college wrestling programs.

The Washington State Wrestling special license plate is exempted from the moratorium on new special license plates, which expired on June 30, 2015.

**Votes on Final Passage:**

2015 Regular Session

House 91 7

2016 Regular Session

House 91 4

Senate 42 5

**Effective:** January 1, 2017

**HB 1858**

C 83 L 16

Prohibiting the names of county auditors and the secretary of state from being included on ballot envelopes and in voters' pamphlets when running for reelection.

By Representatives Shea, S. Hunt, Taylor, G. Hunt, Reykdal, Condotta, Tharinger and McCaslin.

House Committee on State Government  
Senate Committee on Government Operations & Security

**Background:** Voters' Pamphlets. The Secretary of State (Secretary) is required to publish a voters' pamphlet for each general election in which at least one statewide measure or office will appear on the ballot. The Secretary determines the format and layout of the voters' pamphlet.

State voters' pamphlets must contain a candidate's statement, photograph, and contact information. For each statewide issue on the ballot, the voters' pamphlet must contain an explanatory statement of the issue, arguments for and against the proposed measure, and a fiscal impact statement. Contact information for the Public Disclosure Commission and major political parties also must be included.

Counties and first class or code cities are authorized to publish a local voters' pamphlet containing information on election measures and candidates within that jurisdiction. The local voters' pamphlet may include candidate statements and photographs and must contain explanatory statements on ballot measures and arguments for and against each measure.

Ballot Envelopes. The county auditor prepares and mails ballots to all registered voters in the county. The ballot is sent with a security envelope and a return envelope. The county auditor must include a declaration for the voter to sign and instructions on how to complete and return the ballot to the auditor.

**Summary:** The name of the Secretary may not appear in the state voters' pamphlet in his or her official capacity if he or she is a candidate for office in the same year the pamphlet is prepared. His or her name may appear within the candidate's information that is normally included in the state voters' pamphlet.

A county auditor's name may not appear in the local voters' pamphlet in his or her official capacity if he or she is a candidate for office in the same year the pamphlet is prepared. His or her name may appear within the candidate's information that is normally included in the local voters' pamphlet. The county auditor's name also may not appear on any security or return envelope or voting instructions sent out to eligible voters in a year the auditor is a candidate for office.

**Votes on Final Passage:**

2015 Regular Session

House 97 0

Senate 48 0 (Senate amended)

2016 Regular Session

House 96 0

Senate 47 0

**Effective:** June 9, 2016

**EHB 1918**

C 84 L 16

Modifying provisions applicable to off-road, nonhighway, and wheeled all-terrain vehicles and their drivers.

By Representatives Shea, Orcutt, Hayes and Scott.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** Wheeled all-terrain vehicles may operate on a public roadway having a speed limit of 35 miles per hour or less, not including non-highway roads and trails, under the following conditions:

- in a county with a population of 15,000 or more if the county by ordinance has approved the operation of wheeled all-terrain vehicles on the county roadways;
- in a county with a population of less than 15,000 unless the county has designated roadways or highways within its boundaries to be unsuitable for use by wheeled all-terrain vehicles; and
- in a city or town providing that the city or town by ordinance has approved the operation of wheeled all-terrain vehicles on city or town roadways.

A wheeled all-terrain vehicle is any motorized non-highway vehicle with handlebars 50 inches or less in width, seat height of at least 20 inches, weight of less than 1,500 pounds, and four low-pressure tires with a diameter less than 30 inches; or a utility-type vehicle with four or more tires, maximum width less than 74 inches, maximum weight less than 2,000 pounds, a wheelbase of 110 inches or less, and that satisfies at least one of the following: (1) a minimum width of 50 inches; (2) a minimum weight of 900 pounds; or (3) a wheelbase of over 61 inches. Wheeled all-terrain vehicles operated within this state, unless exempt, must obtain a metal tag from the Department of Licensing (DOL).

Equipment requirements for a wheeled all-terrain vehicle authorized to operate on a public roadway include: (1) headlights; (2) one tail lamp, except that utility-type vehicles must have two tail lamps; (3) a stop lamp; (4) reflectors; (5) turn signals if operating during hours of darkness; (6) a mirror attached to either the right or left handlebar, except that a utility-type vehicle must have two mirrors; (7) a windshield (unless the operator is wearing eye protection); (8) a horn or warning device; (9) brakes in working order; (10) a spark arrestor and muffler; and (11) seatbelts for utility-type vehicles. The equipment requirements do not apply to emergency service vehicles or vehicles used for agricultural or timber products.

A person must have a valid driver's license to operate a wheeled all-terrain vehicle on a public roadway. The operator is granted all rights and is subject to all duties applicable to a motorcycle operator, except that all-terrain vehicles may not be operated side-by-side in a single lane.

A person who operates a wheeled all-terrain vehicle upon a roadway must provide a declaration that includes the following:

- documentation of a safety inspection to be completed by a licensed wheeled all-terrain vehicle dealer or repair shop certified under oath that all wheeled all-terrain vehicle required equipment is installed;
- documentation that the dealer or repair shop did not charge more than \$50 for the inspection; and
- a signed release that releases the State of Washington from any liability.

A person may operate a wheeled all-terrain vehicle on a public roadway, trail, non-highway road, or highway in the state while being used under the authority or direction of an appropriate agency that engages in emergency management.

A covered volunteer emergency worker and the employer of the worker while engaged in a covered activity will not incur any liability for civil damages resulting from an act or omission by the volunteer emergency worker.

**Summary:** A sponsoring organization is added to the list of entities where a volunteer emergency worker would be protected from liability for civil damages. The liability protection for a sponsoring organization from acts or omissions of a covered volunteer worker are limited to while the worker is operating an off-road vehicle, non-highway vehicle, or wheeled all-terrain vehicle.

All off-road vehicles (ORV) may be issued a title for registration purposes. If the ORV does not have a vehicle identification number, the DOL must use the engine serial number;

Wheeled all-terrain vehicles owned by a resident of another state are exempt from Washington registration requirements if the vehicle is lawfully registered in the other state with a valid off-road vehicle use permit with the same requirements as Washington and the other state provides reciprocal exemption privileges. To be eligible for reci-

procity the equipment requirements for on-road use must meet or exceed the equipment requirements in Washington.

The entity responsible for documenting the required equipment is changed from "licensed wheeled all-terrain vehicle dealer or repair shop" to "licensed wheeled all-terrain vehicle dealer or motor vehicle repair shop;"

The DOL may publish a list of states that meet the registration exemption requirements related to wheeled all-terrain vehicles on its web site.

A wheeled all-terrain vehicle to display a special disabled parking registration year tab, which allows the qualified operator of the wheeled all-terrain vehicle to park in spots reserved for persons with disabilities.

**Votes on Final Passage:**

2015 Regular Session

House 94 3

2015 Second Special Session

House 86 3

Senate 29 14 (Senate amended)

2016 Regular Session

House 92 5

Senate 39 10 (Senate amended)

House 91 5 (House concurred)

**Effective:** June 9, 2016

July 1, 2017 (Sections 2 and 5)

**4SHB 1999**

C 71 L 16

Coordinating services and programs for foster youth in order to improve educational outcomes.

By House Committee on Appropriations (originally sponsored by Representatives Carlyle, Kagi, Lytton, Walsh, Sawyer, Pettigrew, Ortiz-Self, Dent, Parker, Caldier, Goodman and Jinkins).

House Committee on Early Learning & Human Services  
House Committee on Appropriations  
Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means

**Background:** Education Coordination Program for Dependent Youth. The Department of Social and Health Services (DSHS) must contract with at least one nongovernmental entity that has demonstrated success in working with dependent youth in improving educational outcomes. The nongovernmental entity must:

- administer a program of educational coordination for dependent youth in Washington from birth through twelfth grade;
- engage in a public-private partnership with the DSHS;

- raise a portion of the funds needed for service delivery, administration, and evaluation;
- provide services to support individual youth upon a referral by a social worker with the DSHS or nongovernmental agency;
- be co-located in the offices of the DSHS to provide timely consultation and in-service training; and
- report outcomes to the DSHS twice per year.

Demonstration Site to Improve Educational Outcomes for Dependent Youth. The 2013-15 Operating Budget provided funding for the Children's Administration to contract with a nongovernmental entity to improve educational outcomes of dependent students by providing individualized education services and monitoring and supporting the completion of educational milestones, remediation needs, and special education needs of these students. The 2015-17 Operating Budget provided funding for a second demonstration site to be implemented no earlier than July 1, 2016. These contracts are performance-based with a stated goal of improving the graduation rates of foster youth by 2 percent per year over five school years.

The services required by the demonstration site include:

- direct advocacy for foster youth to eliminate barriers to educational access and success;
- consultation with DSHS case workers to develop educational plans for and with participating youth;
- monitoring educational progress of participating youth;
- providing participating youth with school and local resources that may assist in educational access and success; and
- coaching youth, caregivers, and social workers to advocate for dependent youth in the educational system.

Passport to College Promise Scholarship Program.

The Passport to College Promise Scholarship program (Passport program) was established in 2007 to help dependent students attend and succeed in college. The three primary components of this program are administered by the Washington Student Achievement Council (WSAC) and include:

- a student scholarship;
- campus incentive funding to provide recruitment and retention services; and
- a partnership with the College Success Foundation to provide support to students and training.

In the 2012-13 academic year, 404 students were served through the Passport program.

Supplemental Education Transition Program. The Supplemental Education Transition Program is part of the Passport program that is managed by the DSHS and requires the DSHS to contract with at least one nongovernmental entity to develop, implement, and administer a

program of supplemental educational transition planning for youth beginning at age 14 in foster care.

The supplemental transition planning must include:

- comprehensive information regarding postsecondary educational opportunities;
- how and when to apply to postsecondary educational programs;
- what precollege tests a foster youth should take based on his or her postsecondary plans;
- what courses a foster youth should take based on his or her postsecondary plans;
- issues that impact college students and their success rates; and
- which websites, nongovernmental entities, public agencies, and other foster youth support providers specialize in which services.

**Summary:** Program of Education Coordination for Dependent Youth. The DSHS must contract with the Office of Superintendent of Public Instruction (OSPI), which in turn must contract with a nongovernmental entity to administer a program of education coordinator for dependent youth. The OSPI must comply with all requirements necessary to maximize federal funding for this program. The contract must be outcome-driven with a stated goal of reducing educational barriers to youth success.

Demonstration Sites to Improve Educational Outcomes for Dependent Youth. The current demonstration program to improve educational outcomes for dependent youth is maintained and expanded to include a second site. The second site must be implemented after July 1, 2016. The agency contracting with the nongovernmental agency for this purpose is changed from the DSHS to the OSPI and the resulting contract must be outcome-driven. The nongovernmental agency must engage in a public-private partnership with the OSPI and is responsible for raising a portion of the funds needed for service delivery, administration, and evaluation.

The youth eligible for referral are expanded to include youth ages 13 through 21.

Supplemental Education Transition Planning Program. The Supplemental Education Transition Planning Program (SETuP) is moved from the DSHS to the WSAC. The youth served by this program are ages 13 through 21 and are not served by the demonstration sites. The contract for this service must be outcome-driven with a stated goal of improving the graduation rates and postsecondary plan initiation of eligible youth by 2 percent per year over five school years starting with the 2015-16 school year.

The SETuP program must include:

- consultation with schools and DSHS social workers to develop educational plans for and with participating youth;

- age-specific developmental and logistical tasks to be accomplished for high school and postsecondary success;
- facilitating youth participation with appropriate school and local resources that may assist in educational access and success; and
- coordinating with youth, caregivers, schools, and social workers to support youth progress in the educational system.

The SETuP program may be co-located in the DSHS, and the nongovernmental entity must report outcomes to the WSAC and the DSHS twice per year.

Memoranda of Understanding. The DSHS, the WSAC, and the OSPI must enter into, or revise existing memoranda of understanding that:

- facilitate student referral, data and information exchange, agency roles and responsibilities, and cooperation and collaboration among state agencies and nongovernmental agencies; or
- effectuate transfer of responsibilities from the DSHS to the OSPI for the program of education coordination and demonstration sites and from the DSHS to the WSAC for the SETuP program.

By November 1, 2016, and twice a year thereafter, the DSHS, the WSAC, and the OSPI must submit a report to the Governor and appropriate committees of the Legislature regarding these programs and educational outcomes of dependant youth. The DSHS, the WSAC, and the OSPI, in consultation with the nongovernmental entities, must also submit a report by November 1, 2018, to the Governor and the Legislature regarding whether the transfer of programs from the DSHS has resulted in better coordinated services for youth.

Child Welfare Records. The DSHS may disclose only those confidential child welfare records that pertain to or assist with meeting the educational needs of foster youth to another state agency or state agency's contracted provider responsible for assisting foster youth in attaining educational success and those records retain their confidentiality.

**Votes on Final Passage:**

2015 Regular Session

House 95 3

2016 Regular Session

House 94 2

Senate 47 0

**Effective:** June 9, 2016

**SHB 2017**

C 36 L 16

Creating Washington farmers and ranchers special license plates.

By House Committee on Transportation (originally sponsored by Representatives Klippert, Cody, Blake, Dent, Hayes, Fagan and Kretz).

House Committee on Transportation

Senate Committee on Transportation

**Background:** The Department of Licensing (DOL) issues special vehicle license plates that may be used in lieu of standard plates. A governmental or nonprofit sponsoring organization seeking to sponsor a special plate either submits an application to the DOL or requests legislation to create the special plate. The sponsoring organization seeking to sponsor the special plate is required to reimburse the DOL for the costs of establishing the new special plate.

For special license plates that are enacted by the Legislature, a sponsoring organization must, within 30 days of enactment, submit prepayment of all start-up costs to the DOL. If the sponsoring organization is not able to meet the prepayment requirement, revenues generated from the sale of the special license plate are first used to pay off any costs associated with establishing the new plate. The sponsoring organization must also provide a proposed license plate design to the DOL. Additionally, the sponsoring organization must submit an annual financial report to the DOL detailing actual revenues generated from the sale of the special license plate. The reports are reviewed, approved, and presented to the Joint Transportation Committee.

The DOL collects special license plate fees and, for administrative expenses, deducts an amount not to exceed \$12 for new plate issuance and \$2 for renewal. After these expenses are paid, the State Treasurer deposits the proceeds into the Motor Vehicle Account until the DOL determines the start-up costs for a special license plate are paid.

**Summary:** The Washington Farmers and Ranchers special license plate is created, which recognizes Washington farmers and ranchers. In addition to all fees and taxes required to be paid upon application for a vehicle registration, a fee of \$40 is charged for a Washington Farmers and Ranchers special license plate and a \$30 fee is charged for renewal of the plate.

After the costs associated with establishing the special license plates are recovered, funds go to the Washington FFA Foundation for educational programs in the state.

The act exempts the Washington Farmers and Ranchers special license plate from the moratorium on new special license plates, which expired on June 30, 2015.

**Votes on Final Passage:**

2015 Regular Session

House 95 3

2016 Regular Session

House 91 4

Senate 49 0

**Effective:** January 1, 2017

**HB 2023**

C 85 L 16

Changing the deadline for notices of nonrenewal of contracts for certificated school employees.

By Representatives Parker, Lytton, Magendanz, Riccelli, Ormsby, Fagan and Santos.

House Committee on Education

Senate Committee on Early Learning & K-12 Education

**Background:** Certificated employees of school districts and Educational Service Districts (ESDs) are employed under contracts that may be no more than one year in length. If the employing district determines that the employment contract should not be renewed for the following year, the district must notify the employee in writing on or before May 15 preceding the beginning of the next school year. This notice must occur regardless of the reason for the contract nonrenewal, including for reasons of enrollment decline or loss of revenue. If notice is not provided according to these requirements, the employee is presumed to have been re-employed under the same terms and conditions for the following year. The notice must be provided in person, sent by certified or registered mail, or delivered to the employee's home.

There is an exception to the May 15 notification deadline. If the omnibus appropriations act, the general operating budget for the state, has not passed the Legislature by May 15, then the employing district has until June 15 to provide the required notice of contract nonrenewal.

Similar notification requirements exist for certificated persons in administrative positions that may be transferred to subordinate positions. A certificated employee of a school district that is working in a qualifying administrative position may be transferred, at the direction of the superintendent of the school district, to a subordinate certificated position in the district. If a transfer is to be made, the district must notify the administrator of the transfer by May 15 preceding the beginning of the school term, or by June 15 if the omnibus appropriations act has not passed the Legislature by May 15.

During odd-numbered years, the regular 105-day legislative session ends during the third week of April, generally around April 22 to April 25. During even-numbered years, the regular 60-day legislative session ends during the second week of March, generally around March 10 to March 14.

**Summary:** School districts have until June 15, rather than May 15, to send contract nonrenewal notices to certificated employees, including transfer notices to administrators being transferred to a subordinate certificated position, if the omnibus appropriations act has not passed the Legislature by the end of the regular legislative session.

The ESDs have until June 15, rather than May 15, to send contract nonrenewal notices to certificated employ-

ees if the omnibus appropriations act has not passed the Legislature by the end of the regular legislative session.

**Votes on Final Passage:**

2015 Regular Session

House 95 3

2016 Regular Session

House 98 0

Senate 46 0

**Effective:** March 31, 2016

**E2SHB 2061**

FULL VETO

Authorizing county legislative authorities to approve certain group B water systems based upon their delivery of water meeting safe drinking water standards.

By House Committee on Environment (originally sponsored by Representatives Short and Kretz).

House Committee on Environment

Senate Committee on Energy, Environment & Telecommunications

**Background:** Under state law, public water systems are divided into two categories: Group A and Group B public water systems. Group A systems are public water systems that meet one of three criteria:

- feature 15 or more service connections;
- serve an average of 25 or more people per day for at least 60 days a year, regardless of the number of service connections; or
- serve 1,000 or more people for two consecutive days.

Group B systems encompass all other public water systems.

The Department of Health (Department) began implementing a new rule covering Group B systems that took effect in January 2014, and that was adopted by the Washington State Board of Health (Board of Health). Under this rule, local health jurisdictions may adopt and implement their own Group B system regulations, so long as they are no less stringent than the Department's rules.

Under the 2014 rule, the Department or a local health jurisdiction must approve a Group B system's design and groundwater source prior to new or expanded system operation. In order to meet groundwater source requirements in the rule, a Group B system must draw from a source that does not show a presence of coliform bacteria or exceed a maximum contaminant level for certain water pollutants, including arsenic, nitrate, and mercury. For certain other contaminants, such as iron and zinc, the Department's rules allow the Group B system to treat a raw groundwater source that exceeds the maximum contaminant level, so long as the water delivered to consumers does not exceed the maximum contaminant level.

Private water wells are not subject to the Department's water quality regulations that apply to group B public water systems. Instead, the construction and maintenance of private water wells are subject to regulation by the Department of Ecology, which has adopted water quality rules that allow Department or local health authorities to require that wells be tested for fecal coliform or other specific contaminants prior to the use of the well.

The Washington Constitution provides for two forms of county government: (1) a "commission" form to be established through general laws by the Legislature; and (2) a "home rule" charter form, which any county may choose to adopt. In counties with a commission form of government, the legislative body must be a three-member board of elected commissioners; in home rule counties, the legislative authority may be an elected council.

**Summary:** Irrespective of the Board of Health's Group B system rules, certain county legislative authorities may approve the operation of certain Group B systems that provide service to nine or fewer connections. This authority to approve Group B systems is limited to county legislative authorities in counties of less than 50,000 residents that are located east of the crest of the Cascade Mountains and that border Canada.

In order for a Group B system to seek approval from the county legislative authority to expand or begin operating, the Group B system must demonstrate that the water provided by the system meets, at the point of water delivery, the same water quality and contaminant standards that apply to private water wells located in the county. In addition, in order for a Group B system to be eligible for approval by a county legislative authority, the raw groundwater source of the Group B system must not meet water quality standards. A Group B system that was initially authorized under Department rules may receive approval from the county legislative authority to expand to up to nine connections if the system uses a raw groundwater source that does not meet local water quality standards. Prior to receiving county approval, the Group B system must also review alternative sources of water, such as rainwater collection or truck and storage systems, and must share that review with the county. The county may require Group B system treatment of alternative water sources.

By December 15 of each year, Group B systems approved by the county legislative authority must submit test results to the county and the system's customers demonstrating that the potable water delivered by the system meets local potable water standards. If a local health jurisdiction requests to receive water test results submitted by a Group B system, the county legislative authority must share the results with the local health jurisdiction. The county legislative authority must designate a point of contact for Group B system issues, and the county and Group B system must provide notice to each other if the point of contact or system operator or owner changes.

Counties that authorize Group B public water systems must submit a report to the Legislature by January 15, 2019. The report must address:

- the number of Group B systems and connections that the county approved after January 1, 2016;
- the annual water quality test results from Group B systems, and analysis of whether those test results meet water quality standards; and
- the identification of any water contaminants and associated treatments used by the Group B system.

The authority for a county legislative authority to approve a Group B system is terminated as of January 1, 2021.

**Votes on Final Passage:**

House	70	27	
Senate	28	19	(Senate amended)
House	75	21	(House concurred)

**Effective:**

**VETO MESSAGE ON E2SHB 2061**

*April 1, 2016*

*To the Honorable Speaker and Members,  
The House of Representatives of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval, Engrossed Second Substitute House Bill No. 2061 entitled:*

*"AN ACT Relating to authorizing county legislative authorities to approve certain group B water systems based upon their delivery of water meeting safe drinking water standards."*

*This bill would remove public health standards for small drinking water systems and eliminate local health professionals from the approval process. Moving the authority for these smaller systems away from these partners erodes their ability to prevent and respond to waterborne illness in their communities.*

*We have a strong process in place to ensure that safe and reliable drinking water is provided for all Washington communities. We also understand that smaller systems need flexibility and a reasonable path to get their systems approved. Therefore, I am directing the Department of Health to work with the four counties identified in this bill in developing local programs to provide that flexibility without sacrificing public health protection.*

*For these reasons I have vetoed Engrossed Second Substitute House Bill No. 2061 in its entirety.*

*Respectfully submitted,*



*Jay Inslee  
Governor*

**HB 2262**

C 16 L 16

Creating Washington tennis special license plates.

By Representatives Bergquist, Muri, Gregerson and Pettigrew.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** The Department of Licensing (DOL) issues special vehicle license plates that may be used in lieu of standard plates. A governmental or nonprofit sponsoring organization seeking to sponsor a special plate either submits an application to the DOL or requests legislation to create the special plate. The sponsoring organization seeking to sponsor the special plate is required to reimburse the DOL for the costs of establishing the new special plate.

For special license plates that are enacted by the Legislature, a sponsoring organization must, within 30 days of enactment, submit prepayment of all start-up costs to the DOL. If the sponsoring organization is not able to meet the prepayment requirement, revenues generated from the sale of the special license plate are first used to pay off any costs associated with establishing the new plate. The sponsoring organization must also provide a proposed license plate design to the DOL. Additionally, the sponsoring organization must submit an annual financial report to the DOL detailing actual revenues generated from the sale of the special license plate. The reports are reviewed, approved, and presented to the Joint Transportation Committee.

The DOL collects special license plate fees and, for administrative expenses, deducts an amount not to exceed \$12 for new plate issuance and \$2 for renewal. After these expenses are paid, the State Treasurer deposits the proceeds into the Motor Vehicle Account until the DOL determines the start-up costs for a special license plate are paid.

**Summary:** The Washington tennis special license plate is created, whose purpose is to build awareness and create year-round opportunities for tennis in the state. In addition to all fees and taxes required to be paid upon application for a vehicle registration, a fee of \$40 is charged for a Washington tennis special license plate and a \$30 fee is charged for renewal of the plate.

After the costs associated with establishing the special license plates are recovered, proceeds from the sale of the special license plates go to cities to assist in the construction and maintenance of a public tennis facility with at least four indoor tennis courts. Construction funds are first available to the most populous eligible city, according to the most recent census, for a time period not to exceed five years, with eligibility determined by the lack of a public or private facility with at least four indoor tennis courts in a city. Maintenance funds are made available to the first eligible city that utilizes the construction funds.

The act exempts the Washington tennis special license plate from the moratorium on new special license plates which expired July 30, 2015.

**Votes on Final Passage:**

House	83	12
Senate	38	8

**Effective:** January 1, 2017

**ESHB 2274**

C 86 L 16

Concerning the filing of vehicle reports of sale.

By House Committee on Transportation (originally sponsored by Representatives Harmsworth, Bergquist, Hayes, Morris, Moscoso, Pollet, Vick, Wilson, Van Werven and Haler).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** When an owner releases interest in a vehicle, he or she must notify the Department of Licensing (DOL), county auditor, other agent, or a subagent either in writing or electronically within 21 business days after a vehicle has been sold, given as a gift to another person, traded, donated, given to an insurance company or wrecking yard, or disposed of. The information on a report of sale includes the date of sale or transfer, the owner's name and address, the name and address of the person acquiring the vehicle, the vehicle identification number, and the license plate number. The fee for filing a report of sale is \$5 if filed at a county auditor, other agent, or subagent. There is no cost when the report of sale is filed with the DOL.

The DOL updates the vehicle record when the report is received and sends a quarterly report to the Department of Revenue that lists vehicles where a report of sale has been received, but no transfer of ownership has taken place.

If a vehicle is found abandoned and removed at the direction of law enforcement, the last registered owner of record is guilty of a traffic infraction of \$550, unless the vehicle is redeemed or a vehicle theft report has been filed with a law enforcement agency. A properly filed report of sale or transfer of a vehicle relieves the last registered owner of liability. The date of sale will determine whether the buyer or the previous owner will be assumed to be responsible for the costs incurred in removing, storing, and disposing of the vehicle, less the amounts realized at auction.

**Summary:** A report of sale is not proof of a completed vehicle transfer for the purpose of collection of expenses related to towing, storage, and auction of an abandoned vehicle where there is no evidence indicating the buyer knew of or was a party to the acceptance of the vehicle transfer. A contract signed by the prior owner and the new owner, a certificate of title, or other legal proof of accep-



tance of the vehicle of the new owner may be used to establish legal responsibility for the abandoned vehicle.

When there is reason to believe that a report of sale has been filed and the reported buyer did not know of the transfer or did not accept the transfer, the liability remains with the last registered owner to prove the vehicle transfer was legal or accepted by the person reported as the new owner.

A buyer in a report of sale that has been filed, in which there was no acceptance of the transfer, has a course of action against the person who filed the report. The person can recover costs associated with the towing, storage, auction, or any other damages incurred as a result of being named as the buyer on the report of sale including reasonable attorney's fees and litigation costs. This action is in addition to any other remedy available to the person.

A collection agency may not bring an action or initiate an arbitration proceeding on a claim for any amount related to a transfer of sale of a vehicle when the collection agency has been informed or reasonably should know that the DOL transfer of sale form was filed properly or has been informed or reasonably should know that the transfer of the vehicle either was not made pursuant to a legal transfer or was not voluntarily accepted by the person designated as the purchaser/transferee, and, prior to the commencement of the action or arbitration, the licensee has received from the putative transferee a copy of a police report referencing that the transfer of sale of the vehicle either (1) was not made pursuant to a legal transfer or (2) was not voluntarily accepted by the person designated as the purchaser/transferee.

It is the duty of the prosecuting attorney to investigate the alternative of restitution, and to recommend it to the court, when the prosecuting attorney believes the restitution is appropriate and feasible.

When a person causes a victim to lose money or property through the filing of a report of sale where the designed buyer had no knowledge of the vehicle transfer or the fraudulent filing of a report of sale, the court may order the defendant to pay restitution upon conviction or when the offender pleads guilty and agrees with the prosecutor's restitution recommendation. The amount may not exceed double the amount of the defendant's gain or the victim's loss. The amount may be used to provide restitution to the victim at the order of the court.

If the court orders restitution, the court must make a finding as to the amount of the victim's loss. If the record does not contain sufficient evidence to support such a finding, the court may conduct a hearing. "Loss" is defined as the amount of money or the value of property or services lost.

The due date for a report of sale is changed from 21 business days to five business days. A report of sale must include all of the following: the full owner's name and complete, current address, and the complete, current ad-

dress of the person acquiring the vehicle including street and number, and apartment number if applicable, or the post office box number, city or town, and postal code.

If the date of sale as indicated on the report of sale is before the date of impoundment, the buyer identified on the latest properly filed report of sale with the DOL is assumed liable for the costs incurred in removing, storing, and disposing of the abandoned vehicle, less amounts realized at auction.

A seller in a report of sale filed in which the named buyer thereafter alleges that there was no acceptance of the transfer has a cause of action against the named buyer to recover damages incurred as a result of the allegation including reasonable attorney's fees and litigation costs. This is in addition to any other remedy available to the person.

If a court has declared that a fraudulent report of sale has been filed with the DOL, county auditor or other agent, or subagent appointed by the Director of the DOL, the court must notify the DOL in writing with a copy of the court order. Once notified, the DOL may remove the fraudulent report of sale from the vehicle record.

**Votes on Final Passage:**

House	95	0	
Senate	43	3	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

**HB 2280**

C 87 L 16

Making felony driving under the influence of intoxicating liquor, marijuana, or any drug a class B felony.

By Representatives Klippert and Hayes.

House Committee on Public Safety  
House Committee on General Government & Information Technology  
Senate Committee on Law & Justice

**Background:** A person can commit Driving Under the Influence (DUI) or being in Physical Control (PC) of a motor vehicle under the influence of intoxicating liquor or any drug if the person drives with a blood or breath alcohol concentration (BAC) of 0.08 or higher, a THC (tetrahydrocannabinol) concentration of 5.0 or higher, or is under the influence of or affected by liquor or any drug. A DUI offense is punishable as a gross misdemeanor. It becomes a seriousness level V, class C felony offense if a person has four or more prior offenses within 10 years or has previously been convicted of a Vehicular Homicide or Vehicular Assault offense, while under the influence of intoxicating liquor or any drug.

The statutory maximum sentence for a class C felony is five years in prison, a maximum fine of \$10,000, or both imprisonment and a fine. The statutory maximum sen-

tence for a class B felony offense is 10 years in prison, a maximum fine of \$20,000, or both imprisonment and a fine.

**Summary:** A felony level DUI/PC offense is increased to a class B felony offense (from a class C felony).

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** June 9, 2016

**HB 2309**

C 88 L 16

Increasing the available term of water pollution control revolving fund program loans to reflect the 2014 amendments to the federal clean water act allowing such an increase.

By Representatives Smith, Stanford, Griffey, Haler, Wilcox, Tharinger and Moscoso; by request of Department of Ecology.

House Committee on Capital Budget

Senate Committee on Energy, Environment & Telecommunications

**Background:** The Water Pollution Control Revolving Fund Loan program, also known as the Clean Water State Revolving Fund (SRF) program, was established by Congress under the federal Clean Water Act Amendments of 1987. The SRF is managed by the Department of Ecology (Ecology) under an integrated water quality program that also includes the Centennial Clean Water, the Stormwater Financial Assistance, and the Section 319 Nonpoint Source Grant programs.

The SRF program provides low-interest loans to cities, counties, special purpose districts, federally recognized Indian tribes, and other public bodies to plan, design, construct, and improve water pollution control facilities such as wastewater treatment plants, main sewers, and storm water control projects. Borrowers must repay the loans and the repayments are deposited into the SRF to be made available for future loans.

The SRF loan term has a maximum of 20 years. The standard interest rate is calculated based on 60 percent of the average market rate for tax-exempt municipal bonds. The standard interest rate charged on loans made in fiscal year (FY) 2015 was 2.7 percent for a five to 20 year term. The rates for FY 2016 and FY 2017 are 2.4 percent and 2 percent, respectively. The SRF program may also issue subsidized loans and forgivable principal loans in hardship cases.

The SRF program receives funding from four sources: (1) loan repayments; (2) an annual capitalization grant from the Environmental Protection Agency (EPA); (3) a required 20 percent state match appropriated by the Legislature; and (4) interest earnings on State Treasury invest-

ments. The 2015-17 Capital Budget appropriation for the SRF program is \$203 million, of which \$153 million is from loan repayments and the state match, and \$50 million is from the EPA capitalization grant. Federal law prohibits the use of loan repayments for administration, but Ecology may use up to 4 percent of the EPA capitalization grant to cover its SRF program administration costs.

The SRF program portfolio, including loans awarded through FY 2016, is \$1.6 billion, with 141 loans in the disbursement and negotiation phase, and 333 loans in repayment status.

**Summary:** The maximum term for SRF program loans is modified from its current maximum of 20 years to the lesser of 30 years or the useful life of the project as determined by the state.

**Votes on Final Passage:**

House	96	0
Senate	46	0

**Effective:** June 9, 2016

**HB 2317**

C 17 L 16

Expanding the use of neighborhood and medium-speed electric vehicles.

By Representatives Van De Wege, Tharinger, Pettigrew, Moeller and Magendanz.

House Committee on Transportation

Senate Committee on Transportation

**Background:** Neighborhood electric vehicles are defined by state law as self-propelled, electrically powered four-wheeled motor vehicles that can attain a speed between 20 and 25 miles per hour (mph) and must meet federal regulations for low-speed vehicles. Medium-speed electric vehicles are defined by state law as self-propelled, electrically powered four-wheeled motor vehicles that can attain a speed between 25 and 35 mph, are equipped with a roll cage or crush-proof body design, and must otherwise meet federal regulations for low-speed vehicles.

Federal regulations require low-speed vehicles to be equipped with headlamps, front and rear turn signal lamps, tail lamps, stop lamps, reflex reflectors, a driver's side exterior mirror, a passenger's side exterior or interior mirror, a parking brake, a windshield conforming to federal standards, a Vehicle Identification Number, and a seat belt conforming to federal standards.

Neighborhood and medium-speed electric vehicles are prohibited from operation on state highways. They are, however, permitted to operate on other roadways in the state with a speed limit of 35 mph or less (and of 45 mph or less in island counties with no roadway connection to the mainland). To be operated on these roadways, these vehicles must be registered and display a vehicle license

## HB 2320

plate, and the person operating them must have a valid driver's license and a valid motor vehicle liability policy.

Local authorities may regulate the operation of neighborhood and medium-speed electric vehicles on streets and highways under their jurisdiction by resolution or ordinance so long as it is consistent with state law, but local authorities may not: (1) authorize the operation of either type of vehicle on any part of the state highways system; (2) prohibit the operation of either type of vehicle on highways with a speed limit of 25 mph or less; or (3) establish requirements for registration and licensing of either type of vehicle.

There are approximately 330 neighborhood electric vehicles and 80 medium-speed electric vehicles registered in Washington. Of the 7,072 centerline miles that comprise the state highway system, 229 centerline miles, or roughly 3 percent of the total, have speed limits at or below 30 mph. Just under half of this lower-speed state highway is located in Federal Highway Administration (FHWA)-designated urban areas (areas with populations of 5,000 or greater) and just over half is located in FHWA-designated rural areas.

**Summary:** Neighborhood and medium-speed electric vehicles are permitted on state highways with speed limits of 30 mph or less.

**Votes on Final Passage:**

House	97	0
Senate	44	3

**Effective:** April 1, 2016

## HB 2320

C 160 L 16

Providing that the horse racing commission operating account is a nonappropriated account.

By Representatives Stokesbary, Hurst, Peterson, Caldier, Schmick, Stambaugh and Wilcox.

House Committee on Commerce & Gaming  
House Committee on Appropriations  
Senate Committee on Commerce & Labor  
Senate Committee on Ways & Means

**Background:** Washington Horse Racing Commission. The Washington Horse Racing Commission (Commission) is responsible for licensing, regulating, and supervising all horse race meets held in Washington where the parimutuel system of betting is used. The Commission is also responsible for inspecting each race course in the state at least once a year.

Betting or wagering on a horse race is lawful in Washington only if it is by the parimutuel method. Licensees operating race meets must withhold and pay to the Commission daily, for each authorized day of parimutuel wagering, a parimutuel tax that is a percentage of all the licensees' daily gross receipts from the licensees' in-state

parimutuel machines. Those receipts must be deposited in the Washington Horse Racing Commission Operating Account.

Washington Horse Racing Commission Operating Account. Within the custody of the State Treasurer is the Washington Horse Racing Commission Operating Account (Account). In addition to the percentage of licensees' daily gross receipts from licensees' parimutuel wagering machines that must be deposited into the Account, the Commission may receive and, if so, must deposit into the Account, gifts, grants, and endowments from public or private sources.

Gifts, grants, and endowments must be expended according to the terms of the gift, grant, or endowment. Otherwise, moneys in the Account must be used for the Commission's operating expenses. If there are sufficient funds in the Account to cover the Commission's operating expenses, the Commission may spend up to \$300,000 per fiscal year for the purposes of developing the equine industry, maintaining and upgrading racing facilities, and assisting equine health research.

Moneys in the Account may be spent only after appropriation.

**Summary:** Moneys in the Account may be spent without an appropriation. Only the Commission or the Commission's designee may authorize expenditures from the Account. The Account is subject to allotment procedures.

**Votes on Final Passage:**

House	86	11
Senate	46	2

**Effective:** June 9, 2016

## HB 2322

C 18 L 16

Concerning the vehicle license cost recovery fee charged for certain rental car transactions.

By Representative Zeiger.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** Rental car companies may include separately itemized fees and charges in a rental agreement. These additional fees and charges are generally assessed by rental car companies separately from a daily vehicle rental charge. While no limitation is placed on the fees and charges that may be included as separate line items, vehicle license cost recovery fees, child restraint system rental fees, airport-related recovery fees, all applicable taxes, and government surcharges are specifically identified as eligible fees and charges.

If vehicle license cost recovery fees are included as a separately stated charge, the rental car company must make a good faith estimate of the rental car company's average daily charge needed to recover the annual cost of

rental vehicle titling, registration, plating, and inspection. When a rental car company determines that the fee collected for these items exceeds their total cost in a calendar year, it must reduce the license cost recovery fees to be collected the following calendar year by a corresponding amount.

Similarly, if a child restraint system rental fee is included as a separately stated charge, the rental car company must make a good faith estimate of its costs to provide the child restraint system. If a rental car customer pays a child restraint system rental fee and the child restraint system is not available in a timely manner at the time of rental, as determined by the customer (but no less than one hour after the customer's arrival), then the customer may cancel a reservation, the costs and penalties associated with the cancellation will be void, and the customer will be entitled to a refund of any costs associated with the vehicle's rental.

**Summary:** The authorization granted to rental car companies to separately itemize vehicle license cost recovery fees, as well as other fees and charges, applies to rentals of a private passenger motor vehicle or a cargo vehicle, excluding trucks that weigh 26,000 pounds or more. These vehicles must be rented or leased for a duration of 30 or fewer consecutive days by a driver not required to possess a commercial driver's license in order to operate the vehicle being rented. This authorization applies to any business that rents rental cars to the public, including franchisees.

**Votes on Final Passage:**

House	97	0
Senate	47	1

**Effective:** June 9, 2016

**ESHB 2323**

C 39 L 16

Creating the Washington achieving a better life experience program.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Kilduff, Walsh, Stanford, Kagi, Robinson, McBride, Bergquist, Jinkins and Pollet).

House Committee on Early Learning & Human Services  
 House Committee on Appropriations  
 Senate Committee on Health Care  
 Senate Committee on Ways & Means

**Background:** Achieving a Better Life Experience Act. Congress passed the Achieving a Better Life Experience (ABLE) Act in December 2014. The law amended the Internal Revenue Code to exempt from taxation qualified ABLE savings programs established by states. Individuals can contribute to these savings accounts for eligible people with disabilities that originated before age 26.

Individuals are able to invest up to \$14,000 per year in ABLE accounts. Withdrawals from these accounts will not be taxed so long as the money is spent on qualified expenses such as housing, education, transportation, health care, and rehabilitation.

An individual generally may not have more than \$2,000 in savings or other assets to be eligible for means-tested federal programs such as Medicaid or Supplemental Security Income (SSI). However, investments up to \$100,000 in ABLE accounts will be disregarded as assets for purposes of Medicaid or SSI eligibility.

The United States Treasury Department and the Internal Revenue Service released proposed regulations regarding qualified ABLE programs in June 2015 and received comments on those regulations, but the final regulations have not yet been issued.

Developmental Disabilities Endowment Trust. The Washington Developmental Disabilities Endowment Trust (Endowment Trust) was established in 1999. This Endowment Trust is governed by a seven-member governing board; six of the members of this board are appointed by the Governor. The Department of Commerce (COM) provides support to the governing board when funds are appropriated.

The Endowment Trust is available to individuals under age 65 with a qualifying developmental disability originating before age 18. An individual must be eligible for services provided by the Developmental Disabilities Administration to be eligible for the Endowment Trust.

Achieving a Better Life Workgroup.

In 2015 the Office of the State Treasurer was required to convene a workgroup with recommendations regarding implementation of the ABLE Act in Washington. This report was published in November 2015. The report makes the following recommendations:

- Washington should create and run its own ABLE program instead of contracting with another state or collaborating with other states.
- The Washington ABLE program should be overseen by a seven-member governing board with certain membership and authority.
- The ABLE board should be co-located with the Endowment Trust and hosted by the COM.
- The State Investment Board should handle investments for the ABLE program.

The report also estimates that 35,000 to 50,000 individuals in Washington would be eligible ABLE participants with sufficient resources to make use of the ABLE program.

**Summary:** A governing board may design and implement the ABLE program by July 1, 2017 in the best interest of eligible individuals. The ABLE program must allow for the creation of savings or investment accounts for eligible individuals with disabilities. The governing board consists of seven members including:

- the State Treasurer or his or her designee;

- the program director for the committee on advanced tuition payment;
- the Director of the Office of Financial Management or his or her designee; and
- four members with financial, legal, or disability program experience, appointed by the Governor.

The ABLE governing board may:

- allow its members to participate in meetings remotely;
- appoint advisory committees to support the design or administration of the ABLE program;
- execute interagency agreements authorizing other state agencies to perform administrative functions necessary to carry out the ABLE program; and
- establish a reasonable fee structure for ABLE account holders.

Individuals are eligible for the Washington ABLE program if eligible pursuant to federal law.

Any moneys placed in ABLE accounts may not be counted as assets for purposes of state or local means tested programs or for determining levels of state means tested program eligibility.

To the extent funds are appropriated for this purpose, the COM must provide staff and administrative support to the governing board. If practicable, the governing board must be co-located with the Endowment Trust.

The governing board must submit a semi-annual report to the Legislature regarding progress toward program implementation and include recommendations regarding legislative changes necessary to implement the program.

The ABLE Account (Account) is created and would retain its own interest. The Account must consist of payments received from contributors to individual ABLE program accounts. The assets of the Account may be spent without appropriation for the purpose of making payments to individual Account holders.

The State Investment Board may invest, reinvest, manage, contract, sell, or exchange investment money in the Account.

**Votes on Final Passage:**

House	83	13
Senate	48	0

**Effective:** June 9, 2016

Transferring regulatory authority over independent review organizations to the insurance commissioner.

By Representatives Moeller and Appleton.

House Committee on Health Care & Wellness

House Committee on Appropriations

Senate Committee on Health Care

**Background:** A health plan enrollee may seek review of a carrier's adverse benefit determination. An independent review organization (IRO) may review a carrier's decision to deny, modify, reduce, or terminate coverage of, or payment for, an enrollee's health care services if: (1) the enrollee has exhausted the carrier's grievance process and received a final decision unfavorable to the enrollee; or (2) the carrier has exceeded the timeline for grievance resolution without good cause and without reaching a decision. Reviewers for the IRO make determinations regarding the medical necessity or appropriateness of application of plan provisions to, health care services for an enrollee. The Department of Health (Department) certifies IROs, and the Office of the Insurance Commissioner (OIC) maintains a rotational registry system to assign IROs to specific disputes.

The Department adopts rules providing a procedure and the criteria for certifying and regulating IROs. The rules must ensure:

- the confidentiality of medical records transmitted to IROs during the review process;
- the qualifications of each individual making independent review determinations;
- the absence of actual or potential conflicts of interest or bias of IROs;
- the fairness of IROs decision-making procedures;
- the timeliness of IRO decisions;
- the timely notice of IRO decisions to enrollees;
- the presence of quality assurance mechanisms in IRO processes; and
- IRO compliance with any other reasonable requirements established by the Department.

The Department's rules must also include provisions for termination of IRO certification if an organization fails to comply with certification requirements. The Department has authority to review the operation and performance of IROs in response to complaints or other concerns about compliance.

The OIC establishes and administers a rotational registry system to assign certified IROs to each dispute. The system is designed to ensure that assigned IROs have the necessary expertise to review the medical condition or procedure underlying the dispute and that IROs are free of any conflicts of interest or bias that would jeopardize their ability to make independent decisions. Carriers must select IROs in the rotational manner described in the online

registry system. The Department's rules also require that health plan carriers submit final IRO decisions to the OIC's online database within three business days of receipt of the final IRO decision.

**Summary:** Regulatory authority over independent review organizations (IROs) is transferred from the Department of Health (Department) to the Office of the Insurance Commissioner. The Insurance Commissioner (Commissioner) is responsible for certifying IROs and must adopt rules by January 1, 2017, providing a procedure and the criteria for IRO certification. The rules adopted by the Commissioner must be consistent with statutory requirements previously administered by the Department. In addition, the Commissioner must adopt rules requiring IROs to report decisions and associated information directly to the Commissioner.

Independent review organizations remain subject to rules adopted by the Department through December 31, 2016. Beginning January 1, 2017, the Commissioner has sole authority to certify IROs and must automatically certify each IRO that was certified in good standing by the Department as of December 31, 2016.

**Votes on Final Passage:**

House	77	20
Senate	40	8

**Effective:** June 9, 2016

**HB 2332**  
C 122 L 16

Removing an expiration date concerning the filing and public disclosure of health care provider compensation.

By Representative Kirby; by request of Insurance Commissioner.

House Committee on Health Care & Wellness  
Senate Committee on Health Care

**Background:** Prior to July 28, 2013, health care service contractors and health maintenance organizations were required to file their provider contract forms with the Insurance Commissioner (Commissioner). The Commissioner could approve the forms for immediate use. If the Commissioner took no action within 15 days, the forms were deemed approved, unless the Commissioner invoked a 15-day extension.

Beginning July 28, 2013, all carriers were required to file all provider contracts and provider compensation agreements with the Commissioner 30 days before use. A provider contract and its related compensation agreements are deemed approved if the Commissioner does not disapprove them within the 30-day period; the Commissioner may extend the 30-day period by 15 days. Provider compensation agreements are confidential and not subject to public inspection and copying if filed through the system

for electronic rate and form filings and the Commissioner's general filing instructions.

The provisions relating to provider contracts and compensation agreements expire on July 1, 2017, after which the requirements relating to provider contract forms, as they existed prior to July 28, 2013, will go back into effect.

**Summary:** The July 1, 2017, expiration date on the provisions relating to the filing of provider contracts and compensation agreements is removed.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** June 9, 2016

**2SHB 2335**  
C 123 L 16

Addressing health care provider credentialing.

By House Committee on General Government & Information Technology (originally sponsored by Representatives Cody, Appleton and Jinkins).

House Committee on Health Care & Wellness  
House Committee on General Government & Information Technology  
Senate Committee on Health Care

**Background:** Provider credentialing is the process that insurance carriers use to make sure that a health care provider is qualified to provide care and treatment to their enrollees.

The Office of the Insurance Commissioner (OIC) was required designate a lead organization to develop a uniform electronic process for collecting and transmitting the necessary provider-supplied data to support credentialing, admitting privileges, and other related processes. The electronic process was required to be designed to:

- reduce the administrative burden on health care providers;
- improve the quality and timeliness of information for hospitals and insurance carriers; and
- serve as the sole source of health care provider credentialing information required by hospitals and insurance carriers.

The OIC selected OneHealthPort as the lead organization, which developed the credentialing database, ProviderSource. Many insurance carriers in Washington require providers to submit credentialing applications online using the database through ProviderSource. Other insurance carriers or health facilities perform their own credentialing process or use a different third-party credentialing database.

**Summary:** Health care providers are required to submit credentialing applications to a single credentialing data-

## HB 2350

base and health carriers are required to accept and manage credentialing applications from the database. Effective June 1, 2018, a health carrier must make a determination approving or denying a credentialing application submitted to the carrier no later than 90 days after receiving a complete application from a health care provider. Effective June 1, 2020, the average response for the health carrier to make a determination regarding the approval or denial of a provider's credentialing application may not exceed 60 days.

A health carrier is neither required to approve a credentialing application that is submitted to it, nor required to place health care providers into a network.

If there is a credentialing delegation arrangement between a facility that employs health care providers and a health carrier, then the single credentialing database is not required to be used.

The OIC does not have an oversight or enforcement duty against a health carrier for the health carrier's failure to comply with provisions related to the use of the credentialing database or the timeliness of a credentialing decision.

Health care providers must update their credentialing information as necessary to provide for the purposes of re-credentialing.

### Votes on Final Passage:

House	97	0
Senate	48	0

**Effective:** June 1, 2018

## HB 2350

C 124 L 16

Defining the administration of medication by medical assistants.

By Representatives Cody and Jinkins.

House Committee on Health Care & Wellness  
Senate Committee on Health Care

**Background:** The Department of Health issues four variants of medical assistant credentials, including medical assistant-certified, medical assistant-registered, medical assistant-phlebotomist, and medical assistant-hemodialysis technician. Each type of medical assistant may perform specified duties if delegated by, and under the supervision of, a health care practitioner.

Among other duties, a medical assistant-certified and medical assistant-registered may sterilize equipment, take vital signs, and maintain records. All credentialed medical assistants, excluding medical assistant-phlebotomists, may administer some medications. It is the responsibility of the health care practitioner to determine that the delegation of a task is appropriate and is not prohibited by law.

**Summary:** A medical assistant's ability to "administer" medication encompasses both the retrieval and application of medication.

### Votes on Final Passage:

House	95	2
Senate	42	6

**Effective:** June 9, 2016

## HB 2356

C 125 L 16

Concerning employer agreements to reimburse certain employee costs for the use of personal vehicles for business purposes.

By Representatives Kirby and Vick.

House Committee on Business & Financial Services  
Senate Committee on Financial Institutions & Insurance

**Background:** Service Contracts Generally. Insurance and insurance transactions are governed by the Insurance Code (Code). Among other things, the Code requires: (1) that insurers meet certain financial requirements; and (2) that agents, solicitors, and brokers of insurance comply with specified licensing standards. Financial and criminal penalties may result from noncompliance.

Certain products and transactions that otherwise fall within the definition of insurance are exempted from the Code and specifically regulated under separate chapters. Entities regulated under these chapters may not be required to comply with the same capitalization and reserve requirements, reporting and solvency oversight, and claims handling practices as are required of an insurer selling a traditional insurance product. Persons regulated under these chapters may not have to be licensed or have the same degree of training.

Service contracts are one of the types of products that are regulated less stringently than insurance products under the Code. A service contract is a contract for separate consideration for a specific duration to:

- repair, replace, or maintain property; or
- indemnify for the repair, replacement, or maintenance of property.

Examples of service contracts include motor vehicle service plans offered by auto dealers that provide a period of maintenance or repair or a protection plan offered by an electronics manufacturer.

Exemptions from Regulation as Service Contracts. Some plans, products, and services that might otherwise meet the definition of a service contract are exempt from regulation as such. These include:

- warranties;
- maintenance;
- service contracts for tangible property worth less than \$50;
- vehicle mechanical breakdown insurance;

- service contracts to businesses or governments; and
- certain home heating fuel service contracts.

**Summary:** Contracts in which a third party contracted by an employer agrees to reimburse its employees for mileage, maintenance, and repairs for personal vehicles used for business purposes are exempt from regulation as insurance. However, there is no exemption if the agreement provides indemnification for repairs for a loss caused by theft, collision, fire, or other peril typically covered by comprehensive auto insurance.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

## SHB 2357

C 161 L 16

Concerning the authority of the pollution liability insurance agency.

By House Committee on Environment (originally sponsored by Representatives Peterson, Young, S. Hunt, Fitzgibbon, Kirby, Buys, Pollet and Kretz; by request of Pollution Liability Insurance Agency).

House Committee on Environment  
House Committee on Capital Budget  
Senate Committee on Energy, Environment & Telecommunications  
Senate Committee on Ways & Means

**Background:** Pollution Liability Insurance Agency. The Pollution Liability Insurance Agency (PLIA), established in 1989, provides reinsurance to insurance companies that provide coverage to the owners and operators of underground storage tanks (UST) used to store petroleum. Under federal and state law, owners and operators of USTs that store petroleum must demonstrate financial responsibility regarding their ability to pay for accidental releases. Petroleum UST owners and operators must demonstrate either \$500,000 or \$1 million in per-occurrence financial responsibility, depending on the type of facility and the amount of petroleum handled by the facility. Owners or operators of 100 or fewer petroleum USTs must also demonstrate at least \$1 million in aggregate financial responsibility, and owners or operators of 101 or more petroleum USTs must demonstrate \$2 million in aggregate financial responsibility. Demonstrations of financial responsibility may include insurance, self-insurance, group insurance coverage, surety bonds, guarantees, letters of credit, or trust funds.

The PLIA is directed to contract with insurers of USTs to provide coverage to the insurers for liability risks associated with underwriting policies covering third-party bodily injury, property damage, and corrective actions re-

lated to UST ownership or operation. The PLIA reinsurance of insurers is capped at the same \$1 million and \$2 million thresholds for per-occurrence and aggregate coverage that also represent the minimum financial responsibility amounts required of UST owners and operators.

Beginning in the early 1990s, the PLIA administered a program that provided grants for remedial action or tank replacement projects associated with USTs that local governments certified as meeting vital local government, public health, or safety needs, although funds are no longer available for that program.

Since 1995 the PLIA has also administered a program that provides, via a contracted insurer, up to \$60,000 in contamination cleanup insurance to registered owners of heating oil tanks. This program also provides technical assistance to heating oil tank owners, and helps fund upgrades of insured heating oil tanks to models that meet superior leak protection design criteria.

The authorization for the PLIA, along with the petroleum UST and heating oil tank insurance programs, expires in 2020.

The Pollution Liability Insurance Agency Program Funding. A tax of 0.3 percent of the wholesale value of refined petroleum products is levied upon first possession in Washington. The tax does not apply to crude oil or liquefiable gasses, such as natural gas. Proceeds from the tax are deposited in the Pollution Liability Insurance Trust Account (Trust Account) and spent on the PLIA's insurance program and associated administrative costs. The tax temporarily ceases to be imposed when the Trust Account balance exceeds \$15 million in the previous calendar quarter, and begins being reimposed when the Trust Account balance falls below \$7.5 million in the previous calendar quarter. The tax expires on July 1, 2020, at the same time as the expiration of the PLIA's UST program and charter to exist as a state agency.

The PLIA heating oil insurance program is funded through a fee of 1.2 cents per gallon of heating oil that is imposed on fuel dealers.

Relevant Department of Ecology and Department of Health Programs. The Department of Ecology (ECY) administers a UST regulatory program for USTs that store substances regulated under the federal Resource Conservation and Recovery Act (RCRA) that pose a threat to human health and the environment. The program provides an annual license to USTs that meet performance and operational standards. The UST owners and operators are required to report suspected or confirmed releases from USTs, and must follow notification and decommissioning procedures in order to repair or close a UST.

Under the state's contaminated sites cleanup law, the Model Toxics Control Act (MTCRA), remedial actions are cleanup-related activities to identify and reduce the threats posed by hazardous substance contamination of sites. The ECY oversees the remedial actions that liable parties and others undertake, and makes determinations of the sufficiency of cleanup activities relative to site cleanup stan-



dards established by the ECY. The ECY may provide informal non-binding advice, assistance, and written opinions to a person conducting a remedial action under the MTCA, and may collect costs associated with this advisory activity from the person seeking the advice. The cleanup of released hazardous substances from USTs must follow MTCA procedures and meet MTCA standards.

In instances where the ECY incurs cleanup costs at a facility, the ECY may file a lien against the real property where the cleanup occurred. An ECY lien against real property has priority over most other financial encumbrances on the property, except for property tax assessments and pre-existing mortgage liens. The ECY must provide notice prior to filing a lien against a property or prior to conducting a cleanup that would authorize the ECY to file a lien against the property.

The Department of Health (DOH) administers various grant and loan programs related to public health, including the Drinking Water State Revolving Fund, which provides loans to municipal and privately owned drinking water systems. The DOH charges a loan fee to drinking water loan recipients.

**Summary:** The Pollution Liability Insurance Agency Grant and Revolving Loan Program. The PLIA is directed to establish a program to issue grants and revolving loans to UST owners or operators. Grants or loans may not exceed \$2 million per UST facility. Grants or loans must be used for projects that develop and acquire assets with a useful life of at least 13 years. Grants and loans may be used for:

- remedial actions at UST facilities consistent with MTCA requirements, so long as at least one of the releases or threatened releases of hazardous substances involves petroleum release; and
- upgrading, replacing, or closing a UST used to store petroleum.

So long as a project involves either of the activities described above, grants and loans may also be used for installing new infrastructure or retrofitting existing infrastructure to disperse alternative fuels, including electric vehicle charging, or to temporarily situate above-ground petroleum storage tanks.

Grants or loans may only be used for remedial actions associated with petroleum USTs that are required to obtain financial assurances if the recipient owner or operator first expends any money available from those financial assurances, or demonstrates the rejection of a claim to use their financial assurances.

The PLIA must implement the grant and revolving loan program in conjunction with the DOH. The PLIA must select recipients and manage associated work, while the DOH must administer the loans and grants. The DOH may collect loan origination fees sufficient to cover the DOH's costs associated with program administration.

Remedial Actions undertaken by the Pollution Liability Insurance Agency. The PLIA may conduct remedial actions to investigate and clean up a release at a UST facility, if the owner or operator received a grant or loan from the PLIA. The PLIA may not spend more than the difference between the amount granted or loaned to the owner or operator and the \$2 million spending limit for each UST facility. In order for the PLIA to conduct a remedial action:

- the owner of the real property must consent to the PLIA's remedial actions, the PLIA's recovery of remedial action costs, and the PLIA or authorized representatives entering the property; and
- the UST owner must consent to the PLIA filing a lien on the UST facility in order to recover the PLIA's costs.

The PLIA may request informal advice, assistance, and written opinions from the ECY regarding the sufficiency of the remedial action undertaken by the PLIA. Remedial actions by the PLIA must focus on maintaining the economic vitality of properties.

The PLIA is given the authority to file liens against UST facilities, other than those owned by local governments, where the PLIA has undertaken a remedial action for which it has not recovered associated costs. The PLIA must provide notice to UST facility owners when it intends to file a lien, unless exigent circumstances, such as impending bankruptcy, require immediate filing of the lien. The PLIA liens for remedial action costs are given priority over other property liens except local property tax assessments. Actions to foreclose the lien must be brought by the Office of the Attorney General on behalf of the PLIA.

Underground Storage Tanks Program Taxes, Accounts, and Appropriations. The possession tax on refined petroleum products is reduced from 0.30 percent of the petroleum product's wholesale value to 0.15 percent, beginning July 1, 2021.

A new appropriated Revolving Loan and Grant Account (Loan and Grant Account) is created. Funds in the Loan and Grant Account, which include state appropriations, federal grants, recovered remedial action costs, and loan repayments, may be spent on the PLIA and the DOH program costs, to issue grants and loans, and to conduct remedial actions.

If the balance of the Trust Account exceeds \$7.5 million, excluding any reserves for open claims under the insurance program, on July 1, 2016, July 1, 2017, or on July 1 at the beginning of any fiscal biennium, excess funds above \$7.5 million must be transferred to the Loan and Grant Account. No more than \$10 million may be transferred in 2016 from the Trust Account to the Loan and Grant Account, and no more than \$20 million may be transferred in succeeding biennia. If \$20 million is not in

the Trust Account on the first July 1 of a biennium, the transfer may occur on the second July 1 of a biennium.

**Other Administrative Provisions.** The PLIA's petroleum UST reinsurance program and heating oil insurance program are extended until 2030. The authorization is repealed for PLIA's no-longer-operational assistance program for USTs in small communities.

The PLIA must submit a report on grant and loan program activities to the Legislature and the Office of Financial Management every two years in September. The report must include information about the PLIA and the DOH operating costs, grant and loan expenditures, facility cleanups and UST upgrades or closures, and liens and cost recovery actions.

The PLIA may adopt rules to implement the program, but may implement the program using interpretive guidance during the pendency of the rulemaking process. The PLIA must also enter into agreement with the DOH within one year of the law taking effect.

The state and state employees are immune from liability associated with the program, and causes of action may not arise from program activities. The ECY's authority to conduct remedial actions under the MTCA is not limited by the new remedial action authority granted to the PLIA.

The PLIA grant and loan program expires July 1, 2030, although forthcoming loan repayments and cost recovery actions do not expire with the program's authority. When the program expires, any program funds and forthcoming payments revert to the DOH.

A severability clause is included.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** June 9, 2016  
July 1, 2016 (Sections 1-13)

**SHB 2359**  
**PARTIAL VETO**  
C 202 L 16

Updating obsolete provisions and making technical corrections.

By House Committee on Judiciary (originally sponsored by Representatives Goodman and Jinkins; by request of Statute Law Committee).

House Committee on Judiciary  
Senate Committee on Accountability & Reform

**Background:** Duties of the Statute Law Committee. The primary responsibilities of the Statute Law Committee (Committee) and the Code Reviser (Reviser) are to periodically codify, index, and publish the Revised Code of Washington (RCW) and to revise, correct, and harmonize the statutes by means of administrative or suggested legis-

lative action. The Committee, or the Reviser with the approval of the Committee, must periodically make written recommendations to the Legislature concerning deficiencies, conflicts, or obsolete provisions in the RCW.

**Form Year Designations.** Throughout the RCW are provisions directing that certain forms, in substantially the form specified in the particular statute, be filed or used. A few examples of such forms include:

- notice of sale;
- writ of garnishment;
- declaration of completion of garnishment; and
- lien notice.

Generally, somewhere in the form there is a space where the reference to a date is to be inserted. In many of the statutory forms, in the space for the date the century is specified, such as "19\_\_" and "20\_\_."

**Summary:** A variety of forms throughout the Revised Code of Washington (RCW) are amended to remove references to the twentieth century. Rather than specifying "19\_\_" in the space where the date is to be inserted, the form language provides a general instruction to insert the year as follows: "(year)."

Certain obsolete and expired provisions are removed from the RCW. Other corrections are made to resolve conflicts in expiration dates and to harmonize multiple amendments to different versions of the same RCW section.

Several changes are made to the RCW sections related to the Secretary of State's Office. References to facsimile transmissions and signatures are amended to refer to electronic transmissions and signatures. Filings submitted by limited liability companies are included on the list of filings for which the Secretary of State may require a summary face sheet or cover sheet in order to expedite review. Multiple sections and provisions are repealed from the Secretary of State chapter.

**Votes on Final Passage:**

House	98	0
Senate	46	1 (Senate amended)
House	96	0 (House concurred)

**Effective:** June 9, 2016

**Partial Veto Summary:** The Governor vetoed a provision of the bill that is duplicative of another bill that was enacted, House Bill 2800, which corrects a double amendment to a statutory provision concerning county legislative authorities.

**VETO MESSAGE ON SHB 2359**

*April 1, 2016*

*To the Honorable Speaker and Members,  
The House of Representatives of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval as to Section 60, Substitute House Bill No. 2359 entitled:*

*"AN ACT Relating to updating obsolete provisions and making technical corrections."*

*This section is a duplicate of House Bill 2800, so it is unneces-*

sary.

For these reasons I have vetoed Section 60 of Substitute House Bill No. 2359.

With the exception of Section 60, Substitute House Bill No. 2359 is approved.

Respectfully submitted,



Jay Inslee  
Governor

## HB 2360

C 162 L 16

Eliminating the quality education council.

By Representatives Lytton, Magendanz, Sullivan, Reykdal, Rossetti, Santos and Chandler.

House Committee on Education  
House Committee on Appropriations  
Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means

**Background:** Quality Education Council. The Quality Education Council (QEC) was created in 2009 to inform future educational policy and funding decisions of the Legislature and the Governor, identify measurable goals and priorities for Washington's education system for a 10-year time period, and enable the state to implement an evolving program of basic education. The QEC updates statewide strategic recommendations every four years.

The QEC identifies goals for issue areas, including basic education, ongoing strategies for coordinating statewide efforts to eliminate the achievement gap and reduce student dropout rates, and strategies to increase learning opportunities in science, technology, engineering, and mathematics.

Technical Funding Formulas Working Group. Convened by the Office of Financial Management the technical funding formulas working group (working group) provides details of funding formulas to support the instructional program of basic education. The working group also recommends to the Legislature an implementation schedule for phasing-in any increased program or instructional requirements along with recommending increases in funding for adoption by the Legislature. It is also tasked with other examination and reporting duties. The working group is monitored and overseen by the Legislature and the QEC, and the Office of the Superintendent of Public Instruction provides assistance and support to the working group.

**Summary:** The QEC and the working group are eliminated.

Numerous statutes referencing the QEC are modified to reflect the elimination of the QEC.

## Votes on Final Passage:

House	97	0
Senate	47	0

**Effective:** June 9, 2016

## EHB 2362

C 163 L 16

Concerning video and/or sound recordings made by law enforcement or corrections officers.

By Representatives Hansen, Pettigrew, Nealey and Kirby.

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** Body worn cameras are increasingly being deployed by law enforcement agencies to record interactions between law enforcement officers and community members in the course of the officers' official duties. Body worn camera recordings are public records subject to the Public Records Act.

Public Records Act. The Public Records Act (PRA) requires state and local government agencies to make all public records available for public inspection and copying upon request, unless the records fall within certain statutory exemptions. The stated policy of the PRA favors disclosure and requires that listed exemptions be narrowly construed. If information falls under an exemption, an agency must determine whether the exempt information can be deleted so that the remaining portions of the record may be released. An agency must describe why each withheld record or redacted portion of a record is exempt from disclosure.

The PRA exempts a variety of records from public inspection and copying, including many types of personal records and personal information. Some information relating to investigations, law enforcement, and crime victims is also exempt. These exemptions include:

- specific intelligence information and investigative records compiled by investigative or law enforcement agencies, if nondisclosure is essential to effective law enforcement or for the protection of any person's right to privacy;
- information revealing the identity of persons who are witnesses to or victims of crime or who file complaints, if disclosure would endanger any person's life, physical safety, or property;
- information revealing the identity of child victims of sexual assault who are under the age of 18; and
- personally identifying information collected by law enforcement agencies pursuant to local security alarm system programs and vacation crime watch programs.

The PRA does not contain a specific privacy exemption. However, some PRA exemptions incorporate privacy as one component of the exemption. Invasion of a

person's right to privacy under the PRA is defined to mean disclosure of information that would be both highly offensive to a reasonable person and not of legitimate concern to the public.

An agency may not distinguish among persons requesting records, and may not require requestors to provide information about the purpose of the request except to determine whether disclosure is exempted or prohibited. An agency may not charge a fee for locating and making records available for inspection, but may charge for the actual cost of copying the records.

A party who prevails against an agency in a legal action seeking the right to inspect or copy public records must be awarded all costs and reasonable attorneys' fees incurred in the action. In addition, the court may award the person up to \$100 per day that the person was denied access to the public record. Agencies are immune from liability for damages based upon the release of a public record if the agency acted in good faith in attempting to comply with the PRA.

**Privacy Act.** The Privacy Act prohibits the interception or recording of a private communication without first obtaining the consent of all parties to the communication unless a specific exemption applies. Consent may be obtained when one party announces to all other persons engaged in the communication that the communication is about to be recorded, and the announcement is itself recorded.

Certain recordings are exempt from the Privacy Act. Sound recordings that correspond to video images recorded by video cameras mounted in law enforcement vehicles are exempt, as are recordings of arrested persons before their first appearance in court. However, these recordings must follow a number of specific statutory requirements and limitations.

The Privacy Act applies only to audio recordings of private communications. In determining whether a conversation or communication is private, courts consider whether the parties manifested a subjective intention that the communication be private and whether that expectation of privacy was reasonable under the circumstances.

A 2014 Attorney General opinion analyzed whether body worn camera recordings fall under the requirements of the Privacy Act. The opinion determined that body worn camera recordings generally are not subject to the Privacy Act, noting that Washington courts have consistently held that conversations between members of the public and law enforcement officers, when the officers are known to be performing official duties, are not generally considered private for purposes of the Privacy Act.

**Summary:** Public disclosure and other requirements relating to body worn camera recordings are established under the PRA. Law enforcement and corrections agencies that deploy body worn cameras must develop policies on their use, and a task force is created to examine the use of

body worn cameras by law enforcement and corrections agencies.

"Body worn camera recording" is defined as a video and/or sound recording that is made by a body worn camera attached to the uniform or eyewear of a law enforcement or corrections officer from a covered jurisdiction while in the course of his or her official duties and that is made on or after the effective date of the act and prior to July 1, 2019. "Covered jurisdiction" means a jurisdiction that has deployed body worn cameras as of the effective date of the act, regardless of whether the cameras are being deployed on the effective date of the act, and including jurisdictions that have deployed the cameras on a pilot basis.

**Public Records Act.** Body worn camera recordings are exempt from the PRA to the extent nondisclosure is essential for the protection of any person's right to privacy under the PRA. A law enforcement or corrections agency may not disclose a body worn camera recording to the extent the recording is exempt from disclosure. Disclosure of a body worn camera recording is presumed to be highly offensive to a reasonable person to the extent it depicts:

- areas of a medical facility, counseling, or therapeutic program office where:
  - a patient is registered to receive treatment, receiving or waiting for treatment, or being transported in the course of treatment; or
  - health care information is shared with patients, their families, or among the care team;
- health care information protected under federal or state health care privacy laws;
- the interior of a residence where a person has a reasonable expectation of privacy;
- an "intimate image" as defined in criminal laws governing disclosure of intimate images;
- a minor;
- the body of a deceased person;
- the identity of or communications from a victim or witness of an incident involving domestic violence or sexual assault. A victim's wishes regarding disclosure or nondisclosure govern if expressed at the time of recording; or
- the identifiable location information of a community-based domestic violence program or emergency shelter.

A request for body worn camera recordings must: specifically identify a name of a person or persons involved in the incident; provide the incident or case number; provide the date, time, and location of the incident or incidents; or identify a law enforcement or corrections officer involved in the incident or incidents.

Except for certain specified persons, a law enforcement agency may require any person who requests body worn camera recordings to pay the reasonable costs of redacting, altering, distorting, pixelating, suppressing, or

otherwise obscuring any portion of the body worn camera recording as necessary to comply with applicable exemptions. These costs may not be charged to the following requestors:

- a person directly involved in an incident recorded by the requested body worn camera recording, or that person's attorney;
- a person who requests a body worn camera recording relevant to a criminal case involving that person or that person's attorney;
- an attorney who is representing a person regarding a potential or existing cause of action involving denial of civil rights under the federal or state constitution, or involving a violation of a United States Department of Justice settlement agreement, if the recording is relevant to the cause of action; and
- the executive directors of the Washington state commissions on African American Affairs, Asian Pacific American Affairs, and Hispanic Affairs.

In a court action seeking the right to inspect or copy a body worn camera recording, a person who prevails against a law enforcement or corrections agency that withholds or discloses all or part of a body worn camera recording is not entitled to fees, costs, or awards unless the law enforcement or corrections agency acted in bad faith or with gross negligence.

An agency that charges for redaction of body worn camera recordings must use redaction technology that provides for the least costly commercially available method of redacting body worn camera recordings, to the extent possible and reasonable. The time an agency spends on redaction of body worn camera recordings for which the agency charges redaction costs may not count towards the agency's allocation of, or limitation on, time or costs spent responding to public records requests, as established pursuant to local ordinance, policy, procedure, or state law.

The body worn camera recording exemption is not to be construed to restrict access to body worn camera recordings as otherwise permitted by law for official or recognized civilian and accountability bodies or pursuant to a court order, nor is it intended to modify the obligations of law enforcement or prosecutors under *Brady v. Maryland*, *Kyles v. Whitley*, or relevant statutes or court rules.

A law enforcement or corrections agency must retain body worn camera recordings for at least 60 days and then may destroy the recordings.

**Body Worn Camera Policies.** A law enforcement or corrections agency that deploys body worn cameras must establish policies regarding the use of the cameras. The policies must, at a minimum, address:

- when a body worn camera must be activated and deactivated and officer discretion to activate and deactivate the body worn camera;

- how an officer is to respond when a person may be unwilling or less willing to communicate with an officer who is recording the communication with a body worn camera;
- how an officer will document when and why a body worn camera was deactivated prior to the conclusion of an interaction with a member of the public;
- how, and under what circumstances, a law enforcement or corrections officer is to inform a member of the public that he or she is being recorded, including in situations where the person is a non-English speaker or has limited English proficiency or where the person is deaf or hard of hearing;
- how officers are to be trained on body worn camera usage and how frequently the training is to be reviewed or renewed; and
- what security rules apply to protect data collected and stored from body worn cameras.

An agency that deploys body worn cameras by the effective date of the act must establish the policies within 120 days of June 9, 2016. An agency that deploys body worn cameras on or after June 9, 2016 must establish the policies before deploying body worn cameras. The requirement that an agency adopt body worn camera policies expires July 1, 2019.

Cities or towns that are not deploying body worn cameras on June 9, 2016 are strongly encouraged to adopt an ordinance or resolution authorizing the use of body worn cameras before their use within the jurisdiction and to identify a community involvement process for providing input into development of body worn camera policies.

Body worn cameras may be used only by officers employed by general authority Washington law enforcement agencies, officers employed by the Department of Corrections, and personnel for local jails and detention facilities.

**Body Worn Camera Task Force.** A task force is created to examine the use of body worn cameras by law enforcement and corrections agencies. The task force consists of legislative members and representatives of: the Governor's office; law enforcement agencies and officers; local governments; prosecutors and defenders; the American Civil Liberties Union; the Washington Coalition for Open Government; the news media; the Washington state commissions on African American Affairs, Asian Pacific American Affairs, and Hispanic Affairs; immigrant or refugee communities; victim advocates; tribal communities; and the public. The Task Force also includes a person with expertise in retaining and redacting body worn camera recordings.

The task force must hold public meetings in locations that include rural and urban communities and communities in the eastern and western parts of the state.

By December 1, 2017, the task force must report its findings and recommendations regarding: costs assessed

to requesters; policies adopted by agencies; retention and retrieval of data; model body worn camera policies; the use of body worn cameras in health care facilities subject to federal and state health care privacy laws; and the use of body worn cameras for gathering evidence, surveillance, and police accountability.

The task force must allow a minority report to be included with the task force report if requested by a member of the task force.

**Votes on Final Passage:**

House	61	36	
Senate	37	9	(Senate amended)
House	57	39	(House concurred)

**Effective:** June 9, 2016

**HB 2371**

C 89 L 16

Requiring a court that consults the judicial information system in order to render a decision to file a copy of the information used in the court file upon request of a party.

By Representatives Kuderer, Magendanz, Hudgins, McBride, Goodman, Senn, Jenkins, Appleton and Kilduff.

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** The Judicial Information System (JIS) is a statewide information system for courts in Washington. The JIS contains information regarding family law actions and other civil cases, criminal history, pending criminal charges, and outstanding warrants. The JIS also includes information relating to protection, no-contact, and restraining orders, including those issued in proceedings involving domestic violence, sexual assault, harassment, family law, and vulnerable adults. Information related to these orders includes the names of the parties, the cause number, the criminal histories of the parties, and any other relevant information necessary to assist courts.

Prior to entering certain types of orders, the court may consult the JIS or related databases, if available, to review criminal history or to determine whether other proceedings involving the parties are pending. In the event that the court does consult the JIS or a related database, the court must disclose to the parties the fact that the database was consulted. In addition, the court must disclose any matters that the court relied upon in rendering a decision and file a copy of the document relied upon within the court file. The document must be filed as a confidential document with any confidential contact or location information redacted.

**Summary:** Rather than requiring the court to file a copy of any relied-upon document within the court file in every case in which JIS or a related database is consulted, the court must only file a copy of a relied-upon document upon request of a party.

**Votes on Final Passage:**

House	98	0
Senate	47	0

**Effective:** June 9, 2016

**E2SHB 2375**

C 164 L 16

Concerning cybercrime.

By House Committee on General Government & Information Technology (originally sponsored by Representatives Magendanz, Orwall, Smith, Tarleton, MacEwen, Muri, Stanford and Wylie).

House Committee on Public Safety  
House Committee on General Government & Information Technology

Senate Committee on Law & Justice

**Background:** *Computer Trespass.* The Legislature created the crimes of Computer Trespass in the first and second degree in 1984. A person commits Computer Trespass in the first degree if he or she, without authorization, intentionally gains access to a computer system or electronic database of another, and:

- the access is made with the intent to commit another crime; or
- the violation involves a computer or database maintained by a government agency.

A person commits Computer Trespass in the second degree if he or she, without authorization, intentionally gains access to a computer system or electronic database of another under circumstances not constituting the offense in the first degree.

Computer Trespass in the first degree is a class C felony with a seriousness level of II, and Computer Trespass in the second degree is a gross misdemeanor.

**Summary:** *Computer Trespass.* Computer Trespass in the first degree is modified by specifying that access must be made with the intent to commit another crime in violation of a state law that is not a cybercrime.

*Electronic Data Interference.* The crime of Electronic Data Interference is created. A person commits Electronic Data Interference if the person maliciously and without authorization causes the transmission of data, a data program, or other electronic command that intentionally interrupts or suspends access to or use of a data network or data service. Electronic Data Interference is a ranked class C felony with a seriousness level II.

*Electronic Data Theft.* The crime of Electronic Data Theft is created. A person commits Electronic Data Theft if he or she intentionally, without authorization, and without reasonable grounds to believe that he or she has such authorization, obtains any electronic data with the intent to devise or execute any scheme to defraud, deceive, extort,

or commit any other crime in violation of a state law that is not a cybercrime, or wrongfully control, gain access, or obtain money, property, or electronic data. Electronic Data Theft is a ranked class C felony with a seriousness level II.

*Electronic Data Tampering.* The crimes of Electronic Data Tampering in the first and second degrees are created. A person commits Electronic Data Tampering in the first degree if he or she maliciously, without authorization, and without reasonable grounds to believe that he or she has such authorization, alters data as it transmits between two data systems over an open or unsecure network or introduces any malware into any electronic data, data system, or data network, and:

- doing so is for the purpose of devising or executing any scheme to defraud, deceive, or extort, or commit any other crime in violation of a state law that is not a cybercrime, or of wrongfully controlling, gaining access, or obtaining money, property, or electronic data; or
- the electronic data, data system, or data network are maintained by a governmental agency.

A person commits Electronic Data Tampering in the second degree if he or she maliciously, without authorization, and without reasonable grounds to believe that he or she has such authorization, alters data as it transmits between two data systems over an open or unsecure network under circumstances not constituting the offense in the first degree, or introduces any malware into any electronic data, data system, or data network under circumstances not constituting the offense in the first degree.

Electronic Data Tampering in the first degree is a ranked class C felony with a seriousness level of II, and Electronic Data Tampering in the second degree is a gross misdemeanor.

*Spoofing.* The crime of Spoofing is created. A person commits Spoofing if he or she, without authorization, knowingly initiates the transmission, display, or receipt of the identifying information of another organization or person for the purpose of gaining unauthorized access to electronic data, a data system, or a data network and with the intent to commit another crime in violation of a state law that is not a cybercrime. Spoofing is a gross misdemeanor.

*Prosecution of Other Crimes.* A person who, in the commission of a cybercrime, commits any other crime may be punished for that other crime as well as for the cybercrime and may be prosecuted for each crime separately.

*Definitions.* The following terms are defined: "access;" "cybercrime;" "data;" "data network;" "data program;" "data services;" "data system;" "malware;" "white hat security research;" and "without authorization." The definition for "computer program" is removed.

**Votes on Final Passage:**

House	97	0	
Senate	46	1	(Senate amended)

House 96 0 (House concurred)

**Effective:** June 9, 2016

**2ESHB 2376**

PARTIAL VETO

C 36 L 16 E 1

Making 2016 supplemental operating appropriations.

By House Committee on Appropriations (originally sponsored by Representatives Dunshee and Chandler; by request of Office of Financial Management).

House Committee on Appropriations  
Senate Committee on Ways & Means

**Background:** The state government operates on a fiscal biennium that begins on July 1 of each odd-numbered year. A two-year biennial operating budget is adopted every odd-numbered year. Supplemental budgets frequently are enacted in each of the following two years after adoption of the biennial budget. Appropriations are made in the biennial and supplemental budgets for the operation of state government and its various agencies and institutions, including higher education, as well as allocations for the funding of K-12 public schools.

The 2015-17 Biennial Operating Budget appropriates \$38.2 billion from the State Near General Fund (State General Fund and the Education Legacy Trust Account) plus the Opportunity Pathways Account. The total budgeted amount, which includes state, federal, and other funds, is \$78.9 billion.

**Summary:** State Near General Fund plus Opportunity Pathways appropriations for the 2015-17 biennium are increased by \$190.9 million; the total budget is increased by \$668.1 million.

Fund transfers and other changes to the original 2015-17 Biennial Operating Budget are also made.

Supplemental appropriation changes by agency can be found in the agency detail document at [leap.wa.gov](http://leap.wa.gov).

**Votes on Final Passage:**

House 50 47

First Special Session

House 78 17

Senate 27 17

**Effective:** April 18, 2016

**Partial Veto Summary:** The Governor vetoed 21 items in the 2016 Supplemental Operating Budget.

**VETO MESSAGE ON 2ESHB 2376**

*April 18, 2016*

*To the Honorable Speaker and Members,*

*The House of Representatives of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval as to Sections 113, page 7, lines 24-25; 123(5); 126(38); 128, page 35, lines 16-19; 128(8); 128(10); 134, page 41, lines 29-32 and page 42, lines*

6-7; 134(4); 206, page 90, lines 3-5; 207(9); 220(2)(h); 302(14); 308(22); 402, page 180, lines 22-25; 402(2); 612, page 265, lines 11-12; 901; 920; 921; 929; 935; and 939, Second Engrossed Substitute House Bill No. 2376 entitled:

"AN ACT Relating to fiscal matters."

Section 113, page 7, lines 24-25, *Administrator for the Courts, Fiscal Year 2017 Appropriation Reduction Affecting Thurston County Court Funding*

Certain types of court cases are required by statute to be filed in Thurston County. The Administrative Office of the Courts (AOC) provides funding to Thurston County to help offset the state impacts to the county's courts. The budget eliminates \$811,000 allocated to AOC to reimburse the county for these state impacts. Vetoing the fiscal year 2017 supplemental appropriation in Section 113, lines 24 through 25, will restore \$584,000 to the original fiscal year 2017 appropriation. For these reasons, I have vetoed Section 113, page 7, lines 24 through 25.

Section 123(5), page 20, *State Auditor, WWAMI Medical School Study*

Section 123(5) provides \$600,000 for a study of the Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) medical school. Consistent with the underlying 2015-17 biennial budget, the Auditor's Office will perform the study within the original amounts appropriated. For this reason, I have vetoed Section 123(5).

Section 126(38), page 33, *Department of Commerce, Incremental Energy*

Funding is provided solely for the implementation of Engrossed Senate Bill No. 6166 (incremental energy). I vetoed this bill. For this reason, I have vetoed Section 126(38).

Section 128, page 35, lines 16-19, *Office of Financial Management, Central Service Charges*

The General Fund-State (GF-S) appropriations for the Office of Financial Management (OFM) are decreased to reflect the agency's budget, accounting, and forecasting functions being billed to state agencies as a central service charge. Charging agencies for these services could create the perception of unfairness, as agencies would likely receive services disproportionate to the amounts they would be charged. Agencies are provided GF-S appropriations to cover their share of the new OFM central service charge, but the change would negatively impact dedicated funds for which no new revenues are authorized. Vetoing changes to these appropriation line items does not fully restore the expenditure authority required for OFM to continue providing its current level of services. Therefore, OFM will bill agencies only for the difference between the original cost of providing these services and the amount of funding restored by the veto. For these reasons, I have vetoed Section 128, page 35, lines 16 through 19.

Section 128(8), pages 37-38, *Office of Financial Management, Infrastructure Investment Strategy Workgroup*

Section 128(8) directs OFM to convene a workgroup including local governments, state agencies, and legislators to develop a local government infrastructure investment strategy. A formal workgroup is not necessary to accomplish this task. For this reason, I have vetoed Section 128(8).

Section 128(10), pages 38-39, *Office of Financial Management, Proposal for Pacific Tower*

Section 128(10) directs OFM to work with the Department of Enterprise Services, Department of Commerce, and Office of the State Treasurer to develop a proposal for the purchase of the Pacific Tower. Preparing such a proposal will require significant legal and real estate professional services that are not funded in the budget. For this reason, I have vetoed Section 128(10).

Section 134, page 41, lines 29-32, and page 42, lines 6-7, *Department of Revenue, Performance Audits of Government Account*

These appropriations shift \$10 million for Department of Revenue (DOR) audit functions from the state General Fund to the Performance Audits of Government Account. To preserve performance audit functions of the State Auditor's Office at their anticipated activity levels for the current biennium, I am vetoing the appropriation from the Performance Audits of Government Account in this section. To preserve audit functions at DOR, I am

also vetoing supplemental changes to the agency's General Fund-State appropriations. While I am vetoing Section 134, page 41, lines 29 through 32, I am directing DOR to place excess state General Fund appropriations as a result of this veto in unallotted status in an amount to be determined by the Office of Financial Management. For these reasons, I have vetoed Section 134, page 41, lines 29 through 32 and page 42, lines 6 through 7.

Section 134(4), page 42, *Department of Revenue, Waiver of Penalties on Unpaid Royalty Tax*

This proviso authorizes the Department of Revenue (DOR) to waive unpaid penalties for outstanding Business and Occupation tax on royalty income. Under current law, DOR already has the authority to waive unpaid penalties. Therefore, this proviso is unnecessary. For this reason, I have vetoed Section 134(4).

Section 206, page 90, lines 3-5, *Department of Social and Health Services, Aging and Adult Services*

These two appropriations are identified as federal; however, no federal dollars are received into these accounts. The Assisted Living Facility Temporary Management Account and Adult Family Home Account are created in statute as not requiring an appropriation; therefore, the department can spend revenue received into the accounts upon approval of an allotment. For these reasons, I have vetoed Section 206, page 90, lines 3 through 5.

Section 207(9), page 104, *Department of Social and Health Services, Economic Services Administration*

Funding is provided solely for the implementation of Senate Bill No. 6499 (electronic child support payments). The bill was not enacted. For this reason, I have vetoed Section 207(9).

Section 220(2)(h), page 150, *Department of Corrections, Correctional Operations*

Funding is provided solely for the implementation of Second Substitute Senate Bill No. 5105 (felony DUI). The bill was not enacted. For this reason, I have vetoed Section 220(2)(h).

Section 302(14), page 161, *Department of Ecology, Rain Gauges*

This proviso requires the Department of Ecology to transfer responsibility for ongoing operation and maintenance of the rain gauge network in Okanogan County to the Okanogan Conservation District. The Okanogan Conservation District has neither the funding nor expertise needed to operate the network reliably. For this reason, I have vetoed Section 302(14). However, I have directed the Department of Ecology and the State Conservation Commission to work with local authorities in Okanogan County to provide funding, including local funding, to continue network operations to ensure public safety.

Section 308(22), page 175, *Department of Natural Resources, Natural Area Preserves*

This proviso prohibits the Department of Natural Resources from using any appropriation in this section for activities related to increasing the amount of land managed by the department as natural area preserves. The department has several existing capital projects to expand natural area preserves, and this proviso inhibits its ability to move forward with those projects. For these reasons, I have vetoed Section 308(22).

Section 402, page 180, lines 22-25 and Section 402(2), page 181, *Washington State Patrol, Fire Service Training Account*

These provisions authorize the use of \$1.611 million from the Fire Service Training Account for fire mobilization costs. This account has never been used for fire mobilizations. Its primary purpose is to pay for firefighter training and is used mainly by local government fire agencies. For this reason, I have vetoed Section 402, page 180, lines 22 through 25 and Section 402(2).

Section 612, page 265, lines 11-12, *Department of Early Learning, General Fund-State Appropriation (FY16)*

This section decreases the General Fund-State appropriation for the Department of Early Learning in fiscal year 2016. This includes a significant reduction in full time employees which cannot be realized within the next two months. Decreased funding may prevent the Department from maintaining and advancing my Healthiest Next Generation initiative to increase coordination of comprehensive health services between state agencies and to im-



prove nutrition and physical activity for young children in early learning settings. Reduced funding also will prevent the Department of Early Learning from investing resources in fraud prevention and meeting new child care provider monitoring requirements of the Child Care and Development Block Grant Reauthorization Act of 2014. For these reasons, I have vetoed Section 612, page 265, lines 11 through 12.

Section 901, page 293, Agency, Collective Bargaining Agreement -- Coalition of Unions

This section rejects funding a Memorandum of Understanding with the Union of Physicians of Washington and directs the terms for an alternative if an agreement is reached by June 30, 2016. This is not in keeping with the state's collective bargaining law, RCW 41.80.010, that specifies the process to be used if the Legislature does not approve funding a tentative agreement. Collective bargaining will proceed in accordance with statutory requirements. For this reason, I have vetoed Section 901.

Section 920, pages 305-307, Fire Insurance Premium Tax

This section limits the distribution of fire insurance premium tax to local governments and requires reports and audits of information about local governments' firefighters' pension funds. Changes in the distribution of this tax should follow, rather than precede, collection of this information and review of potential changes in distribution. For this reason, I have vetoed Section 920. I encourage the affected local governments to provide the information specified in this section and direct the Department of Revenue and the Department of Retirement Systems to review the information submitted.

Section 921, pages 307-308, Law Enforcement Officers' and Firefighters' Retirement System (LEOFF), Distribution in 2017

Section 921 declares the Legislature's intent to fund a 2017 distribution to the Local Law Enforcement Officers' and Firefighters' Retirement System Benefits Improvement Account through "alternate means" which may include transfers from the LEOFF 2 pension fund itself. I vetoed similar language in the 2015-17 biennial budget because I believe that this is not an appropriate use of a pension fund. While I signed the actual transfer language at that time, I indicated that this should be a one-time event to avoid weakening the pension fund. I continue to think that this is unwise, particularly when used to help balance the budget over four years. For these reasons, I have vetoed Section 921.

Section 929, pages 318-319, Fire Services Training Account

This section authorizes use of the Fire Services Training Account for fire mobilization cost of the Washington State Patrol. Because I have vetoed Section 402, page 180, lines 22 through 25 and Section 402(2), this authority is unnecessary. For this reason, I have vetoed Section 929.

Section 935, page 323, Public Works Assistance Account

This section provides a statement of intent that the Legislature will not authorize new loans for public works from the Public Works Assistant [Assistance] Account in the 2017-19 biennium. Use of funding in the account next biennium is a decision for the next Legislature. In addition, there is a clear need for future public infrastructure improvement throughout the state. For these reasons, I have vetoed Section 935.

Section 939, pages 325-326, Parking Enforcement

This section amends current law to authorize the Department of Enterprise Services to contract with the City of Olympia to enforce parking on the Capital [Capitol] campus. This amendment changes substantive law related to parking violations and enforcement, which is more appropriate for a policy bill. For this reason, I have vetoed Section 939.

For these reasons I have vetoed Sections 113, page 7, lines 24-25; 123(5); 126(38); 128, page 35, lines 16-19; 128(8); 128(10); 134, page 41, lines 29-32 and page 42, lines 6-7; 134(4); 206, page 90, lines 3-5; 207(9); 220(2)(h); 302(14); 308(22); 402, page 180, lines 22-25; 402(2); 612, page 265, lines 11-12; 901; 920; 921; 929; 935; and 939 of Second Engrossed Substitute House Bill No. 2376.

With the exception of Sections 113, page 7, lines 24-25; 123(5); 126(38); 128, page 35, lines 16-19; 128(8); 128(10); 134, page 41, lines 29-32 and page 42, lines 6-7; 134(4); 206, page 90, lines

3-5; 207(9); 220(2)(h); 302(14); 308(22); 402, page 180, lines 22-25; 402(2); 612, page 265, lines 11-12; 901; 920; 921; 929; 935; and 939, Second Engrossed Substitute House Bill No. 2376 is approved.

Respectfully submitted,



Jay Inslee  
Governor

**ESHB 2380**

**PARTIAL VETO**

C 35 L 16 E 1

Concerning the supplemental capital budget.

By House Committee on Capital Budget (originally sponsored by Representatives Tharinger and DeBolt; by request of Office of Financial Management).

House Committee on Capital Budget

**Background:** Washington operates on a biennial budget cycle. The Legislature authorizes expenditures for capital needs in the Omnibus Capital Appropriations Act (capital budget) for a two-year period, and authorizes bond sales through passage of a bond bill associated with the capital budget to fund a portion of these expenditures. Historically, about half of the capital budget has been financed by these state-issued general obligation bonds, and the balance is funded by dedicated accounts, trust revenue, and federal funding sources. The primary two-year budget is passed in the odd-numbered years, and a supplemental budget making adjustments to the two-year budget is often passed during the even-numbered years.

The capital budget includes appropriations for the acquisition, construction, and repair of capital assets such as state office buildings, prisons, juvenile rehabilitation centers, residential habilitation centers, mental health facilities, military readiness centers, and higher education facilities. The capital budget also funds a variety of environmental and natural resource projects, parks and recreational facilities, public K-12 school construction, and grant and loan programs that support housing, public infrastructure, community service facilities, and art and historical projects.

The 2015-17 enacted capital budget covers the period from July 1, 2015, through June 30, 2017. It includes \$3.7 billion in new appropriations, of which \$2.2 billion is financed from state general obligation bonds and \$1.5 billion is financed from other funds. In addition, various agencies are authorized to enter into \$225 million in alternative financing contracts for specific projects.

**Summary:** New supplemental capital appropriations are made for the 2015-17 biennium totaling \$95.4 million, including \$89.7 million in general obligation bonds and \$5.7 million in other funds. In addition, reappropriations are reduced by a total of \$39.8 million, including a reduction

of \$423,000 in general obligation bonds. Four community and technical colleges are authorized to enter into alternative financing contracts for projects totaling up to \$74.4 million.

**Votes on Final Passage:**

First Special Session

House	86	9
Senate	38	5

**Effective:** April 18, 2016

**Partial Veto Summary:** The Governor: (1) vetoed section 6009 that requires the Office of Financial Management to verify the results of its life cycle cost analyses with an independent consultant selected by the chairs of the House and Senate Capital Budget Committees; and vetoed section 6011 that amends the State Drought Preparedness Account to be used for drought response.

**VETO MESSAGE ON ESHB 2380**

April 18, 2016

To the Honorable Speaker and Members,  
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 6009 and 6011, Engrossed Substitute House Bill No. 2380 entitled:

"AN ACT Relating to the capital budget."

Section 6009, page 86, Life Cycle Cost Analyses

Section 6009 requires the Office of Financial Management (OFM) to verify the results of its life cycle cost analyses with an independent consultant selected by the chairs of the House and Senate capital budget committees. Engaging a third party will add cost and time, and funding for the consultant was not provided. For these reasons, I have vetoed Section 6009. However, I have directed OFM to post completed life cycle cost analyses on its website to make them more accessible to the public.

Section 6011, page 87, State Drought Preparedness Account

Section 6011 amends the State Drought Preparedness Account to be used for drought response. It is redundant with Section 933 in Second Engrossed Substitute House Bill 2376 (supplemental operating budget) and, therefore, is unnecessary. For this reason, I have vetoed Section 6011.

For these reasons I have vetoed Sections 6009 and 6011 of Engrossed Substitute House Bill No. 2380.

With the exception of Sections 6009 and 6011, Engrossed Substitute House Bill No. 2380 is approved.

Respectfully submitted,



Jay Inslee  
Governor

**HB 2384**

C 91 L 16

Clarifying the meaning of mobile telecommunications service provider.

By Representatives Buys, Wylie, Orwall and Rodne.

House Committee on Technology & Economic Development

Senate Committee on Law & Justice

**Background:** Disclosure of Intimate Images. A person commits the crime of disclosing intimate images if:

1. the person knowingly discloses an intimate image of another person;
2. the image was obtained under circumstances in which a reasonable person would know or understand that the image was to remain private; and
3. the person disclosing the image knows or should have known that the depicted person had not consented to the disclosure.

No liability is imposed upon certain entities when the intimate image disclosed is content provided by a third party. These exempted entities are:

- an interactive computer service, as defined in Section 230 of the Communications Decency Act;
- a provider of public or private mobile service, as defined in "Section 13-214 of the Public Utilities Act"; and
- a telecommunications network or broadband provider.

The criminal prohibition does not apply to images involving voluntary exposure in public or commercial settings, or disclosures made in the public interest, such as the reporting of unlawful conduct.

Mobile Telecommunications Service Provider. Washington business and occupations tax code defines a mobile telecommunications service provider as a facilities-based carrier or reseller with whom the customer contracts for mobile telecommunications services.

**Summary:** The reference to "Section 13-214 of the Public Utilities Act" is changed. A mobile telecommunications service provider is not subject to liability under the criminal statute prohibiting disclosure of intimate images, when the provider's disclosure is solely a result of content provided by another person.

"Mobile telecommunications service provider" means a facilities-based carrier or reseller with whom the customer contracts for mobile telecommunications services.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** June 9, 2016

HB 2391

C 126 L 16

Concerning county payroll draw days.

By Representatives McCabe, Appleton, Griffey, Tharinger, Springer, Peterson, McBride, Manweller, Johnson, Reykdal, Chandler, Fitzgibbon, Dent, Kochmar, Wilcox, Pike and Moscoso.

House Committee on Local Government  
Senate Committee on Government Operations & Security

**Background:** Counties are authorized to pay their officers and employees according to the following different methods:

- *Weekly or Biweekly Pay.* The legislative authority of any county may establish a weekly or biweekly pay period where county officers and employees receive their compensation not later than seven days after the end of each pay period for services rendered during that pay period. If the county has assumed the rights, powers, functions, and obligations of a metropolitan municipal corporation, county officers and employees receive their compensation not later than 13 days following the end of each pay period for services rendered during that pay period.
- *Semi-Monthly Pay.* The salaries of county officers and employees of counties with a population of greater than 5,000 may be paid twice monthly. For services rendered from the first to the fifteenth day of the month, compensation is paid not later than the last day of the month. For services rendered from the sixteenth to the last day of the month, compensation must be paid not later than the fifteenth day of the following month.
- *Once-a-Month Pay.* The county legislative authorities of counties with populations greater than 5,000 that do not adopt weekly, biweekly, or semi-monthly pay must designate the first pay period as a draw day. The draw day must be not later than the last day of each month. Employees must be paid no more than 40 percent of their earned monthly salary on the draw day, and payroll deductions may not be deducted from the salary paid on the draw day. The balance of the earned monthly salary must be paid not later than the fifteenth day of the following month. In counties with a population of less than 5,000, salaries may be paid monthly and the legislative authority may adopt the draw-day procedure.

**Summary:** The draw day procedure for once-a-month pay is modified so that not more than 50 percent of earned salary is paid on the draw day. Additionally, payroll deductions may be deducted from salary that is paid on the draw day.

Votes on Final Passage:

House	96	0
Senate	48	0

**Effective:** June 9, 2016

HB 2394

C 92 L 16

Creating the parent to parent program for individuals with developmental disabilities.

By Representatives Walsh, Senn, Kagi, Moscoso, Kilduff, Kochmar, Dent, Holy, Sawyer, Jinkins, Tharinger, Magendanz, Fey, Tarleton, Zeiger, Sells, McBride, Bergquist, Pollet, Santos, S. Hunt and Goodman.

House Committee on Early Learning & Human Services  
House Committee on Appropriations  
Senate Committee on Human Services, Mental Health & Housing

**Background:** The Parent to Parent Program. The Parent to Parent Program connects parents of children with certain disabilities and special needs with other volunteer parents who also have children with similar disabilities or special needs. The volunteer parents provide peer and emotional support. The program also offers educational trainings and workshops for parents.

There are Parent to Parent programs in 31 counties including Adams, Asotin, Benton, Chelan, Clallam, Clark, Columbia, Cowlitz, Douglas, Franklin, Garfield, Grant, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Lincoln, Mason, Pacific, Pierce, Skagit, Snohomish, Spokane, Thurston, Walla Walla, Whatcom, Whitman, and Yakima.

Parent to Parent USA is a national nonprofit organization whose mission is to promote access and quality in parent to parent support for all families who have children or adolescents with a special health need, mental health issue, or disability. In Washington, many of the Parent to Parent programs are hosted by The Arc of Washington State.

**Summary:** Goals for the Parent to Parent Program for individuals are established and include:

- providing early outreach, support and education to parents of children with special health care needs;
- matching a trained volunteer support parent with a new parent who has a child with similar health care needs; and
- providing parents with tools and resources to be successful.

Activities of the Parent to Parent Program may include:

- outreach and support to newly identified parents of children with special needs;
- educational trainings for parents to support their children;
- ongoing peer support from a trained volunteer support parent; and
- regular communication with other local programs.

If funds are provided, the Parent to Parent Program must be funded through the Developmental Disability Administration to a Washington State lead organization that has extensive experience supporting and training support parents. Through a contract with the lead organization, each local program must be administered by a host organization. The lead organization must provide ongoing training to the host organizations and statewide program oversight.

Special health care needs are defined to include disabilities, chronic illnesses, health-related educational or behavioral problems, or the risk of those disabilities, illnesses, or problems.

**Votes on Final Passage:**

House	93	3	
Senate	47	0	(Senate amended)
House	94	2	(House concurred)

**Effective:** June 9, 2016

**HB 2398**

C 40 L 16

Clarifying current requirements for public purchases of goods and services from nonprofit agencies for the blind.

By Representatives Holy, Riccelli, Appleton, Haler, Stokesbary, Ormsby, Parker, Santos and S. Hunt.

House Committee on State Government  
Senate Committee on Government Operations & Security

**Background:** State agencies, counties, cities, and other political subdivisions must purchase goods and services from nonprofit agencies for the blind whenever possible. To qualify, nonprofit agencies for the blind must be located in Washington and must manufacture or distribute blind-made products. The goods and services must be equal in quality and price to those available from other sources.

In 2011 state procurement responsibilities were consolidated in the Department of Enterprise Services (DES). The DES adopts policies and procedures for the management of contracts by state agencies and enters into master contracts that may be utilized by state, local, and nonprofit agencies.

**Summary:** References to the law relating to the purchase of blind-made goods and services are added to laws relating to public purchasing.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** June 9, 2016

**EHB 2400**

C 165 L 16

Clarifying that the provisions of chapter 70.95 RCW do not apply to steel slag that is a product of production in the electric arc steel-making process and is managed as an item of commercial value and placed in commerce.

By Representatives Fitzgibbon and Tarleton.

House Committee on Environment  
Senate Committee on Energy, Environment & Telecommunications

**Background:** Under the state's solid waste management laws, jurisdictional health departments are the primary government entity responsible for implementing state solid waste management requirements, although the Department of Ecology (ECY) also has certain roles in overseeing the administration of solid waste management laws. Facilities that manage, generate, store, or otherwise handle solid wastes are required to obtain a solid waste permit from the local jurisdictional health department. The jurisdictional health department may charge reasonable fees associated with permit application review. Permits must be renewed every five years, and are evaluated by jurisdictional health departments for consistency with the local solid waste management plan. The issuance of solid waste permits by jurisdictional health departments is reviewed by the ECY. Certain storage, collection, and transportation standards apply to solid wastes temporarily stored at solid waste handling facilities, and jurisdictional health departments inspect permitted facilities at least once per year.

Solid waste rules adopted by the ECY treat industrial wastes as a type of solid waste, although certain materials are explicitly excluded from coverage under state solid waste laws, such as hazardous wastes subject to other state regulation, timber harvest residues, and mined rock materials being returned into a mine. Inert wastes, including glass and stainless steel, and solid wastes that are being recycled are exempt from the requirement to obtain a solid waste handling permit, so long as certain other management conditions for the materials are met. The ECY may adopt rules exempting categories of solid waste handling facilities that it determines to present little environmental risk and that meet environmental protection and performance standards that are required of other solid waste facilities. State solid waste management laws also establish a process by which an applicant can apply to the ECY for a beneficial use determination related to a material that

would otherwise be subject to solid waste regulations. If the ECY makes a beneficial use determination for a material for a particular use, that material does not need to be managed under a solid waste permit. However, the person responsible for the material must continue to manage the solid waste consistent with conditions attached by the ECY to the beneficial use determination.

Steel is manufactured from raw materials including iron ore and coke, which is a product formed from the carbonization of coal at high temperatures in an oxygen-deficient environment. By contrast, steel produced from scrap metals typically uses an electric arc process, where batches of scrap steel, iron, and other metal materials are rendered molten through the application of electric current between electrodes in a furnace, often supplemented by inputs of natural gas and oxygen. The resultant molten steel is then further refined through the addition of alloys, casted, and then finished. During the electric arc steelmaking processes, slag is the product of the oxidation of molten metallic compounds, such as calcium, iron, silicon, and manganese that are not incorporated into the steel product, as well as sulfur and phosphorus. Slag from steel production is sometimes used in various commercial applications, including in the manufacture of cement, concrete, glass, and other construction materials.

**Summary:** Steel slag that is a primary product from electric arc steelmaking processes is not required to be managed under state solid waste management requirements, so long as the steel slag is produced to specification, managed as having commercial value, and is placed in commerce for public consumption. Steel slag that is placed in the solid waste stream, abandoned, or discarded is not exempt from solid waste management requirements.

**Votes on Final Passage:**

House	96	0
Senate	47	0

**Effective:** June 9, 2016

**HB 2403**

C 70 L 16

Concerning Down syndrome resources.

By Representatives Kochmar, Senn, Griffey, Appleton, Walsh, Wylie, Scott, Ryu, McCabe, Stambaugh, Short, Magendanz, Caldier, Hickel, Wilson, Zeiger, Muri, Kilduff and McBride.

House Committee on Health Care & Wellness  
Senate Committee on Health Care

**Background:** Down syndrome is a lifelong condition caused during cell division when the presence of an extra copy of chromosome 21 develops. According to the United States Centers for Disease Control and Prevention, approximately 6,000 babies are born in the United States

each year with Down syndrome. It is the most common chromosomal condition diagnosed in the United States.

While every person with Down syndrome has different abilities, people with Down syndrome may have physical and intellectual challenges, such as hearing loss, obstructive sleep apnea, ear infections, eye diseases, or heart defects. Early treatment including speech therapy, physical therapy, occupational therapy, or educational therapy may help persons with Down syndrome improve their skills.

Down syndrome may be detected during pregnancy through either a screening test or a diagnostic test. The screening test involves a combination of a blood test and an ultrasound. Diagnostic tests are usually performed after a positive screening test and involves an examination of material from either the placenta, amniotic fluid, or the umbilical cord.

**Summary:** The Department of Health (Department) must develop resources related to Down syndrome to be made available for distribution to expectant parents who receive a positive prenatal diagnosis of Down syndrome and parents who receive a postnatal diagnosis of Down syndrome. The resources must provide up-to-date, evidence-based, written information about Down syndrome and people with Down syndrome that has been reviewed by medical experts and Down syndrome associations. The resources must present contact information for support services, including information hotlines, clearinghouses, and national and local organizations. The resources must also be culturally and linguistically appropriate. The resources must address physical, developmental, educational, and psychosocial outcomes; life expectancy; clinical course; and intellectual and functional development and therapy options.

The Department must distribute the resources to specified health care providers and facilities to give to expecting parents and parents with a prenatal or postnatal diagnosis of Down syndrome. The health care providers and facilities include midwives, osteopathic physicians, osteopathic physician's assistants, physicians, physician assistants, nurses, genetic counselors, hospitals, and birthing centers.

**Votes on Final Passage:**

House	97	1
Senate	47	0

**Effective:** June 9, 2016

**SHB 2405**

C 93 L 16

Concerning the role of parties in cases related to certain notices and records.

By House Committee on Judiciary (originally sponsored by Representatives Muri, Kilduff and Jinkins).

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** Court Notification of a Conviction or Commitment Resulting in Loss of Firearms Rights. Certain persons are prohibited from possessing firearms, including persons who have been convicted of felony crimes or certain misdemeanor crimes of domestic violence, and persons who have been involuntarily committed for mental health treatment under the civil or forensic mental health laws. At the time a person is convicted of a crime or involuntarily committed, and the conviction or commitment results in the loss of firearms rights, the convicting or committing court must forward the person's driver's license or comparable information to the Department of Licensing (DOL) and the National Instant Criminal Background Check System (NICS).

Juvenile Records. Laws governing juvenile records held by juvenile justice or care agencies generally protect the confidentiality of juvenile records. Juvenile justice or care agencies include a broad group of entities that may be involved in juvenile matters, including police, diversion units, courts, prosecuting attorneys and defense attorneys, the Department of Social & Health Services (DSHS), and schools.

Juvenile records are divided into three categories: (1) the official juvenile court file; (2) the social file; and (3) records of any other juvenile justice or care agency in the case. Records in the official juvenile court file are open to public inspection unless they have been sealed. All records other than the official juvenile court file are confidential and may not be released except under some limited exceptions. The "official juvenile court file" is defined as the legal file of the juvenile court containing only the following specific list of records: the petition or information; motions; memorandums; briefs; findings of the court; and court orders. The "social file" is defined as the court file containing the records and reports of the probation counselor.

County Clerks. The County Clerk is an independent elected official that serves as the clerk of the superior court. The clerk has a variety of administrative and financial duties associated with the operation of the courts. Clerk duties include processing and maintaining court records, assisting in court proceedings, collecting and disbursing court fees, fines, and other collections, and issuing court orders and decrees. Some statutes require clerks to issue summons or provide certain notifications with respect to court proceedings.

Certificated School Employees. There are specific notice and hearing procedures that apply when a school board takes action to discharge a certificated employee or takes adverse action affecting the certificated employee's contract status. A certificated employee may appeal a discharge or other adverse action affecting his or her contract status to the superior court. Within 10 days of receipt of

the notice of appeal, the clerk of the court must send a notice of the appeal to the chair of the school board.

Non-Payment of Vehicle-Related Judgments. Under the motor vehicle laws, when a judgment for personal injury or property damage caused by the ownership or use of a motor vehicle remains unpaid after 30 days, the clerk of the court, or the judge of a court that has no clerk, must immediately provide notice to the DOL. The notice must include a certified copy or abstract of the judgment, a certificate of facts relative to the judgment, and if it is a default judgment, a certified copy or abstract of the portion of the record that indicated the manner in which service of summons was effectuated and the measure taken to provide the defendant with notice of the suit.

Dissolution of Certain Districts. There are specific procedures for dissolving certain districts, such as port districts, school districts, water-sewer districts, and fire protection districts. The Board of Commissioners (Board) or other governing body of the district must file a petition with the superior court of the county in which the Board is situated. The court sets a hearing date, and the clerk of the court must give notice of the hearing by publication in a newspaper of general circulation where the district is located and by posting in three public places in the county in which the district is located.

Dependency Petitions. Under child dependency laws, any person or the DSHS may file a petition with the court alleging that a child is dependent due to alleged abuse or neglect. When a dependency petition is filed, the clerk of the court must issue a summons to the child if over age 12 and to the child's parents, guardian, or custodian, requiring them to appear in court for the hearing on the dependency petition.

**Summary:** Court Notification of the Loss of Firearms Rights. In cases where a court must notify the DOL and the NICS of the identifying information of a person who is convicted of a crime or committed for mental health treatment resulting in a loss of firearms rights, the petitioner in the case must provide the court with the required identifying information.

If more than one commitment order is entered under one cause number, only one notification to the DOL and the NICS is required.

Juvenile Court Records. The definition of "official juvenile court file" is broadened to include: notices of hearing or appearance, service documents, witness and exhibit lists, agreements, judgments, decrees, notices of appeal, as well as a variety of documents prepared by the clerk.

County Clerks. Various statutes imposing notice or other duties on the county clerk are amended.

Certificated School Employees. When a certificated employee of a school district files a notice of appeal of a discharge or other adverse action affecting his or her contract status, the certificated employee, rather than the clerk of the court, must notify the chair of the school board of the appeal.

## SHB 2410

*Non-Payment of Vehicle-Related Judgments.* When a judgment for personal injury or property damage caused by the ownership or use of a motor vehicle remains unpaid after 30 days, the judgment debtor, rather than the clerk or judge of the court, must immediately provide notice of the nonpayment to the DOL.

*Dissolution of Certain Districts.* The Board or other governing body of the district, rather than the clerk of the court, must provide notice by publication of the hearing to dissolve the district.

*Dependency Petitions.* The petitioner, rather than the clerk of the court, must issue the required summons when filing a petition alleging that a child is dependent due to abuse or neglect.

### Votes on Final Passage:

House	94	2
Senate	47	0

**Effective:** June 9, 2016

## SHB 2410

C 94 L 16

Requiring information about certain criminal defendants be included in the felony firearm offense conviction database.

By House Committee on Judiciary (originally sponsored by Representatives Hayes, Orwall, Klippert, Goodman, Griffey, Fitzgibbon, Magendanz, Muri and Ormsby).

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** Felony firearm offenders are persons who have been convicted or found not guilty by reason of insanity (NGRI) in this state of certain felony firearm offenses. Upon entering a conviction or finding of NGRI of a felony firearm offense, the court must consider whether to impose a requirement that the person register as a felony firearm offender. In exercising its discretion, the court must consider relevant factors including the person's criminal history, whether or not the person has been previously found NGRI of any offense in any state, and any evidence of the person's propensity for violence that would likely endanger others.

The Washington State Patrol (WSP) must maintain a database of felony firearm offenders. The database is only for law enforcement purposes and is not subject to public disclosure. A person required to register must do so in person with the county sheriff and must renew registration annually. The duty to register continues for four years. Upon expiration of the person's duty to register, the WSP must automatically remove the person's name and information from the registry. A person who has a duty to register and knowingly fails to comply with any of the registration requirements is guilty of a gross misdemeanor.

**Summary:** In every case in which a defendant is convicted or found NGRI of a felony firearm offense that was committed in conjunction with a crime involving sexual motivation, a crime against a child under the age of 18, or a serious violent offense, the court must, rather than may, require the person to register as a felony firearm offender.

### Votes on Final Passage:

House	94	3
Senate	46	1

**Effective:** June 9, 2016

## SHB 2413

C 20 L 16

Concerning aircraft registration simplification and fairness.

By House Committee on Transportation (originally sponsored by Representatives Dent, Tarleton, Dye, Gregerson, Griffey, Hargrove, Klippert, Pike, Muri, Condotta and McBride).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** The Washington State Department of Transportation (DOT) Aviation is responsible for registering aircraft in the Washington. Every aircraft must be registered with the DOT each calendar year in which the aircraft is operated or based within Washington. The registration is based on a calendar year and is collected during the month of January. The registration fee is \$15. An excise tax is also imposed on each aircraft; it is collected annually or on a staggered collection schedule. The excise tax is based on the type of aircraft and whether it is operated privately or by a commuter air carrier.

Failure to register an aircraft as required is subject to the following penalties: (1) if the registration is 60 to 119 days past due, the penalty is \$100; (2) if the registration is 120 days to 180 days past due, the penalty is \$200; and (3) if the registration is over 180 days past due, the penalty is \$400.

The revenue from the registration fees, excise tax, and penalties are deposited into the Aeronautics Account.

If the DOT is satisfied the requirements for the registration of the aircraft have been met, then a certificate of registration is issued.

There are aircraft that are exempt from registration: government aircraft; foreign aircraft; non-resident owned aircraft; and large private airplanes here for repair, alteration, reconstruction, or storage for more than a year.

A municipality or port district that owns, operates, or leases an airport with the intent to operate, must require from an aircraft owner proof of aircraft registration as a condition of leasing or selling tie-down or hangar space for an aircraft.

**Summary:** The existing tiered penalty structure is removed and replaced with one penalty of \$100 if the aircraft registration is 60 days or more past due. A schedule is implemented for providing proof of registration to a municipality or port district that owns, operates or leases an airport. The schedule is:

- For the purchase of tie-down or hangar space, the airport must allow 30 days from the date of the application for purchase to produce proof of the aircraft registration.
- For the lease of tie-down or hangar space that extends 30 days or more, the airport must allow the lessee 30 days to produce proof of the aircraft registration from the date of the application for lease of tie-down or hangar space.
- For the lease of tie-down or hangar space that extends less than 30 days, the airport must allow the lessee to produce proof of aircraft registration at any point prior to the final day of the lease.

**Votes on Final Passage:**

House	98	0
Senate	45	1

**Effective:** June 9, 2016  
 July 1, 2016 (Section 3)  
 July 1, 2021 (Section 4)

## SHB 2425

C 41 L 16

Concerning massage therapists.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Kuderer, Schmick, S. Hunt, Chandler, Goodman, Rodne, Kilduff, Manweller and Jinkins).

House Committee on Health Care & Wellness  
 Senate Committee on Health Care

**Background:** Massage therapy is a health care service involving the external manipulation or pressure of soft tissue for therapeutic purposes. Massage practitioners are individuals licensed to practice massage therapy. Animal massage practitioners are individuals licensed to practice massage therapy with additional training in animal therapy.

The Department of Health (DOH) issues licenses to practice massage therapy and endorsements for animal massage therapy.

**Summary:** The terms "massage practitioner" and "animal massage practitioner" are changed to "massage therapist" and "animal massage therapist," respectively.

Beginning July 1, 2017, the DOH must issue new licenses and renewals as they become due using the term "massage therapist." Any licenses becoming due after

July 1, 2017, remain valid with the term "massage practitioner" until the licenses become due.

**Votes on Final Passage:**

House	95	3
Senate	46	0

**Effective:** July 1, 2017

## SHB 2427

C 95 L 16

Concerning local government modernization.

By House Committee on Local Government (originally sponsored by Representatives Springer, Stokesbary, Fitzgibbon, Muri, Appleton and Kilduff).

House Committee on Local Government  
 Senate Committee on Government Operations & Security

**Background:** Electronic Signatures and Records – State Agencies. State agencies may accept electronic signatures with the same force and effect as that of a signature affixed by hand, unless specifically provided otherwise by law or agency rule. Each state agency may determine whether and to what extent it will create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures. A state agency is not required to send or accept electronic records or electronic signatures for an agency transaction.

The Chief Information Officer (CIO) within the Office of Financial Management (OFM) must establish policies, standards, or guidelines for electronic submission and receipt of electronic records and signatures, and the CIO should encourage and promote consistency and interoperability among state agencies. The CIO is required to establish a website that maintains or links to an agency's rules and policies for electronic records and signatures.

"Electronic signature" is defined as an electronic sound, symbol, or process attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record. "Record" is defined as information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

County Hospitals. The legislative authority of any county may establish, provide, and maintain county hospitals. The board of trustees of a county hospital may enter into a contract with the board of regents of a state university to provide hospital services under the direction of a hospital administrator, render medical services in connection with the hospital, and conduct teaching and research activities by the university in connection with the hospital. There are two state universities authorized to teach medicine as a major line and to maintain a school of medicine: the University of Washington; and Washington State University.



Every county maintaining a county hospital must establish a county hospital fund into which unrestricted moneys for hospital services must be deposited. The county may maintain other funds for restricted moneys. Obligations of the hospital must be paid by the county treasurer from the funds established for the hospital. The county treasurer must provide a monthly report to the county legislative authority of receipts, disbursements, and the fund balance for the county hospital funds.

County Purchases and Public Works – Advertisement and Competitive Bidding. In general, county contracts for the purchase of materials, equipment, or supplies or for public works must be awarded through advertisement and formal sealed bidding. Advertisement and formal sealed bidding may be dispensed with:

- for purchases of less than \$5,000, if the county legislative authority by order dispenses with advertisement and formal sealed bidding;
- for purchases between \$5,000 and \$25,000, if the county legislative authority uses a certain uniform process to award contracts; and
- for public works involving less than \$40,000, if the county legislative authority by order has dispensed with advertisement and competitive bidding.

For purchases and public works subject to advertisement and competitive bidding, bids must be in writing and filed with the clerk of the county legislative authority.

Counties With a Population of 400,000 or More – Contracts for Purchases and Public Works. In counties with a population of 400,000 or more that have established a county purchasing department, the purchasing department must enter into leases of personal property, purchase all supplies, material, and equipment, and contract for all public works on a competitive basis for all departments of the county, except for purchases paid through the county road fund or equipment rental and revolving fund.

Advertisements must be published in the official county newspaper, and also under certain conditions, a legal newspaper of general circulation in the part of the county where the work will be conducted.

Public Transit Systems – Fare Payment Monitor. Metropolitan municipal corporations and city-owned transit systems may designate persons to monitor fare payment who are equivalent to and authorized to exercise all powers of civil infraction enforcement officers. A metropolitan municipal corporation and a city-owned transit system may employ personnel to monitor fare payment, contract for services to monitor fare payment, or both.

Persons designated to monitor fare payment may:

- request proof of payment from passengers;
- request personal identification from a passenger who does not produce proof of payment when requested;
- issue a citation that conforms to certain requirements (e.g., states that a specific civil infraction has been committed by the named person, states that a civil

infraction is a noncriminal offense, and provides options for responding to the notice and necessary process for exercising those options); and

- request that a passenger leave the bus or other mode of public transportation when the passenger does not produce proof of payment.

Metropolitan municipal corporations and city-owned transit systems must keep records of citations.

Metropolitan municipal corporations are municipal corporations containing two or more cities, at least one of which has a population of 10,000 or more, that are organized to perform specific functions, such as provide metropolitan public transportation.

Public Transportation Benefit Area. A public transportation benefit area (PTBA) is a special purpose district authorized to provide public transportation service within all or a portion of a county or counties. In general, "public transportation service" means the transportation of packages, passengers, and their incidental baggage by means other than by chartered bus or sight-seeing bus, together with the terminals and parking facilities necessary for passenger and vehicular access to and from such systems. It also means passenger-only ferry service for those PTBAs eligible to provide passenger-only ferry service. A PTBA may collect fares for service and, with the approval of the majority of voters within the area, impose sales and use tax.

A PTBA is created, or its boundaries modified, through a conference process attended by: (1) elected representatives selected by the legislative body of each city within the county; and (2) the county legislative authority or authorities. Before convening a public hearing on the creation or modification of a PTBA, the county governing body must delineate the proposed boundaries of the PTBA and provide a copy of this delineation to each city within those boundaries. Each city must then advise the county governing body, on a preliminary basis, whether it desires to be included or excluded from the PTBA. The county governing body must then revise the boundaries to reflect the wishes of each city. The revised delineation must be considered by the conference at the public hearing on the creation or modification of the PTBA.

Summary: Electronic Signatures and Records – Local Agencies. In the same manner as state agencies, local agencies, which include counties, cities, towns, and special purpose districts, may accept electronic signatures with the same force and effect as that of a signature affixed by hand, unless specifically provided otherwise by law or rule. Each local agency may determine whether and to what extent it will create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures. Local agencies are not required to send or accept electronic records or electronic signatures for an agency transaction.

Local agencies electing to send and accept electronic records and signatures must establish policies, standards,

or guidelines for submission and receipt of electronic records and signatures. The local agency must take into account reasonable access by and the ability of persons to: (1) participate in governmental affairs or transactions; and (2) rely on transactions conducted electronically with agencies.

County Hospitals. If a contract has been executed between a county hospital and the board of regents of a state university to provide hospital services and provide for teaching and research activities by the university, the hospital administrator may issue warrants when authorized by the county legislative authority and the county treasurer.

County Purchases and Public Works – Advertisement and Bids. Bids for all county purchases that must be made through advertisement and formal sealed bidding, and for purchases or public works contracts in counties that have established a county purchasing department, are authorized to be made in hard copy or electronic form, as specified by the county.

County Purchases – Thresholds. The thresholds that govern when advertisement and formal sealed bidding may be dispensed with for the purchase of materials, equipment, or supplies by counties are increased. Advertisement and formal sealed bidding may be dispensed with:

- for purchases of less than \$10,000 (increased from \$5,000), if the county legislative authority by order dispenses with advertisement and formal sealed bidding; and
- for purchases between \$10,000 and \$50,000 (increased from between \$5,000 and \$25,000), if the county legislative authority uses a certain uniform process to award contracts.

Public Transit Systems – Fare Payment Monitor. Provisions governing fare payment monitors employed or contracted by a metropolitan municipal corporation or city-owned transit system are modified. Persons designated to monitor fare payment by a municipal corporation or a city-owned transit system may issue a citation for a civil infraction established in statute for: (1) failing to pay the required fare; (2) failing to produce proof of payment; or (3) failing to depart the bus or other mode of public transportation when requested to do so by the fare payment monitor. Additionally, the form for the notice of civil infraction must be approved by the Administrative Office of the Courts.

Public Transportation Benefit Area. In advising a county legislative authority, on a preliminary basis, whether it desires to be included or excluded from a PTBA that is proposed to be created or to have its boundaries modified, a city must advise the county by means of an ordinance adopted by the legislative body of the city.

**Votes on Final Passage:**

House	95	2	
Senate	45	3	(Senate amended)

House 96 1 (House concurred)

**Effective:** June 9, 2016

**HB 2432**

C 42 L 16

Concerning substance abuse monitoring for licensed veterinarians, osteopathic physicians and surgeons, and osteopathic physician assistants.

By Representatives Riccelli, Harris, Cody, Caldier and Tarleton.

House Committee on Health Care & Wellness  
House Committee on Appropriations  
Senate Committee on Health Care

**Background:** A disciplining authority may refer a licensee to a substance abuse monitoring program in lieu of formal discipline if the disciplining authority determines that unprofessional conduct is the product of substance abuse. The licensee must consent to the referral. The referral may include probationary conditions. If the licensee does not consent to the referral or fails to meet the requirements of the program, the disciplining authority may take formal disciplinary action against the licensee.

The disciplining authorities for some health professions are directed by statute to enter into a contract with a voluntary substance abuse monitoring program. For example, the Veterinary Board of Governors must enter into a contract with an entity that may include any or all of the following:

- contracting with providers of treatment programs;
- receiving and evaluating reports of impairment;
- intervening where there is verified impairment;
- referring impaired veterinarians to treatment programs;
- monitoring the treatment and rehabilitation of impaired veterinarians; and
- providing education, prevention of impairment, post-treatment monitoring, and support to impaired veterinarians.

The disciplining authorities for other health professions establish their programs through administrative rule. For example, the Board of Osteopathic Medicine and Surgery (BOMS) adopted a rule that requires the BOMS to enter into a contract with an approved substance abuse monitoring program. The BOMS rule imposes requirements on the program, including requiring the program to:

- have the qualifications and knowledge of both substance abuse and the practice of osteopathic medicine;
- maintain records on participants;
- make recommendations to the BOMS on whether an osteopathic practitioner should be prohibited from

practicing and any restrictions on the practitioner's access to controlled substances; and

- report osteopathic practitioners who fail to comply with the program's requirements to the BOMS.

The costs of treatment are the responsibility of the participating licensee. The disciplining authorities for prescribers impose a surcharge on licensees to pay for staff at the monitoring program, who act as case managers and provide information to licensees on treatment options. The surcharge for veterinarians is \$10. The surcharge for osteopathic physicians and osteopathic physician assistants is \$25.

**Summary:** The requirement for the BOMS to contract with a substance abuse monitoring program is placed in statute. The BOMS must enter into a contract with an entity that may include any or all of the following:

- contracting with providers of treatment programs;
- receiving and evaluating reports of impairment;
- intervening where there is verified impairment;
- referring impaired osteopathic practitioners to treatment programs;
- monitoring the treatment and rehabilitation of impaired osteopathic practitioners; and
- providing education, prevention of impairment, post-treatment monitoring, and support to impaired osteopathic practitioners.

The surcharge imposed on certain practitioners is increased as follows:

- For veterinarians, the surcharge is increased to \$25.
- For osteopathic physicians and osteopathic physician assistants, the surcharge is increased to \$50.

**Votes on Final Passage:**

House	94	2
Senate	46	2

**Effective:** June 9, 2016

**ESHB 2433**

C 127 L 16

Concerning certified public accountant firm mobility.

By House Committee on Business & Financial Services (originally sponsored by Representatives Vick, Kirby and Goodman).

House Committee on Business & Financial Services  
Senate Committee on Commerce & Labor

**Background:** The Public Accountancy Act (Act) governs the practice of accounting in Washington. Under the Act, both accountants and accounting firms must be licensed to hold themselves out as certified public accountants (CPAs). The Board of Accountancy (Board) issues licenses, adopts rules, conducts investigations, and otherwise administers the Act.

Certified Public Accountants and CPA firms perform various services that, depending on the service, must meet certain professional standards. Among those services are attest services. "Attest" is defined as providing the following financial statement services:

- any audit or other engagement to be performed in accordance with the Statements on Auditing Standards;
- any review of a financial statement to be provided in accordance with the Statements on Standards for Accounting and Review Services;
- any examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements; and
- any engagement to be performed in accordance with the Public Company Accounting Oversight Board Auditing Standards.

The Board conducts a quality assurance review (QAR) program to review the work of licensees and out-of-state CPAs with practice privileges in Washington.

Board Licensure of Certified Public Accountancy Firms. Certified public accountant firms must meet the following requirements for licensure by the Board:

- At least a simple majority of the ownership of the CPA firm in terms of financial interests and voting rights of all partners or owners must hold a CPA license and be principally employed by the CPA firm or be actively engaged in its business.
- The principal partner, officer, member, or manager of the partnership, corporation, or limited liability company who has authority over issuing reports must hold a CPA license.
- The CPA firm must meet the Board's QAR program requirements.
- The CPA firm must meet the Board's competency requirements.

*In-State CPA Firms.* The following CPA firms must hold a CPA firm license issued by the Board:

- any firm with an office in Washington performing attest or compilation services; and
- any firm with an office in Washington that uses the title "CPA" or "CPA firm."

*Out-of-state CPA Firms.* Any CPA firm that does not have an office in Washington but performs certain attest services for a client having its home office in Washington must hold a CPA firm license issued by the Board. The following are the attest services triggering the licensure requirement for out-of-state CPA firms:

- any audit or other engagement to be performed in accordance with the Statements on Auditing Standards;
- any examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements; and

- any engagement to be performed in accordance with the Public Company Accounting Oversight Board Auditing Standards.

However, certain other services may be performed in Washington by an out-of-state CPA firm without a CPA firm license issued by the Board. Specifically, out-of-state CPA firms may perform compilations as well as reviews of financial statements to be performed in accordance with the Statements on Auditing Standards without licensure by the Board. When performing these services, the out-of-state CPA firm must meet QAR program requirements, the services must be provided by an individual CPA with practice privileges in Washington, and the Board has jurisdiction over the out-of-state firm.

Reports Prepared by Certified Public Accountants.

"Reports on financial statements" is defined as any reports or opinions prepared by licensees or persons holding practice privileges under substantial equivalency, based on services performed in accordance with Generally Accepted Auditing Standards, Standards for Attestation Engagements, or Standards for Accounting and Review Services as to whether the presentation of information used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private, or governmental, conforms with generally accepted accounting principles or another comprehensive basis of accounting.

Non-Certified Public Accountant Owners of Licensed Certified Public Accountancy Firms.

A person who is not a licensed CPA but who is an owner of a CPA firm must:

- comply with the Act and Board rules;
- be an individual;
- be an active individual participant in the licensed CPA firm or affiliated entities; and
- be subject to discipline by the Board.

Additionally, resident non-CPA owners of licensed CPA firms must meet the ethics examination, registration, fee requirements, and the ethics Continuing Professional Education requirements established by the Board.

Services Not Requiring Licensure. A person or firm composed of people not holding a CPA license is not prohibited from offering or rendering to the public bookkeeping, accounting, tax services, consulting services, the preparation of financial statements, written statements describing how financial statements were prepared, or similar services. However, the person or firm offering such services may not designate any written statement as an audit report, review report, or compilation report; issue any written statement that purports to express or disclaim an opinion on audited financial statements; or issue any written statement that expresses assurance on reviewed financial statements.

**Summary:** Board Licensure of Certified Public Accountancy Firms. *Out-of-state CPA Firms.* An out-of-state

CPA firm may perform attest services in Washington without a CPA firm license issued by the Board if:

- at least a simple majority of the ownership of the CPA firm in terms of financial interests and voting rights of all partners or owners hold a CPA license and are principally employed by the CPA firm or are actively engaged in its business;
- the principal partner, officer, member, or manager of the partnership, corporation, or LLC who has authority over issuing reports holds a CPA license;
- the out-of-state CPA firm meets the Board's QAR program requirements;
- the out-of-state CPA firm performs the attest services through an individual with a CPA license from a state that imposes standards substantially equivalent to Washington; and
- the individual CPAs with practice privileges may lawfully perform the attest services from the state in which they have their principal place of business.

The requirement that an out-of-state CPA firm performing only compilation services in Washington must comply with the Board's QAR program is eliminated.

As a condition of granting an out-of-state CPA firm practice privileges in Washington and not requiring licensure by the Board, the out-of-state CPA firm consents to the personal and subject matter jurisdiction and disciplinary authority of the Board, must comply with the Act and Board rules, and must appoint its home-state licensing board as its agent upon which process may be served in any action or proceeding by the Board against it.

Reports Prepared by Certified Public Accountants.

The use of the defined term "reports on financial statements" is replaced by "report." A "report," when used with reference to any attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of the attested information or compiled financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in the practice of public accounting. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is involved in the practice of public accounting, or from the language of the report itself. "Report" includes any form of language that disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to or special competence on the part of the person or firm issuing such language; and it includes any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence.

## E2SHB 2439

Non-Certified Public Accountant Owners of Licensed Certified Public Accountancy Firms. Non-CPA owners of licensed CPA firms must also be of good character.

Services Not Requiring Licensure. A person or firm composed of people not holding a CPA license is not prohibited from offering or rendering to the public bookkeeping, accounting, tax services, consulting services, or similar services, so long as such non-CPAs do not designate any written statement as a report or use any language in any statement relating to the financial affairs of a person or entity that is conventionally used by CPAs in reports or any attest services as defined in the Act. Likewise, a person or firm composed of people not holding a CPA license is not prohibited from offering or rendering to the public the services of preparation of financial statements, or written statements describing how financial statements were prepared, so long as such non-CPAs do not designate any written statement as a report, issue any written statement that purports to express or disclaim an opinion on financial statements that have been audited, or issue any written statement that expresses assurance on reviewed financial statements. The Board may prescribe, by rule, language for the written statement describing how such financial statements were prepared, for use by non-CPAs offering such services.

### **Votes on Final Passage:**

House	96	0
Senate	46	0

**Effective:** June 9, 2016

## E2SHB 2439

C 96 L 16

Increasing access to adequate and appropriate mental health services for children and youth.

By House Committee on Appropriations (originally sponsored by Representatives Kagi, Walsh, Senn, Johnson, Orwall, Dent, McBride, Reykdal, Jinkins, Tharinger, Fey, Tarleton, Stanford, Springer, Frame, Kilduff, Sells, Bergquist and Goodman).

House Committee on Early Learning & Human Services  
House Committee on Appropriations  
Senate Committee on Human Services, Mental Health & Housing

**Background:** Children's Mental Health Services. *Regional Support Networks and Behavioral Health Organizations.* The Department of Social and Health Services (Department) contracts with regional support networks (RSNs) to oversee the delivery of mental health services for adults and children who suffer from mental illness or severe emotional disturbance. An RSN may be a county, group of counties, or a nonprofit or for-profit entity. Regional Support Networks are required to provide:

- crisis and involuntary treatment services for all residents in the region;
- medically necessary community-based mental health treatment services covered under the state Medicaid plan for all Medicaid-eligible clients who meet access-to-care standards; and
- limited other services for individuals not covered under the Medicaid program.

The Department's access-to-care standards provide RSNs and Behavioral Health Organizations (BHOs) and their contracted community mental health agencies with guidelines to determine eligibility for authorization of mental health services for individuals served through Washington's public mental health system. During the 2015 fiscal year, the Department provided mental health services to approximately 48,000 children through contracts with 11 RSNs.

*Medicaid.* The Health Care Authority (Authority) administers the Medicaid program, which is a state-federal program that pays for health care for low-income state residents who meet certain eligibility criteria. In Washington, Medicaid is called Apple Health. Apple Health for Kids is free for all children in families below 210 percent of the federal poverty level and families above that level may be eligible for the same coverage at a low cost. The Authority is responsible for providing medically necessary, community-based mental health treatment services, covered under the state Medicaid plan for all Medicaid-eligible clients who do not meet access-to-care standards.

*Managed Care.* Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services. Healthy Options is the Authority's Medicaid managed care program.

*Mental Health Services Available in Schools.* Schools must respond to a broad range of behavioral and emotional needs that compromise students' and schools' successes. For example:

- School counselors, social workers, psychologists, and nurses must complete a training in youth suicide screening and referral as a condition of certification.
- Each Educational Service District (ESD) must develop and maintain the capacity to offer training on youth suicide screening and referral, and on recognition, initial screening, and response to emotional or behavioral distress in students.
- School districts must adopt a plan for recognition, initial screening, and response to emotional or behavioral distress in students, and provide the plan to all staff annually.

Network Adequacy and Access to Services. Federal regulations require states to have a written strategy for assessing and improving the quality of health care services offered by managed care organizations (MCOs), which must include standards for access to care. These standards

are intended to ensure that each MCO maintains a network of providers that is sufficient to provide adequate access to Medicaid services covered under the contract between the state and the MCO. The regulations require that each MCO provide timely access to care and services. Federal regulations also require states to ensure that external quality reviews are conducted annually to evaluate the quality of, timeliness of, and access to care furnished by MCOs to enrollees.

**Summary:** Children's Mental Health Services. *Children's Mental Health Work Group*. The Children's Mental Health Work Group (Work Group) is established to identify barriers to access of mental health services for children and families, and to advise the Legislature on statewide mental health services for this population with a particular focus on children ages birth to 5. The Work Group is comprised of representatives from state and tribal governments, agencies, and nonprofit and for-profit entities. By December 1, 2016, the Work Group must submit a report to the Legislature that includes recommendations and an analysis on specified issue areas for the purposes of addressing the barriers that exist in receiving children's mental health services.

*Mental Health Services Available in Schools*. The Joint Legislative Audit and Review Committee (JLARC) must conduct an inventory of the mental health service models available to students through schools, districts, and the ESDs, and report its findings to the Legislature by October 31, 2016. The JLARC must perform the inventory using data that are already collected by schools, school districts, and the ESDs. The JLARC may not collect or review student-level data and may not include student-level data in the report.

Forefront at the University of Washington must convene a one-day, in-person training for student support staff from the ESDs in order to increase their capacity to assist schools in responding to concerns about suicide. Additionally, Forefront is required to provide supports to the ESDs on a monthly basis via videoconferencing and to assess the feasibility of developing a multiyear, statewide rollout of a comprehensive school suicide prevention model implemented with the support of public-private partnerships. Forefront must report its recommendations to the Legislature by December 15, 2017.

Review of Network Adequacy and Access to Services. Beginning December 1, 2017, the Authority and the Department must report annually to the Legislature on the status of access to behavioral health services for children and youth. The annual report must include specified data components broken down by age, gender, and race and ethnicity.

**Votes on Final Passage:**

House	77	20	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	47	1	(Senate receded/amended)

House 86 11 (House concurred)

**Effective:** June 9, 2016

**SHB 2440**

C 106 L 16

Concerning host home programs for youth.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Kagi, Smith, McBride, Hargrove, McCaslin, Dent, Clibborn, Walsh, Walkinshaw, Scott, Sawyer, Ortiz-Self, Calder, Hudgins, Senn, Robinson, Ormsby, Cody, Jinkins, Fey, Zeiger, Frame, Kilduff, Bergquist and Goodman).

House Committee on Early Learning & Human Services  
Senate Committee on Human Services, Mental Health & Housing

**Background:** Foster Care Licensing. Any person, group, or facility that receives children for control, care, or maintenance outside their own homes or that places, arranges the placement of, or assists in the placement of children must have a license with the Division of Licensed Resources (DLR), a division within the Department of Social and Health Services (DSHS) Children's Administration. There are exceptions to this licensing requirement including:

- certain relatives;
- adoptive parents and guardians;
- situations where parents agree to out-of-home placement and the placement is not receiving state payment for the placement;
- exchange students;
- children entering the country with visas meeting the criteria for medical care;
- certain schools;
- certain hospitals;
- licensed physicians or lawyers;
- certain training centers for individuals with developmental disabilities;
- certain agencies in operation prior to 1957 not receiving governmental assistance;
- certain persons approved for placement by a court;
- certain agencies operated by governmental entities or Indian tribes;
- certain security programs for juvenile offenders; and
- agencies located on a federal military reservation.

In addition to applying for a foster license through the DLR, an individual may apply for a foster license through a Child Placing Agency (CPA) that has been licensed by the DLR to supervise foster homes. These CPAs may certify to the DLR that an individual meets the licensing requirements. The DLR has the final approval for licensing an individual who is certified by a CPA.

To be considered for a foster care license, an applicant must:

- be at least 21 years of age;
- have sufficient income to support themselves without relying on foster care payment;
- discipline children in a positive manner without the use of physical punishment;
- provide supervision appropriate to the age or specific behavior of the child as outlined by the social worker; and
- complete first aid/CPR training, blood-borne pathogens training, licensing orientation, and preservice training.

Any adult living in a potential foster home must:

- complete a criminal background check with the Federal Bureau of Investigation and Washington State Patrol (WSP);
- complete a child abuse and neglect registry check from each state they lived in over the past five years; and
- submit tuberculosis tests dated within the last year.

Youth ages 16 to 18 years old in the household must complete a WSP check. A DLR licensor will also assess an applicant's ability to provide a safe home and to provide the quality of care needed by children placed in the home.

All licensed family foster homes are required to complete the following ongoing training:

- 36 hours during their first three-year licensing period;
- 30 hours during their second three-year licensing period; and
- 24 hours during all subsequent three-year licensing periods.

**Host Homes.** Host home programs recruit and train families to provide temporary homes to youth or families in crisis. These host homes and host home programs have not been licensed by the DLR. Host home programs for youth in Washington include Ryan's House for Youth, Olive Crest, the Mason County HOST Program, and Tacoma Shared Housing Services.

**Summary:** Host home programs are exempt from licensing that:

- do not serve children in the care and custody of the DSHS;
- are operated by a tax-exempt organization that recruits and screens potential host homes;
- perform background checks on individuals over age 18 residing in the homes through the WSP or equivalent law enforcement agency, and perform physical inspections of the homes;
- screen and provide case management services to youth in the program;
- obtain written and notarized permission or limited power of attorney from the parent or legal guardian of

the youth authorizing the youth to participate in the program;

- provide mandatory reporter and confidentiality training to host home program staff;
- obtain insurance for the program; and
- register with the Secretary of State.

Host home programs may not receive over \$100,000 in public funding. If a host home program receives public funding, that program must report certain information to the Department of Commerce. Individual host homes may not receive any public funding.

By July 1, 2017, the Department of Commerce must provide a report to the Governor and the Legislature that includes recommendations and best practices for host home programs.

**Votes on Final Passage:**

House	95	1	
Senate	47	0	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate receded/amended)
House	98	0	(House concurred)

**Effective:** June 9, 2016

**SHB 2443**

C 167 L 16

Concerning the compliance of certain conversion vending units and medical units with certain department of labor and industries requirements.

By House Committee on Labor & Workplace Standards (originally sponsored by Representatives Sells and Kilduff; by request of Department of Labor & Industries).

House Committee on Labor & Workplace Standards  
Senate Committee on Commerce & Labor

**Background:** The Department of Labor and Industries (Department) regulates factory assembled structures, including manufactured and mobile homes, conversion vendor units, and medical units. A "conversion vendor unit" is a motor or recreational vehicle that is either converted or built for commercial sales at temporary locations, such as a food truck. A "medical unit" is a self-propelled unit used for medical and dental services. Emergency response vehicles are not included.

The Department must adopt rules for conversion vendor and medical units to protect occupants from fire, address underlying safety issues, and ensure the unit will support a concentrated load of 500 pounds or more. Under the Department's review process, the Department approves plans for each conversion vending or medical unit and inspects the units. An approved unit receives an insignia indicating approval.

Conversion vending and medical units manufactured and used outside Washington for six months or more are generally not required to meet Washington's standards.

**Summary:** The exemption from standards for conversion vendor and medical units manufactured out of state is deleted.

Plan approval is required only for certain types of conversion vending units. The requirements apply to units that have concentrated loads exceeding 500 pounds or contain any of the following components:

- fuel gas piping systems;
- solid fuel burning equipment;
- fire suppression systems;
- commercial hoods;
- electrical systems and equipment in excess of 30A/120V;
- electrical systems with more than five circuits or which incorporate photovoltaic cells, fuel cell energy, or other alternative energy systems; or
- plumbing drainage systems for solid or bodily waste.

Out-of-state conversion vending units are not required to undergo plan review if they were inspected and approved by another jurisdiction as meeting a common standard or standards substantially equivalent to Washington's standards. An insignia or certified inspection record is evidence of approval.

Professional engineer or architect approval is only required for conversion vending units with concentrated loads exceeding 500 pounds.

The Department may, by rule, exempt units with any of the listed components from plan review. The Department must establish and consult with an advisory committee to identify any conversion vending units to exempt. Committee membership consists of:

- one representative from:
  - the Factory Assembled Structures Advisory Board;
  - the state fire marshal;
  - local building officials;
  - restaurants; and
  - cities;
- at least one but not more than two representatives from:
  - food truck vendors; and
  - manufacturers of conversion vending units; and
- at least one nonvoting representative from:
  - local public health officials; and
  - county fairs.

The committee may also recommend statutory changes. The committee must report any recommended statutory changes to the Legislature by September 30, 2017.

**Votes on Final Passage:**

House 97 1

Senate 48 0

**Effective:** June 9, 2016

**HB 2444**

C 168 L 16

Eliminating the reference to the standard industrial classification system in the worker and community right to know fund.

By Representatives Manweller, Sells and Kilduff; by request of Department of Labor & Industries.

House Committee on Labor & Workplace Standards  
Senate Committee on Commerce & Labor

**Background:** The Worker and Community Right to Know Act (Right to Know Act) requires the state to establish a comprehensive program for disclosing information about hazardous substances in the workplace and community. Among other things, the program assists employers in determining if hazardous substances are present in their workplace.

The program is funded through annual fee assessments to employers in industries that typically use hazardous chemicals. The Right to Know Act requires the Department of Labor and Industries (Department) to use the Standard Industrial Classification (SIC) code to determine which industries should be assessed a fee. The SIC system is considered obsolete and has generally been replaced with the North American Industry Classification System (NAICS).

**Summary:** For the purposes of identifying industries for the Right to Know Act fee assessment, the Department must use the NAICS rather than SIC system.

**Votes on Final Passage:**

House 98 0

Senate 47 0

**Effective:** June 9, 2016

**SHB 2448**

C 97 L 16

Concerning the practice of certain East Asian medicine therapies.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Robinson, Harris and Stanford).

House Committee on Health Care & Wellness  
Senate Committee on Health Care

**Background:** East Asian Medicine. "East Asian medicine" is a health care service utilizing East Asian medicine diagnosis and treatment to promote health and treat organic or functional disorders, including point injection therapy (aquapuncture). Point injection therapy is not defined



## 2SHB 2449

in statute or rule, but generally is the injection of substances into acupuncture points to prevent or treat diseases.

**Legend Drugs.** It is unlawful to sell, deliver, or possess any legend drug except upon the order or prescription of specified health care professionals; however there is an exemption for a practitioner acting within the scope of his or her license.

"Legend drugs" are defined as drugs which are required by state law or rule of the Pharmacy Quality Assurance Commission (PQAC) to be dispensed on prescription only or are restricted to use by practitioners only. The PQAC determines which drugs are classified as legend drugs; the drugs must be designated under federal law and listed as legend drugs in the 2009 edition of the *Drug Topics Red Book*.

**Summary:** Point injection therapy includes injection of substances, limited to saline, sterile water, herbs, minerals, vitamins in liquid form, and homeopathic and nutritional substances, consistent with the practice of East Asian medicine and does not include injection of controlled substances or steroids. The Department of Health, in consultation with the East Asian Medicine Advisory Committee, must define point injection therapy in rule and adopt rules regarding substances administered as part of point injection therapy consistent with the practice of East Asian medicine.

East Asian medicine practitioners are added to the definition of "practitioner" for purposes of the Legend Drug Act.

### Votes on Final Passage:

House	96	2
Senate	47	1

**Effective:** June 9, 2016

## 2SHB 2449 PARTIAL VETO C 205 L 16

Providing court-based and school-based intervention and prevention efforts to promote attendance and reduce truancy.

By House Committee on Appropriations (originally sponsored by Representatives Orwall, Magendanz, Kagi, Santos, Senn, Peterson, Appleton, Moscoso, Goodman, Jinkins, Walkinshaw, Stanford, Clibborn, Sells, Fitzgibbon, Kilduff, Ryu, Bergquist, Pollet and S. Hunt).

House Committee on Judiciary  
House Committee on Appropriations  
Senate Committee on Human Services, Mental Health & Housing

**Background:** Compulsory School Attendance. Children 8 years of age and under 18 years of age must attend public school unless they fall within certain exceptions, such as attending private school or receiving home-based instruc-

tion. If a parent enrolls a 6-year-old or 7-year-old child in school, the child is required to attend school, and the parent is responsible for ensuring the child attends.

**Duties of Schools and School Districts.** Schools must inform students and parents of the compulsory attendance requirements at least annually. This requirement may be satisfied by providing online access to the information, unless a parent or guardian specifically requests that the information be provided in written form.

When a child who is 8 years of age and under 18 years of age has unexcused absences, schools and school districts must take certain steps to eliminate or reduce the child's absences:

1. After one unexcused absence in one month, the school must inform parents in writing or by phone of potential consequences of continued absences.
2. After two unexcused absences in one month, the school must schedule a conference with the parents and take steps to reduce absences.
3. After five unexcused absences in one month, the district must enter into an attendance agreement with the student and parent, refer the student to a community truancy board, or file a truancy petition with the court.
4. After seven unexcused absences in one month or 10 unexcused absences in a year, the district must file a truancy petition with the court if the student is under the age of 17. A petition may be filed with respect to a student who is 17 years of age.

Similar requirements are in place with respect to 6-year-old and 7-year-old children who are enrolled in school, except that the third step set forth above does not apply.

**Truancy Petitions.** A truancy petition is filed in juvenile court and may be filed against the child, the parent, or both. Truancy petitions regarding 6- and 7-year-old students are filed against the parent. Upon receipt of a truancy petition, the court must either schedule a hearing on the petition or refer the case to a community truancy board. If the court finds the student to be truant, the court may order the student to attend school, change schools, or appear before a community truancy board. If the student continues to be truant, the school or the court may file a contempt of court motion and various sanctions may be imposed, including detention or community service. Throughout the process, students and their families may be referred to other services.

**Learning Assistance Program.** The instructional program of basic education includes, among other things, the Learning Assistance Program (LAP). The LAP provides supplemental instruction and support to eligible students who need academic support for reading, writing, and math, or who need readiness skills to learn these core subjects. In 2013 several changes were made to the LAP including, among others, a focus on reading literacy in early

grades, the ability to use the LAP funds to provide eligible students with supports to reduce disruptive behavior, and a requirement that districts must select student support services from menus of best practices and strategies developed by a panel of experts convened by the Office of Superintendent of Public Instruction (OSPI).

**Crisis Residential Centers.** Crisis Residential Centers (CRCs) are short-term, semi-secure and secure facilities for runaway youth and adolescents in conflict with their families. Counselors at a CRC work with the family to resolve the immediate conflict and develop better ways of dealing with conflict in the future. The stated goal of CRCs is to reunite the family and youth whenever possible.

**HOPE Centers.** HOPE Centers provide temporary residential placements for street youth. Youth may self-refer to a HOPE Center for services, and entering a center is voluntary. While residing in a HOPE Center, youth undergo a comprehensive assessment in order to develop the best plan for the youth, with the focus on finding a permanent and stable home. The assessment includes gathering information on the youth's legal status and conducting a physical examination, a mental health and chemical abuse evaluation, and an educational evaluation of basic skills, any learning disabilities or special needs.

**Educational Opportunity Gap Oversight and Accountability Committee.** Created in 2009, the Educational Opportunity Gap Oversight and Accountability Committee (EOGOAC) is tasked with recommending to educational agencies specific policies and strategies to:

- support and facilitate parent and community involvement and outreach;
- enhance the cultural competency of current and future educators and the cultural relevance of curriculum and instruction;
- expand pathways and strategies to prepare and recruit diverse teachers and administrators;
- recommend current programs and resources that should be redirected to narrow the gap;
- identify data elements and systems needed to monitor progress in closing the gap;
- make closing the gap part of the school and school district improvement process; and
- explore innovative school models that have shown success in closing the gap.

**Washington State Institute for Public Policy.** The Washington State Institute for Public Policy (WSIPP) is a research organization created by the Legislature to provide nonpartisan research at legislative direction on issues of importance to Washington.

**Summary: Duties of Schools and School Districts. Provision of Information.** In addition to information about compulsory education requirements, schools must provide information about:

- the benefits of regular school attendance and the potential effects of excessive absenteeism on academic achievement, and graduation and dropout rates;
- the school's expectations of parents and guardians to ensure regular school attendance;
- the resources available to assist the child and parents and guardians;
- the role and responsibilities of the school; and
- the consequences of truancy.

This information must be provided before, or at the time of, enrollment at a new school and at the beginning of each school year. If the school regularly and ordinarily communicates most other information to parents online, this information may be provided online unless a parent or guardian specifically requests that it be provided in written form. Schools must make reasonable efforts to enable parents to request and receive the information in a language in which they are fluent. A parent must acknowledge review of this information online or in writing.

The Office of the Superintendent of Public Instruction (OSPI) is tasked with developing a template that schools may use to satisfy the requirements set forth above, and posting the information on the OSPI website.

**Excused Absences.** New requirements are put in place with respect to excused absences by elementary students. If an elementary student has five or more excused absences in a single month during the current school year, or 10 or more excused absences in the current school year, the district must schedule a conference with the parent and child at a time reasonably convenient for all for the purpose of identifying the barriers to regular attendance, as well as the supports and resources that may be made available to the family so that the child is able to regularly attend school. Conference participants must include at least one school district employee such as a nurse, counselor, social worker, community human services provider, or teacher in most circumstances. If a regularly scheduled parent-teacher conference day is to take place within 30 days of the absences, the district may schedule the conference on that day.

The conference requirement is inapplicable in the event of excused absences for which prior notice has been given to the school or a doctor's note has been provided and an academic plan is put in place so that the child does not fall behind.

**Unexcused Absences.** Changes are made with respect to school district responsibilities in the event of unexcused absences. Rather than specify that it is the preferred practice to provide information in a language in which the parent is fluent, it is required that a school make reasonable efforts to do so. Steps that a school must take to eliminate or reduce a child's absences must be data-informed, include the use of the Washington Assessment of the Risks and Needs of Students (WARNS) and, where appropriate,

provide an available approved best practice or research-based intervention, or both, consistent with the WARNS.

When a child transfers school districts during the school year, the sending school must provide to the receiving school a copy of any WARNS together with a history of interventions provided to the child, and the written acknowledgement of receipt of attendance and truancy information by the parent.

Truancy: Community Truancy Boards and Other Coordinated Means of Intervention. The definition of a community truancy board (CTB) is revised. A CTB means a board established pursuant to a memorandum of understanding (MOU) between a juvenile court and a school district and composed of members of the local community. All members of a CTB must receive training regarding the identification of barriers to school attendance, the use of assessments such as the WARNS to identify the specific needs of individual children, trauma-informed approaches to discipline, evidence-based treatments that have been found effective in supporting at-risk youth and their families, and the specific services and treatment available in the particular school, court, community, and elsewhere. New duties of a CTB include connecting students and their families with community services, culturally appropriate promising practices, and evidence-based services such as functional family therapy, multi-systemic therapy, and aggression replacement training, or recommending to the juvenile court that a juvenile be referred to a HOPE center or a CRC.

By the beginning of the 2017-18 school year, juvenile courts must establish, through a MOU with each school district within their respective counties, a coordinated and collaborative approach to address truancy. For a school district that is located in more than one county, the MOU shall be with the juvenile court in the county that acts as the school district's treasurer.

In most cases, the establishment and operation of a CTB pursuant to an MOU is required. School districts with fewer than 200 students, however, may utilize a CTB or address truancy through other coordinated means of intervention aimed at identifying barriers to attendance and connecting students and their families with services such as those provided by a CTB. Districts may work cooperatively with other districts or the educational service district (ESD). All districts must designate, and identify to the local juvenile court, a person or persons to coordinate district efforts to address excessive absenteeism and truancy.

Courts and school districts are encouraged to emulate the successful efforts made by other districts and courts across the state that have worked together and led the way with CTBs, by creating strong community-wide partnerships and leveraging existing dollars.

Learning Assistance Program. "Disruptive behaviors in the classroom" explicitly includes excessive absenteeism and truancy. In addition to prioritizing the LAP on the reading assistance needs of students in kindergarten

through fourth grade, schools implementing the LAP must focus on students for whom a conference is required under the new provisions relating to unexcused absences in elementary school and those who are the subject of a truancy petition, in order to increase regular school attendance and eliminate truancy. Up to 2 percent of a district's LAP allocation may be used to address excessive absenteeism and truancy. A CTB or other coordinated means of intervention established pursuant to an MOU between a juvenile court and school district is considered a best practice.

Community Truancy Board Grants. Subject to funds appropriated for this purpose, the OSPI is charged with allocating grant funds to CTBs that may be used to supplement existing funds in order to pay for training for board members or the provision of services, evidence-based treatment, and culturally appropriate promising practices to children and their families. An ESD may provide the training. A prerequisite to applying for either or both grants is an MOU between a school district and a court to institute a new, or maintain an existing, CTB.

Truancy Petitions. If a CTB or other coordinated means of intervention is in place pursuant to an MOU, the court must initially stay the petition and so refer the child and the child's parent. The CTB must provide to the court a description of the intervention and prevention efforts to be employed to substantially reduce the child's unexcused absences, along with a timeline for completion. If the CTB fails to reach an agreement or there is noncompliance, the CTB must return the case to the court, the stay must be lifted, and the court must schedule a hearing to consider the petition.

If no CTB or coordinated means of intervention is in place pursuant to an MOU between the court and the district, upon filing of the petition the court must schedule a hearing. At the hearing on the petition, in addition to the authority to order a child to attend school, change schools, or submit to testing for alcohol or controlled substances, a court may order the child to submit to a substance abuse assessment or mental health evaluation or other diagnostic evaluation and adhere to the recommendations, at no expense to the school, if the court finds on the record that such evaluation is appropriate to the circumstances and behavior of the child and will facilitate compliance with the mandatory attendance law. Additionally, the court may order the child to submit to a temporary placement in a CRC or HOPE center if the court determines there is an immediate health and safety concern or family conflict needing mediation.

In the event that a child is ordered detained for contempt of court for failure to adhere to a court order, preference is expressed that the child serve detention in a secure CRC near the child's home rather than in a juvenile detention facility.

Application to Online Schools. The OSPI must develop recommendations on how mandatory school attendance and truancy amelioration provisions should be

applied to online schools, and the OSPI must report back to the Legislature by November 1, 2016.

**Crisis Residential Centers and HOPE Beds.** Subject to funds appropriated for the purpose, the Department of Social and Health Services must incrementally increase the number of available HOPE beds by at least 17 beds in fiscal years 2017, 2018, and 2019, so that 75 beds are established and operated throughout the state by July 1, 2019, and thereafter incrementally increase the number beyond 75. Risky behavior, as that term is used in the law regarding eligibility for placement in a HOPE center, includes truancy.

Subject to funds appropriated for the purpose, the capacity of CRCs must be increased incrementally by no fewer than 10 beds per fiscal year through 2019 in order to accommodate truant students found in contempt of a court order to attend school. The additional capacity must be distributed around the state based upon need, and to the extent feasible must be geographically situated to expand the use of CRCs so they are available for use by all courts for housing truant youth.

**Educational Opportunity Gap Oversight and Accountability Committee.** The EOGOAC is charged with conducting a review and making recommendations to the Legislature regarding the cultural competence training that TTB board members and others should receive, best practices for supporting and facilitating parent and community outreach, and the cultural relevance of the assessments employed and treatments and tools provided to children and families.

**Washington State Institute for Public Policy.** By January 1, 2021, the WSIPP is to evaluate the effectiveness of the act in achieving certain articulated outcomes::

- increased access to the CTBs and other intervention programs;
- increased quantity and quality of truancy intervention and prevention efforts in the community;
- reduction in the number of truancy petitions that result in further proceedings by juvenile courts, other than dismissal of the petition, after the initial stay and diversion to a CTB;
- reduction in the number of truancy petitions that result in a civil contempt proceeding or detention order; and
- increased school attendance.

Prior to that, by January 1, 2018, the WSIPP is to submit to the fiscal committees of the Legislature an initial report scoping the methodology to be used. This initial report must identify any data gaps that could hinder the WSIPP's ability to conduct its review.

**Administrative Office of the Courts.** Juvenile courts are required to transmit data to the Administrative Office of the Courts (AOC) in order that accurate tracking can be done with respect to the extent to which courts order youth into a secure detention facility for the violation of a court

order related to a truancy, at-risk youth, or a child in need of services petition. The AOC must provide, to the Legislature, a statewide report by March 1, 2017, and annually thereafter.

**Votes on Final Passage:**

House	86	10	
Senate	46	2	(Senate amended)
House			(House refused to concur)
Senate	47	2	(Senate receded/amended)
House	94	4	(House concurred)

**Effective:** June 9, 2016

**Partial Veto Summary:** The Governor vetoed the legislative intent section and the sections regarding the LAP.

**VETO MESSAGE ON 2SHB 2449**

*April 1, 2016*

*To the Honorable Speaker and Members,  
The House of Representatives of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval as to Sections 1, 13-15, and 21, Second Substitute House Bill No. 2449 entitled:*

*"AN ACT Relating to court-based and school-based intervention and prevention efforts to promote attendance and reduce truancy."*

*Section 1 is an intent section that is not necessary for the policy implementation of the bill.*

*Sections 13-15 and 21 of the bill reduce funding for the state Learning Assistance Program (LAP), which supports academic achievement for low-income students. LAP resources are allocated based on school poverty rates and by law must be focused first on evidence-based instructional strategies to teach elementary school students to read. Before rededicating these funds, we need evidence that prioritizing the reduction of absenteeism over early reading readiness and acquisition is a more effective means to promote academic achievement for low-income students.*

*For these reasons I have vetoed Sections 1, 13-15, and 21 of Second Substitute House Bill No. 2449.*

*With the exception of Sections 1, 13-15, and 21, Second Substitute House Bill No. 2449 is approved.*

*Respectfully submitted,*



*Jay Inslee  
Governor*

**ESHB 2450**

C 31 L 16 E 1

Allowing critical access hospitals participating in the Washington rural health access preservation pilot to resume critical access hospital payment and licensure.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Tharinger, Short, Cody, Schmick, Jinkins and Blake).

House Committee on Health Care & Wellness  
House Committee on Appropriations  
Senate Committee on Health Care

**Background:** Critical Access Hospitals. Prior to becoming licensed by the Department of Health and beginning operations, a hospital must receive a certificate of need and comply with the review process for any construction project related to the facility. In the case of hospitals, a certificate of need is required prior to construction, renovation, or sale of a hospital; changes in bed capacity; or the addition of specialized health services. The construction review process provides technical assistance for changes to hospitals such as new construction, replacement, alterations, additions, expansions, change of approved use, remodeling, and upgrades.

There are 39 hospitals in Washington that are certified as critical access hospitals. These are hospitals with 25 beds or fewer that are generally located in rural areas. They must deliver continuous emergency department services and they may not have an average length of stay of more than 96 hours per patient. The Critical Access Hospital Program allows hospitals under Washington's medical assistance programs to receive payment for hospital services based on allowable costs and to have more flexibility in staffing. Since 2005, there has been a moratorium on additional hospital participation in the Critical Access Hospital Program.

Healthier Washington. The federal Patient Protection and Affordable Care Act established the Center for Medicare and Medicaid Innovation (CMMI) within the Centers for Medicare and Medicaid Services to test innovative payment and service delivery models. As part of the State Innovation Models Initiative, Washington received approximately \$1 million from the CMMI to continue work on the State Health Care Innovation Plan (Innovation Plan). In late 2014, Washington received an additional \$65 million from the federal government to implement the Innovation Plan. The Innovation Plan includes three strategies:

- Encourage value-based purchasing, beginning with state-purchased health care.
- Build healthy communities through prevention and early mitigation of disease.
- Improve chronic illness care through better integration of care and social supports, in particular for people with both physical and behavioral health issues.

The state has undertaken implementation of the Innovation Plan under an initiative known as "Healthier Washington." Among the projects is an effort to build new payment and delivery mechanisms for federally qualified health centers and rural health care clinics and critical access hospitals. For critical access hospitals, the project includes the creation of a new payment and care delivery option. The Department of Health and the Washington State Hospital Association have formed the Washington Rural Health Access Preservation project to examine different structures for payment and care delivery. The project expects to create a new facility type that would allow rural critical access hospitals to scale their services to the

needs and care patterns of the communities. The project is considering a pilot of 12 to 15 critical access hospitals to test the new type of facility. Pilot sites are being considered based upon remoteness of the location, the size of the population center, and the hospital's fiscal performance.

**Summary:** A rural hospital that has been certified as a critical access hospital and relinquishes its status as a critical access hospital to participate in the Washington Rural Health Access Preservation (WRHAP) pilot may discontinue its participation in the pilot and resume its participation in Medicaid payment methodologies for critical access hospitals.

A rural hospital that fails to meet critical access hospital status as a result of participation in the WRHAP pilot may renew its hospital license and resume operations as a hospital with the same number of previously approved beds without having to meet certificate of need and construction review requirements. The exemption applies as long as the hospital was in compliance with licensing rules at the time it began participation in the WRHAP pilot and the condition of the hospital's physical plant and equipment is equal to or exceeds the level of compliance required when it began participation in the WRHAP pilot. If a formerly licensed hospital that participates in the WRHAP pilot is sold, purchased, or leased during the WRHAP pilot and the new owner or lessor applies to renew the hospital's license, the sale, purchase, or lease is subject to certificate of need requirements. The Department of Health (Department) may conduct an inspection to determine compliance with hospital licensing rules.

The WRHAP pilot must meet several specific requirements. The Department, the Health Care Authority (Authority), and the Washington State Hospital Association (Association) must establish goals for the WRHAP pilot prior to any hospital's participation. Participation in the WRHAP pilot is voluntary and the Authority must inform a critical access hospital of how to terminate participation. The Department, the Authority, and the Association must report interim progress to the Legislature by December 1, 2018 and results of the WRHAP pilot within six months of its conclusion. The reports must describe any policy changes that may support small critical access hospitals that are identified during the WRHAP pilot.

**Votes on Final Passage:**

House 96 0

First Special Session

House 95 0

Senate 43 0

**Effective:** June 28, 2016

**HB 2457**

C 98 L 16

Concerning recorded interests in easements by an electric utility.

By Representative Young.

House Committee on Judiciary

Senate Committee on Government Operations & Security

**Background:** Tax Lien Foreclosure Sales. After three years from the date of property tax delinquency the county treasurer may begin foreclosure proceedings to recover past due property taxes. The first step in the process is issuance of a certificate of delinquency, for the total amount of unpaid taxes, interest, and assessments, which is then filed with the clerk of the court.

Notice and summons are served or given to the owners and any person having a recorded interest in, or recorded lien upon, the property, notifying them to appear and defend the action or pay the amount due. Following court proceedings, the court gives judgment for such taxes, interest, and costs as appear to be due and issues an order for the sale of the property against which judgment is made.

The county treasurer must sell the property to the highest and best bidder. The minimum bid is the total amount of taxes, interest, and costs. If the sale is for more than the minimum bid, the excess must be refunded to the record owner of the property if a refund application is made. If the county does not receive the required minimum bid, the county acquires title.

Status of Easements Following Tax Lien Foreclosure Sale. The general property tax assessed on any piece of real property includes an appurtenant easement, provided that the easement has been recorded with the county auditor. Any foreclosure of delinquent taxes on a piece of real property that is subject to the easement, and any tax deed that is issued following the sale, remains subject to the easement, provided the easement was established of record prior to the year for which the tax was foreclosed.

**Summary:** If an electric utility has a recorded interest in an easement, any foreclosure of delinquent taxes on any tract of land subject to the easement, and the tax deed issued following sale, are subject to the easement regardless of when the easement was established.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** June 9, 2016

**ESHB 2458**

C 43 L 16

Concerning participation in the prescription drug donation program.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Parker, Cody, Riccelli, Holy and Tharinger).

House Committee on Health Care & Wellness

Senate Committee on Health Care

**Background:** Except in limited situations, the Pharmacy Quality Assurance Commission prohibits pharmacists from accepting drugs and supplies for return or exchange after they have been removed from the premises where they were sold, distributed, or dispensed. An exception applies to drugs that have been dispensed in unit dose forms or in sealed ampoules that allow the pharmacist to determine if they have been tampered with and that they meet standards for storage conditions, including temperature, light sensitivity, and chemical and physical stability. In addition, pharmacies serving hospitals and long-term care facilities may accept drugs for return and reuse under similar circumstances. Controlled substances may not be returned to a pharmacy except to be destroyed.

There are liability protections for entities that donate, accept, or distribute prescription drugs that have been exchanged through a drug donation program. Under the program, practitioners, pharmacists, medical facilities, drug manufacturers, and drug wholesalers may donate prescription drugs for redistribution without compensation. The drugs must meet specific packaging standards and pharmacist review requirements. Approved drugs may be distributed to any patient, but priority is given to patients who are uninsured and have an income of 200 percent of the federal poverty level or less.

**Summary:** Individual persons and their representatives are added to the types of donors who may donate unused drugs to a pharmacy for redistribution under the prescription drug donation program. Individual persons who wish to donate to the program must complete and sign a donor form, developed by the Department of Health (Department) to authorize the release and certify that the donated prescription drugs have not been opened, used, adulterated, or misbranded. A pharmacist must, in his or her professional judgment, determine that the drugs were stored under required temperature conditions using the drugs' time temperature indicator information. "Time temperature indicator" means a device or smart label that shows the accumulated time-temperature history of a product through the entire supply chain.

The requirements that priority for the distribution of donated drugs be given to persons who are both uninsured and have an income that is at or below 200 percent of the federal poverty level are changed to remove the income standard. "Uninsured" is defined as a person who either:

(1) does not have health insurance; or (2) has health insurance, but that insurance does not include coverage for a drug that has been prescribed to the person.

Prescription drugs that require registration with the drug's manufacturer may be accepted under the prescription drug donation program and may be dispensed if the patient is registered with the manufacturer at the time of dispensing and the amount does not exceed the duration of the registration period. The liability protections that apply to drug manufacturers expressly apply to prescriptions drugs that may only be dispensed to a patient who is registered with the drug's manufacturer.

The Department's rulemaking authority related to patient eligibility, patient priority, and notice to drug recipients is eliminated. The Department's general rulemaking authority for the prescription drug donation program is also eliminated.

The bill is named the "Cancer Can't Charitable Pharmacy Act."

**Votes on Final Passage:**

House	97	0	
Senate	47	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** January 1, 2017

**HB 2476**

C 99 L 16

Concerning waivers from the one hundred eighty-day school year requirement.

By Representatives Johnson, Santos, Magendanz, Chandler, S. Hunt, DeBolt, Blake, McCabe, Reykdal, Tharinger, Dent, Hawkins, Rossetti, Muri, Haler and Hargrove.

House Committee on Education  
Senate Committee on Early Learning & K-12 Education

**Background:** The State Board of Education (SBE), the 16-member board charged with providing advocacy and strategic oversight of public education, has limited authority to grant waivers from a statutory requirement specifying that each school year must consist of no less than 180 days. Waivers from the 180-day requirement granted by the SBE must be for purposes of school district economy and efficiency, and may not reduce the minimum student instructional hours required by law.

A school district seeking a waiver to the 180-day school year requirement must satisfy numerous application criteria, including providing:

- an explanation and estimate of the economies and efficiencies to be gained from compressing the instructional hours into fewer than 180 days;
- an explanation of how monetary savings from the proposal will be redirected to support student learning;

- an explanation of the impact on employees in education support positions and the ability to recruit and retain employees in education support positions; and
- other information that the SBE may request to assure that the proposed flexible calendar will not adversely affect student learning.

In accordance with evaluation criteria adopted by the SBE, the SBE may grant waivers to five or fewer districts, and the maximum term of the waiver may not exceed three years. Of the five waivers that may be granted, two must be granted to school districts with student populations of fewer than 150 students, and three must be granted to school districts with student populations of between 151 and 500 students.

After each school year, the SBE must analyze empirical evidence to determine whether the reduction is affecting student learning. If the SBE determines that student learning is adversely affected by the issuance of a waiver, the school district must discontinue the flexible calendar as soon as possible but no later than the beginning of the next school year following the determination.

The authority of the SBE to issue waivers to school districts from the 180-day requirement expires on August 31, 2017, and all waivers issued by the SBE expire on August 31, 2017.

**Summary:** The authority of the SBE to grant waivers to school districts from the 180-day minimum school year requirement is preserved without expiration. A provision specifying that all 180-day school year waivers granted to school districts by the SBE will expire on August 31, 2017, is deleted. Non-substantive technical changes to the underlying statute are made.

**Votes on Final Passage:**

House	98	0
Senate	47	0

**Effective:** June 9, 2016

**EHB 2478**

C 44 L 16

Supporting agricultural production, including that of apiarists, through the preservation of forage for pollinators.

By Representatives Peterson, Stambaugh, Buys, Dent, Gregerson, Riccelli, Orwall, Stanford, Blake, Sawyer, Tharinger, Fitzgibbon, Walkinshaw, Tarleton, McBride, Moscoso, Bergquist, Pollet, S. Hunt, Goodman and Wilcox.

House Committee on Agriculture & Natural Resources  
Senate Committee on Agriculture, Water & Rural Economic Development

**Background:** Noxious Weeds. A noxious weed is a plant that, when established, is highly destructive, competitive, or difficult to control. The state maintains an active list of noxious weeds present in Washington and categorizes the

plants on the list into one of three categories. These categories are designated as class A, class B, and class C.

Class A weeds are those noxious weeds that are not native to Washington and are of limited distribution, or are unrecorded in Washington yet could cause a serious threat if established. Class B weeds are non-native plants that are of limited distribution in a region of the state that could cause a serious threat in that region. Class C weeds are all other noxious weeds.

Noxious weeds are identified and listed by the Washington State Noxious Weed Control Board (Weed Board). The Weed Board is required to adopt a statewide noxious weed list at least once a year. Once the state noxious weed list is adopted, county noxious weed control boards must select weeds identified on the state list for inclusion on the local noxious weed list for that county. Each county is empowered to have a noxious weed control board within its jurisdiction.

Once a weed is included on a county's weed list, certain responsibilities apply to landowners within that county. Landowners are responsible for eradicating all class A weeds as well as controlling the spread of class B and class C weeds listed on the county list. The enforcement of violations of these duties is the responsibility of the county weed boards.

All state agencies are required to control noxious weeds on lands that they manage. This weed control must be done through integrated pest-management practices outlined in plans developed in cooperation with county noxious weed control boards.

**Honey Bees.** The 2013 Legislature directed the Washington State Department of Agriculture (WSDA) to convene a work group to address challenges facing the honey bee industry and to develop a report outlining solutions that bolster the use of Washington honey bees to pollinate tree fruits, berries, and seeds. The WSDA delivered the required report on December 12, 2014. In the report, bee forage and bee nutrition was identified as one of four main issues affecting honey bee health. The report concluded that access to diverse pollen and nectar sources, provided through access to diverse forage habitat, is essential for honey bees to properly meet their protein, carbohydrate, and other nutritional needs.

The report went on to cite the loss of forage to weed control as one of the challenges facing honey bees in their search for adequately diverse forage. Of the 142 plants listed as noxious weeds, at least 27 of them are identified in the report as plants that provide valuable bee forage.

**Summary: Pilot Project.** The Weed Board is directed to conduct a pilot project that evaluates the advantages of replacing pollen-rich noxious weeds with non-invasive forage plants that can produce similar levels of seasonally balanced pollen and nectar to support honey bee populations. The goal of the pilot project is to develop optional guidance and best practices for landowners and land managers. In developing the pilot project, the Weed Board

must seek to maximize the dual public benefits of reducing noxious weeds and supporting agricultural production through access to pollen-rich and nectar-rich forage for honey bees and other pollinators. The Weed Board may choose to coordinate with the Washington State Conservation Commission or individual conservation districts if coordination would be beneficial; however, it must coordinate with any applicable county level weed boards.

The Weed Board must, as part of the pilot project, coordinate with willing landowners to provide plant starts, seed packs, and other goods or services necessary to replace noxious weeds with native plants or non-native plants that are not invasive. The Weed Board may also work with willing landowners and county noxious weed control boards to create new seasonally balanced forage patches.

Priority participation in the pilot project must be given to interested private landowners located in areas of the state where the dual public benefits of the pilot project can be maximized. However, no landowner may be required to participate in the pilot project directly or as a condition of a permit or other governmental action. In addition to private landowners, public land managers may also be selected for participation. There is an expectation that pilot project partners will be located in both eastern and western Washington.

The Weed Board must report the findings from the pilot project to the Legislature by October 31, 2020. The report must include a list of suitable pollen-rich forage plants that are alternatives to noxious weeds, a list of plant suppliers, guidelines for replacing noxious weeds, an assessment scale that rates the usefulness of various approaches, and any other recommendations for extending the pilot project or implementing the lessons learned through the pilot project.

**State Land Management.** As part of the mandate for state agencies to control noxious weeds on the land they manage, state agencies must, when conducting planned projects, give preference to replacing pollen-rich and nectar-rich noxious weeds with native pollinator-friendly forage plants when deemed appropriate by the agency and its targeted resource-management goals. This directive also applies to projects undertaken by the Washington Conservation Corps.

**Votes on Final Passage:**

House	96	1	
Senate	47	0	(Senate amended)
House	95	1	(House concurred)

**Effective:** June 9, 2016



**SHB 2498**

C 128 L 16

Concerning prior authorization for dental services and supplies in medical assistance programs.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Caldier, Cody, DeBolt, Manweller, Walsh, Johnson, Pike, Appleton, Jinkins, Kilduff and Gregerson).

House Committee on Health Care & Wellness  
Senate Committee on Health Care

**Background:** Medical assistance is available to eligible low-income state residents and their families from the Health Care Authority (Authority), primarily through the Medicaid program. The majority of medical assistance clients are served under a managed care arrangement, which provides a prepaid, comprehensive system of medical and health care delivery, including primary, specialty, and ancillary health services. Dental services for medical assistance clients, however, are provided through a fee-for-service arrangement in which the dentist directly bills the Authority. Certain dental services require that the dental provider obtain authorization from the Authority prior to the service being performed. Prior authorization generally requires that the dental provider establish medical necessity for the service through sufficient, objective, clinical information.

**Summary:** The Health Care Authority (Authority) must convene a work group to make recommendations for improving the prior authorization system for dental providers in medical assistance programs. The stated objective of the work group is to develop a prior authorization system that protects patients against unnecessary treatments and procedures while encouraging more dentists to treat medical assistance clients and increase access to dental care.

The work group consists of dental providers in private practice, dental providers in community health centers, oral health care advocates, and other relevant stakeholders. The work group must submit recommendations to the Director of the Authority and the health care committees of the Legislature by December 15, 2016. The recommendations must identify:

- wait times for prior authorization approvals and options for reducing wait times;
- dental services currently subject to prior authorization that should remain under prior authorization and which dental services should be removed from prior authorization requirements;
- ways to remove the cost burden of prior authorization on dental providers; and
- options for adjusting payments for services subject to prior authorization.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** June 9, 2016

**ESHB 2511**

C 169 L 16

Concerning child care center licensing requirements.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Pike, Scott, Vick, Shea, Walsh and Young).

House Committee on Early Learning & Human Services  
Senate Committee on Early Learning & K-12 Education

**Background:** The Department of Early Learning (DEL) is responsible for establishing licensing requirements for child care centers. Child care centers provide regularly scheduled care for children 1 month of age through 12 years of age for periods less than 24 hours. The DEL allows child care centers to combine children of different ages in mixed groups or classrooms, excluding school-age children. Therefore, a child care center may not serve children who are attending elementary school in a mixed group with children who are not attending elementary school. The DEL allows providers to request a waiver to mixed group limitations so long as the provider maintains staff-to-child ratio requirements.

The term "school-age child" means a child who is between the ages of five years and twelve years and is attending a public or private school or is receiving home-based instruction.

**Summary:** For children ages 5 through 6 years, the DEL may not use school enrollment status as a reason to require a child be placed within a specific mixed-age group.

The definition of "school-age child" includes children 5 years of age through 12 years of age.

**Votes on Final Passage:**

House	96	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

**HB 2516**

C 21 L 16

Providing that commercial transportation services providers are not commuter ride-sharing arrangements.

By Representatives Kirby, Vick, Griffey and Ormsby.

House Committee on Business & Financial Services  
Senate Committee on Transportation  
Senate Committee on Financial Institutions & Insurance

**Background:** Transportation Network Companies. A "commercial transportation service provider," often called a "transportation network company" or TNC, is a company that uses a digital network or software to connect passengers to drivers for the purpose of providing a prearranged ride. Although the service is similar to a for-hire taxi service, it is exempt from most requirements applicable to taxicabs and regulated separately.

Drivers for transportation network companies must carry certain insurance when using a personal vehicle. The policy must provide coverage for all times that a driver is logged into the TNC's software with differing coverage depending on whether the driver is matched with a passenger. The coverage must provide at least:

- Before match with a passenger:
  - \$50,000 per person and \$100,000 per accident in liability and underinsured motorist coverage;
  - \$30,000 in liability coverage for property damage; and
  - personal injury protection.
- After match with a passenger:
  - \$1 million combined single-limit coverage each for liability and underinsured motorist coverage; and
  - personal injury protection.

Commuter Ride-Sharing and Flexible Commuter Ride-Sharing Arrangements. A "commuter ride-sharing" arrangement is a car pool or van pool arrangement in which a fixed group of four to 15 people are transported in a passenger vehicle between their homes and schools or workplaces where the driver is also traveling to or from a school or workplace. A "flexible commuter ride-sharing" arrangement is the same except that the vehicle may contain as few as two people including the driver, and multiple daily round trips are permitted. Drivers in commuter ride-sharing arrangements are exempt from laws applicable to for-hire drivers and are held to a reasonable and ordinary standard of care.

**Summary:** The definition of "commercial transportation service provider" excludes commuter ride-sharing and flexible commuter ride-sharing arrangements.

**Votes on Final Passage:**

House	96	1
Senate	47	0

**Effective:** June 9, 2016

## SHB 2519

C 100 L 16

Allowing nuisance abatement cost recovery for cities.

By House Committee on Local Government (originally sponsored by Representatives McCaslin, Gregerson, Shea, Appleton, Tharinger, Peterson, McBride, Manweller, Stokesbary, Reykdal, Sells, Fitzgibbon, Springer, Kochmar, Orwall, Nealey, Pike, Van De Wege and Stanford).

House Committee on Local Government

House Committee on Finance

Senate Committee on Government Operations & Security

**Background:** A nuisance means unlawfully doing an act, or omitting to perform a duty that:

- annoys, injures, or endangers the comfort, repose, health, or safety of others;
- offends decency;
- unlawfully interferes with, obstructs, or renders dangerous for passage a lake, navigable river, bay, stream, canal, basin, public park, square, street, or highway; or
- in any way renders other persons insecure in life or in the use of property.

A public nuisance is a nuisance that affects equally the rights of an entire community or neighborhood. There are civil and criminal remedies and penalties for creating or allowing nuisances.

Authority of Cities and Towns to Declare Nuisances.

All cities and towns may declare what is deemed a nuisance and to abate the nuisance as follows:

- First class cities are authorized to declare and define a nuisance, abate any nuisance, and impose fines upon persons creating, continuing, or allowing nuisances.
- Second class cities are authorized to declare and define a nuisance, prevent or abate nuisances at the expense of the party creating or maintaining the nuisance, and levy a special assessment against premises where the nuisance is located to recover abatement costs.
- Code cities have the same authority as other cities to declare and define nuisances and to abate nuisances.
- Towns may declare by ordinance what is deemed a nuisance and may exercise all remedies provided by law for preventing and abating nuisances.

Additionally, any city or town may by general ordinance require property owners: (a) to remove all or part of trees or vegetation that have died or that impair the use of sidewalks or streets; and (b) to remove debris on their property that is a fire hazard or menace to public health, safety, or welfare. Cities and towns may provide for removal of hazardous trees, vegetation, and debris, and to charge the property owner for the cost of removal. The charge is a lien against the property and may be enforced

and foreclosed in the same manner provided by law for liens for labor and materials (*i.e.*, mechanics' liens).

Buildings or Premises Unfit for Use or Habitation. All cities and towns may adopt ordinances relating to dwellings, buildings, structures, or premises that are unfit for human habitation or other uses due to: dilapidation; disrepair; structural defects; defects increasing the hazards of fire, accidents, or other calamities; inadequate ventilation and uncleanliness; inadequate light or sanitary facilities; inadequate drainage; overcrowding; or other conditions that are inimical to the health and welfare of the community.

Under certain circumstances, a city or town may repair, close, remove, or demolish a dwelling, building, structure, or premises found to be unfit for use or habitation. The amount of the cost to take such action may be assessed against the real property. The assessment constitutes a lien against the property of equal rank with tax liens. If left unpaid, the amount of the assessment may be entered by the county treasurer upon the property tax rolls and collected at the same time as general taxes.

Liens and Lien Priority. A mechanics' lien is a lien on property for the contract price of labor, professional services, materials, or equipment that was furnished for the improvement of real property. The lien is prior to any lien, mortgage, deed of trust, or other encumbrance that attaches after the mechanics' lien attaches, or that was unrecorded at the time labor, services, materials, or equipment included in the mechanics' lien was first furnished. A mechanics' lien must be recorded not later than 90 days after the person claiming a lien ceases to furnish labor, services, materials, or equipment or the last date that employee benefit contributions were due. From the time that a mechanics' lien is recorded, the lien generally attaches to the property for a period of eight months.

All taxes and levies imposed by the state, a county, or a municipality are liens upon the real and personal property upon which the taxes or levies are imposed or assessed. A state, county, or municipal tax lien has priority to and must be fully paid and satisfied before any other recognition, mortgage, judgment, debt, obligation, or responsibility.

Collection of Special Assessments. A local government may contract with the county treasurer for collection of special assessments, excise taxes, rates, or charges imposed by the local government on property. If a contract is entered into, notice of special assessments, excise taxes, rates, or charges may be: (a) included on the notice of property taxes due; (b) included on a separate notice mailed with the notice of property taxes due; or (c) sent separately from the notice of property taxes due. County treasurers may impose an annual fee for collecting amounts on behalf of local governments, not to exceed 1 percent of the value of the special assessments, excise taxes, rates, or charges collected.

**Summary:** Cities and towns that exercise authority to declare a nuisance, abate a nuisance, or impose fines or costs upon persons who create, continue, or maintain a nuisance are authorized to levy a special assessment on property where a nuisance is situated. The special assessment is for the purpose of reimbursing the city or town for the expense of abatement. This authority is supplemental to any other authority to levy an assessment or obtain a lien for costs of abatement.

The special assessment levied by the city or town is a lien, and after it is recorded in the county, up to \$2,000 of the recorded lien is of equal rank with state, county, and municipal taxes. Liens for abatement costs are binding upon successors in title beginning the date they are recorded in the county where the affected real property is located.

Cities and towns that exercise authority to abate a nuisance or levy a special assessment for the costs of abatement must provide prior notice of the action to the property owner. Notices must be sent by regular mail as follows:

- Before a city or town abates a nuisance, notice must be provided to the property owner that: (a) abatement is pending; and (b) a special assessment may be levied on the property.
- Before a special assessment is levied, notice must be provided to the property owner and any identifiable mortgage holder stating: (a) that a special assessment will be levied on the property; and (b) the estimated amount of the special assessment.

Cities and towns levying a special assessment for nuisance abatement may contract with the county treasurer to collect the special assessment.

**Votes on Final Passage:**

House	76	21
Senate	48	0

**Effective:** June 9, 2016

**HB 2520**

C 170 L 16

Concerning the sale of marijuana to regulated cooperatives.

By Representative Wylie; by request of Liquor and Cannabis Board.

House Committee on Commerce & Gaming  
Senate Committee on Commerce & Labor

**Background:** Licensing of Marijuana Producers, Processors, and Retailers. The Liquor and Cannabis Board (LCB) issues three categories of commercial marijuana licenses: (1) the marijuana producer's license entitles the holder to produce marijuana for sale at wholesale to licensed marijuana processors or other producers; (2) the marijuana processor's license entitles the holder to pro-

cess, package, and label marijuana for sale at wholesale to marijuana retailers and other processors; and (3) the marijuana retailer's license entitles the holder to sell marijuana products at retail prices in retail outlets.

Licensed marijuana producers may sell marijuana plants only to other licensed producers. Producers are not allowed to sell marijuana plants to marijuana retailers, the general public, qualifying medical marijuana patients, or medical marijuana cooperatives.

Medical Marijuana: Plant Cultivation and Medical Marijuana Cooperatives.

Medical marijuana cooperatives may be established consisting of up to four qualifying medical marijuana patients. A qualifying patient is a person who: (1) has been diagnosed as having a terminal or debilitating medical condition; (2) has been advised by a health care professional that he or she might benefit from the medical use of marijuana; and (3) has been entered into the medical marijuana authorization database and has the requisite recognition card. Members of a cooperative share responsibility for acquiring and supplying resources to produce and process marijuana for their medical use. All members of the cooperative must hold recognition cards and may only participate in one cooperative. Members who grow plants as part of a cooperative may not grow plants anywhere else.

The cultivation of marijuana plants and other activities engaged in by a cooperative are subject to specified limitations and regulations. A cooperative may only grow as many plants as the combined total that members are authorized to grow as individuals, up to a maximum of 60 plants. An individual qualifying patient may grow up to 15 plants. Nothing produced or processed by a cooperative may be sold or donated to any person who is not a member of the cooperative. The location of the cooperative must be registered with the LCB, and the cooperative members may only grow and process marijuana at that location. The location of the cooperative must be the domicile of one of the members and be at least one mile from a marijuana retailer. If a qualifying patient or designated provider withdraws from the cooperative, the former member must notify the LCB within 15 days and no new members may join that cooperative for 60 days. The LCB may conduct inspections of cooperatives and to adopt rules related to security at cooperatives and the traceability of marijuana grown by cooperatives. Cooperatives are exempt from the business and occupation tax.

There is no lawful means for members of a cooperative to acquire marijuana seeds, plants, or clones for cultivation.

**Summary:** Licensed marijuana producers may produce marijuana plants for sale to medical marijuana cooperatives.

All plants grown by a medical marijuana cooperative must either be purchased from a licensed marijuana pro-

ducer or cloned from a plant purchased from a licensed producer.

**Votes on Final Passage:**

House	93	5
Senate	39	8

**Effective:** July 1, 2016

**HB 2521**

C 171 L 16

Allowing for proper disposal of unsellable marijuana by a licensed marijuana retail outlet.

By Representatives Wylie and Condotta; by request of Liquor and Cannabis Board.

House Committee on Commerce & Gaming  
Senate Committee on Commerce & Labor

**Background:** Licensed marijuana retailers are authorized to sell marijuana concentrates, useable marijuana, marijuana-infused products, and certain paraphernalia at retail to persons 21 years of age or older, subject to statutory and regulatory requirements. Among those requirements are that labels on marijuana-infused products and marijuana concentrates sold at retail must include a best by date and that licensed marijuana retailers may not sell marijuana products below acquisition cost or after the marijuana products' best by date passes.

No licensed marijuana retailer or employee of a retail outlet may open or consume, or allow to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises.

**Summary:** An exception is added to the requirement that no licensed marijuana retailer or employee of a retail outlet may open or consume, or allow to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises in order to allow for disposal as authorized by the LCB.

**Votes on Final Passage:**

House	98	0
Senate	46	2

**Effective:** July 1, 2016

**ESHB 2524**

PARTIAL VETO

C 14 L 16

Making 2015-2017 supplemental transportation appropriations.

By House Committee on Transportation (originally sponsored by Representatives Clibborn, Orcutt, Fey and McBride; by request of Office of Financial Management).

House Committee on Transportation

**Background:** The state government operates on a fiscal biennium that begins on July of each odd-numbered year. Supplemental budgets frequently are enacted in each of the following two years after adoption of the biennial budget. Appropriations are made in the biennial and supplemental transportation budgets for the operation and capital expenses of state transportation agencies and programs.

The 2015-17 State Transportation Appropriations Act appropriated \$7.6 billion from a combination of accounts. The Connecting Washington additive spending bill (Second Engrossed Substitute Senate Bill 5988) also made transportation-related appropriations for 2015-17. The 2015-17 Omnibus Operating Appropriations Act contained appropriations for transportation-related compensation increases.

**Summary:** The bill increases appropriations for the 2015-17 fiscal biennium from transportation accounts by \$474 million and incorporated \$33 million for compensation increases that was previously provided in the 2015-17 Omnibus Operating Appropriations Act. Fund transfers and other changes to the 2015-17 State Transportation Appropriations Act are also made.

**Votes on Final Passage:**

House	84	13	
Senate	44	5	(Senate amended)
House	86	10	(House concurred)

**Effective:** March 25, 2016

**Partial Veto Summary:** The Governor vetoed subsections related to a Tacoma Narrows Bridge private partnership study, a rotary auger ditch cleaning and reshaping technology pilot project, a study of removal of the Eastside Freight railroad line, and funding for a shelter at the Whiskey Ridge communications site.

**VETO MESSAGE ON ESHB 2524**

March 25, 2016

To the Honorable Speaker and Members,  
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 214(2), 215(8), 218(6), and 302(13), Engrossed Substitute House Bill No. 2524 entitled:

"AN ACT Relating to transportation funding and appropriations."

Section 214(2), pages 28-29, Department of Transportation, Economic Partnerships

This proviso directs the Department of Transportation's Economic Partnerships Program to study and report to the transportation committees of the Legislature on the feasibility of contracting with the private sector to collect tolls and provide services to drivers crossing the Tacoma Narrows Bridge. No funding was provided for the study, and the in-depth analysis and research required for such a study is beyond the capacity of the current two program staff. The program is already consulting with the department's Tolling Division on its ongoing efforts to reduce costs associated with the Tacoma Narrows Bridge consistent with previous legislative direction in the underlying biennial budget. The Tolling Division will report on this work prior to the 2017 legislative session. For these reasons, I have vetoed Section 214(2).

Section 215(8), page 30, Department of Transportation, Highway Maintenance

Section 215(8) requires the department to use \$100,000 of existing resources to submit a request for proposals as part of a pilot project to explore the use of rotary auger ditch cleaning and reshaping service technology. No new funding was provided for the department to conduct this activity and the proviso represents a cut to the current maintenance budget. For these reasons, I have vetoed Section 215(8).

Section 218(6), pages 35-36, Department of Transportation, Transportation Planning, Data, and Research

This proviso directs the department within existing resources to report on state options for addressing the removal of the Eastside Freight railroad line, which runs from the city of Snohomish to the city of Woodinville. The state has no jurisdiction over the preservation and maintenance of this rail corridor and has no jurisdiction over future freight rail service or projects underway or planned for the corridor. For these reasons, I have vetoed Section 218(6).

Section 302(13), page 45, Washington State Patrol, Whiskey Ridge Radio Communications Site

The \$80,000 appropriated for this project is insufficient and less than half of the agency request amount of \$175,000, which was also included in my budget proposal. The proviso language prohibiting the use of other funds to complete the project also unduly restricts the agency's ability to manage its appropriations. The Washington State Patrol will not use the funding provided for this project and will instead look at other options to address the need for a shelter at this site, including a potential future budget request. For these reasons, I have vetoed Section 302(13).

For these reasons I have vetoed Sections 214(2), 215(8), 218(6), and 302(13) of Engrossed Substitute House Bill No. 2524.

With the exception of Sections 214(2), 215(8), 218(6), and 302(13), Engrossed Substitute House Bill No. 2524 is approved.

Respectfully submitted,



Jay Inslee  
Governor

**2SHB 2530**

C 173 L 16

Protecting victims of sex crimes.

By House Committee on Appropriations (originally sponsored by Representatives Orwall, McCabe, Appleton, Wylie, Tarleton, Senn, McBride, Kagi, Ryu, Hudgins, S. Hunt, Gregerson, Reykdal, Farrell, Pollet, Ortiz-Self, Harris, Bergquist, Lytton, Kochmar, Blake, Cody, Stambaugh, Wilson, Jinkins, Kuderer, Muri, Van De Wege, Frame, Hargrove, Ormsby, Sells, Pettigrew and Stanford).

House Committee on Public Safety  
House Committee on Appropriations  
Senate Committee on Law & Justice  
Senate Committee on Ways & Means

**Background:** *Sexual Assault Kits.* After a person has been the victim of a sexual assault, the person may undergo a forensic examination for the purpose of collecting any evidence that was left behind during the assault. The doctor or nurse conducting the examination preserves the evidence using a sexual assault forensic examination kit, also commonly referred to as a sexual assault kit (SAK) or rape kit. After the examination, custody of a SAK may be

transferred to a law enforcement agency to be utilized during an investigation and subsequent criminal prosecution.

Prior to 2015, law enforcement agencies and prosecutors had discretion to send SAKs to forensic laboratories for testing, but were not required to do so. In 2015 legislation was enacted that requires a law enforcement agency to submit a SAK to the Washington State Patrol (WSP) Crime Laboratory within 30 days of receiving it, provided that the victim has consented to the testing. Consent is not a condition of submission if the SAK was collected from a non-emancipated minor. The requirement to test SAKs is prospective as of July 24, 2015, meaning it does not apply to previously unsubmitted SAKs.

The WSP Crime Laboratory must, subject to available funding, give priority to testing of SAKs for:

- active investigations and cases with impending court dates;
- active investigations where public safety is an immediate concern;
- violent crimes investigations, including active sexual assault investigations;
- postconviction cases; and
- other criminal investigations and nonactive investigations, such as previously unsubmitted SAKs or recently collected SAKs that the submitting agency has determined to be lower priority based on their initial investigation.

**Public Records Act.** Under the Public Records Act (PRA), all state and local agencies must make available for public inspection and copying all public records, unless a record falls within a specific statutory exemption. Agencies governed by the PRA include all state offices, departments, divisions, bureaus, boards, or commissions, and every county, city, town, or special purpose district, as well as their associated offices, departments, divisions, bureaus, boards, or commissions. The PRA's provisions requiring disclosure must be interpreted liberally and its exemptions must be narrowly construed to effectuate a general policy favoring disclosure.

**Summary: Tracking Sexual Assault Kits.** The WSP must create and operate the Statewide SAK Tracking System (system). The WSP may contract with state or nonstate entities including, but not limited to, private software and technology providers, for the creation, operation, and maintenance of the system. The system must:

- track the location and status of SAKs from the point of collection and then throughout the criminal justice process;
- allow participants in the system to update and track the status and location of SAKs;
- allow victims of sexual assault to anonymously track or receive updates regarding the status of their SAKs; and

- use electronic technology or technologies allowing continuous access.

Local law enforcement agencies, prosecutors, hospitals, and the WSP are required to participate in the system. The WSP may use a phased implementation process in order to launch the system and facilitate entry and use of the system for required participants. All entities in the custody of SAKs must fully participate in the system no later than June 1, 2018.

Any records and information contained within the system are not subject to disclosure under the PRA. The WSP must submit semiannual reports on the status of SAKs in the system to the appropriate committees of the Legislature and the Governor.

**Private Funds for SAKs.** The Washington Sexual Assault Kit Program is created within the Department of Commerce for the purpose of accepting private funds until June 1, 2022. Donated funds must be used exclusively for the following:

- 85 percent for the WSP for testing SAKs in the possession of a law enforcement agency but not submitted for forensic testing as of July 24, 2015; and
- 15 percent for the Office of Crime Victims Advocacy for sexual assault nurse examiner services and training.

**Votes on Final Passage:**

House	83	14	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

## SHB 2539

C 174 L 16

Concerning the inheritance exemption for the real estate excise tax.

By House Committee on Finance (originally sponsored by Representatives Nealey, Manweller, Hansen, Tharinger, Harris, Walsh, Magendanz, Wilson, Haler, Springer, Johnson, Muri, Hayes and Dent).

House Committee on Finance  
Senate Committee on Ways & Means

**Background:** The real estate excise tax (REET) is imposed on each sale of real property, which includes both the transfer of ownership and the transfer of controlling interests. Real property includes any interest in land or anything affixed to land. The state tax rate is 1.28 percent. Additional local rates are allowed. The combined state and local rate in most areas is 1.78 percent or less.

There are several exemptions allowable from the REET. One exemption is for individuals who inherit real property. This exemption from the REET is allowed for inherited property when one of the following documents is

provided (or already filed with the county) along with a certified copy of the death certificate:

- a community property agreement;
- a trust agreement;
- a certified copy of the letters testamentary or letter of administration;
- a deed;
- a copy of a court order requiring the transfer; or
- a lack of probate affidavit for a community property interest.

In some instances, an individual will inherit property by operation of law, but there is no accompanying documentation. In these cases, the heir will often file a lack of probate affidavit with the county affirming that the person is the rightful heir to the property.

The county treasurer is usually responsible for collecting and administering the REET. For the REET inheritance exemption, the county treasurer is typically the recipient of the documentation substantiating the transfer by inheritance.

All new tax preference legislation must include a tax preference performance statement. New tax preference means a tax preference that initially takes effect after August 1, 2013, or a tax preference in effect as of August 1, 2013, that is expanded or extended after August 1, 2013. Tax preferences include deductions, exemptions, preferential tax rates, and tax credits. The performance statement must clearly specify the public policy objective of the tax preference and the specific metrics and data that will be used by the Joint Legislative Audit and Review Committee (JLARC) to evaluate the efficacy of the tax preference.

A new tax preference expires after 10 years, unless an alternative expiration date is provided in the new tax preference legislation.

**Summary:** The conditions to qualify for the inheritance exemption are modified to include circumstances where a person inherits property by operation of law but absent a will, trust, community property agreement, or other document or court order. To qualify for the exemption, the heir (or heirs) must submit a certified copy of the death certificate along with a lack of probate affidavit affirming that he or she is the rightful heir to the property.

The documentation provided to the county treasurer to establish eligibility for the REET inheritance exemption must also be recorded with the county auditor.

The bill is exempted from a JLARC review and the automatic 10-year expiration of tax preferences.

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** June 9, 2016

Modifying the penalty for taxpayers that do not submit an annual survey or report.

By House Committee on Finance (originally sponsored by Representatives Nealey, Tharinger, Harris, Walsh, Ryu, Griffey, Hayes, Manweller, Pike, Smith, Stokesbary, MacEwen, Van De Wege, Johnson, Magendanz, Wilson, McBride, Hargrove, Schmick, Pollet and Van Werven).

House Committee on Finance  
Senate Committee on Ways & Means

**Background:** Taxpayers must file the Annual Tax Incentive Survey (Survey) or the Annual Tax Incentive Report (Report) in order to qualify for a variety of new economic development-related tax preferences, or in some cases, when extending existing economic development-related preferences. There are currently 32 economic development-related tax preferences that require one of these supplemental filings. While the Report and the Survey are similar in that both documents require the annual reporting of employment and wage information, there are differences in some of the required information that must be provided by a taxpayer. Both the Report and Survey are due on April 30, unless a taxpayer is granted an extension. The Department of Revenue's (DOR's) annual descriptive statistics report, summarizing Survey and Report data, is due December 1.

A taxpayer that qualifies for a preference but does not submit the Survey or Report is subject to a penalty of 100 percent of the tax preference claimed. In addition to the penalty, interest applies.

**Summary:** Beginning July, the penalty for failure to submit a Survey or Report is reduced from 100 percent of the tax preference claimed to 35 percent for the first time a taxpayer is assessed a penalty for failing to submit the Survey or Report, with an additional 15-percent penalty for failure to submit any future Survey or Report for the same tax preference. For a taxpayer who has filed an appeal regarding taxes, penalties, and interest for failure to file a Survey or Report, before January 1, 2016, and the appeal is pending before the DOR or Washington State Board of Tax Appeals as of July 1, 2016, the penalty is 35 percent of the amount of tax preference claimed for any calendar year in which an annual Survey or Report was not submitted for the same tax preference.

The authorization for the DOR to apply interest to penalties for failure to submit a Survey or Report is removed.

The due date for submitting the annual Survey or Report is May 31. The due date for the DOR descriptive statistics report is December 31.

**Votes on Final Passage:**

House	98	0
Senate	47	0

**Effective:** July 1, 2016

## SHB 2541

C 45 L 16

Providing for less restrictive involuntary treatment orders.

By House Committee on Judiciary (originally sponsored by Representatives Frame, Rodne, Jinkins, Walkinshaw, Riccelli, Senn, Orwall, Muri, S. Hunt, Gregerson, Sawyer, Caldier, Goodman, Haler, Hansen, Kuderer, Appleton, Kilduff, Reykdal, Rossetti, Magendanz, Ormsby, Bergquist and Stanford).

House Committee on Judiciary  
Senate Committee on Human Services, Mental Health & Housing

**Background:** Under the Involuntary Treatment Act a person may be committed by a court for involuntary mental health treatment if he or she, due to a mental disorder, poses a likelihood of serious harm, is gravely disabled, or is in need of assisted outpatient treatment.

When entering an order for involuntary mental health treatment, if the court finds that the person poses a likelihood of serious harm or is gravely disabled, but that treatment in a less restrictive alternative (LRA) than detention is in the best interest of the person or others, the court must order an appropriate less restrictive course of treatment rather than inpatient treatment. If a person is found to be in need of assisted outpatient treatment, and does not pose a likelihood of serious harm and is not gravely disabled, the person may only be ordered to LRA treatment, and may not be ordered to inpatient treatment. The Department of Social and Health Services contracts with regional support networks to administer community-based mental health services to persons on LRA orders.

Legislation enacted in 2015 increased the statutory direction for LRA treatment services and amended the process for issuance of LRA orders. In entering an LRA order, the court must identify the services the person committed to the LRA will receive based on a plan proposed by the petitioning facility. The court may order additional evaluation of the person if necessary to identify appropriate services.

Less restrictive alternative treatment must include, at a minimum:

- assignment of a care coordinator;
- an intake evaluation with the LRA provider;
- a psychiatric evaluation;
- medication management;
- a schedule of regular contacts with the provider of LRA treatment services for the duration of the order;
- a transition plan addressing access to continued services at the expiration of the order; and
- an individual crisis plan.

Less restrictive alternative treatment may also include: psychotherapy, nursing, substance abuse counseling, residential treatment, and support for housing, benefits, education, and employment.

An LRA order may be modified or revoked if the person is failing to adhere to the terms and conditions of his or her release, is substantially deteriorating or decompensating, or poses a likelihood of serious harm.

**Summary:** Rather than ordering specific treatment services in an LRA order, the order must name the provider responsible for planning and administering services and include a requirement that the committed person comply with the services planned by the provider. The services planned by the provider must adhere to the statutory requirements around mandatory and optional services for persons on LRA orders.

The care coordinator responsible for arranging treatment services for a person on an LRA order must submit an individualized plan for the person's treatment to the court as soon as possible following the intake evaluation, and again upon any subsequent modification in which a type of treatment service is removed from or added to the plan.

### Votes on Final Passage:

House	97	0
Senate	49	0

**Effective:** June 9, 2016

## ESHB 2545

C 176 L 16

Reducing public health threats that particularly impact highly exposed populations, including children and firefighters, by establishing a process for the department of health to restrict the use of toxic flame retardant chemicals in certain types of consumer products.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Van De Wege, Taylor, DeBolt, Cody, Rodne, Kochmar, Stambaugh, Riccelli, Johnson, Jinkins, Kagi, Harris, Smith, Stokesbary, Caldier, Zeiger, Tharinger, Hickel, Fitzgibbon, Muri, Reykdal, Frame, Rossetti, S. Hunt, Hudgins, McBride, Ormsby, Appleton, Walkinshaw, Senn, Ryu, Gregerson, Sells, Harmsworth, Tarleton, Pollet, Bergquist, Stanford and Scott).

House Committee on Health Care & Wellness  
House Committee on Appropriations  
Senate Committee on Health Care  
Senate Committee on Ways & Means

**Background:** Restricted Products. A manufacturer, wholesaler, or retailer may not manufacture, sell or distribute a children's product or product component that contains the following:

- lead at more than 0.009 percent by weight (90 ppm);



- cadmium at more than 0.004 percent by weight (40 ppm); and
- phthalates, individually or in combination, at more than 0.10 percent by weight (1,000 ppm).

Chemicals of High Concern for Children List. The Department of Ecology (Ecology), in consultation with the Department of Health (DOH), has developed a list of high priority chemicals of high concern for children (CHCC). Among the chemicals on the CHCC list are the following flame retardants:

- TDCPP (tris (1, 3-dichloro-2-propyl) phosphate);
- TCEP (tris (2-chloroethyl) phosphate);
- decabromodiphenyl ether;
- HBCD (hexabromocyclododecane); and
- additive TBBPA (tetrabromobisphenol A).

A manufacturer must provide notice to Ecology that the manufacturer's product contains a chemical on the CHCC list and is subject to a civil penalty if the manufacturer fails to provide notice.

Fire Safety Standards. The United States Consumer Product Safety Commission (CPSC) sets both mandatory and voluntary safety standards for consumer products, including fire safety standards. Under the federal Flammable Fabrics Act, the CPSC has used its regulatory authority to establish mandatory flammability standards for furniture and for many types of children's products. The State Building Code Council has adopted an amended version of the International Fire Code, which includes flammability standards for upholstered furniture in new and existing buildings.

2014 Ecology Flame Retardant Report. In the 2014 Supplemental Operating Budget, the Legislature directed Ecology to test for the presence of flame retardants in children's products and furniture and to analyze TBBPA and antimony compounds used as flame retardants. In January 2015 Ecology submitted a report that recommended the restriction of 10 flame retardants in children's products and furniture.

**Summary:** Prohibition on Certain Flame Retardant Chemicals. Beginning July 1, 2017, no manufacturer, wholesaler, or retailer may manufacture, knowingly sell, offer for sale, distribute for sale, or distribute for use in the state any children's products or residential upholstered furniture containing any of the following flame retardants in amounts greater than one thousand parts per million in any product component:

- TDCPP (tris (1, 3-dichloro-2-propyl) phosphate);
- TCEP (tris (2-chloroethyl) phosphate);
- decabromodiphenyl ether;
- HBCD (hexabromocyclododecane); and
- additive TBBPA (tetrabromobisphenol A).

Recommendations on Other Flame Retardant Chemicals. Ecology must consider whether the following flame retardants meet the criteria of a CHCC:

- IPTPP (isopropylated triphenyl phosphate);

- TBB ((2-ethylhexy 1)- 2,3,4,5-tetrabromobenzoate);
- TBPH (bis (2-ethylhexyl)-2,3,4,5-tetrabromophthalate);
- TCPP (tris (1-chloro-2-propyl) phosphate);
- TPP (triphenyl phosphate); and
- V6 (bis(chloromethyl) propane-1,3-diyltetrakis (2-chloroethyl) bisphosphate).

Within one year of Ecology adopting a rule that identifies a flame retardant as a CHCC, the DOH, in consultation with Ecology, must create a stakeholder advisory committee for the rule development to provide early stakeholder input, expertise, and additional information to develop policy options and recommendations for reducing exposure, designating and developing safer substitutes, and restricting or prohibiting the use of the flame retardant chemicals. The DOH must submit the recommendations to the Legislature. If the DOH, in consultation with Ecology, determines that a flame retardant chemical should be restricted or prohibited from use in children's products, residential upholstered furniture, or other commercial products or processes, the DOH must include citations of the peer-reviewed science and other sources of information reviewed and relied upon in support of the recommendation to restrict or prohibit the flame retardant chemical.

Exemptions. The sale or purchase of any previously owned products containing a restricted chemical by a non-profit organization is exempt from provisions restricting or prohibiting the sale or distribution of products with certain chemicals.

**Votes on Final Passage:**

House	76	21	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

**HB 2557**

C 177 L 16

Addressing the return of unused shared leave.

By Representatives S. Hunt and Reykdal.

House Committee on State Government  
Senate Committee on Government Operations & Security

**Background:** In 1989 a leave sharing program was established for state and school district employees. The leave sharing program allows employees who have exhausted their accrued paid leave to use additional paid leave donated by their colleagues under certain qualifying circumstances.

An employee may benefit from the leave sharing program if he or she suffers from personal illness or injury; is caring for a sick or injured family or household member; is the victim of domestic violence, sexual assault, or stalking; has been called into military service; or is re-

sponding in service to a devastated area in a declared emergency or its aftermath. In order to qualify for the leave program, one of these circumstances must have caused or is likely to cause the employee to go on leave-without-pay status or to terminate employment.

The amount of shared leave an employee may receive is determined by the agency head and may not exceed the requested amount, up to a maximum of 522, days unless extraordinary circumstances apply.

If donated leave is unused and is no longer needed by the employee, the unused leave is returned to the donor. In order to return unused leave, the agency head must determine that the leave is no longer needed or will not be needed in the future in connection to the original or any other qualifying condition. Before making a determination to return unused leave donated due to an illness or injury, the agency head must receive a statement from the affected employee's doctor verifying that the illness or injury is resolved.

**Summary:** Unused shared leave may be returned when an employee is released to full-time employment, has not received medical treatment for a qualifying condition for at least six months, and the employee's doctor has declined the employee's request for a statement indicating the employee's condition has been resolved.

If an employee has a closed shared leave account and subsequently needs to use shared leave due to the same condition, the agency head must approve a new shared leave request for the employee.

**Votes on Final Passage:**

House	96	0
Senate	48	0

**Effective:** June 9, 2016

**HB 2565**

C 46 L 16

Reducing the frequency of local sales and use tax changes.

By Representatives Vick, Reykdal, Orcutt, Wilson, Springer, Robinson, Nealey, Wilcox, Manweller, Stokesbary, Condotta, Pike, Haler, Frame, Hargrove and Muri.

House Committee on Finance  
Senate Committee on Ways & Means

**Background:** Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital product, or service when used in this state. The state, most cities, and all counties levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent;

local sales and use tax rates vary from 0.5 percent to 3.0 percent, depending on the location.

**Local Sales Tax Changes.** In general, local sales and use tax changes can take effect no sooner than 75 days after the Department of Revenue (DOR) receives notice of the change and only on the first day of January, April, July, or October.

A local sales and use tax that is a credit against the state tax can take effect no sooner than 30 days after the DOR receives notice and only on the first day of a month.

**Summary:** Local sales and use tax changes can only be made on the first day of January, April, or July. The DOR must still receive notice 75 days prior to the change.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** June 9, 2016

**SHB 2580**

C 47 L 16

Establishing a public registry for the transparency of blood establishments.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Rodne, Robinson, Johnson and Jinkins).

House Committee on Health Care & Wellness  
Senate Committee on Health Care

**Background:** The federal Food and Drug Administration (FDA) requires that an entity obtain a biologics license prior to introducing, or delivering for introduction, a biological product into interstate commerce. Biological products include blood and blood components intended for transfusion or for further manufacture into injectable products. An entity that holds a biologics license must comply with FDA standards, including standards for personnel, work rooms, equipment, laboratories, records maintenance, and retention of samples. For a license holder that manufactures blood and blood components, there are more specific standards that must be met that include registration with the FDA.

In addition to obtaining a biologics license from the FDA, a blood establishment must be licensed with the Department of Health as a medical test site. A medical test site includes any facility or site that analyzes materials from the human body for the purposes of health care, treatment, or screening. To become licensed, a medical test site must demonstrate the ability to comply with applicable standards related to the accuracy of testing, staffing requirements, recordkeeping, quality assurance, and quality control.

**Summary:** Blood-collecting or distributing establishments (blood establishments) may not collect or distribute blood for transfusion in Washington unless they are regis-

tered with the Department of Health (Department). To become registered, a blood establishment must hold a license issued by the federal Food and Drug Administration (FDA) and submit an application and fee to the Department. The application must include:

- the name and contact information for the blood establishment;
- a copy of the blood establishment's FDA license, unless the applicant is a hospital that is not required to be licensed by the FDA;
- a list of the blood establishment's clients in Washington;
- any titled letters, fines, or license suspensions issued by the FDA in the two years prior to application;
- any judicial consent decrees issued in the two years prior to application; and
- other information required by the Department.

Blood establishments are defined as organizations that collect or distribute blood for allogeneic transfusion in Washington. Hospitals are excluded from the definition except for hospitals that collect blood directly from donors for allogeneic transfusions.

The registration must be renewed annually through the submission of updated application information. A blood establishment must notify the Department within 14 days of the termination of a blood establishment's FDA license. The Department must deny or revoke the registration of any blood establishment that ceases to be licensed by the FDA. The Department may also seek an injunction against an entity that is collecting or distributing blood without a registration. The registration requirement does not apply in cases in which a qualified provider determines that there is an individual patient medical need.

The Department must maintain an online public registry of all registered blood establishments that supply blood for transfusion in Washington. The Department must update the registry within two weeks of receiving application-related information from a blood establishment, including any FDA or judicial action against its FDA license. The Department must notify all clients of a blood establishment within two weeks of being notified that the blood establishment has had an FDA or judicial action against its FDA license or if it no longer holds an FDA license.

**Votes on Final Passage:**

House	98	0	
Senate	47	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

Concerning public disclosure of information submitted to the liquor and cannabis board regarding marijuana product traceability and operations.

By House Committee on Commerce & Gaming (originally sponsored by Representatives Vick, Van De Wege, Blake, Harris and Tarleton).

House Committee on Commerce & Gaming  
Senate Committee on Commerce & Labor

**Background:** Public Records Act. The Public Records Act (PRA) requires state and local agencies to make their written records available to the public for inspection and copying upon request, unless the information fits into one of the various specified exemptions in the PRA or as otherwise provided in state law. The stated policy of the PRA favors disclosure and requires narrow application of the listed exemptions. The statutory exemptions from the disclosures required under the PRA include: (1) commercial and proprietary information regarding formulas, designs, computer source code, and research data if disclosure of such information would cause private gain and public loss; and (2) specified types of private financial, technical, and commercial information obtained by state agencies in the course of regulating the activities of private entities or persons.

Liquor and Cannabis Board: Regulation of Commerce in Marijuana Products. The Liquor and Cannabis Board (LCB) is the state regulatory entity responsible for the implementation of the initiative, including continuing oversight over the commercial practices and conduct of licensed marijuana producers, processors, and retailers. The regulatory powers of the LCB include rule-making authority with respect to licensing and general oversight of the legal marijuana marketplace.

The LCB is authorized to issue three categories of commercial marijuana licenses: (1) the marijuana producer's license entitles the holder to produce marijuana for sale at wholesale to licensed marijuana processors or other producers; (2) the marijuana processor's license entitles the holder to process, package, and label marijuana for sale at wholesale to marijuana retailers and other processors; and (3) the marijuana retailer's license entitles the holder to sell marijuana products at retail prices in retail outlets.

The LCB requires commercial marijuana licensees and license applicants to provide a wide range of information, including information regarding:

- business operations and practices;
- financial records;
- methods of producing, processing, and packaging marijuana products;
- the design and characteristics of commercial facilities;

- the security of commercial marijuana facilities and transportation methods; and
- practices regarding monitoring product inventories and the flow of marijuana products, from initial production to retail sale.

**Summary:** Specified categories of information obtained by the LCB in regulating marijuana commerce are exempted from disclosure under the PRA. The information subject to the exemption includes information pertaining to financial institutions, retirement accounts, building security plans, marijuana transportation, vehicle and driver identification data, and account numbers or unique access identifiers issued to private entities for traceability system access.

**Votes on Final Passage:**

House	89	8
Senate	43	4

**Effective:** June 9, 2016

**HB 2587**

C 179 L 16

Concerning the superior court judges' association.

By Representatives Rodne, Goodman and Orwall.

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** Superior courts are constitutionally created courts of record that have original jurisdiction over a wide range of civil and criminal matters and appellate jurisdiction over cases arising in courts of limited jurisdiction within their counties. Superior court judges are elected to four-year terms, and a person must be an attorney admitted to practice in Washington to qualify for the position.

In 1933 the Association of the Superior Court Judges of the State of Washington (Association). The Association consists of all judges of the superior courts and is governed by officers elected at the annual meeting of the Association was established in statute. The Association establishes uniform rules for the government of the superior courts, promotes the objectives of statutes relating to the Association, and engages in other efforts supporting improvements in the court system.

Despite the name given to the Association when it was established, almost all of the statutory references to the Association are to the "Superior Court Judges' Association."

**Summary:** The name of the Association in the chapter creating the Association, and one other statutory reference to the "Association of Superior Court Judges," are changed to the "Superior Court Judges' Association."

**Votes on Final Passage:**

House	96	0
Senate	47	1

**Effective:** June 9, 2016

**ESHB 2591**

C 180 L 16

Notifying foster parents of dependency hearings and their opportunity to be heard in those hearings.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Hargrove, Kagi, Walsh, Dent, Caldier, Senn, Frame, Muri, Zeiger, McBride, Ormsby and Gregerson).

House Committee on Early Learning & Human Services  
Senate Committee on Human Services, Mental Health & Housing

**Background:** Dependency Proceedings. Any person or the Department of Social and Health Services (DSHS) may file a petition in court to determine if a child should be a dependent of the state due to abuse, neglect, abandonment, or because there is no parent, guardian, or custodial capable of caring for the child. Once a child is found dependent, the court conducts periodic reviews and makes determinations about the child's placement and the progress of the parents in correcting parental deficiencies. After a period of time, if the parents fail to take corrective measures needed to allow the child to return home safely, the court can eventually terminate parental rights.

Foster Parent Notice of Dependency Court Proceedings. The DSHS must provide the child's foster parents, pre-adoptive parents, or other caregivers with notice of their right to be heard prior to each dependency court proceeding. This notice must be provided to any foster parent, pre-adoptive parent, or other caregivers with whom a child has been placed by the DSHS before shelter care and who is providing care to the child at the time of the proceeding.

The DSHS created a form that may be provided to and used by caregivers titled "Caregiver's Report to the Court," which may be used by caregivers to provide the court with information about the child in their care.

Administrative Office of the Courts Annual Dependency Report. The Administrative Office of the Courts (AOC) and the Washington State Center for Court Research within the AOC has produced an annual Timeliness of Dependency Case Processing Report (Report) since 2007. The Report includes designated performance measures, including:

- whether a fact-finding hearing occurred within 75 days;
- whether a first review hearing occurred within six months;
- whether the first permanency planning hearing occurred within 12 months;
- whether subsequent permanency planning hearings occurred every 12 months;

- whether permanency was achieved before 15 months in out-of-home care;
- whether termination of parental rights petition was filed within 15 months of out-of-home care;
- case tracking from dependency filing to legally-free status; and
- whether adoption was completed within six months of the termination order.

**Summary:** The DSHS must provide a child's foster parents, pre-adoptive parents, or other caregivers who are providing care for a child at the time of a hearing with timely and adequate notice of their right to be heard prior to each dependency proceeding. Timely and adequate notice means notice at the time the DSHS would be required to give notice to parties in the case and by any means reasonably certain of notifying the foster parents. For emergency hearings, the DSHS must give notice to foster parents, pre-adoptive parents, or other caregivers as soon as is practicable.

The court must establish in writing after each hearing for which the DSHS is required to provide notice:

- whether adequate and timely notice was provided by the DSHS;
- whether a caregiver's report was received by the court; and
- whether the court provided the foster parents, pre-adoptive parents, or caregivers with an opportunity to be heard in court.

The caregiver's report is defined as a form provided by the DSHS to a child's foster parents, pre-adoptive parents, or caregivers that provides those individuals with an opportunity to share information about the child before a court hearing. A caregiver's report may not include information about a child's biological parent that is not directly related to the child's well-being.

The AOC must include in its annual Report information regarding whether foster parents received timely notification of dependency hearings and whether caregivers submitted reports to the court. This Report must also be submitted to a representative of the Foster Parent Association of Washington State.

**Votes on Final Passage:**

House	96	0
Senate	47	0

**Effective:** June 9, 2016

Requiring school districts to include sexual abuse as a topic in plans addressing students' emotional or behavioral distress.

By Representatives Orwall, Magendanz, Reykdal, McBride, Lytton, Caldier, Frame, Rossetti, S. Hunt and Pollet.

House Committee on Education

Senate Committee on Early Learning & K-12 Education

**Background:** Student Emotional or Behavioral Distress Plans. Legislation adopted in 2013 requires school districts to adopt a plan for the recognition, initial screening, and response to emotional or behavioral distress in students, including indicators of possible substance abuse, violence, and youth suicide. School districts are required to annually provide the plan to all district staff.

The plan must satisfy numerous minimum content requirements, including addressing:

- identification of training opportunities in recognition, screening, and referral that may be available for staff;
- how staff should respond to suspicions, concerns, or warning signs of emotional or behavioral distress in students;
- protocols and procedures for communication with parents; and
- how the district will provide support to students and staff after an incident of violence or youth suicide.

In adopting the plan, school districts may consider a model school district plan developed at the direction of the Legislature by the Office of the Superintendent of Public Instruction and the School Safety Center Advisory Committee.

Alleged Sexual Misconduct by a School Employee - Notification and Reporting Obligations. School districts must, at the first opportunity but in all cases within 48 hours of receiving a report alleging sexual misconduct by a school employee, notify the parents of the student alleged to be the victim, target, or recipient of the misconduct. In complying with this notification requirement, districts must provide parents with information regarding their rights under Washington's Public Records Act to request the public records regarding school employee discipline. This information must also be provided by the district to all parents on an annual basis.

A school employee who has knowledge or reasonable cause to believe that a student has been a victim of physical abuse or sexual misconduct by another school employee is required to report the abuse or misconduct to the appropriate school administrator. If the administrator has reasonable cause to believe that the misconduct or abuse occurred, he or she must cause a report to be made to the proper law enforcement agency. During the process of making a reasonable cause determination, the administrator must contact all parties involved in the complaint.

School districts are required to provide employees training regarding their statutory reporting obligations related to physical abuse or sexual misconduct by school employees in their orientation training when hired and again every three years.

**Summary:** Provisions governing the plan for the recognition, initial screening, and response to emotional or behavioral distress in students that school districts must adopt are modified. In addition to recognizing, screening, and responding to emotional or behavioral distress in students for possible substance abuse, violence, and youth suicide, the plan must also include provisions for indicators of possible sexual abuse.

The minimum content requirements that a plan must satisfy are modified to specify that the plans must address:

- protocols and procedures for communication with parents and guardians, including specific parental notification requirements for alleged sexual misconduct by a school employee;
- how the district will provide support to students and staff after allegations of sexual abuse;
- how staff should respond when allegations of sexual contact or abuse are made against a staff member, a volunteer, or a parent, guardian, or family member of the student, including how staff should interact with parents, law enforcement, and child protective services; and
- how the district will provide to certificated and classified staff training on the obligation to report physical abuse or sexual misconduct to the appropriate school administrator.

**Votes on Final Passage:**

House	97	0
Senate	48	0

**Effective:** June 9, 2016

## SHB 2598

C 22 L 16

Authorizing the use of certain cargo extensions that connect to a motor home or travel trailer frame.

By House Committee on Transportation (originally sponsored by Representatives Orcutt and Clibborn).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** It is unlawful to pull more than one trailer at a time behind a motor vehicle, except for a motor carrier that has a combination consisting of a tractor and two trailers in which the combined length does not exceed 61 feet. The definition of a "trailer" includes every vehicle without motive power designed for being drawn by, or used in conjunction with, a motor vehicle constructed so that no ap-

preciable part of its weight rests upon, or is carried by, such motor vehicle.

There are carriers that attach to the left and right sides of the frame of a recreational vehicle that do not pivot on a trailer hitch as a trailer, but become a part of the recreational vehicle through the way it is connected. These also have an axle that acts as a tag axle to safely carry the weight of the cargo.

**Summary:** A cargo extension is a device that it connects to the left and right side of a motor home or travel trailer frame and becomes part of the frame of the motor home or travel trailer. The cargo extension does not pivot on a hitch and has an axle with two wheels that act like a tag axle to safely carry the weight of the cargo. A cargo extension is not a trailer.

A cargo extension must have at least two tail lamps mounted on the rear, which when lighted can be visible from a distance of 1,000 feet. Tail lights must be located at a height of not more than 72 inches and not less than 15 inches.

A cargo extension does not have to be equipped with brakes, provided that the gross weight of the cargo extension does not exceed 3,000 pounds and the total weight of the cargo extension does not exceed 40 percent of the gross weight of the towing vehicle.

A cargo extension must be equipped with fenders, covers, flaps, or splash aprons adequate for minimizing the spray or splash of water or mud from the roadway to the rear of the cargo extension.

A motor home or travel trailer may not have a trailer or secondary cargo extension or unit attached to the cargo extension.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** July 1, 2016

## HB 2599

C 23 L 16

Authorizing the freight mobility strategic investment board to remove funding allocation for projects after a certain number of years without construction occurring.

By Representatives Orcutt, Clibborn, Moscoso, Harmsworth, Tarleton, Zeiger, Hayes, Hargrove, Rossetti, McBride and Wilson.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** The Freight Mobility Strategic Investment Board (FMSIB) was created by the Legislature in 1998 to implement the state's freight mobility strategic investment program. The FMSIB was directed to solicit, review, evaluate, and prioritize freight projects from public entities.

## HB 2605

The FMSIB is comprised of 12 members representing various aspects of the state and transportation system including cities, counties, ports, railroads, trucking, shipping, the general public, the Office of Financial Management, and the Washington State Department of Transportation. The FMSIB is the administering agency for two freight mobility accounts in the State Treasury: the Freight Mobility Investment Account and the Freight Mobility Multimodal Account. Both accounts receive a statutory transfer of \$6 million each biennium. The FMSIB is scheduled to receive an additional \$123 million through 2031 from the Connecting Washington transportation revenue package passed in 2015.

The FMSIB currently maintains an active project list of 20 projects worth \$378.4 million with the FMSIB contribution at \$70.9 million. The FMSIB also has a deferred project list of 18 projects, some of which date back to the inception of the FMSIB in 1998.

**Summary:** There is a six year time limit that projects determined to be not ready to proceed by the FMSIB may retain their position on the FMSIB priority project list.

After six years, the FMSIB may remove a project from consideration for any of the following reasons: the project has been unable to obtain the necessary funding or financing to proceed; the project becomes a lower local priority and is unlikely to be constructed within two years; or that are quantifiable issues that make it highly unlikely the project could obtain necessary permits or could be constructed as originally proposed.

The sponsoring public entities of the projects removed are required to submit a new application to the FMSIB if they wish to restore any project for funding consideration. The new applications must be evaluated by the FMSIB in the same manner as new applicants.

**Votes on Final Passage:**

House	98	0
Senate	47	0

**Effective:** June 9, 2016

## HB 2605

C 129 L 16

Creating a special permit by a manufacturer of beer to hold a private event for the purpose of tasting and selling beer of its own production.

By Representatives Kirby, Vick, Blake and Rossetti.

House Committee on Commerce & Gaming  
Senate Committee on Commerce & Labor

**Background:** Wine manufacturers and distilleries may apply to the Liquor and Cannabis Board (LCB) for a special permit to conduct tastings and sales of wine or spirits of their own production. The permit allows for the sale and consumption of wine or liquor at private, invitation-only gatherings held in a specific place and at a specific

time. The permit costs \$10 and must be displayed during the event. The LCB may issue no more than 12 permits per year to a single wine manufacturer or distillery.

The LCB is not authorized to issue a special permit to beer manufacturers to hold similar private events.

**Summary:** The LCB may issue a special permit to a beer manufacturer allowing the manufacturer to conduct a private tasting and sales event involving beer of its own production. The permit allows for the sale and consumption of beer at private, invitation-only gatherings held in a specified place at a specified time. The permit costs \$10 and must be displayed during the event. The LCB may issue no more than 12 permits per year to a single beer manufacturer.

**Votes on Final Passage:**

House	93	5
Senate	43	4

**Effective:** June 9, 2016

## HB 2623

C 204 L 16

Concerning recounts of statewide advisory measures.

By Representatives Van Werven, Bergquist, Holy and Muri; by request of Secretary of State.

House Committee on State Government  
Senate Committee on Government Operations & Security

**Background:** Advisory votes were established in 2008 by the enactment of Initiative 960. Through an advisory vote, voters advise the Legislature whether to repeal or maintain a tax increase enacted by the Legislature. The results of advisory votes are nonbinding and do not result in a change to the law.

An advisory vote must be added to the ballot as a statewide measure for the general election when the Legislature takes action to raise taxes and that action is either blocked from a public vote or is not referred to the people by referendum. Adding an emergency clause to a bill increasing taxes, bonding or contractually obligating taxes, or otherwise preventing a referendum on a bill increasing taxes are blocking a public vote. If the action raising taxes involves more than one revenue source, each tax being increased is subject to a separate advisory vote.

The Secretary of State must direct a recount of election results for statewide measures when the difference between approval and rejection of the measure is less than 2,000 votes and also equals less than 0.5 percent of the total number of votes cast on the measure.

**Summary:** Statewide advisory votes are exempted from the recount requirements for statewide measures. The Secretary of State may not direct a recount for any statewide advisory vote.

**Votes on Final Passage:**

House	94	1
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Senate 48 0  
**Effective:** June 9, 2016

**HB 2624**  
 C 130 L 16

Concerning election errors involving measures.

By Representatives S. Hunt and Bergquist; by request of Secretary of State.

House Committee on State Government  
 Senate Committee on Government Operations & Security

**Background:** Any elector may request judicial review of an alleged error or omission that has occurred or is about to occur with respect to the name of a candidate or another error in the printing of ballots; the certification of an election; or any other other alleged neglect of duty, error, or wrongful act by an election officer.

To request judicial review, the elector must file an affidavit with the appropriate court. For alleged errors related to the printing of a candidate's name on the primary ballot, the affidavit must be filed within two days after the closing of the filing period of the office. For alleged errors related to the printing of a candidate's name on the general election ballot, the affidavit must be filed within three days following the official certification of the primary returns or official certification of candidates qualified to appear on the general election ballot, whichever is later. To challenge the certification of an election, the affidavit must be filed within 10 days following the official certification of the election or the official certification of the amended abstract in the case of a recount.

When a candidate is declared elected to an office, a registered voter may challenge the certification of the election or that candidate's right to assume office for certain causes. A court may dismiss the challenge if the cause is insufficient or the court may pronounce judgment, including declaring a person duly elected. If the court sets aside an election result and no appeal is taken within 10 days, the election of the person challenged is rendered void.

Improper conduct in the proceedings of a county canvassing board does not invalidate an election result, unless the improper conduct led to a candidate being declared elected when he or she did not have the highest number of votes. Illegal votes do not invalidate an election, unless the number of illegal votes, when taken away from the winning candidate's result, would result in that candidate having fewer votes than an opposing candidate.

**Summary:** Challenges to election measures are authorized. The timeframes for a challenge to the outcome of an election measure are the same as for a challenge to the certification of an election. If a court determines that the results of a measure are reversed, the court must declare a change in the election result.

An elector may also challenge the right of a candidate to appear on the general election ballot after a primary.

Improper conduct in the proceedings of a county canvassing board does not invalidate an election result, unless the improper conduct led to a candidate being declared elected when he or she did not have the highest number of votes or reversed the outcome of an election measure. Illegal votes do not invalidate an election or the passage of a measure unless the number of illegal votes, when taken away from the winning result, would result in that candidate or measure having fewer votes than an opposing candidate or would result in the measure's outcome being reversed.

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** June 9, 2016

**HB 2634**  
 C 101 L 16

Modifying the powers and duties of the Washington dairy products commission to include research and education related to the economic uses of nutrients produced by dairy farms.

By Representatives Buys, Lytton, Dent, Blake, Stanford and McBride; by request of Department of Agriculture.

House Committee on Agriculture & Natural Resources  
 Senate Committee on Agriculture, Water & Rural Economic Development

**Background:** Dairy Nutrients. Nutrients produced on dairy farms (dairy nutrients) are the organic waste produced by dairy cows on a dairy farm operation. The Dairy Nutrient Management Program (Program) is administered by the Department of Agriculture (Department) to help protect water quality from dairy nutrient discharges. The Program requires all licensed cow dairies to develop and implement dairy nutrient management plans, register with the Department, and participate in regular inspections.

Dairy nutrients contain nitrogen, phosphorous, potassium, and other nutrients, in varying quantities, which promote plant growth. For this reason, dairy and other livestock nutrients are sometimes composted to be used as garden fertilizer.

Washington Dairy Products Commission. The Washington Dairy Products Commission (Dairy Commission) is one of several commodity commissions in the state, and promotes and provides public education regarding the state's dairy industry. The Dairy Commission also conducts research to develop efficient and equitable methods of marketing dairy products.

**Summary:** The Dairy Commission may conduct research and education related to economic uses of dairy nutrients.



## HB 2637

### Votes on Final Passage:

House 98 0  
Senate 47 0

**Effective:** June 9, 2016

### HB 2637

C 102 L 16

Creating the Washington state historic cemetery preservation capital grant program.

By Representatives Manweller, DeBolt, G. Hunt and Zeiger.

House Committee on Capital Budget  
Senate Committee on Government Operations & Security  
Senate Committee on Ways & Means

**Background:** Department of Archaeology and Historic Preservation. The Department of Archaeology and Historic Preservation (DAHP), under the direction of the State Historic Preservation Officer, has responsibilities under both federal and state law for helping preserve the cultural and historic resources of the state. The DAHP administers the Heritage Barn and Historic County Courthouse Rehabilitation grant programs. Related to cemeteries, the DAHP's Human Remains and Cemeteries program investigates non-forensic human skeletal remains found in the state of Washington and the recording of all known cemeteries and burial sites within the state. The DAHP is required to develop and maintain a centralized database and geographic information systems spatial layer of all known cemeteries and known sites of burials of human remains. The database, currently numbering 1,457 cemeteries, is updated on an annual basis.

Cemetery Definitions in Statute. In general, a "cemetery" includes any one, or a combination, of the following, in a place used or intended to be used for placement of human remains and dedicated for cemetery purposes: a burial park, for earth interments; a mausoleum, for crypt interments, a columbarium, for permanent niche interments; or, in the case of abandoned and historic cemeteries and historic graves, any burial site, burial grounds, or place where five or more human remains are buried. A "historical cemetery" is any burial site or grounds which contain human remains buried prior to November 11, 1889. Cemeteries holding a valid certificate of authority under the state Funeral and Cemetery Board, cemeteries owned or operated by any recognized religious denomination that qualifies for an exemption from property taxation, and cemeteries controlled or operated by a coroner, county, city, town, or cemetery district are not considered historical cemeteries.

**Summary:** The Washington State Historic Cemetery Preservation Capital Grant program (Program) is created in the DAHP. The Program's public benefits include: preserving the state's historic heritage, allowing historic cem-

eteries to continue serving communities, and honoring military veterans. Cemetery property owners, nonprofit organizations, and local governments are eligible to apply for grants for construction, renovation, or rehabilitation projects that preserve a cemetery's historic character, features, or maintain or improve its functions. Grants may be awarded biennially, subject to appropriation. Grant awards are capped at \$50,000, adjusted each biennium for inflation. No match may be required from applicants.

The DAHP director must establish an application review committee including at least five members with expertise or a connection to historic preservation, cemetery associations, local cemetery boards, or other relevant organizations.

Applications must be submitted to the DAHP and must include a history of the cemetery. The evaluation criteria are: relative historic significance, potential lessening of maintenance and operations costs, and relative percentage of military burials. The committee must provide its prioritized list of projects for funding to the DAHP, which must execute contracts with recipients prior to work beginning. Projects must be initiated within one year and completed within two years of the award, unless approved for extension.

Grant recipients must maintain the cemetery for at least 10 years. Public access and tribal access must be provided under reasonable terms and conditions. Visits by nonprofit organizations and school groups must be offered at least one day per year. Any dismantlement, removal, substantial alteration or similar action taken by the recipient or subsequent owner within 10 years of the award will require full grant repayment within one year.

### Votes on Final Passage:

House 98 0  
Senate 41 7 (Senate amended)  
House 96 0 (House concurred)

**Effective:** June 9, 2016

### SHB 2644

C 181 L 16

Concerning animal forfeiture in animal cruelty cases.

By House Committee on Judiciary (originally sponsored by Representatives Blake, Muri, Van De Wege, Jinkins, Kretz, Short, Fitzgibbon, Rossetti and McBride).

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** Removal of Animals During an Animal Cruelty Investigation. Law enforcement agencies and local animal care and control agencies may enforce the animal cruelty laws. A law enforcement officer or animal control officer may, with a warrant, remove an animal to a suitable place for care if the officer has probable cause to believe the owner has violated the animal cruelty laws and

there is no responsible person available who can assume the animal's care. An officer may remove an animal without a warrant if the animal is in an immediate life-threatening situation.

An owner of a seized domestic animal must be notified, in writing, of the circumstances of removal and legal remedies. After 15 business days, the agency having custody of the animal may euthanize the animal or find a responsible person to adopt the animal. If no criminal case is filed within 14 business days, the owner may petition the court for the animal's return. An owner may prevent the animal's destruction or adoption by filing a petition for return of the animal or posting a bond or security in an amount sufficient to provide for the animal's care for a minimum of 30 days.

If the owner files a petition for return of the animal, a copy of the petition must be served on the agency that removed the animal and the prosecuting attorney. If the court grants the petition, the animal must be delivered to the owner at no cost. If a criminal action is filed after a petition for return is filed, but before the animal is returned, the petition must be joined with the criminal action.

**Forfeiture of Animals Upon Conviction.** When a person is convicted of a criminal violation of the animal cruelty laws, the court must order forfeiture of all seized animals if any one of the animals involved dies as a result of the violation or if the defendant has a prior conviction under the animal cruelty laws. In other cases, the court may order forfeiture of an animal if the animal's treatment was severe and is likely to reoccur. A person convicted of animal cruelty is prohibited from owning, residing with, or caring for any similar animals for a specified period of time, unless the person's right is sooner restored.

**Summary:** Changes are made to the process under which an owner may petition for return of an animal that has been removed from the owner's care. A petition for return of a removed animal must be joined with a criminal action against the owner if the action is filed before the hearing on the petition, rather than before the time the animal is returned. Upon an owner's successful petition for return of a removed animal, the animal must be surrendered to the owner, rather than delivered to the owner.

The authority of a law enforcement officer, animal control officer, custodial agency, or court to remove, adopt, euthanize, or require forfeiture of an animal is not limited by the forfeiture provisions and limitations on animal ownership in the criminal sentencing provisions of the animal cruelty laws.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

**HB 2651**

C 24 L 16

Concerning vehicle maximum gross weight values.

By Representatives Rossetti and Orcutt; by request of Department of Transportation.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** No vehicle or combination of vehicles may operate upon the public highways with a gross weight on any single axle in excess of 20,000 pounds, or upon any group of axles in excess of that which is in a table in statute. Two consecutive sets of tandem axles may, however, carry a gross load of 34,000 pounds each if the distance between the first and last axles of the sets of tandem axels is 36 feet or more. Some of the fields in the gross weight table used to establish weight on axles or a combination of axles are blank.

The weight table is based on federal weight limits calculated by using the Bridge Gross Weight Formula, which is  $500 ((LN/N-1) + 12N + 36)$  where W is the maximum weight carried on any group of two or more consecutive axles, L is the distance between the extremes of any group of two or more consecutive axles, and N is the number of axles under consideration. Washington uses these weight limits for all state highways.

**Summary:** The maximum gross weights are placed in the fields of the gross weight table that are currently blank. The basis for the table is specified as the federal Bridge Gross Weight Formula.

**Votes on Final Passage:**

House	98	0
Senate	46	0

**Effective:** June 9, 2016

**HB 2663**

C 182 L 16

Implementing sunshine committee recommendations to repeal obsolete exemptions to public disclosure provisions.

By Representatives Springer and Kilduff.

House Committee on State Government  
Senate Committee on Government Operations & Security

**Background:** The Public Records Act (PRA) requires state and local agencies to make their written records available to the public for inspection and copying upon request, unless the information fits into one of the various specific exemptions of the PRA or otherwise provided in law. The stated policy of the PRA favors disclosure and requires narrow application of the listed exemptions.

Records of several defunct programs or reports with no ongoing activity are exempt from disclosure under the PRA, including:

- railroad company contracts filed prior to 1991 with the Utilities and Transportation Commission;
- personal information filed with the Bureau of Statistics in the Office of the Secretary of State; and
- data collected by the Department of Social and Health Services for a 2004 report on the payment system for licensed boarding homes, except as compiled and reported to the Legislature.

Apart from the PRA, in 1933 the Legislature protected the confidentiality of all records showing the purchase of liquor by any individual and made the disclosure of such information a misdemeanor crime. The prohibition applied to the predecessor entity of the Liquor and Cannabis Board.

**Summary:** The PRA exemptions from public disclosure of records of certain defunct programs and reports are repealed, including: railroad company contracts filed prior to 1991 with the Utilities and Transportation Commission; personal information filed with the Bureau of Statistics; and data collected by the Department of Social and Health Services for a 2004 report on the payment system for licensed boarding homes. The prohibition from disclosure of records related to the purchase of alcohol by an individual is repealed.

**Votes on Final Passage:**

House	96	0
Senate	48	0

**Effective:** June 9, 2016

**E2SHB 2667**

C 103 L 16

Concerning administrative processes of the state parks and recreation commission that require a majority vote of the commission.

By House Committee on Capital Budget (originally sponsored by Representatives Farrell, Holy, Pollet, Shea, Nealey, Walsh, Scott, Kagi, Senn, Johnson and Short).

House Committee on Environment  
House Committee on Capital Budget

**Background:** The State Parks and Recreation Commission (Commission) manages a system of over 100 parks with a variety of facilities, historic buildings, and recreation programs. Among the properties managed by the Commission is Saint Edward State Park (Saint Edward) in King County. With partial financial support from the federal Land and Water Conservation Fund, Washington acquired Saint Edward in 1977 from the Seattle Catholic Archdiocese, which had sited a boy's school and seminary on the property. Today, Saint Edward encompasses 316

acres of buildings, recreational facilities, and undeveloped outdoor spaces, including several buildings listed on the National Register of Historic Places.

The state parks system is administered by a seven-member citizen commission appointed by the Governor, with one commissioner appointed as the Commission chair. The Commission hires a director to manage the day-to-day operations of the state parks system. Commissioners serve six-year terms, with any vacancies to be filled by gubernatorial appointments.

Certain items of Commission business, such as obtaining or leasing lands for the state parks system, require a majority vote of the Commission. However, unanimous consent of the Commission is required in order to lease state-owned land for a period of longer than 20 years, and in order to sell or exchange state park land. Leases of state park property by the Commission are limited to a maximum term of 50 years.

**Summary:** The Department of Commerce, in consultation with the Commission, must conduct a study of the economic feasibility of public or nonprofit uses of the seminary building at Saint Edward. The study must be submitted to the Commission, the Governor's office, and the Legislature by July 31, 2016. The study must consider the cost estimates for maintenance and building renovation, traffic implications of potential uses, limitations imposed by the National Park Service as a result of federal Land and Water Conservation Fund restrictions and land use codes, and data from previous studies of potential uses of the Saint Edward seminary building.

If the Commission determines that the Department of Commerce's study has failed to identify an economically viable public or nonprofit use for the property, the Commission may lease certain property at Saint Edward under different constraints than usually apply to leases by the Commission. Under these conditions, the Commission may lease certain property for 62 years instead of the normal 50-year maximum, and may enter into this lease upon an affirmative vote of five of the seven members of the Commission, instead of the usual requirement for unanimous Commission approval. The property at Saint Edward that qualifies for a 62-year lease after a five-vote Commission authorization is limited to the main seminary building, the pool building, the gymnasium, two adjacent parking lots, and other property immediately adjacent to those areas.

**Votes on Final Passage:**

House	93	3
Senate	45	4

**Effective:** June 9, 2016

## SHB 2678

C 131 L 16

Regulating nursing home facilities.

By House Committee on Appropriations (originally sponsored by Representatives Schmick, Cody and Van De Wege).

House Committee on Appropriations  
Senate Committee on Health Care

**Background:** The Washington State Medicaid (Medicaid) program includes long-term care assistance and services provided to low-income individuals. It is administered by the state in compliance with federal laws and regulations and is jointly financed by the federal and state government. Clients may be served in their own homes, in community residential settings, and in skilled nursing facilities.

**Nursing Facilities.** There are approximately 210 skilled nursing facilities licensed in Washington to serve about 10,000 Medicaid clients. Skilled nursing facilities are licensed by the Department of Social and Health Services (Department) and provide 24-hour supervised nursing care, personal care, therapies, nutrition management, organized activities, social services, laundry services, and room and board to three or more residents. The Medicaid nursing home payment system is administered by the Department. The Medicaid rates in Washington are unique to each facility and have generally been based on the facility's allowable costs, occupancy rate, and client acuity (sometimes called the case mix). The biennial appropriations act sets a statewide weighted average Medicaid payment rate, sometimes referred to as the budget dial. If the actual statewide nursing facility payments exceed the budget dial, the Department is required to proportionally adjust downward all nursing facility payment rates to meet the budget dial.

**Creation of a Value-based System For Nursing Home Rates.** In 2015, a value-based system for nursing home rates was established to begin July 1, 2016. The stated purpose of the new system is to decrease administrative complexity associated with the payment methodology, reward nursing homes for serving high-acuity residents, incentivize quality care for residents of nursing homes, and establish minimum staffing standards for direct care. Under the new system, six rate components were collapsed and reduced to three rate components: direct care, indirect care, and capital. The capital component must use a fair market rental system to set a price per bed and be adjusted for the age of the facility, using a minimum occupancy assumption of 90 percent. The direct care component must be adjusted for nonmetropolitan and metropolitan statistical areas. The fixed rate at which direct care is paid is based on 100 percent of facility-wide case mix neutral median costs.

**Minimum Staffing Standards.** Beginning July 1, 2016, a quality incentive must be offered and a minimum

staffing standard of 3.4 hours per resident day (HPRD) of direct care is established. The Department was directed to adopt rules establishing financial penalties for facilities out of compliance with the minimum direct care staffing standard.

In addition, requirements were established for the minimum number of weekly hours during which nursing facilities must have a Registered Nurse (RN) on duty directly supervising resident care. Large nonessential community providers, defined as any nursing facility with over 60 licensed beds that is not the only nursing facility within a commuting radius of 40 minutes by car, must have a RN on duty directly supervising resident care 24 hours per day, seven days per week.

**The Nursing Home Payment Methodology Work Group.** The Department was directed to facilitate a work group process to propose modifications to the new nursing home payment methodology. The work group submitted a report on modifications agreed to by consensus, including a description of areas of dissent and areas requiring legislative action, to the Legislature in January of 2016.

**Summary:** The nursing home payment methodology is modified to reflect consensus recommendations of the nursing home payment methodology work group.

**Direct Care and Indirect Care Components.** The direct care component must be regionally adjusted using county-wide wage index information available through the United States Department of Labor's Bureau of Labor Statistics rather than using nonmetropolitan and metropolitan statistical areas. The fixed rate at which direct care is paid must be based on 100 percent or greater of statewide case-mix neutral median costs, rather than on 100 percent of facility-wide case-mix neutral median costs.

The requirement that the indirect care component be adjusted for nonmetropolitan and

metropolitan statistical areas is removed. Indirect care must be paid at a fixed rate based on 90 percent or greater of statewide median costs rather than on 90 percent of facility-wide median costs.

The direct and indirect care component rate allocations must be adjusted to the extent necessary to meet the budget dial.

**Capital Component.** A Fair Rental Value (FRV) rate formula is established to set a price per bed for the capital component rate allocation of each facility. The formula takes into account the allowable nursing home square footage, a regional adjustment using the RS Means rental rate, the number of licensed beds yielding the gross unadjusted building value, an equipment allowance, and the average age of the facility. The average age of the facility is the actual facility age as adjusted for renovations that exceed \$2,000 per bed in any given calendar year. Significant renovations may reduce a facility's average age and have the potential to increase the facility's capital component rate allocation. A facility's FRV rate allocation must be rebased annually, effective July 1, 2016. The value per

square foot effective July 1, 2016, must be set so that the weighted average FRV rate is not less than \$10.80 per patient bed day. The capital component rate allocation must be adjusted to the extent necessary to meet the budget dial.

**Quality Incentive Rate Enhancement.** A quality incentive rate enhancement, equal to 1 to 5 percent of the statewide average daily rate, must be determined by calculating an overall facility quality score composed of four to six quality measures. For fiscal year (FY) 2017, facility quality scores are based on Minimum Data Set (MDS) measures collected by the federal Center for Medicare and Medicaid Services (CMS) for the percentage of long-stay residents who self-report moderate to severe pain, pressure ulcers, and urinary tract infections, and who have experienced falls resulting in major injury.

Beginning in FY 2018, two quality measures are added regarding the percentage of short-stay residents who newly receive antipsychotic medication and the percentage of direct care staff turnover.

Quality measures must be reviewed on an annual basis by a stakeholder work group established by the Department and may be added to or changed. The quality score must be point-based. Each facility is placed into one of five tiers based on its aggregate quality score for all measures as a percentage of the potential total score. The tier system determines the amount of each facility's per-patient day quality incentive component. Payments must be set in a manner that ensures that the entire biennial appropriation for the quality incentive program is allocated. The quality incentive rates must be adjusted semiannually on July 1 and January 1 of each year using, at a minimum, the most recent available three-quarter average MDS data from CMS. For facilities with insufficient three-quarter average MDS data on applicable quality measures, the Department may use the facility's five-star quality rating from CMS to assign the facility to a tier.

**Minimum Staffing Standards. Penalties.** Financial penalties for non-compliance with the minimum direct care staffing standard (3.4 HPRD) may not be issued during the July 1, 2016, through September 30, 2016, implementation period. Facilities found in non-compliance during the implementation period must be provided with a written notice identifying the staffing deficiency and requiring the facility to provide a correction plan.

Monetary penalties begin October 1, 2016, and must be established based on a formula that

calculates the cost of wages and benefits for the missing staff hours. The first penalty must be smaller than subsequent non-compliance penalties. Penalties may not exceed 200 percent of the wage and benefit costs that would have otherwise been expended to achieve the required direct care staffing minimum for the quarter.

**Exceptions.** The Department must establish, in rule, an exception allowing geriatric behavioral health workers who meet certain requirements to be recognized towards

the minimum direct care staffing standard as part of service delivery to individuals suffering from mental illness.

The Department must also establish a limited exception to the minimum direct care staffing standard for facilities demonstrating a good faith effort to hire and retain staff. Specific criteria for this exception are identified, including:

- The Department must survey facilities below, at, or slightly above the 3.4 HPRD requirement on staffing levels over three periods from October 2015 through June 2016 to determine initial facility eligibility for the exception. Only facilities below the 3.4 HPRD requirement during all three periods are eligible for exception consideration. Facilities that demonstrated staffing declines over the survey periods, whether deliberate or due to neglect in the Department's determination, are prohibited from being eligible for the exception.
- The Department must review the facility's plan of correction to determine eligibility for exception approval.
- The Department must determine that the facility is making sufficient progress towards reaching the 3.4 HPRD staffing requirement before it may renew the facility's exception.
- When reviewing to grant or renew an exception, the Department must consider factors including but not limited to financial incentives offered by the facility to its staff, robustness of the recruitment process, and county employment data, among other factors.
- Only facilities that have their direct care component rate increase capped to ensure cost-neutrality of nursing facility rate changes through FY 2019 are eligible for the exception.
- The Department is prohibited from granting or renewing a facility's exception if the facility meets the staffing requirement then subsequently drops below it.
- Each exception may be granted for a six-month period.

The Department's authority to establish such exceptions expires on June 30, 2018.

In addition, the Department must establish a limited exceptions process for large nonessential community providers demonstrating a good faith effort to hire a RN for the last eight hours of required coverage per day. The exception may be granted for one year and is renewable for up to three consecutive years. When a RN is not on-site and readily available, the Department may limit the admission of new residents to a facility based on medical conditions or complexities. Information on the facilities receiving this exception must be posted on the Department's online nursing home locator. After June 30, 2019,

the Department must review the exception to determine if it is still necessary.

**Votes on Final Passage:**

House	96	1
Senate	46	0

**Effective:** June 9, 2016

**2SHB 2681**

C 132 L 16

Concerning contraceptives in pharmacies.

By House Committee on Appropriations (originally sponsored by Representatives Stambaugh, Manweller, Short, Kochmar, Wilson, Magendanz, Griffey, Riccelli, Cody and Robinson).

House Committee on Health Care & Wellness  
House Committee on Appropriations  
Senate Committee on Health Care

**Background:** A pharmacist is a person licensed by the Pharmacy Quality Assurance Commission to engage in the practice of pharmacy. The practice of pharmacy includes the initiation or modification of drug therapy in accordance with written guidelines or protocols previously established and approved for his or her practice by a practitioner authorized to prescribe drugs. The written guideline or protocol, also known as a collaborative drug therapy agreement, is an agreement in which any practitioner authorized to prescribe legend drugs delegates to a pharmacist or group of pharmacists authority to conduct specified prescribing functions. The agreement must include:

- the parties subject to the agreement—the practitioner authorized to prescribe must be in active practice, and the authority granted must be within the scope of the practitioners' current practice;
- a time period not to exceed two years during which the written guidelines or protocol will be in effect; and
- the type of prescriptive authority decisions which the pharmacist or pharmacists are authorized to make.

**Summary:** To increase awareness of the availability of contraceptives in pharmacies, the Pharmacy Quality Assurance Commission must develop a sticker or sign to be displayed on the window or door of a pharmacy that initiates or modifies drug therapy related to self-administered contraception.

**Votes on Final Passage:**

House	67	30	
Senate	46	3	(Senate amended)
House	92	4	(House concurred)

**Effective:** June 9, 2016

**HB 2694**

C 49 L 16

Concerning background checks in emergency placement situations requested by tribes.

By Representatives DeBolt, Johnson, Condotta, Sells, Wilson, S. Hunt and Pettigrew.

House Committee on Community Development, Housing & Tribal Affairs  
Senate Committee on Human Services, Mental Health & Housing

**Background:** In certain emergency situations, the Department of Social and Health Services (Department) may remove a child from a primary caregiver and place the child with a neighbor, relative, friend, or other person. When making an emergency placement, the Department must request a federal criminal history record check of each adult residing at the possible placement. Within 14 days after the name-based criminal history check is conducted, the Department must send each adult resident's fingerprints to the Washington State Patrol for submission to the Federal Bureau of Investigation to conduct a more comprehensive criminal background check.

The federal Indian Child Welfare Act (ICWA) governs the removal of Indian children from their families and placement of such children in foster care or adoptive homes. In 2011 many of the ICWA provisions were incorporated into state law. Both the federal and state ICWA recognize tribes' exclusive jurisdiction over child custody proceedings involving an Indian child living within tribal boundaries, but the Department or state law enforcement may remove an Indian child who is temporarily off the reservation in the case of an emergency.

**Summary:** An authorized agency of a federally recognized tribe may order a name-based criminal history record check and submit any adult resident's fingerprints in the case of an emergency out-of-home placement of a child. The Department must, or an authorized tribal agency may, submit fingerprints to the Washington State Patrol within 15 days after the name-based criminal background check was conducted.

**Votes on Final Passage:**

House	93	3	
Senate	48	0	(Senate amended)
House	93	3	(House concurred)

**Effective:** June 9, 2016

ESHB 2700

C 203 L 16

Concerning impaired driving.

By House Committee on Public Safety (originally sponsored by Representatives Goodman, Klippert, Orwall, Hayes, Kuderer, Pettigrew, Muri, Ortiz-Self and Kilduff).

House Committee on Public Safety  
House Committee on Transportation  
Senate Committee on Law & Justice  
Senate Committee on Transportation

**Background:** Destruction of Driving Records. The Department of Licensing (DOL) cannot destroy a person's driving record that includes convictions for Driving Under the Influence (DUI), Physical Control, Vehicular Homicide and Vehicular Assault, and must maintain such records permanently on file. However, the DOL may, 15 years from the date of conviction, destroy records relating to convictions for Reckless Driving or Negligent Driving in the first degree, if the offense was originally charged as a DUI offense.

License Suspensions by the Department of Licensing.

There are numerous circumstances, both criminal and noncriminal, under which the DOL is required to suspend or revoke a person's driver's license. For instance, a person's license can be suspended when the DOL receives notice from the court that a person has failed to appear at a requested hearing for a moving violation, failed to comply with the terms of a notice of traffic infraction or citation, failed to respond to a notice of traffic infraction for a moving violation, or when the person has been convicted of a DUI offense. The DOL has the authority to suspend a person's license for "failure to appear" at a hearing that was initiated as a criminal citation or as a traffic infraction (which are non-criminal offenses) by a law enforcement officer; but the DOL does not have the authority to suspend a person's license for "failure to appear" on a case that was initiated as a criminal complaint by a prosecutor. Generally, the license suspension remains in effect until the DOL has received a certificate from the court showing the case has been adjudicated.

A criminal complaint is generally a court document filed that accuses or charges a defendant with committing a crime. Criminal complaints are usually filed by the prosecutor in cooperation with law enforcement.

Washington v. Conover. Under the Sentencing Reform Act, the court must impose imprisonment in addition to the standard sentencing range if specific conditions for sentencing enhancements are met. For example, sentencing enhancements may apply if the offender committed: (1) certain felonies while armed with a firearm or deadly weapon; (2) certain felonies while incarcerated; (3) certain drug offenses in drug-free zones; (4) a felony crime that was committed with sexual motivation; or (5) Vehicular Homicide-DUI. In the case of a person committing a Vehicular Homicide-DUI offense the court must impose an

additional two-year sentencing enhancement for each prior DUI-related offense.

The Washington Supreme Court, in *Washington v. Conover*, questioned whether drug-free zone enhancements in statute require the courts to run such: (1) enhancements consecutively only to the drug crime sentence it enhances; or (2) multiple enhancements on different counts consecutively to each other. The Washington Supreme Court found that the current statutory language relating to sentence enhancements in drug-free zones was ambiguous.

Phlebotomists. When a blood test is administered, the withdrawal of blood for the purpose of determining its alcoholic or drug content may only be performed by statutorily authorized professionals including but not limited to physicians, nurses, physician assistants, paramedics, and medical assistant-certified or medical-assistant phlebotomists.

Arrest and Held in Custody. A law enforcement officer must arrest (without warrant) and keep in custody a defendant, pending release on bail, personal recognizance, or a court order, when the officer has probable cause to believe that the defendant has committed a DUI offense and the officer has knowledge that the defendant has had at least one prior DUI offense within the previous 10 years.

Victim Impact Panels. A person convicted of DUI is subject to criminal sanctions, including monetary penalties, mandatory jail time, and the suspension of the person's driver's license. In addition the person may be ordered to attend a Victim Impact Panel (VIP) which is an educational program that focuses on "the emotional, physical, and financial suffering of victims injured by persons convicted of DUI."

The Washington Traffic Safety Commission (WTSC) maintains a registry of qualified VIPs and may work with VIP organizations to develop the registry. When a court requires an offender to attend a VIP, the court may refer the offender to a VIP listed on the registry. To be listed on the registry, the VIP:

- must address the effects of impaired driving and address alternatives to drinking and driving;
- should strive to have at least two different speakers, one of whom is a victim survivor, to present their stories in person for at least 60 minutes;
- must have policies and procedures to recruit, screen, train, and provide feedback and support to the panelists;
- must charge a reasonable fee to persons required to attend, unless ordered otherwise by the court;
- must have a policy to prohibit admittance of anyone under the influence or anyone whose actions or behavior are inappropriate;
- must maintain attendance records for at least five years;

- must make reasonable efforts to use a facility that meets standards established by the Americans with Disabilities Act;
- may provide referral information to other community services; and
- must have a designated facilitator responsible for communicating with the courts and probation departments regarding a person's attendance and must be responsible for compliance with the minimum statutory standards.

License Suspensions and Ignition Interlock Devices.

The mandatory minimum penalties for a DUI offense vary depending on the person's breath alcohol concentration (BAC) and "prior offenses." Penalties may include suspension of the person's driver's license by the DOL.

When a person is arrested for a DUI violation, the arresting officer must take certain steps, including serving notice to the driver that his or her license has become a temporary driver's license. The temporary license is valid for 60 days from the date of arrest or until the suspension of the person's license is sustained at a DOL hearing, whichever occurs first.

Within 20 days of arrest, the person may request a DOL hearing to contest the license suspension. The hearing must be held within 60 days after arrest. An administrative suspension is based on either refusing to take the breath or a BAC test when arrested or having a BAC of .08 or higher or a blood THC (tetrahydrocannabinol) concentration of 5.0 or more. Administrative suspension periods last from 90 days to two years, depending on whether the driver refused the BAC and whether there have been prior incidents.

An ignition interlock license (IIL) authorizes a person to drive a noncommercial vehicle with an ignition interlock device (IID) while his or her regular driver's license is suspended. If a person's license is suspended or revoked due to a DUI violation and the person is required to drive only a vehicle with an functioning IID, the DOL must determine the person's eligibility for re-licensing based upon written verification from the company that it has installed the required IID on the vehicle owned or operated by the person seeking license reinstatement or a new license. The reissue fee for a new license is \$150.

After a person's regular license is reinstated, the person must drive with an IID for one year, five years, or 10 years, depending on whether the person was previously restricted. This requirement is not related to the IIL. An IID is not required on cars owned by the person's employer and driven as a requirement of employment during working hours.

The 24/7 Sobriety Program. If a person is convicted of DUI and the person has no prior DUI convictions, the person may be subject to electronic home monitoring in lieu of the mandatory minimum period incarceration. If a person is convicted of a DUI and has prior DUI convictions, the person may be subject to a mandatory period of

incarceration and electronic home monitoring. However, for repetitive DUI offenders, monitoring under the 24/7 Sobriety Program (24/7 Program) may be required in lieu of any mandatory electronic home monitoring.

The 24/7 Program, piloted in 2014, is a 24-hour and seven-day a week sobriety program in which a participant submits to the testing of the participant's blood, breath, urine, or other bodily substances in order to determine the presence of alcohol, marijuana, or any controlled substance in the participant's body. Participants who violate the terms of the program are subject to sanctions from a written warning up to serving his or her entire remaining sentence.

Participants pay a user fee to participate in the 24/7 Program. The 24/7 Sobriety Account (Account) in the State Treasury defrays the costs of operating the 24/7 Program. The Account is a Treasury Trust Fund that receives funds from a variety of sources, including activation and users fees. Interest earned by the Account must be retained in the Account.

**Summary:** Destruction of Driving Records. The DOL cannot destroy records relating to convictions for Reckless Driving or Negligent Driving in the first degree, if the offense was originally charged as a DUI offense.

License Suspensions by the Department of Licensing. The DOL is authorized to suspend a person's driver's license when it receives notice from the court that a person served with a traffic-related criminal complaint (issued by a prosecutor) willfully failed to appear at a requested hearing for a moving violation or failed to comply with the terms of the notice of a traffic-related criminal complaint for a moving violation.

Washington v. Conover. It is clarified that Vehicular Homicide-DUI sentence enhancements are mandatory, must be served in confinement, and they must be served consecutively to the person's standard sentence and any other impaired driving enhancements. However, the offender may be granted an extraordinary medical placement.

Phlebotomists. Proof of a person's qualification to draw blood may be established through the Department of Health's online provider credential search.

Arrest and Held in Custody. A law enforcement officer is exempt from the requirement to keep in custody a person believed to have committed a DUI violation, if the person requires immediate medical attention and is admitted to a hospital.

Victim Impact Panels. The requirements for VIPs listed on the WTSC registry are amended. A VIP must use two in-person speakers for a minimum of 60 minutes of presentation during a session. The VIP may supplement the in-person presentations with prerecorded videos; however, the videos shown may not exceed 15 minutes in length.



License Suspensions and Ignition Interlock Devices.

Effective January 1, 2019, a temporary license belonging to a person arrested for a DUI violation is valid for 30 days (instead of 60 days) from the date of that person's arrest. In addition, the time period for when a person must request a hearing after being arrested for DUI is shortened from 20 days to seven days. Unless otherwise agreed to by the DOL and the person, the DOL must give five days advanced notice of the hearing to the person. The hearing must be held within 30 days (instead of 60 days), excluding weekends and legal holidays.

The ignition interlock restriction period must be tolled anytime a person does not have an IID installed on the vehicle that they operate during their restriction period. In addition, in determining a person's eligibility for re-licensing, the DOL may waive the requirement for written verification of IID installation from the IID company if the DOL determines to its satisfaction that an IID previously verified as having been installed on a vehicle owned or operated by the person is still installed and functioning.

The 24/7 Sobriety Program. The 24/7 Program is made a permanent program. In lieu of a mandatory minimum term of incarceration for a DUI offense, if the person has no prior DUI offenses, a court may order the person to either participate in electronic home monitoring, the 24/7 Program, or both. If the 24/7 Program is imposed, then the person must participate in: (a) 90 days of 24/7 Program monitoring if the person's BAC is less than 0.15; or (b) 120 days of 24/7 Program monitoring if the person's BAC is at least 0.15. In addition, the court may consider the offender's participation in any pretrial 24/7 Program monitoring as fulfilling a portion of post-trial sentencing.

If a person, with no prior DUI offenses, successfully completes or is enrolled in a 24/7 Program, that person's license may not be suspended. Any participant who violates the terms of participation in a 24/7 Program or does not pay the required associated fees must serve a minimum of:

- one day in jail on his or her second violation (instead of two days of imprisonment or if post-trial, the entire remaining sentence);
- three days in jail on his or her third violation (instead of five days of imprisonment or if post-trial, the entire remaining sentence);
- five days in jail on his or her fourth violation (instead of 10 days of imprisonment or if post-trial, the entire remaining sentence); and
- seven days in jail on his or her fifth or subsequent violation (instead of serving the entire remaining sentence).

It is clarified that the Account is in the custody of the State Treasurer and it is added to the list of other accounts that are statutorily authorized to retain their proportionate share of earnings based upon the Account's average daily balance.

**Votes on Final Passage:**

House	97	1	
Senate	49	0	(Senate amended)
House	80	17	(House concurred)

**Effective:** June 9, 2016  
January 1, 2019 (Section 15)

**SHB 2711**

C 50 L 16

Increasing the availability of sexual assault nurse examiners.

By House Committee on Health Care & Wellness (originally sponsored by Representatives McCabe, Walsh, Orwall, Cody, McBride, Caldier, Kilduff, Wylie, Senn, Smith, Gregerson, Tarleton, Ormsby, Pollet and Goodman).

House Committee on Health Care & Wellness  
Senate Committee on Health Care  
Senate Committee on Ways & Means

**Background:** A sexual assault nurse examiner (SANE) is a registered nurse specially trained to provide evidentiary examinations of victims of sexual assaults. Although there is no state-issued license or endorsement for a SANE, the International Association of Forensic Nurses (IAFN) grants SANE certification to registered nurses who:

- complete training that meets the IAFN SANE Education Guidelines;
- meet clinical practice requirements;
- pass an examination; and
- comply with ongoing training requirements.

The only facility that offers SANE training in the state is Harborview Medical Center.

**Summary:** Subject to funds appropriated for the specific purpose, the Office of Crime Victims Advocacy (OCVA) must study the availability of SANEs throughout the state. The study must:

- identify areas of the state that have an adequate number of SANEs;
- identify areas of the state that have an inadequate number of SANEs;
- develop a list of available resources for facilities in need of SANEs or SANE training; and
- identify strategies for increasing the availability of SANEs in under-served areas.

When identifying strategies for increasing the availability of SANEs, the OCVA must consider remote training or remote consultation via electronic means, mobile teams of SANEs, costs and reimbursement rates for SANEs, and funding options. When performing the study, the OCVA must consult with experts on sexual assault vic-

tims' advocacy, experts on sexual assault investigation, and providers, including:

- the Department of Health;
- the Washington Coalition of Sexual Assault Programs;
- the Washington Association of Sheriffs and Police Chiefs;
- the Washington Association of Prosecuting Attorneys;
- the Washington State Hospital Association;
- the Harborview Center for Sexual Assault and Traumatic Stress;
- the Nursing Care Quality Assurance Commission; and
- the Washington State Nurses Association.

The OCVA must report its findings and recommendations to the Governor and the Legislature by December 1, 2016.

**Votes on Final Passage:**

House	98	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

**2SHB 2726**  
C 183 L 16

Concerning the regulation of continuing care retirement communities.

By House Committee on Appropriations (originally sponsored by Representatives Walkinshaw, Tharinger, Senn, Cody, Ortiz-Self, Magendanz and Goodman).

House Committee on Health Care & Wellness  
House Committee on Appropriations  
Senate Committee on Health Care  
Senate Committee on Ways & Means

**Background:** Continuing Care Retirement Communities. Continuing care retirement communities (CCRCs) offer a mix of residential options designed to allow older adults the ability to remain in the same community as their health needs change. Each CCRC offers different services to residents, but they typically include independent living, assisted living, and, in many cases, skilled nursing. While CCRCs are not a regulated entity in Washington, any assisted living component or skilled nursing component must meet state licensing standards for those types of facilities.

Payment arrangements vary among CCRCs, but residents typically pay for the residence and the services through a combination of an entrance fee and a monthly fee. Contracts with CCRCs range from contracts that include housing, residential services, amenities, and unlimited access to health care at little or no increase in the

monthly fees when service levels change to contracts that include housing, residential services, and amenities, but charge residents the market rate for health services. Other arrangements with residents may dispose of entrance fees and charge residents a fee based on the services and care provided.

Disclosures and Residential Rights in Long-Term Care Facilities. Each resident of an assisted living facility, adult family home, or state veterans' home in Washington must be informed, orally and in writing, of his or her rights in a language that the resident understands. The notification must occur prior to the resident's admission to the facility and the resident must acknowledge receipt of the information.

The rights generally pertain to access to records, personal privacy, freedom from physical or chemical restraint, management of financial affairs, the statement of grievances, access to advocacy resources, and examination of facility survey and inspection results. The facility must also disclose certain quality-of-life rights such as choice of activities and health care, interactions with others, clothing choices, planning for care and treatment, and participation in resident groups. The facility must also disclose its service capabilities to potential residents and attempt to avoid involuntary transfers and, if transfer is necessary, notify the resident of the reason for the transfer. In addition, facilities must disclose the amounts of any admissions fees, deposits, prepaid charges, or minimum stay fees and what portion of such payments will be refunded.

Consumer Protection Act. The Consumer Protection Act (CPA) prohibits unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce directly or indirectly affecting the people of Washington. The CPA allows a person injured by a violation of the act to bring a private cause of action for damages.

In addition, the CPA allows the Attorney General to bring a CPA action in the name of the state or on behalf of persons residing in the state. In an action brought by the Attorney General, the prevailing party may, in the discretion of the court, recover the costs of the action and reasonable attorneys' fees.

**Summary:** Certification of Continuing Care Retirement Communities. An entity must be registered by the Department of Social and Health Services (Department) as a continuing care retirement community (CCRC) if it: (1) operates a CCRC; (2) enters into residency agreements with prospective residents; (3) solicits an application fee or residency agreement from a prospective resident; or (4) collects a residency fee.

To become registered as a CCRC, an entity must provide the Department with general information, copies of proposed residency agreements, copies of the CCRC's current disclosure statement, copies of financial statements for the previous two years, an attestation that the CCRC is in compliance with disclosure statement notification re-

quirements, and payment of a fee. For newer CCRCs with a limited financial history, the financial statement requirement may be satisfied by submitting either copies of an independent accountant's report opinion letter that has evaluated the financial feasibility of the CCRC or a summary of the actuarial analysis stating that the CCRC is in satisfactory actuarial balance. Application materials are not subject to public disclosure.

The Department must conduct several regulatory activities, including issuing registrations, reviewing disclosure statements for completeness, adopting fees, and establishing an online listing of the names and addresses of registered CCRCs. The Department's registration activities are limited to reviewing applications for completeness. The Department must inform an applicant if its application is incomplete and allow the applicant to supplement its submission.

The term "continuing care" means housing and care provided upon payment of an entrance fee and under a residency agreement. The term "care" includes nursing, medical or other health-related services; protection or supervision; assistance with activities of daily living; or any combination of these. "Continuing care retirement communities" are defined as entities that agree to provide continuing care to a resident under a residency agreement. The term does not include assisted living facilities if they do not provide skilled nursing services, either directly or through contract.

Disclosure Statements and Resident Rights. Prospective residents must be provided with a copy of the CCRC's current disclosure statement prior to entering into a residency agreement or accepting an entrance fee. The disclosure statement must include:

- the names of the owners and officers;
- the type of ownership;
- persons with at least a 10-percent ownership in the CCRC;
- general descriptive information, including the number of living units, number of assisted living and nursing home beds, occupancy rates, and other care facilities owned or operated by the owner of the CCRC;
- an explanation of the CCRC's policy regarding placement in off-campus assisted living facilities and nursing homes, and the payment responsibilities of the CCRC and the resident in the event of such a placement;
- the number of residents placed off-site for assisted living and nursing care services in the previous three years due to a lack of capacity at the CCRC;
- an explanation of all types of fees charged, how each type of fee is determined, current fee ranges, and fee refund policies;

- the CCRC's policy for notifying residents of fee increases;
- the CCRC's policy related to changes in levels of care and any associated fees;
- the CCRC's policy for the termination of a contract, including the return of any fees or deposits;
- a description of services provided under residency agreements, including the extent to which care and long-term care services are provided, and where medical care and long-term care services are provided, if not provided on the CCRC campus;
- a description of the services made available by the CCRC for an additional charge; and
- the two most recent annual audited financial statements or, for newer CCRCs with a limited financial history, either copies of an independent accountant's report opinion letter that has evaluated the financial feasibility of the CCRC or a summary of the actuarial analysis stating that the CCRC is in satisfactory actuarial balance.

Continuing care retirement communities must provide prospective residents with a list of resident expectations. In addition, each CCRC must make the resident expectations publicly available. Copies of resident expectations must include a statement regarding the right to file a complaint with the Attorney General. The expectations include:

- transparency regarding the financial stability of the provider operating the facility;
- timely notifications of developments affecting the facility, such as change of ownership, change in the financial condition of the provider, and construction and renovation at the facility. The management of the CCRC may deem information confidential if disclosure would materially harm the position of the CCRC;
- reasonable accommodations for persons with disabilities;
- the opportunity to organize and participate in independent resident organizations;
- the opportunity to seek independent counsel review of all contracts; and
- the assurance that donations made to the CCRC are voluntary and not a condition of residency.

Prospective residents may visit each of the different levels of care and review inspection reports and complaint investigations related to the assisted living and nursing home components of a CCRC prior to signing a residency agreement.

Enforcement. Consumer Protection Act violations are created for operating as a CCRC without registration, representing an entity as a CCRC without being registered, failing to comply with delivery and content requirements

for disclosure statements, and failing to comply with resident expectations. The Attorney General must notify the management of the CCRC of submitted complaints to allow the CCRC to take corrective action. For cases involving disclosure statements and failing to comply with residency expectations, the Attorney General must limit the application of the Consumer Protection Act to situations in which there is a pattern of complaints or other activity that likely establishes an unfair or deceptive act in trade or commerce or an unfair method of competition.

**Votes on Final Passage:**

House	83	13
Senate	47	0

**Effective:** July 1, 2017

## SHB 2730

C 104 L 16

Concerning the prescription monitoring program.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Peterson, Walkinshaw, Ortiz-Self, Bergquist, Kagi, Gregerson, Kilduff, Frame and Pollet).

House Committee on Health Care & Wellness  
House Committee on Appropriations  
Senate Committee on Health Care

**Background:** The Department of Health (DOH) maintains a prescription monitoring program (PMP) to monitor the prescribing and dispensing of controlled substances and other drugs that demonstrate a potential for abuse. Each time one of these drugs is dispensed, the dispenser must electronically submit the following information to the PMP:

- a patient identifier;
- the drug dispensed;
- the dispensing date;
- the quantity dispensed;
- the prescriber; and
- the dispenser.

Data in the PMP may be accessed by the following people and entities:

- a person authorized to prescribe or dispense a controlled substance for the purpose of providing medical or pharmaceutical care for his or her patients;
- a person requesting his or her own PMP information;
- a health professional licensing, certification, or regulatory agency;
- an appropriate law enforcement or prosecutorial official;
- an authorized practitioner of the Department of Social and Health Services or the Health Care Authority regarding Medicaid recipients;

- the Director of the Department of Labor and Industries regarding workers' compensation claimants;
- the Secretary of the Department of Corrections regarding offenders in the custody of the Department of Corrections;
- an entity under grand jury subpoena or court order;
- personnel of the DOH for administration of the PMP or the Uniform Controlled Substances Act; and
- certain medical test sites licensed by the DOH.

A Health Information Exchange (HIE) is a secure way for health care organizations to share messages and clinical information. Washington's HIE, established through grant funding from the federal Health Information Technology for Economic and Clinical Health Act, is operated by OneHealthPort, a lead organization designated by the Health Care Authority. To participate in the HIE, organizations must sign a participation agreement and pay a subscription fee.

**Summary:** Access to the PMP is expanded to include:

- a prescriber of legend drugs;
- a health care facility or entity for the purpose of providing medical or pharmaceutical care to the patients of the facility or entity if: (1) the facility or entity is licensed by the DOH; and (2) the facility or entity is a trading partner with the HIE; and
- a health care provider group of five or more providers for the purpose of providing medical or pharmaceutical care to the patients of the provider group if: (1) all of the providers in the group are licensed; and (2) the provider group is a trading partner with the HIE.

**Votes on Final Passage:**

House	80	16
Senate	47	1

**Effective:** June 9, 2016

## HB 2741

C 105 L 16

Addressing state and local government fiscal agents.

By Representatives Kuderer, Hickel and Stanford; by request of State Treasurer.

House Committee on Business & Financial Services  
Senate Committee on Ways & Means

**Background:** The state and local governments may establish a system of registering the ownership of bonds or other obligations as to principal and interest, or principal only. The system of registration must define the process for effectively transferring registered bonds or other obligations as well as how principal and any interest are paid. This system allows the state and local governments to conform with registration requirements in federal law that are necessary to exempt interest payments from federal in-

come taxes when the state or local governments issue bonds or incur other obligations.

The State Finance Committee (Committee), which is composed of the Governor, the Lieutenant Governor, and the State Treasurer, must designate responsible banks or trust companies as fiscal agencies. In their capacities as fiscal agencies, such banks or trust companies act as registrars, authenticating agents, transfer agents, paying agents, or other agents in connection with the state or local governments' issuance of, payment of, and destruction of, registered bonds or other obligations.

To be eligible for designation as a fiscal agency, banks or trust companies must have a paid-up capital and surplus of not less than \$5 million and may be located in any major city within the United States. The Committee has discretion in designating fiscal agencies and may do so by any method deemed appropriate and in the best interest of the state and its subdivisions. The Committee must make duplicate certificates of the designations, cause them to be attested under the Washington State Seal, and file one copy of each certification with the Secretary of State and transmit the other to the designated bank or trust company. The Committee may determine the manner and amount of compensation of fiscal agencies. Immediately after the designation of a fiscal agency, the Committee must publish notice of the designation once a week for two consecutive weeks in a financial newspaper of general circulation in the city in which the headquarters of the fiscal agent is located.

If no bank or trust companies are willing to accept designation as fiscal agencies, or if the Committee considers the terms proposed by a bank or trust company to be unsatisfactory, the bonds and bond interest coupons normally payable at the fiscal agency become payable at the Office of the State Treasurer or at the office of the appropriate local government fiscal officer.

In addition to acting as a registrar, authenticating agent, transfer agent, paying agent, or other agent in connection with the issuance of, payment of, or destruction of registered bonds or other obligations by the state or local governments, state fiscal agencies may establish and maintain on behalf of the state or local governments a central depository system for the transfer or pledge of bonds or other obligations. A fiscal agency may contract out all or any services to private entities that the fiscal agency deems capable of carrying out the duties in a responsible manner. Neither the State Treasurer nor the treasurer or other fiscal officer of any state subdivision may be held responsible for funds remitted to fiscal agencies.

The State Treasurer and local government treasurers may handle the process for the payment of coupons and mature bonds and subsequent cancellation and destruction of paid bonds or enter an agreement with a fiscal agency to perform the function. After one year of a general or revenue bond's cancellation or payment, the bond may be destroyed. A certificate of destruction describing and referencing the instrument destroyed must be made by the

entity responsible for destruction. A copy of the certificate of destruction must be filed with the State Treasurer or local government treasurer, as appropriate.

Upon the written request of the State Treasurer or a local government treasurer, and at least one year after the last legal payment date on matured state or local government bonds, fiscal agencies must return funds to the state or local government that were intended to pay such coupons and bonds. The State Treasurer or local government treasurer remains obligated for the final redemption of the unredeemed bonds or coupons.

**Summary:** Fiscal agencies are renamed state fiscal agents. On behalf of the state, the Committee must enter into a contract with each designated state fiscal agent. Each contract must set forth the scope of services to be provided by the state fiscal agent and the terms and conditions, including compensation, for the provision of those services. A state fiscal agent bears the risk of loss for any funds transferred to the state fiscal agent under the fiscal agent contract.

The Committee may adopt appropriate rules, including, rules relating to the responsibilities of state fiscal agents and the responsibilities of the state and local governments with respect to state fiscal agents.

Certain requirements and processes are eliminated. The requirement that a responsible bank or trust company have a paid-up capital and surplus of not less than \$5 million dollars to be designated as a state fiscal agent is eliminated. The requirement that the Committee make duplicate certificates of designations of state fiscal agents, cause them to be attested under the Seal of the State, file a copy with the Secretary of State, and transmit the other copy to the designated bank or trust company is eliminated. The requirement that the Committee publish notice of a newly designated state fiscal agent weekly for two consecutive weeks in a financial newspaper is eliminated. The process by which state fiscal agents receive moneys transmitted by the state or local governments, make payment of coupons and mature bonds to bond holders, destroy cancelled and paid bonds, and issue certificates of destruction is eliminated. The authorization for a state fiscal agent to contract out all or any services to private entities that the state fiscal agent deems capable of carrying out the duties in a responsible manner is eliminated. The authorization for state fiscal agents to establish and maintain a central depository system for the transfer or pledge of bonds or other obligations on behalf of the state or local governments is eliminated.

**Votes on Final Passage:**

House	95	3
Senate	49	0

**Effective:** June 9, 2016

**EHB 2745**

C 25 L 16

Modifying the authority to appoint members to a certain ferry advisory committee.

By Representatives Fitzgibbon and Cody.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** Ferry Advisory Committees. In 1961 the Legislature created local ferry advisory committees (FACs) originally consisting of five members appointed to four-year terms by the legislative authority of each county served by the Washington State Ferry (WSF) system. These FACs exist to represent the interests and concerns of persons in their area who are frequent users of the ferry system. There are currently two FACs representing the various routes served by the WSF system. The chairs of each FAC make up an executive committee of the Washington ferry users. The executive committee works directly with the WSF management on ferry issues including schedule development, customer problems, and regional issues. By law, the executive committee meets at least twice each year with the WSF representatives.

In 1988, legislation was enacted that, among other things, restructured the FACs changing the area from which most members of the FACs were picked. San Juan, Skagit, Clallam, and Jefferson counties continued to select members from a countywide area, while the remaining FACs select three members by terminal area. With one exception, both countywide and terminal area committee appointments are made by the legislative authorities of the counties in which they exist. The exception is Vashon Island, which despite having two terminals, by law has only one committee, and its members can only be appointed by the Vashon/Maury Island Community Council.

Vashon/Maury Island Community Council. The Vashon/Maury Island Community Council (VMICC) has been in existence in some form since the 1940s. Originally, it was a function of the local chamber of commerce, later called a "civic assembly," and most recently the VMICC existed as a nine-member community council tasked with preserving the rural nature of Vashon and Maury islands. The VMICC was recognized by King County as an unincorporated area council in 1996. Around August 2010, the majority of the VMICC resigned and King County later disbanded the unincorporated area council in July 2011.

**Summary:** The legislative authority of King County may make an appointment to the Vashon Island Ferry Advisory Committee if the Vashon/Maury Island Community Council fails to appoint a qualified person within 90 days of the occurrence of the vacancy.

**Votes on Final Passage:**

House	98	0
Senate	44	3

**Effective:** June 9, 2016

**ESHB 2746**

C 106 L 16

Concerning mental health and chemical dependency treatment for juvenile offenders.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Walkinshaw, Walsh, Kagi, Senn, Frame, Kilduff, Sawyer, McBride, Goodman, Ormsby and Tarleton).

House Committee on Early Learning & Human Services  
House Committee on Appropriations  
Senate Committee on Human Services, Mental Health & Housing

Senate Committee on Ways & Means

**Background:** Juvenile Dispositions. In the juvenile justice system, sentences for juvenile offenders are referred to as "dispositions." If a juvenile is found guilty of committing an offense, the court enters an order of disposition. Most disposition orders impose a punishment that is based upon a standard-range grid. The disposition order in a juvenile offender's case may include detention, community service, a period of community supervision, restitution, or a fine. The standard-range disposition is determined by the seriousness of the offense and the juvenile's prior criminal history. For less serious offenses, the court may impose "local sanctions," where the juvenile may not be sentenced to more than 30 days in detention. If an offense is serious enough, or if a juvenile has a significant offender history, the juvenile may be committed to a facility within the Juvenile Rehabilitation Administration (JRA), which is within the Department of Social and Health Services (DSHS). Under certain circumstances, the court may deviate from the standard range and impose a disposition alternative or a sentence that is higher or lower than the standard range.

Disposition Alternatives. Disposition alternatives are referred to as "Options." The juvenile disposition options are:

- Option A (Standard-Range Sentence);
- Option B (Suspended Disposition Alternative);
- Option C (Chemical Dependency Disposition Alternative); and
- Option D (Manifest Injustice).

Option A is the standard-range sentence. Under Option B, the court may suspend a sentence that requires a commitment to the JRA and impose conditions that the juvenile must meet. If the juvenile fails to meet those conditions, the court may require the juvenile to serve the JRA commitment. Option C permits the court to impose an alternative sentence for an offender who may need substance abuse treatment. Option D allows the court to impose an alternative sentence if the standard-range sentence would be a "manifest injustice," either too harsh or too lenient. Before imposing a sentence under Option D,

the court must support its findings by clear, cogent, and convincing evidence.

Chemical Dependency Disposition Alternative. The Chemical Dependency Disposition Alternative (CDDA) is an alternative sentence for juvenile offenders who may need chemical dependency treatment. A juvenile offender is eligible for a CDDA if subject to a standard-range disposition of local sanctions or 13 to 36 weeks of confinement and has not committed an A-minus or B-plus offense, other than a first time B-plus drug offense. In these cases, the court may order a chemical dependency evaluation to determine if the youth is chemically dependent.

If the court determines that a CDDA is appropriate, the court must impose a disposition and suspend that disposition with a condition that the juvenile undergo outpatient or inpatient chemical dependency treatment. Inpatient treatment for this purpose must not exceed 90 days. The court may also impose conditions of community supervision and other sanctions as part of the CDDA.

If the juvenile violates any condition of the CDDA or the court finds that the juvenile is failing to make satisfactory progress in treatment, the court may impose sanctions or revoke the suspension.

Community Supervision of Juvenile Offenders. Community supervision for juvenile offenders means an order of disposition for a youth adjudicated of a juvenile offense who is not committed to a sentence at a JRA institution, or granted a deferred disposition. Community supervision orders for a single offense may be for a period up to two years for a sex offense and up to one year for other offenses. Courts must include as a condition of community supervision an order for the juvenile to refrain from committing new offenses. The court must also include in its order a condition mandating school attendance. Community supervision may also include one or more of the following:

- a fine not to exceed \$500 and community service not to exceed 150 hours;
- employment;
- attendance at information classes;
- literacy classes;
- counseling;
- outpatient substance abuse and mental health treatment programs;
- anger management classes;
- education or outpatient treatment programs to prevent animal cruelty;
- other services;
- attendance at school or other educational programs appropriate for the juvenile as determined by the school district;
- monitoring and reporting requirements; or
- posting of a probation bond.

Summary: Residential Treatment Included in Community Supervision. Residential treatment for substance abuse, mental health, or co-occurring disorders that have been identified in an assessment by a qualified mental health professional, psychologist, psychiatrist, or chemical dependency professional may be included in the community supervision of juvenile offenders when a funded bed is available. A court may order such inpatient treatment after considering findings regarding whether:

- the referral is necessary to rehabilitate the child;
- the referral is necessary to protect the public or the child;
- the referral is in the child's best interest;
- the child has been given the opportunity to engage in less restrictive treatment and has been unable or unwilling to comply; and
- inpatient treatment is the least restrictive action consistent with the child's needs and circumstances.

In cases where the court orders a child to inpatient treatment pursuant to community supervision requirements, the court must hold a review hearing no later than 60 days after the youth begins inpatient treatment, and every 30 days thereafter, as long as the youth is in inpatient treatment.

Disposition Alternatives. The juvenile mental health disposition alternative is repealed.

Mental health is added to the Chemical Dependency Disposition Alternative to create the Chemical Dependency or Mental Health Disposition Alternative. This disposition alternative is available to certain juvenile offenders where the evidence shows that the offender has significant mental health or co-occurring disorders and after examination by a mental health professional. After receipt of this report, the court must consider whether the offender and community would benefit from the disposition alternative, and the court must order as a condition of the suspended sentence the offender to attend mental health, or co-occurring disorder treatment, or inpatient mental health treatment.

A funded bed must be available before a judge may order a juvenile to inpatient treatment. The maximum length of inpatient treatment that a court may order under this disposition alternative of 90 days is removed. The court is required to hold a review hearing if the inpatient treatment is longer than 90 days every 30 days beyond the initial 90 days. The respondent may appear telephonically at these review hearings if in compliance with treatment.

The costs incurred by the juvenile courts for the mental health, chemical dependency, or co-occurring disorder evaluations, treatment, and the costs of supervision associated with these disposition alternatives must be paid by the Department of Social and Health Services subject to funds appropriated for that purpose.

**Votes on Final Passage:**

House 93 4

Senate 48 0  
**Effective:** June 9, 2016

**EHB 2749**  
 C 184 L 16

Extending dates concerning measuring performance and performance-based contracting of the child welfare system.

By Representatives Kagi and Ormsby; by request of Department of Social and Health Services.

House Committee on Early Learning & Human Services  
 House Committee on Appropriations  
 Senate Committee on Human Services, Mental Health & Housing

**Background:** Performance-Based Contracts. In 2009 the Department of Social and Health Services (DSHS) was required to make contracting changes in two phases to include:

- converting existing contracts for child welfare services to performance-based contracts by 2011; and
- contracting with supervising agencies for child welfare services, including case management functions, in select demonstration sites by June 30, 2012.

*Phase One: Performance-Based Contracts and Network Administrator.* The requirement that the DSHS convert existing contracts for child welfare services to performance-based contracts has been designated as Phase One of performance-based contracting.

In 2011 the DSHS offered a model for Phase One that would reduce the number of contracts by establishing one lead agency contractor per geographic area to provide or subcontract for all child welfare services. Contract performance would be measured by outcomes related to child safety and well-being, timeliness of services, and results of periodic satisfaction surveys. A request for proposals for this model was released in February 2011.

In May 2011 a Thurston County Court granted a preliminary injunction against the state, ruling that the DSHS was in violation of state law requiring agencies that contract out duties customarily performed by state workers to permit state employees to offer alternatives or bid for the contracts.

In 2012 and 2013 the DSHS was required to enter into performance-based contracts for family support and related services no later than December 1, 2014. The DSHS was further required to conduct a procurement process to enter into a performance-based contract for family support and related services.

In December 2014 the DSHS entered into a contract with the Family Impact Network (FIN), a subsidiary of the Empire Health Foundation, to act as the network administrator for performance-based contracting for family support and related services in Spokane and neighboring

counties. The FIN began managing child welfare parent child visitation contracts during the summer of 2016.

*Phase Two: Demonstration Sites.* The requirement that the DSHS set up two demonstration sites to compare child welfare case management by supervising agencies with child welfare case management by employees of the DSHS has been designated as Phase Two of performance-based contracting. A supervising agency is defined as an agency licensed by the state or an Indian tribe that has entered into a performance-based contract with the DSHS to provide child welfare services.

The implementation dates for the demonstration sites that must be operated by supervising agencies have been periodically extended. In 2013 the implementation date was extended to December 30, 2016.

Child Welfare Transformation Design Committee. The Child Welfare Transformation Design Committee (TDC) was established in 2009 and charged with selecting the two demonstration sites to be used for the comparison of the delivery of child welfare services. The TDC was also required to develop performance outcomes to be included in performance-based contracts. Initially, the TDC was required to report to the Governor and the Legislative Children's Oversight Committee on a quarterly basis.

In November 2011 the TDC determined the locations for the two demonstration sites. The TDC selected a western Washington site to include the offices in Everett, Lynnwood, Sky Valley, Smokey Point, and two offices in Seattle (King West and Martin Luther King Jr.). The TDC selected an eastern Washington site to include offices in Clarkston, Colfax, Moses Lake, and Spokane. The TDC also invited three tribes in eastern Washington (Colville, Spokane, and Kalispel) to take part in the demonstration.

In 2013 the TDC was suspended until December 1, 2015, and expires on July 13, 2016.

**Summary:** The implementation date for the demonstration sites operated by supervising agencies that deliver child welfare services is delayed from December 30, 2016, to December 30, 2019.

The reporting date for the second report provided by the Washington State Institute for Public Policy regarding the conversion of the DSHS to the use of performance-based contracts is delayed from June 1, 2018, to June 1, 2023.

The date by which the Governor must decide whether to expand the demonstration sites statewide is delayed from June 1, 2018, to June 1, 2023.

**Votes on Final Passage:**

House	90	6	
Senate	46	0	(Senate amended)
House	91	5	(House concurred)

**Effective:** June 9, 2016



SHB 2765

C 185 L 16

Clarifying the limited authority of park rangers.

By House Committee on Public Safety (originally sponsored by Representatives Kretz, Moscoso, Griffey, Hayes and Holy).

House Committee on Public Safety  
House Committee on Appropriations  
Senate Committee on Law & Justice

**Background:** The State Parks and Recreation Commission (Commission) is classified by statute as a limited authority Washington law enforcement agency. The Washington parks system includes more than 100 developed parks, recreation programs, trails, boating safety programs and winter recreation facilities. The Commission is charged, in part, with enforcing the state laws on public recreational lands. The Commission may adopt policies and enforce rules pertaining to the use, care, and administration of state parks and parkways.

Park rangers go through a training course developed by the Commission and are vested with police powers to enforce Washington laws.

**Limited Authority Agency.** A limited authority Washington law enforcement agency is any agency, political subdivision, or unit of local government of Washington, and any agency, department, or division of state government, having as one of its functions the apprehension or detection of persons committing infractions or violating the traffic or criminal laws relating to limited subject areas, including but not limited to, the departments of Natural Resources, Social and Health Services, Gambling Commission, Lottery Commission, State Parks and Recreation Commission, Utilities and Transportation Commission, Liquor and Cannabis Board, Office of the Insurance Commissioner, and Corrections.

A limited authority Washington peace officer is any full-time, fully compensated officer of a limited authority Washington law enforcement agency empowered by that agency to detect or apprehend violators of the laws in some or all of the limited subject areas for which that agency is responsible. A limited authority Washington peace officer may be a specially commissioned Washington peace officer.

Fresh pursuit includes, without limitation, fresh pursuit as defined by the common law. Fresh pursuit does not necessarily imply immediate pursuit, but pursuit without unreasonable delay.

**Summary:** Designated officers of the Commission are authorized to enforce all the laws of the state:

- within the boundaries of any state park, including lands owned, managed, or co-managed by the Commission under lease or other agreement;
- in winter recreation facilities established and administered by the Commission;

- on public roadways and public waterways bisecting the contiguous borders of any state park, including lands owned, managed, or co-managed by the Commission under lease or other agreement;
- upon prior written consent of the sheriff or police chief in whose primary territorial jurisdiction the exercise of the powers occur;
- in response to the request of a peace officer with enforcement authority; and
- when the officer is in fresh pursuit for an offense committed in the presence of the officer.

The Director of the Commission may enter into agreements allowing officers of tribal law enforcement agencies on contiguous or co-managed property to enforce certain civil infractions.

When physical injury to a person or substantial damage to property occurs, or is about to occur, within the presence of an officer of the Commission designated with police powers, the officer is authorized to take such action as is reasonably necessary to prevent or to prevent further physical injury to a person or substantial damage to property. In such cases, the officer is immune from civil liability for damages arising out of the action of the designated officer, unless it is shown that the officer acted with gross negligence or bad faith.

**Votes on Final Passage:**

House	89	8
Senate	46	1

**Effective:** June 9, 2016

HB 2768

C 133 L 16

Addressing taxes and service charges on certain qualified stand-alone dental plans offered in the individual or small group markets.

By Representatives Schmick, Cody, Tharinger, Jinkins, Harris and Robinson.

House Committee on Health Care & Wellness  
House Committee on Finance  
Senate Committee on Health Care  
Senate Committee on Ways & Means

**Background:** Stand-Alone Pediatric Dental Insurance. Under the federal Patient Protection and Affordable Care Act (PPACA), every state must establish a health benefit exchange through which consumers may compare and purchase individual and small group health coverage, access premium and cost-sharing subsidies, and apply for Medicaid coverage. If a state does not establish a health benefit exchange, the federal government will operate one for the state. Washington established its health benefit exchange, known as the Washington Healthplanfinder, in 2011 as a public-private partnership. The Washington

Healthplanfinder is governed by a board (Board) consisting of members with expertise in the health care system and health care coverage.

The PPACA requires health plans to cover 10 categories of essential health benefits. One of these categories is pediatric oral care. The PPACA allows stand-alone pediatric dental coverage to be offered in the exchange. State law requires the Washington Healthplanfinder to allow stand-alone pediatric dental coverage to be offered. To ensure transparency to consumers, pediatric dental coverage offered in the Washington Healthplanfinder must be offered and priced separately.

The Washington Healthplanfinder is funded through a 2 percent premium tax levied on health plans and stand-alone pediatric dental plans sold through the Washington Healthplanfinder. This tax is in lieu of the business and occupation tax. If these funds are insufficient to cover the expenditure level for the Washington Healthplanfinder as determined by the Legislature, the Washington Healthplanfinder may levy an assessment on the health and pediatric dental plans to make up the difference.

The Board, in collaboration with the issuers, the Health Care Authority, and the Insurance Commissioner, must establish a fair and transparent process for calculating the assessment amount. The process must:

- apply the assessment only to issuers that offer coverage in the Washington Healthplanfinder and only for those market segments offered;
- base the assessment on the number of enrollees in qualified health plans and stand-alone dental plans in the Washington Healthplanfinder for a calendar year;
- establish the assessment on a flat dollar and cents amount per member per month—the assessment for dental plans must be proportional to the premiums paid for those plans;
- notify issuers of the assessment amount on a timely basis;
- establish an appropriate assessment reconciliation process that is administratively efficient;
- make the assessment due in quarterly installments;
- establish a procedure to allow issuers to have grievances reviewed by an impartial body and reported to the Board; and
- establish a procedure for enforcement of the assessment.

If the Washington Healthplanfinder charges an assessment, it must display the amount of the assessment per member per month for enrollees. A health or pediatric dental plan may identify the amount of the assessment to enrollees, but may not bill the enrollee separately for the assessment.

**Summary:** Stand-alone family dental plans offered in the small group or individual market are subject to the 2 percent premium tax. Beginning January 1, 2017, the Washington Healthplanfinder may levy an assessment on

issuers writing premiums for stand-alone family dental plans if funds from the premium tax are insufficient to cover the operational costs attributable to offering stand-alone family dental plans in the Washington Healthplanfinder, including an allocation of costs to proportionately cover overall annual exchange operational costs plus three months of additional operating costs.

The Board, in collaboration with the issuers of stand-alone family dental plans and the Insurance Commissioner, must establish a fair and transparent process for calculating the assessment amount. The process must:

- apply the assessment only to issuers that offer stand-alone family dental coverage in the Washington Healthplanfinder;
- base the assessment on the number of enrollees in stand-alone family dental plans offered in the Washington Healthplanfinder for a calendar year;
- establish the assessment on a flat dollar and cents amount per member per month;
- notify issuers of the assessment amount on a timely basis;
- establish an appropriate assessment reconciliation process that is administratively efficient;
- make the assessment due in quarterly installments;
- establish a procedure to allow issuers to have grievances reviewed by an impartial body and reported to the Board; and
- establish a procedure for enforcement of the assessment.

If the Washington Healthplanfinder charges an assessment, it must display the amount of the assessment per member per month for enrollees. A stand-alone family dental plan may identify the amount of the assessment to enrollees, but may not bill the enrollee separately for the assessment.

An enrollee of a health plan purchased through the Washington Healthplanfinder is not prohibited from purchasing a plan offering dental benefits outside of the Washington Healthplanfinder. An issuer is not prohibited from offering a plan that does not meet the requirements of a stand-alone family dental plan outside of the Washington Healthplanfinder.

**Votes on Final Passage:**

House	91	7
Senate	44	4

**Effective:** June 9, 2016

HB 2771  
C 51 L 16

Concerning public hospital district contracts for material and work.

By Representatives Bergquist and Johnson.

House Committee on Capital Budget  
Senate Committee on Government Operations & Security

**Background:** Public Hospital Districts (PHDs) may enter into contracts for materials and labor for construction or repair projects at PHD facilities. For projects over \$75,000 the PHDs must publish notice for sealed bids. The contract may be awarded to the lowest responsible bidder or to the best bidder. The PHDs may not award a contract for more than the amount of the estimated cost of the materials and labor.

**Summary:** A PHD may enter into contracts for more than the amount of the estimated cost of materials and labor for projects over \$75,000.

**Votes on Final Passage:**

House	98	0
Senate	46	0

**Effective:** June 9, 2016

HB 2772  
C 52 L 16

Concerning job order contracts by public hospital districts.

By Representatives Johnson and Bergquist.

House Committee on Capital Budget  
Senate Committee on Government Operations & Security

**Background:** Job order contracting is a type of alternative public works contracting procedure. Under a job order contract, a contractor agrees to perform an indefinite quantity of public works jobs, defined by individual work orders, over a fixed period of time. A public entity may not have more than two job order contracts in effect at any one time, except for the Department of Enterprise Services which may have four contracts in effect. The maximum total dollar amount that is awarded under a job order contract may not exceed \$4 million per year for a maximum of three years, except for counties with a population of more than 1 million, which may award up to a maximum of \$6 million per year for a maximum of three years.

Job order contracts may be executed for an initial contract term of two years, with an option to extend or renew the contract for an additional year provided that any extension or renewal is priced as provided in the original proposal and is mutually agreed upon by the public body and the job order contractor. A job order contractor must subcontract 90 percent of the work under the contract, and may self perform 10 percent.

Specified state and local government entities are authorized to use the job order contracting procedure. Public Hospital Districts are not authorized to use the job order contracting procedure.

**Summary:** Public Hospital Districts with total revenues over \$15 million may use the job order contracting procedure.

The Department of Enterprise Services may issue job order contract work orders for any Public Hospital District.

**Votes on Final Passage:**

House	97	0
Senate	47	0

**Effective:** June 9, 2016

HB 2773  
C 186 L 16

Repealing the warrant authority of coroners.

By Representatives Klippert, Appleton, Haler, Hayes, Dent and Nealey.

House Committee on Judiciary  
Senate Committee on Law & Justice

**Background:** Any coroner, at his or her discretion, may hold an inquest if the coroner suspects that the death of a person was unnatural, violent, resulted from unlawful means, resulted from suspicious circumstances, or was a suicide or homicide. The prosecuting attorney having jurisdiction in the county in which the inquest is held may be present and assist the coroner.

Upon calling an inquest, the coroner must notify the superior court to provide persons to serve as an inquest jury. The inquest jury is tasked with hearing evidence concerning the death and rendering a true verdict on the cause of death. The jury must additionally set forth the identity of the person killed, if known, when and where the death occurred, and the means of death. If the jury determines that the person was killed or that his or her death was occasioned by criminal means, the jury must also set forth the identity of the guilty person, if known.

At the conclusion of an inquisition in which it is determined that the deceased person was killed, the coroner must issue a warrant for the responsible party's arrest, if the responsible party's identity is ascertained and he or she is at large.

**Summary:** The authority and requirement for a coroner to issue an arrest warrant for a person determined by an inquest jury to be responsible for a death is repealed. Following an inquest in which a person is determined to have killed another person, and is at large, the coroner must deliver the findings of the inquest jury and all documents, testimony, and records associated with the inquest to the prosecuting attorney of the county where the inquest was held.

**Votes on Final Passage:**

House	87	9
Senate	46	1

**Effective:** June 9, 2016**2ESHB 2778**

C 32 L 16 E 1

Modifying retail sales and use tax exemption criteria for certain clean alternative fuel vehicles.

By House Committee on Transportation (originally sponsored by Representatives Fey, Orcutt, Clibborn, McBride, Moscoso, Hickel, Stambaugh, Bergquist, Tharinger and Tarleton).

House Committee on Transportation  
Senate Committee on Transportation

**Background:** Retail Sales and Use Taxes. A "retail sale" is defined as any sale, lease, or rental for any purpose other than for resale, sublease, or subrent. With respect to tangible personal property, "use" is defined as the first act within the state by which the taxpayer takes or assumes dominion or control over the article of tangible personal property (as a consumer) and includes installation, storage, withdrawal from storage, distribution, or any other act preparatory to subsequent actual use or consumption within the state. The retail sales and use tax rate levied by the state is 6.5 percent.

Tax Exemption Qualifications. As of July 15, 2015, a retail sales and use tax exemption is provided for new passenger cars, light duty trucks, and medium duty passenger vehicles that (1) have a selling price plus trade-in property value or that have a fair market value of \$35,000 or less and (2) are either exclusively powered by a clean alternative fuel or use at least one method of propulsion that is capable of being reenergized by an external source of electricity and are capable of traveling at least 30 miles using only battery power. Typical applications of this exemption are for electric vehicles and plug-in hybrid vehicles.

Qualification Expiration. To qualify for this exemption, a vehicle must be purchased or the lease agreement signed prior to July 1, 2019.

Earlier Exemptions. Prior to July 1, 2015, a retail sales and use tax exemption was available for new passenger cars, light duty trucks, and medium duty passenger vehicles exclusively powered by a clean alternative fuel for the full selling price or fair market value of the vehicle; this earlier exemption remains applicable to leases with lease agreements that were signed before July 1, 2015. This prior exemption took effect in 2005.

Account Transfer. At the end of each quarter, the State Treasurer is required to transfer from the Multimodal Transportation Account to the General Fund the amount

that would otherwise have been deposited into the General Fund if not for this tax exemption.

Tax Preference Performance Statement. A tax preference performance statement for the clean alternative fuel and electrically powered vehicle tax exemption is included as required by law. The public policy objective of this exemption is to increase the use of clean alternative fuel and electrically powered vehicles in Washington. The Joint Legislative and Audit Review Committee must periodically evaluate the number of these vehicles titled in the state.

**Summary:** Tax Exemption Qualification. The retail sales and use tax exemption is modified for certain clean alternative fuel and electrically powered vehicles by increasing the tax exemption threshold to a vehicle's base model Manufacturer's Suggested Retail Price (MSRP) of \$42,500 or less. Tax exemption eligibility is capped at \$32,000 per eligible vehicle.

The Department of Licensing (DOL) is required to maintain a list of the models that may qualify for this exemption and to determine the lowest MSRP for each model for the purpose of establishing whether the model qualifies for the exemption based on its MSRP. The DOL must also determine the cumulative number of qualifying vehicles titled in Washington on or after July 15, 2015, and provide this information to the Department of Revenue (DOR) by the end of the fifth working day of each month.

Qualification Expiration. To qualify for this exemption, a vehicle must be purchased or the lease agreement signed by the end of the month following the month in which the DOL determines that 7,500 vehicles eligible for the exemption have been titled in the state since July 15, 2015, and in which the DOL provides notification of this fact to the DOR. The DOR must post notice of the expiration date of the exemption on its website as soon as can practically be done after receiving notification from the DOL. If 7,500 qualifying vehicles have not been titled by June 30, 2019, no additional vehicles will be permitted to qualify after that date.

Leased vehicles that qualified for the exemption before its expiration will continue to receive the tax exemption for all lease payments due through the life of the lease.

Earlier Exemptions. The complete retail sales and use tax exemption for lease agreements for applicable vehicles signed prior to July 1, 2015, remains in place. Lease agreements for applicable vehicles signed on or after July 15, 2015, and before July 1, 2016, are eligible for the exemption in place at the time the lease agreement was signed, *i.e.*, are eligible for an exemption if they have an adjusted fair market value of \$35,000 or less.

Reporting Requirement. Beginning on the last day of July 2016 and every six months thereafter, the DOR must report to the transportation committees of the Legislature the number of vehicles eligible for the exemption that have been titled in the state and the amount of state retail sales and use taxes exempted.

## HB 2781

Tax Preference Performance Statement. A tax preference performance statement is included as required by law. The public policy objective of this exemption is to increase the use of clean alternative fuel and electrically powered vehicles in Washington. The Joint Legislative and Audit Review Committee must periodically evaluate the number of these vehicles titled in the state.

**Votes on Final Passage:**

House 65 32

First Special Session

House 66 29

Senate 28 15

**Effective:** July 1, 2016

### HB 2781

C 53 L 16

Requiring the Washington state board of massage to adopt rules to allow approved massage programs to establish transfer programs.

By Representatives Harris, Cody, Senn and Moeller.

House Committee on Health Care & Wellness

Senate Committee on Health Care

**Background:** Massage therapy is a health care service involving the external manipulation or pressure of soft tissue for therapeutic purposes.

The Washington State Board of Massage (Board) regulates the practice of massage therapy and, with respect to training and education, may:

- define, evaluate, approve, and designate those massage schools, massage programs, and massage apprenticeship programs, including all current and proposed curriculum and faculty standards from which graduation will be accepted as proof of an applicant's eligibility to take the massage licensing examination;
- review approved massage schools and programs periodically; and
- establish by rule the standards and procedures for approving courses of study in massage therapy.

The minimum educational requirements for licensure to practice massage therapy are successful completion of a course of study from a massage school, program, or apprenticeship program approved by the Board. Application for approval of a school or program must be made by an authorized representative of the school or the administrator of an apprenticeship agreement.

**Summary:** The Board must adopt rules to allow Board-approved massage programs to establish transfer programs that accept an individual's credits or clock hours from schools that have not been approved by the Board, in order to recognize prior education that is applicable to licensure as a massage therapist or massage practitioner.

Prior education includes credits or clock hours from schools, colleges, and universities that are:

- accredited by a national or regional accreditation organization;
- approved by a state authority with responsibility for oversight of vocational programs; or
- approved by a state agency that regulates massage programs and is a member of the Federation of State Massage Therapy Boards.

**Votes on Final Passage:**

House 98 0

Senate 47 0

**Effective:** June 9, 2016

### ESHB 2785

C 187 L 16

Ensuring that restrictions on the use of solid fuel burning devices do not prohibit the installation or replacement of solid fuel burning devices or the use of these devices during temporary outages of other sources of heat.

By House Committee on Environment (originally sponsored by Representatives Shea, Short, Schmick, Taylor, Scott and McCaslin).

House Committee on Environment

Senate Committee on Energy, Environment & Telecommunications

**Background:** Clean Air Emissions Standards. The United States Environmental Protection Agency (EPA) may designate an area of nonattainment if there is a pattern of failure to reach and maintain ambient air quality standards over a period of time. When an area is designated as a nonattainment area, the state in which the area is located must submit an implementation plan (SIP) to reach attainment. This designation can cause additional requirements for all sources emitting fine particulate matter, including industrial and household sources.

Woodstoves and Other Solid Fuel Burning Devices. Washington's Clean Air Act regulates uses of wood stoves and fireplaces, both of which are captured under the term "solid fuel burning device." A solid fuel burning device is defined as any device for burning wood, coal, or any other nongaseous and nonliquid fuel, including a woodstoves or fireplaces.

Since 1995 state law has restricted the sale of certain types of solid fuel burning devices that are not certified by the state or the EPA as meeting fine particulate matter emissions criteria. In addition, the state building code does not allow the inclusion of uncertified woodstoves and fireplaces in new construction. The emissions criteria that are currently required of solid fuel burning devices are specific to different technologies. For example, a fine particulate matter emissions standard of 2.5 grams per hour

applies to catalytic woodstoves, while a limit of 4.5 grams per hour applies to pellet stoves.

**Burn Bans.** In Washington, the ECY or the local air pollution control authority may impose a burn ban when it forecasts that fine particulate pollution levels in an area will exceed the federal 24-hour standard of 35 micrograms per cubic meter, or a standard of 30 micrograms per cubic meter in areas at risk for federal nonattainment designations.

Burn bans are tiered, so the ECY or the local air pollution control authority will typically first call a Stage One burn ban. If this first stage of impaired air quality has been in force and has not achieved sufficient reductions, and a forecast is made that fine particulate pollution levels will exceed the federal 24-hour standard of 25 micrograms per cubic meter, a Stage Two burn ban may be called. Under certain circumstances, ECY or the local air pollution control authority may call a Stage Two burn ban without first calling a Stage One burn ban.

The use of uncertified woodstoves and fireplaces is restricted during a Stage One burn ban, and any burning of wood in a solid fuel burning device is restricted during a Stage Two burn ban.

**Governor's Authority to Call an Emergency.** The Governor may declare a state of emergency in the area of the state affected by a riot, energy emergency, public disorder, or disaster that affects life, health, property, or the public peace. A state of emergency must be issued by a written proclamation and applies only to the geographic area specified in the proclamation.

An emergency proclamation enables the Governor to prohibit specific activities, such as public gatherings, transfer of combustible materials, public possession of firearms, and the use of public streets at any time during the state of emergency. In a state of emergency, the Governor may also prohibit activities as the Governor reasonably believes are necessary to help preserve and maintain life, health, property, or the public peace.

**Summary: Restrictions on Solid Fuel Burning Devices during Burn Bans.** Regardless of whether a burn ban has been called for a particular geographic area, a person may install or repair a certified solid fuel burning device that meets ECY emissions requirements in a home or a business, or may replace an uncertified device with a certified device. A person may also temporarily install, repair, or replace any type of solid fuel burning device for the duration of an emergency power outage. During emergency power outages, burning wood in a solid fuel burning device is unrestricted regardless of whether a burn ban has been called.

An emergency power outage is defined to include: natural and human-caused events outside of a person's control that leave a home or business temporarily without an adequate alternative source of heat; or an emergency declared by the Governor for an area on the basis of disaster, public disorder, or an energy emergency.

#### Votes on Final Passage:

House	97	0
Senate	48	0

**Effective:** July 9, 2016

## 2SHB 2791

C 188 L 16

Creating the Washington statewide reentry council.

By House Committee on Appropriations (originally sponsored by Representatives Pettigrew, Goodman, Moscoso, Senn, Frame, Stanford, Santos and Walkinshaw).

House Committee on Public Safety  
House Committee on Appropriations  
Senate Committee on Human Services, Mental Health & Housing

Senate Committee on Ways & Means

**Background:** *Department of Commerce.* The Department of Commerce (Department) is an executive branch agency responsible for enhancing and promoting sustainable community and economic vitality in Washington. The Department administers a diverse portfolio of programs as well as several state boards and commissions.

*Joint Legislative Audit and Review Committee.* The Joint Legislative Audit and Review Committee (JLARC) is the Legislature's performance auditor. The JLARC conducts performance audits, program evaluations, sunset reviews, and other analyses at the direction of the Legislature.

*Washington State Institute for Public Policy.* The Washington State Institute for Public Policy (WSIPP) carries out nonpartisan research at the direction of the Legislature. Fiscal and administrative services for the WSIPP are provided by The Evergreen State College.

**Summary:** The Washington Statewide Reentry Council (Council) is created for the purpose of promoting successful reentry of offenders after incarceration, as long as the Legislature appropriates funds for its creation. The Council is located within the Department.

**Membership.** The Council is comprised of 13 members appointed by the Governor with the following members:

- representatives of the Department of Corrections;
- representatives of the Juvenile Rehabilitation Administration;
- representatives of a statewide organization representing community and technical colleges;
- representatives of a statewide organization representing law enforcement interests;
- representatives of a statewide organization representing the interests of crime victims;
- representatives of a statewide organization representing prosecutors;

- representatives of a statewide organization representing public defenders;
- representatives of a statewide or local organization representing businesses and employers;
- representatives of housing providers;
- representatives of faith-based organizations or communities;
- two persons with experience reentering the community after incarceration; and
- two other community leaders.

When making appointments, the Governor must consider certain factors. One membership position is reserved for a person with a background in tribal affairs. Initial appointees serve staggered terms of four, three, and two years. Subsequent appointments are for two-year terms. The Council must elect co-chairs from among its membership.

*Executive Director.* If the Legislature appropriates funds for the specific purpose, the Council must select an executive director to administrate the business of the Council. The executive director must be confirmed by the Senate. Employment of the executive director is for a term of three years, which may be extended by the Council. The executive director is located in, and paid by, the Department.

*Powers and Responsibilities.* The Council may:

- advise the Legislature and the Governor on issues relating to reentry and reintegration of offenders;
- review, study, and make policy and funding recommendations on issues directly and indirectly related to reentry and reintegration of offenders in Washington, including, but not limited to: correctional programming and other issues in state and local correctional facilities; housing; employment; education; treatment; and other issues contributing to recidivism;
- apply for, receive, use, and leverage public and private grants as well as specifically appropriated funds to establish, manage, and promote initiatives and programs related to successful reentry and reintegration of offenders;
- contract for services in order to carry out initiatives and programs;
- create committees and subcommittees; and
- create and consult with advisory groups comprised of nonmembers.

The Council must meet at least four times each year. The Council must submit to the Governor and appropriate committees of the Legislature a report every two years.

*Performance Audit.* The JLARC must conduct a performance audit of the Council every six years.

*Study.* If the Legislature appropriates funds for the specific purpose, the WSIPP must conduct a meta-analysis on the effectiveness of programs aimed at assisting offend-

ers with reentering the community after incarceration. The study must include a review and update of the literature on reentry programs in Washington and across the country. The WSIPP must report on the types of programs demonstrated to be effective in reducing recidivism among the general offender population. The WSIPP must report results to the Governor, the appropriate committees of the Legislature, and the Council no later than June 1, 2017.

**Votes on Final Passage:**

House	94	3	
Senate	44	1	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

**E2SHB 2793**

PARTIAL VETO

C 90 L 16

Providing for suicide awareness and prevention education for safer homes.

By House Committee on Finance (originally sponsored by Representatives Orwall, Blake, Kretz, Sullivan, Cody, Jinkins, Kagi, Goodman, Ormsby, Tharinger, Rossetti and Reykdal).

House Committee on Judiciary  
House Committee on Appropriations  
House Committee on Finance  
Senate Committee on Human Services, Mental Health & Housing  
Senate Committee on Ways & Means

**Background:** The Department of Health (DOH) has developed a statewide suicide prevention plan (Plan) containing goals and recommendations on policies, system change, and community action to reduce suicides. The Plan includes among its core principles that suicide is a preventable public health problem and that everyone has a role in suicide prevention. The Plan contains numerous recommendations, including: engaging communities in suicide prevention through awareness programs; improving and expanding suicide assessment, treatment, and management for health professionals; and supporting legislation, technology, and public education to reduce access by people in crisis to lethal means, including firearms and medications.

Suicide Assessment, Treatment, and Management Training. Certain licensed health professionals are required to complete training in suicide assessment, treatment, and management. Some of these professionals, like licensed social workers and psychologists, must complete the training every six years. Other professionals, like physicians, nurses, and physician assistants, only need to complete the training once. The training must be at least six hours in length, unless only screening and referral ele-

ments are appropriate for the professional's scope of practice, in which case the training only needs to be at least three hours in length.

Beginning January 1, 2017, the training must meet minimum standards adopted by the DOH in rule. The standards for six-hour trainings must require content specific to veterans and the assessment of issues related to imminent harm via lethal means or self-injurious behaviors.

**Firearms Safety and Hunter Education.** The Washington Department of Fish and Wildlife (WDFW) is responsible for producing a firearms pamphlet that covers issues of firearms safety, the legal limits of firearms use, and information on firearms laws and regulations. This pamphlet is provided to the Department of Licensing for distribution to firearms dealers and persons authorized to issue concealed pistol licenses. Firearms dealers are required to give a copy of the pamphlet to firearms purchasers.

The WDFW is responsible for the operation of a statewide hunter education program that must be completed by applicants for a state hunting license who are age 41 or younger. Hunter education courses are taught by volunteers that are trained and certified by the WDFW. The hunter education program consists of at least 10 hours of instruction in safety, conservation, sportsmanship, and firearm handling. The firearms pamphlet may be used in the hunter education program.

**Summary: Safe Homes Task Force.** Subject to amounts appropriated for this purpose, a Safe Homes Task Force (Task Force) is created to raise public awareness and increase suicide prevention education among partners in key positions to prevent suicides. The Task Force consists of a variety of stakeholders, including the DOH, representatives of suicide prevention organizations, the firearms industry and firearms rights organizations, individuals who have experienced suicide loss or survived suicide attempts, pharmacists and pharmacy organizations, the Department of Veterans Affairs, law enforcement, and others. Task Force membership is divided into a Suicide Prevention and Firearms Subcommittee and a Suicide Prevention and Pharmacy Subcommittee.

The Task Force is administered and staffed by the University of Washington (UW) School of Social Work, and its tasks include:

- developing suicide awareness and prevention messages for posters and brochures to be used by firearms dealers, firearms ranges, and pharmacies, and in hunter safety classes;
- developing online trainings on suicide awareness and prevention for firearms dealers, firearms ranges, and their employees;
- reviewing and recommending changes to incorporate suicide awareness and prevention into the firearms safety pamphlet developed by the WDFW;

- developing strategies for disseminating suicide awareness and prevention information for hunting safety classes, including messages to parents of children in the courses;
- developing suicide awareness and prevention messages for training for the schools of pharmacy and providing input on training being developed for community pharmacists;
- creating a website that will be a clearinghouse for the newly created suicide awareness and prevention materials;
- surveying firearms dealers and firearms ranges to determine the types and amounts of incentives that would be effective in encouraging those entities to participate in the Safe Homes Project (Project); and
- creating, implementing, and evaluating a pilot in two counties that have high suicide rates to provide advocacy efforts and training to firearms dealers, pharmacies, health care providers, and law enforcement on pairing suicide awareness and prevention education with the provision of devices for safe storage of firearms and prescription medications.

The Task Force must annually report on its progress to the Legislature beginning December 1, 2016. The final report of the Task Force must include the findings of the suicide awareness and prevention pilot program and recommendations on possible continuation of the program.

By July 1, 2017, the WDFW must update the firearms pamphlet with suicide prevention messages developed by the Task Force.

**Safe Homes Project.** Subject to amounts appropriated for this purpose, the DOH is required to develop and administer a Project for firearms dealers and firearms ranges to encourage voluntary participation in a program to implement suicide prevention strategies. The DOH must consult with the Task Force in developing Project requirements. The Project will provide a Safe Homes Partner certification to firearms dealers and firearms ranges that meet the following requirements:

- provide online trainings on suicide awareness and prevention to employees;
- display suicide awareness and prevention posters and hand out suicide awareness and prevention brochures to firearms purchasers and customers; and
- offer safe storage devices, in the form of a lock box or life jacket, for sale at cost to firearms purchasers and customers.

The DOH must provide technical assistance to firearms dealers and firearms ranges that want to participate in the program, and conduct or contract for random audits of businesses that participate in order to ensure compliance with Project requirements. The DOH must imple-



ment the Project beginning January 1, 2018. The Project terminates January 1, 2024.

Suicide Assessment, Treatment, and Management Training for Pharmacists. A licensed pharmacist must complete a one-time training on suicide assessment, treatment, and management. The training must be completed by the end of the pharmacist's first full continuing education reporting period after January 1, 2017, or during his or her first full continuing education reporting period after initial licensure, whichever is later. Three-hour trainings for pharmacists must include content related to the assessment of issues related to imminent harm via lethal means.

The Schools of Pharmacy at the UW and Washington State University must convene a work group to develop curriculum for pharmacy students on suicide assessment, treatment, and management that includes identifying at-risk patients and limiting access to lethal means. The Schools of Pharmacy must consult with the Task Force on appropriate messages for the curriculum and submit a progress report to the Governor and Legislature by December 1, 2016. By January 1, 2017, the DOH and the Pharmacy Quality Assurance Commission, in consultation with the Task Force and experts on suicide assessment, treatment and management, must develop written materials on suicide awareness and prevention for pharmacies to post or distribute to customers.

**Votes on Final Passage:**

House	93	4	
Senate	47	0	(Senate amended)
House	94	2	(House concurred)

**Effective:** June 9, 2016

January 1, 2017 (Section 5)

**Partial Veto Summary:** The Governor vetoed provisions of the bill that create a Safe Homes Project to certify firearms dealers and firearms ranges that meet specified requirements as Safe Homes Partners.

**VETO MESSAGE ON E2SHB 2793**

March 31, 2016

To the Honorable Speaker and Members,  
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 3 and 9, Engrossed Second Substitute House Bill No. 2793 entitled:

"AN ACT Relating to providing for suicide awareness and prevention education for safer homes."

Section 3 of this bill creates the safe homes project and Section 9 provides for the expiration [of] that section. These two sections are from a prior version of the bill and the final bill was not properly amended to remove them. The bill's prime sponsor and other advocates requested this veto because the work on the safe homes project is premature. The task force created in Section 2 of the bill will begin a pilot and provide the necessary ground work to better analyze the potential of this project.

For these reasons I have vetoed Sections 3 and 9 of Engrossed Second Substitute House Bill No. 2793.

With the exception of Sections 3 and 9, Engrossed Second Substitute House Bill No. 2793 is approved.

Respectfully submitted,



Jay Inslee  
Governor

**HB 2800**

C 189 L 16

Correcting a double amendment concerning county legislative authorities.

By Representative Haler.

House Committee on Local Government  
Senate Committee on Government Operations & Security

**Background:** The RCW 36.32.080, which requires county legislative authorities to hold regular meetings at the county seat, was amended by two separate acts in 2015.

One of these acts allowed two or more county legislative authorities to hold a joint regular meeting in the county seat of one of the participating counties if agenda items are of mutual interest or concern to the legislative authorities. Participating legislative authorities, in whose counties the meeting is not held, must provide notice of the meeting in accordance with the rules for special meetings.

The other act allowed county legislative authorities to hold a regular meeting in a location in the county that is outside the county seat. This may be done no more than once per calendar quarter and only if the legislative authority determines that holding a meeting at an alternate location is in the interest of supporting greater citizen engagement in local government. A legislative authority holding a meeting outside of the county seat must give notice of the meeting at least 30 days before the meeting. The notice must be posted on the county's website, published in a newspaper of general circulation in the county, and sent via electronic mail (e-mail) to residents of the county who have chosen to receive the notice via e-mail.

**Summary:** Technical corrections are made to RCW 36.32.080 to include all of the amendments to the statute from both 2015 acts.

**Votes on Final Passage:**

House	97	0
Senate	47	1

**Effective:** June 9, 2016

**HB 2807**

C 26 L 16

Concerning heavy haul industrial corridors.

By Representatives Dye, Moscoso, Schmick, Fey and Tarleton.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** The Washington State Department of Transportation (WSDOT) may enter into agreements with ports to designate short, heavy-haul industrial corridors on state highways within port district property. These corridors allow for the movement of overweight sealed containers used in international trade. The WSDOT may issue special permits to vehicles on these corridors so long as certain weight limit requirements are met. The entity operating the overweight vehicles in the corridor is responsible for paying a special permit fee of \$100 per month or \$1,000 per year, which is deposited in the Motor Vehicle Account.

**Summary:** A new 4.5-mile heavy-haul corridor is designated on State Route 128 from the Idaho border, continuing onto State Route 193, and ending at the Port of Wilma. The WSDOT may issue special permits to overweight vehicles not exceeding 129,000 pounds in the heavy-haul corridor as long as certain other federal and state requirements are met.

**Votes on Final Passage:**

House	96	0
Senate	46	1

**Effective:** January 1, 2017

**HB 2808**

C 107 L 16

Amending the process for a person's immediate family member, guardian, or conservator to petition the court for the person's initial detention under the involuntary treatment act.

By Representatives Jinkins and Kilduff.

House Committee on Judiciary  
Senate Committee on Human Services, Mental Health & Housing

**Background:** The Involuntary Treatment Act (ITA) sets forth the procedures, rights, and requirements for involuntary civil commitment. Designated mental health professionals (DMHPs) are responsible for investigating whether or not a person should be detained for an evaluation for involuntary mental health treatment under the ITA.

When a DMHP decides not to detain a person for evaluation and treatment, or does not take action to have a person detained within 48 hours of a request for investigation,

the person's immediate family member, guardian, or conservator may petition the superior court for the person's initial detention. A petition must be submitted on a form developed by the courts and must be accompanied by a sworn declaration of the petitioner, and other witnesses if desired, detailing the relationship between the petitioner and the person, the date on which the investigation was requested, and a description of why the person should be detained for evaluation and treatment.

The court must review the petition for sufficient evidence within one judicial day. If sufficient evidence is found, the court must order the DMHP to provide the court with a detailed statement within one judicial day that describes the investigation and the decision not to file for initial detention, along with a copy of all information material to the DMHP's decision.

The court must render a final decision within five days of the petition being filed. An order for initial detention may be entered if the court finds, upon review of all provided information, that there is probable cause to support a petition for initial detention and that the person has refused or failed to accept appropriate evaluation and treatment voluntarily.

**Summary:** The process for filing a petition for court review of a DMHP's decision not to seek a person's detention under the ITA is amended to require that the petition is filed in the county in which the DMHP's investigation occurred or was requested to occur.

**Votes on Final Passage:**

House	96	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

**HB 2815**

C 27 L 16

Modifying the eligibility requirements for certain counties with ferry terminals to form a regional transportation planning organization.

By Representatives Hayes, Smith, Lytton and Morris.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** A regional transportation planning organization (RTPO) is a voluntary association of local governments within a county, or within geographically contiguous counties, created primarily to prepare regional transportation plans, to ensure local and regional coordination of transportation planning, and to maintain a six-year regional transportation improvement program.

An RTPO can cover both urban and rural areas and receives state funding in support of its planning efforts. Federal legislation has created the Metropolitan Planning Organization (MPO). An MPO covers an urbanized area

## SHB 2831

and receives federal funding in support of its planning efforts. In urbanized areas, the RTPO under state law is the same as the MPO designated for federal transportation planning purposes.

An RTPO must contain at least one county and have a population of at least 100,000 or contain at least three counties, have as members all counties in the region, and contain at least 60 percent of the cities and towns in the region representing at least 75 percent of the cities' and towns' populations.

There are 14 RTPOs covering 36 of the 39 counties in Washington. Island, Okanogan, and San Juan counties are not part of any RTPO.

**Summary:** A county or group of counties with a population greater than 75,000 that also contains a Washington State Ferries terminal may form an RTPO.

**Votes on Final Passage:**

House	94	4
Senate	43	3

**Effective:** July 1, 2016

## SHB 2831

C 190 L 16

Assisting small businesses licensed to sell liquor in Washington state.

By House Committee on Commerce & Gaming (originally sponsored by Representative Hurst).

House Committee on Commerce & Gaming  
House Committee on General Government & Information Technology

Senate Committee on Commerce & Labor  
Senate Committee on Ways & Means

**Background:** Spirits Delivery Locations. Spirits retail licensees, as well as licensed wine retailers, are authorized to accept delivery of spirits and wine, respectively, either at their licensed premises or at one or more warehouse facilities that have been registered with the Liquor and Cannabis Board (LCB). The delivery and warehousing of both spirits and wine at a single facility owned or operated by a retailer holding both retail spirits and retail wine licenses is not specifically authorized.

Beer and/or Wine Retailer Specialty Shop License.

There is a beer and/or wine specialty shop license that allows the licensee to sell beer and wine at retail for off-premises consumption. Qualifying licensees may obtain a written endorsement from the LCB that expands the license so as to allow the sale of malt liquor in kegs or other containers capable of holding 4 gallons or more of liquid.

**Summary:** Beer and/or Wine Specialty Shop License; Wine Retailer Reseller Endorsement. A "wine retailer reseller endorsement" is created that is available to qualifying beer and/or wine specialty shop licensees. A licensee with the endorsement is authorized to sell wine at retail in

original containers to other retailers licensed to sell wine for consumption on the premises (i.e., bars and restaurants). However, no single sale may exceed 24 liters, unless the sale is made by a licensee that was formerly a contract liquor store. A sale by a beer and/or wine specialty shop licensee with a reseller endorsement is a retail sale only if not for resale. Accordingly, sales made under the reseller endorsement are not classified as retail sales for taxation purposes. The annual fee for the wine retailer reseller endorsement is \$110 for each store.

A beer and/or wine specialty shop licensee with a wine retailer reseller endorsement may sell a maximum of 5,000 liters of wine per day for resale to retailers licensed to sell wine for consumption on the premises.

A licensee with a wine retailer reseller endorsement may operate a warehouse facility, where it may accept deliveries and store and distribute wine and other nonliquor items in accordance with the terms of the license. Two or more licensees may jointly own and operate such warehouse facilities.

Warehousing of Wine and Spirits by a Licensed Wine and Spirits Retailer. A retailer authorized to sell both wine and spirits for off-premises consumption may use or operate a warehouse facility, where it may accept deliveries and store and distribute wine, spirits, and nonliquor items in accordance with the terms of the license. Two or more licensees may jointly operate such warehouse facilities, provided at least one of the licensees is licensed to sell both wine and spirits.

For purposes of negotiating volume discounts, a group of retailers licensed to sell both wine and spirits for off-premises consumption may accept delivery of a group order of wine and spirits at a single location. This single location may either be one of their individual licensed premises or at any one of the other licensee's premises, or at a warehouse facility registered with the LCB.

**Votes on Final Passage:**

House	97	0	
Senate	44	4	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

## HB 2838

C 108 L 16

Clarifying the department of corrections' authority to impose conditions prohibiting contact with other persons, even if the offender is not a sex offender.

By Representatives Klippert and Hayes; by request of Department of Corrections.

House Committee on Public Safety  
Senate Committee on Law & Justice

**Background:** Community Custody is Imposed by the Court. Community custody may be ordered by the court

as part of an offender's sentence, and allows the offender to be in the community while under the supervision of the Department of Corrections (DOC). An offender receives a specified term of community custody for select crimes.

When a court sentences an offender to a term of community custody, it may impose conditions at its discretion, such as requiring the offender to refrain from direct contact with the victim of the crime. By contrast, some conditions are automatically imposed unless the court waives them, such as requiring the offender to refrain from consuming controlled substances.

The Department of Corrections Supervises Offenders in Community Custody. An offender who is sentenced to a period of community custody must report to the DOC. The DOC must then assess the offender's risk to the community and may establish and modify additional conditions based on the offender's risk. However, these additional conditions may not contradict or decrease those imposed by the court. An offender is required to comply with both sets of conditions, regardless of whether they are imposed by the court of the DOC.

At a minimum, the DOC must require the offender to complete specified tasks, such as report to a community corrections officer and pay the supervision fee assignment.

If the offender was sentenced as the result of a conviction for a sex offense, the DOC may impose electronic monitoring, and require the offender to avoid direct or indirect contact with the victim of the crime or an immediate family member of the victim. If a victim, parent, or guardian of a minor victim speaking on the victim's behalf or an immediate family member of the victim requests that the offender not contact him or her, the DOC must require the offender to refrain from contact.

The DOC must notify the offender of any conditions in addition to those imposed by the court unless an emergency requires the DOC to immediately impose a condition to prevent the offender from committing a crime. The offender may request an administrative hearing to challenge any condition imposed by the DOC.

**Summary:** The DOC may impose no-contact conditions on offenders in community custody if the conditions are based on risk to community safety.

**Votes on Final Passage:**

House	84	13
Senate	47	2

**Effective:** June 9, 2016

## 2SHB 2839

C 191 L 16

Providing a sales and use tax exemption for certain new building construction to be used by maintenance repair operators for airplane repair and maintenance.

By House Committee on Appropriations (originally sponsored by Representatives Springer and Nealey).

House Committee on Finance  
House Committee on Appropriations  
Senate Committee on Ways & Means

**Background:** Aircraft Repair Station. The National Air Transportation Association defines the term "repair station" as a maintenance facility that has a certificate issued by the Federal Aviation Administration (FAA) under Title 14 of the Code of Federal Regulations (14 CFR) Part 145 and is engaged in the maintenance, preventive maintenance, inspection, and alteration of aircraft and aircraft products. Maintenance facilities must apply to the FAA for a repair station certificate; at the end of the application process, the FAA may issue a certificate and a rating that describes the tasks that the repair station is capable of performing. According to the FAA, there are more than 100 repair stations in Washington state.

Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services (including construction). A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital product, or service when used in this state. The state, most cities, and all counties levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.1 percent, depending on the location.

Taxation of Construction Activities. Prime contractors must collect retail sales tax from the purchaser of the construction project on the gross contract price (without deduction of costs incurred). Billing invoices must separately state the sales tax. If the contract requires retainage, sales tax must be computed before deducting such amounts. Retail construction services are sourced to the location where the construction takes place. A contractor is considered the consumer of items purchased for use in the construction process and not used as component parts of the finished structure, and therefore, retail sales tax must be paid to the vendors of such items. The purchase of materials by custom contractors that will become part of the completed project are purchases for resale (wholesale). Such purchases are not subject to retail sales tax. Reseller permits allow businesses to purchase items or services for resale without paying retail sales tax. Use tax is due if sales tax has not been paid on items the contractor uses as a consumer. Use tax is generally due (if sales tax has not been paid) on the following: equipment, tools, supplies, and rentals of equipment, even if the cost for these items is passed along to the purchaser of the construction project.

Exemption for Machinery and Equipment. A retail sales and use tax exemption applies to new or replacement machinery and equipment (M&E) used in a manufacturing, testing, or research and development operation by a manufacturer or processor for hire. The exemption also applies to services, such as installation or repair services,

rendered with respect to the M&E. The exemption applies to industrial fixtures and devices as well as pollution control equipment that is used in the manufacturing operation. The exemption does not apply to short-lived tools, hand tools, and consumable supplies.

Tax Preference Performance Statement. All new tax preference legislation must include a tax preference performance statement. New tax preference means a tax preference that initially takes effect after August 1, 2013, or a tax preference in effect as of August 1, 2013, that is expanded or extended after August 1, 2013. Tax preferences include deductions, exemptions, preferential tax rates, and tax credits. The performance statement must clearly specify the public policy objective of the tax preference and the specific metrics and data that will be used by the Joint Legislative Audit and Review Committee (JLARC) to evaluate the efficacy of the tax preference.

There is an automatic 10-year expiration date for new tax preference if an alternative expiration date is not provided in the new tax preference legislation.

**Summary:** Payment by an eligible maintenance repair operator for the construction of a new building is exempt from sales and use tax. The exemption also applies to any charges made for the installation in the building of any machinery and equipment that is not otherwise exempt from sales tax.

The exemption is in the form of a remittance. Remittance of local sales and use tax is immediate; remittance of the state sales and use tax may not occur until after the facility has been operationally complete for four years, but not earlier than December 1, 2021. The Department of Revenue may not refund the state sales and use tax unless the purchaser reports at least 100 average employment positions to the Employment Security Department for the period from September 1, 2020, to September 1, 2021, with average annualized wages of \$80,000.

An eligible maintenance repair operator is a person classified by the FAA as a Part 145 certified repair station and located in an airport owned by a county with a population of more than 1.5 million. The exemption also applies to construction of a new building paid for by a port district, political subdivision, or municipal corporation, if the building will be leased to an eligible maintenance repair operator.

Any person claiming the exemption is required to file an annual report with the Department of Revenue.

The tax preference is categorized as one intended to create jobs, and the tax preference performance statement requires the JLARC to evaluate, three years after a maintenance and repair station is operationally complete, whether a taxpayer claiming the exemption is on target to meet specified employment levels by the fourth year of operation and whether or not the annualized wages for the employees are on a par with industry standards for the sector.

The tax preference expires on January 1, 2027.

**Votes on Final Passage:**

House	84	13
Senate	28	20

**Effective:** July 1, 2016

**HB 2842**

C 192 L 16

Financing of improvements for state-owned lands to be transferred for private development.

By Representatives Schmick, Wylie, Nealey, Reykdal, Dye and Walsh.

House Committee on Community Development, Housing & Tribal Affairs

House Committee on Finance

Senate Committee on Ways & Means

**Background:** Property Taxation. All real and personal property in the state is subject to property tax, unless specifically exempted under law. The state Constitution requires all taxes to be applied uniformly on property within each taxing district. Property taxes are based on the assessed fair market value of the property.

Tax Increment Financing. State law provides for certain local financing options through a model known as tax increment financing (TIF). The traditional TIF model is a method of allocating a portion of taxes to finance specific public improvement projects that promote private development within designated urban areas. Typically, the city or county may issue bonds to pay for public improvements. The bonds are financed by a portion of the regular property taxes levied within a specified district surrounding the public improvement. The increased property value within the district caused by the public improvement project then becomes the tax base used to pay the bonds. While several of these financing options also include a state funding contribution in the form of a credit against the state sales tax, some models involve only local regular property tax revenues.

**Summary:** A designated city, with over 60,000 people, east of the Cascade Mountains and abutting the Columbia River on its southern border, may adopt an ordinance to designate a state land improvement finance area for the purpose of encouraging private development and increasing property values within the area. The designated area may include any state-owned land that has been sold or is pending sale for private development. The boundaries of the designated area may not exceed 25 percent of the total assessed value on all real property within the city at the time the area is created.

All property taxes levied within the designated area may be directed to finance public improvement projects within the area, except for the state property tax portion used to fund public education. The city using state land improvement financing may issue general obligation

bonds to finance public improvement projects. The revenue collected from within the designated area may be used to finance the debt, and the debt is subject to the full faith and credit of the city.

The types of public improvement projects that may be financed include public infrastructure improvements, such as roads and bridges, water and sewer systems, recreational areas, storm water systems, and utility infrastructure. Funding also can be used for planning and analysis, maintenance and security, and historic preservation.

**Votes on Final Passage:**

House	89	9
Senate	48	0

**Effective:** June 9, 2016

**ESHB 2847**

C 193 L 16

Creating an exemption to the definition of substantial development in chapter 90.58 RCW relating to the retrofitting of existing structures to accommodate physical access by individuals with disabilities.

By House Committee on Environment (originally sponsored by Representative Rossetti).

House Committee on Environment

Senate Committee on Energy, Environment & Telecommunications

**Background:** The Shoreline Management Act (SMA) governs uses of the shorelines of the state. Shorelines of the state are all water areas of the state, with some exceptions, and the land underlying them and their associated shorelands. Lands that extend landward 200 feet in all directions as measured on a horizontal plane from the ordinary high water mark, wetlands, and river deltas are "shorelands."

Prior to undertaking any substantial development on the shorelines of the state, the SMA requires that a property owner or developer first obtain a permit from the local government. A "substantial development" is any development with a total cost or fair market value exceeding a set amount, or any development that materially interferes with the normal public use of the water or shorelines of the state. The original set threshold amount for a project to be considered substantial development was \$5,000; however, on September 15, 2012, it was increased to \$6,416 based on an automatic inflation mechanism.

Certain developments are specifically not considered "substantial developments" by statute and are exempt from the requirement of obtaining a special development permit regardless of their cost. These projects include normal maintenance of existing structures, emergency construction, construction necessary to support agriculture, modification of navigational aids, construction of certain

single family residences, and the construction of canals necessary for certain irrigation systems.

**Summary:** Retrofitting projects on either the outside or the inside of an existing structure are removed from the definition of "substantial development" in the SMA if they are undertaken with the exclusive purpose of complying with the Americans with Disabilities Act or to otherwise provide physical access to a building by individuals with disabilities.

**Votes on Final Passage:**

House	75	23	
Senate	33	14	(Senate amended)
House	86	10	(House concurred)

**Effective:** June 9, 2016

**ESHB 2852**

C 134 L 16

Establishing standards for election data and reporting.

By House Committee on State Government (originally sponsored by Representatives Hudgins, S. Hunt and Stanford).

House Committee on State Government

Senate Committee on Government Operations & Security

**Background:** County Election Records. The county auditor conducts all elections within the county and is responsible for processing ballots. The county auditor maintains certain records and reports regarding election activities.

*Voter Registration Records.* The county auditor retains records on the maintenance of voter registration lists and the implementation of programs and activities conducted to ensure voter accuracy and eligibility.

*Ballot Records.* The county auditor must maintain records of all ballots issued and returned. Upon request, the county auditor must provide a list of all registered voters who have or have not voted.

*Canvassing Tabulation Results.* The county auditor must make tabulation results available immediately upon completion of the canvassing of votes. The county auditor must canvass votes daily during a primary or general election in counties with a population over 75,000 people or at least every third day in smaller counties.

*Cumulative Election Abstract.* The county auditor must prepare an abstract of the number of registered voters and all votes cast in each precinct immediately after the official results are made in a primary or general election. The cumulative report of all precincts must be submitted to the Secretary of State (SOS).

*Reconciliation Reports.* An election reconciliation report must be prepared by the county auditor at the time of the election certification. The county auditor must make the report available on the auditor's website. The report must include: the number of registered voters; the number

of ballots issued, received, counted, and rejected, including provisional, federal write-in and overseas ballots; and the number of voters credited with voting.

Election Canvassing. Canvassing is the process of examining ballots, tabulating votes, and determining official election returns. A county canvassing board is responsible for certifying county returns for a primary or general election and determining the validity of challenged ballots. The board is composed of the county auditor, prosecuting attorney, and the chair of the county legislative body, or their designees.

A ballot or part of a ballot must be rejected when:

- a ballot is folded together with another ballot;
- more votes are cast on a ballot for an office or issue than are allowed;
- a write-in vote does not clearly identify the candidate's name, or the position or office for the write-in vote is not clear;
- a vote is cast by sticker or printed label; or
- the issue or office is not marked sufficiently to determine the voter's intention.

The SOS publishes statewide standards for elections officials on what constitutes a vote. These standards provide examples of voted ballots and how they should be interpreted by county canvassing boards when the validity of a ballot is in question.

**Summary:** Daily Counted Ballots. The county auditor must make records of counted ballots available to the public at the end of each day that the auditor has processed ballots during and after an election.

State Data and Reporting Standards. The SOS must develop statewide data and reporting standards for how election data are maintained and reported by county auditors. The SOS may convene a workgroup with county auditors and other stakeholders to evaluate county election data collection and maintenance and to recommend improvements for election data reporting.

The statewide standards should be developed with a goal of improving: the types and use of data files; public access to election data; and data compilation from all counties for research and analysis. The statewide standards must be made public and include ongoing analysis on whether counties are in compliance with current standards.

Ballot Rejection Survey. Every odd-numbered year the SOS must conduct and publish a statewide survey of ballot rejections by county auditors and canvassing boards. The survey must include:

- data on the reasons for ballot rejections;
- a comparison of county and statewide rejection averages;
- an analysis of current county practices in the acceptance and rejection of ballots;

- recommendations for improvements to minimize ballot rejections, with a goal of statewide standardization where applicable; and
- an analysis comparing the survey results with available national data and recognized best practices.

**Votes on Final Passage:**

House	93	2
Senate	47	1

**Effective:** June 9, 2016

**HB 2856**

C 194 L 16

Establishing the office of Chehalis basin.

By Representatives DeBolt, Tharinger, Van De Wege and Stanford.

House Committee on Capital Budget  
Senate Committee on Ways & Means

**Background:** Chehalis River Basin Catastrophic Floods and State Capital Funding. In early December 2007 a series of storms caused flood damage in southwest Washington. On December 8, 2007, the President declared a major disaster in the counties of Grays Harbor, Kitsap, Lewis, Mason, Pacific, and Thurston. Federal funding assistance was made available following this declaration.

In 2008 the Legislature authorized \$50 million in state general obligation bonds for flood hazard mitigation and related projects throughout the Chehalis River Basin. Beginning with the 2007-09 biennium through the 2015-17 biennium, a total of \$92.7 million has been appropriated in capital budgets from state general obligation bonds to the Office of Financial Management (OFM) for catastrophic flood relief and Chehalis River Basin flood relief projects.

The Department of Ecology. The Department of Ecology (Ecology) is the lead state agency for floodplain management, which includes flood risk reduction and protection of floodplain environmental functions. Ecology also provides technical assistance to local governments in implementing local floodplain management plans and the National Flood Insurance Program. When flooding occurs, Ecology works with other agencies to conduct damage assessments and to prepare disaster assistance requests.

In the 2013-15 and 2015-17 capital budgets, Ecology received appropriations, respectively, of \$50 million in state general obligation bond proceeds for flood management and control grants and \$35.6 million in state general obligation bond proceeds for floodplain management grants. In both cases, funding is passed through to local entities and federally recognized tribes for eligible projects.

The Governor's Chehalis Basin Work Group and Its Reports. The 2011-13 Capital Budget directed the OFM to collaborate with state and federal agencies, tribal govern-

ments, and local governments to identify recommended priority flood hazard mitigation projects in the Chehalis River Basin for continued feasibility and design work. To help carry out this directive, former Governor Christine Gregoire convened a Chehalis Basin Work Group (Work Group) to recommend investments and actions that would reduce flood damages and enhance natural floodplain function and fisheries. The Work Group includes representatives of the Chehalis Tribe, the City of Cosmopolis, Thurston County, the Chehalis River Basin Flood Authority, a Basin dairy farmer, and a Governor's policy advisor.

Facilitated by the William D. Ruckelshaus Center and in consultation with state and local agencies, the Work Group presented its recommendations to the Governor and the Legislature in a 2012 report entitled "Chehalis Basin Flood Hazard Mitigation Alternatives" and, as subsequently requested by Governor Jay Inslee, in a 2014 report entitled "Chehalis Basin Strategy 2014 Recommendations." The 2014 report recommends an integrated program of long-term flood damage reduction and aquatic species restoration in the Chehalis Basin. The 2014 report estimates the costs of its recommendations to be approximately \$500 to \$600 million and the benefits over 100 years to be \$720 million, resulting in a net benefit of \$100 to \$200 million.

**Summary:** The Office of Chehalis Basin (Office) is established in Ecology. Its purpose is to aggressively pursue implementation of an integrated strategy and to administer funding for long-term flood damage reduction and aquatic species restoration in the Chehalis River Basin. The Office must be funded from specific appropriations for basin-related flood hazard reduction and habitat recovery activities. The model for operating the new Office is the Columbia River Water Supply Program.

A Chehalis Board (Board) is created. Its responsibilities include oversight of strategy implementation and development of budget recommendations to the Governor. The strategy must include a detailed set of actions, an implementation schedule, and quantified measures to evaluate success.

The Board includes seven voting members: four appointed by the Governor, subject to Senate confirmation, including one member representing the Quinault Indian Nation and one member representing the Chehalis Indian Tribe; and three selected by the Chehalis Basin Flood Authority. The Board also includes five nonvoting ex officio members: the Department of Fish and Wildlife director, the State Conservation Commission executive director, the Ecology director, the Commissioner of Public Lands, and the Department of Transportation Secretary. Staffing is to be provided by Ecology.

The Chehalis Basin Account (Account) is created in the State Treasury. Receipts from legislative appropriations or money directed from other sources must be deposited in the Account. Interest earnings must be retained in the Account. Moneys in the Account may be spent only

after appropriation and may be used only for the purposes of the act and for expenses related to bond issuance and sales.

**Votes on Final Passage:**

House	95	2	
Senate	46	2	(Senate amended)
House	91	5	(House concurred)

**Effective:** June 9, 2016

## SHB 2859

C 135 L 16

Concerning credit report security freezes for minors and incapacitated persons.

By House Committee on Business & Financial Services (originally sponsored by Representatives S. Hunt, Hudgins and Santos).

House Committee on Business & Financial Services  
Senate Committee on Financial Institutions & Insurance

**Background:** Security Freezes Generally. Any consumer in Washington may request that a consumer reporting agency (agency) place a security freeze on the consumer's credit report. A "security freeze" is a prohibition on the agency's release of a consumer's credit report to a third party intending to use the credit report to determine the consumer's eligibility for credit. The request for a security freeze must be submitted in writing via certified mail to the agency. The agency is permitted to charge \$10 for the placement of a security freeze.

Subject to certain exceptions, the agency is prohibited from releasing the report or information from the report without the consumer's express permission. The agency must give the consumer a personal identification number (PIN), which the consumer may use to make a request for a temporary lift of the freeze or for a release to a particular person or entity. The consumer reporting agency may charge \$10 for the removal or temporary lift of a security freeze. Victims of identity theft and persons over 65 years old may place or lift a security freeze free of charge.

Fifteen-Minute Thaws. Unless prevented by an act of God or other intervening force, a consumer reporting agency must allow a consumer to lift a freeze within 15 minutes of receiving the request from the consumer through the electronic contact method chosen by the agency if the request:

- is received during normal business hours; and
- includes the consumer's proper identification, fee, and correct PIN or password.

Exemptions from Security Freezes. The freeze does not apply to the use of a consumer credit report by specified persons or entities or in specified circumstances, including:

- a person for whom the consumer has lifted the freeze;
- any federal, state, or local entity, or their agents;



- any person acting under a court order, warrant, or subpoena;
- a child support agency acting under the Social Security Act;
- the Department of Social and Health Services;
- the Internal Revenue Service;
- a mortgage broker or loan originator;
- the use of credit information for the purposes of pre-screening as provided for by the federal Fair Credit Reporting Act;
- any person or entity administering a credit file monitoring subscription service to which the consumer has subscribed; and
- any person or entity for the purpose of providing a consumer with a copy of his or her credit report upon the consumer's request.

A consumer reporting agency is not liable for the inadvertent release of a credit report to a person claiming to be a mortgage broker or loan originator if that person is not, in fact, a mortgage broker or loan originator.

A consumer's request for a security freeze does not prohibit the release of the consumer's credit report for other than credit-related purposes.

**Change of Information.** If a security freeze is in place, the consumer reporting agency may not change the consumer's name, birth date, social security number, or address in its file on that consumer without written notice to the consumer within 30 days of the change being made.

**Enforcement.** Except with regard to temporary lifts, a violation of a consumer's security freeze rights is a violation of the Consumer Protection Act.

Consumers have no private cause of action for violations of the agency's failure to lift a security freeze. Enforcement is placed exclusively with the attorney general.

**Birth Certificates.** The Department of Health (DOH) administers state laws regarding birth certificates and other vital records. The DOH is responsible for issuing certified copies of vital records, including birth certificates showing the child's full name, sex, date of birth, and date of filing the certificate, but local health authorities may also issue birth certificates. The statutes governing birth certificates establish a standard birth certificate form, the requirements for completing and forwarding birth certificate information, and requirements for issuing new or amended birth certificates.

**Guardians and Limited Guardians.** Guardianship is a legal process through which a guardian or limited guardian is given the power to make decisions for a person who is determined to be "incapacitated" and therefore unable to take care of himself or herself. A person may be incapacitated if the individual is at a significant risk of financial harm because of an inability to manage his or her property or financial affairs or has a significant risk of personal harm because of an inability to provide for nutrition, health, housing, or physical safety.

**Summary: Protected Consumer Security Freezes.** An authorized representative may request a credit report security freeze on behalf of a protected consumer.

"Protected consumer" is defined to mean:

- a person under the age of 16 years old at the time of the request; or
- an incapacitated person for whom a guardian or limited guardian has been appointed.

"Representative" is defined to mean a person who can provide sufficient proof of authority to act on behalf of a protected consumer. "Sufficient proof of authority" means:

- a copy of the consumer's birth certificate if the representative is the consumer's parent;
- a court order;
- a valid power of attorney; or
- a notarized written statement signed by the representative describing the representative's authority to act on the consumer's behalf.

**Placing a Freeze.** A representative may request a security freeze on behalf of a protected consumer by submitting a request to a consumer reporting agency at the address or other point of contact specified by the agency. To request a security freeze on behalf of a protected consumer, the representative must provide proof of identity for both the representative and the protected consumer, sufficient proof of authority to act on behalf of the protected consumer, and a fee not to exceed \$10. If the consumer reporting agency does not have a credit file on the protected consumer at the time of the request, the agency must create a special record for the purpose of the freeze. The freeze must take effect within 30 days of the agency's receiving the request.

The \$10 fee for placing and lifting a security freeze is waived for minors under the age of 16 on whom the agency already has a file at the time of the request and for those protected consumers who produce evidence of identity theft.

**Lift of Freeze.** A freeze remains in effect until lifted by request of the protected consumer or protected consumer's representative or if the agency determines that the freeze was placed based on a material representation of fact by the consumer or representative. A request for a lift by a representative must also include proof of identity and authority, while a request by the protected consumer must include proof that the representative's authority is no longer valid. The freeze must be lifted within 30 days of a request to do so.

**Violations.** A violation of the protected consumer security freeze provision is enforced in the same manner as a violation of the general security freeze provisions.

**Exemptions.** The following persons and transactions are exempt from the protected consumer security freeze requirements:

- government agencies;

- actions under court orders;
- child support agencies;
- credit file monitoring services;
- credit reports provided to the consumer; and
- persons maintaining information for criminal record, personal loss history, fraud prevention nor detection, employment screening, and tenant screening information.

Information to Accompany Birth Certificates. The issuer of a birth certificate must include information prepared by the DOH describing the advisability of a security freeze and procedures for obtaining one.

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** January 1, 2017

**E2SHB 2872**

C 28 L 16

Concerning the recruitment and retention of Washington state patrol commissioned officers.

By House Committee on Appropriations (originally sponsored by Representatives Fey, Hayes, Clibborn, Moscoso, Rodne, Tarleton, Kilduff, Muri, Fitzgibbon, Appleton, Stokesbary, Stanford, Griffey, Senn, Bergquist, S. Hunt, Ortiz-Self, Gregerson and Ormsby).

House Committee on Labor & Workplace Standards  
 House Committee on Transportation  
 House Committee on Appropriations

**Background:** Washington State Patrol Trooper Recruitment and Retention Study. The 2015 transportation budget directed the Joint Transportation Committee (JTC) to study Washington State Patrol (WSP) trooper recruitment and retention. The JTC engaged a consultant who completed the WSP Trooper Recruitment and Retention Study (Study) in January 2016. The Study made recommendations regarding employee satisfaction, compensation, retirement, and recruitment.

Among the findings in the Study were that the WSP Field Force is authorized for 690 commissioned officer positions, of which approximately 580 are filled. In 2015, 106 officers left the agency through retirement and voluntary resignation and approximately 40 percent are eligible to retire within the next 10 years. Through 2015, WSP Academy classes were filling at lower than normal historical levels and the last class graduated 25 officers.

Vehicle License Fee Distribution. Washington requires an initial and renewal vehicle license fee of \$30. The license fee applies to passenger cars and cabs, motor homes, travel trailers, motorcycles, other trailers, and tow trucks. Proceeds are distributed as follows:

- \$20.35 of each initial and renewal registration fee is deposited to the State Patrol Highway Account;
- \$2.02 of each initial registration and 93 cents of each renewal fee is deposited to the Puget Sound Ferry Operations Account; and
- the remainder is deposited to the Motor Vehicle Account.

Operational expenses for the WSP are appropriated from the State Patrol Highway Account.

**Summary:** Washington State Patrol Trooper Recruitment and Retention Study. Legislative intent is stated to retain the highest qualified commissioned officers of the WSP.

The Office of Financial Management (OFM) must perform an organization study through an independent consultant to implement the changes in the Study. The WSP management must work actively with the consultant to implement the recommended changes. The OFM must deliver an implementation report to the House and Senate Transportation Committees by September 1, 2016. The WSP must develop an action plan and implementation strategy for each Study recommendation and report to the Transportation Committees by November 15, 2016. The Select Committee on Pension Policy must review the pension related items in the Study and make recommendations to the Governor and the Legislature by November 1, 2016.

Effective July 1, 2016, WSP troopers, sergeants, lieutenants, and captains must receive a 5 percent compensation increase, based on the salary schedule in effect on July 1, 2016.

On July 1, 2017, the minimum monthly salary paid to WSP troopers and sergeants must be competitive with law enforcement agencies within the state. Salary levels on July 1, 2017, must be guided by the average of compensation paid to the corresponding rank from the Seattle Police Department, King County Sheriff's Office, Tacoma Police Department, Snohomish County Sheriff's Office, Spokane Police Department, and Vancouver Police Department. Compensation must be calculated using base salary, premium pay (a pay received by more than a majority of employees), education pay, and longevity pay. The comparison data is as of July 1, 2016. Salary increases for captains and lieutenants that are collectively bargained must be proportionate to the increases for troopers and sergeants.

During the 2017-2019 collective bargaining process, the OFM and the relevant trooper and lieutenant associations must evaluate regional differences in the cost of living to determine if geographic pay is needed and implement compensation adjustments if needed.

The WSP must develop a comprehensive outreach and marketing strategic plan that looks for ways to reach groups and individuals that currently do not show an interest in law enforcement. The plan must include expanding efforts online and through other media outlets and expanding recruitment relationships in communities. In addition,

the plan must include polling applicants to determine the success of each outreach method.

Vehicle License Fee Distribution. Effective July 1, 2017, the distribution of the vehicle license fee to the State Patrol Highway Account is increased by \$3.25 and the distribution to the Motor Vehicle Fund is reduced by the same amount.

**Votes on Final Passage:**

House	85	12	
Senate	47	1	(Senate amended)
House	92	4	(House concurred)

**Effective:** June 9, 2016  
July 1, 2017 (Section 2)

**SHB 2875**  
C 195 L 16

Establishing the office of privacy and data protection.

By House Committee on Technology & Economic Development (originally sponsored by Representatives Smith, Morris and Magendanz).

House Committee on Technology & Economic Development

House Committee on General Government & Information Technology

Senate Committee on Government Operations & Security

**Background:** Executive Order 16-01. In January 2016 Governor Inslee issued Executive Order 16-01 establishing an Office of Privacy and Data Protection (Office). The stated intent of the Executive Order is to ensure that state agencies comply fully with state public records and open government laws, while seeking to protect personal information to the maximum extent possible. The Office must work with state agencies to promote data minimization, monitor sale of personally identifiable information or lists of individuals to third parties, examine data retention practices, update privacy policies, and monitor citizen complaints regarding the collection and use of personal information. The Office must conduct an annual privacy review and annual privacy training, articulate privacy principles and best practices, and educate consumers through public outreach across Washington. The Office must coordinate data protection and security measures in cooperation with Washington Technology Solutions and the Office of the Chief Information Officer (OCIO), participate with the OCIO in the review of major projects involving personally identifiable information, and brief the OCIO and the Office of Cyber Security on the privacy issues relating to risk management and cyber-attack threat analysis and liability. "Personally identifiable information" means information collected by a state agency about a natural person that is readily identifiable to that specific individual.

Access to Advanced Telecommunications Capability. Congress directed the Federal Communications Commission (FCC) to evaluate and annually report on whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion. The term "advanced telecommunications capability" is defined in federal law as high-speed, switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology. The FCC's annual evaluation presents data on access to broadband in each state, broken down to show access in urban areas, rural areas, and on tribal lands.

**Summary:** Office of Data Privacy, Protection, and Access Equity. An Office of Privacy and Data Protection (Office) is created in the Office of the Chief Information Officer. The purpose of the Office is to serve as a central point of contact for state agencies on policy matters involving data privacy and data protection, and to serve as a forum for ensuring equitable consumer access to communications and data technology. The Chief Information Officer must appoint the director, who is the Chief Privacy Officer.

Duties Pertaining to State Agencies. The primary duties of the Office are to conduct an annual privacy review, to conduct an annual privacy training for state agencies and employees, to articulate privacy principles and best practices for state agencies, to coordinate data protection, and to participate in the review of major state agency projects involving personally identifiable information.

Public Education. The Office must serve as a resource to local governments and the public on data privacy and protection concerns. This includes developing and promoting the dissemination of best practices for the collection and storage of personally identifiable information, establishing and conducting a training program or programs for local governments, and educating consumers about the use of personally identifying information on mobile and digital networks and measures that can help protect such information.

Performance Measures and Review by the Joint Legislative Audit and Review Committee. The Office must establish performance measures in its 2016 report to the Legislature and, in each report thereafter, demonstrate the extent to which performance results have been achieved. Certain performance metrics are specified, for example pertaining to the Office's training, coordination, consumer education, and outreach efforts. The Office must submit the performance measures and a data collection plan for review and comment to the Joint Legislative Audit and Review Committee within one year of the Act's effective date.

Evaluation of Access Equity. The Office must, at its discretion but at least once every four years, report to the Legislature on access of state residents to advanced telecommunications capability. The report must describe the

extent to which telecommunications providers in the state are deploying advanced telecommunications capability and the existence of any inequality in access experienced by residents of rural areas, tribal lands, and economically distressed communities. The report is only required to the extent that the Office is able to gather and present the information within existing resources.

**Votes on Final Passage:**

House	97	0
Senate	40	8

**Effective:** June 9, 2016

## SHB 2876

C 196 L 16

Addressing the foreclosure of deeds of trust.

By House Committee on Judiciary (originally sponsored by Representatives Orwall, Kirby and Griffey).

House Committee on Judiciary  
House Committee on Appropriations  
Senate Committee on Financial Institutions & Insurance

**Background:** Most loan obligations for residential real property in Washington are secured by deeds of trust. In 2011 the Foreclosure Fairness Act (Act) was enacted, making changes to the process related to the nonjudicial foreclosure of deeds of trust under the Deed of Trust Act (DOTA). As part of those changes, the Foreclosure Fairness Program (Program) was established.

A variety of agencies are involved with the Program. Their roles and responsibilities are set forth below:

- The Department of Commerce (Department) is charged with the overall development and management of the Program, including the mediation program. The Department is responsible for training, approving, and maintaining a list of approved foreclosure mediators and assigning them to mediation cases. The director of the Department authorizes expenditures from the Foreclosure Fairness Account (Account).
- The Housing Finance Commission administers the homeowner counseling program and oversees a toll-free hotline where homeowners in need of foreclosure prevention assistance can call and receive free foreclosure prevention counseling.
- The Department of Financial Institutions (DFI) is responsible for conducting homeowner prepurchase and postpurchase outreach and educational programs, and raising public awareness of the services provided under the Program.
- The Office of the Attorney General (AGO) Consumer Protection Division investigates consumer protection

complaints and enforces deed of trust foreclosure laws.

- The Office of Civil Legal Aid (OCLA) contracts with qualified legal aid programs to provide free legal assistance to low-income and moderate-income homeowners in matters related to foreclosure.

Certain beneficiaries are required to remit a \$250 fee to the Department, for deposit into the Account, for each notice of default issued on owner-occupied residential real property in the state. This does not apply to: any beneficiary or loan servicer that is a federally insured depository institution and that certifies under penalty of perjury that it has issued, or directed the issue of, fewer than 250 notices of default in the preceding year; or, beneficiaries that are homeowners' or condominium associations.

Authorized expenditures from the Account are as follows:

- no less than 71 percent of the funds must be used for providing housing counselors to borrowers, except that this amount may be less than 71 percent if necessary to meet the funding level specified for the AGO Consumer Protection Division for enforcement and the Department;
- up to 6 percent, or \$655,000 per biennium, whichever amount is greater, to the AGO to be used to enforce the law with respect to deeds of trust;
- up to 2 percent to the OCLA to be used for the purpose of contracting with qualified legal aid programs for legal representation of homeowners in matters relating to foreclosure;
- up to 18 percent, or \$1.4 million per biennium, whichever amount is greater, to the Department to be used for implementation and operation of the Act; and
- up to 3 percent to the DFI to conduct homeowner prepurchase and postpurchase outreach and education programs.

**Summary:** Authorized biennial expenditures of the monies in the Account are changed, as follows:

- \$400,000 to fund the counselor referral hotline;
- 69 percent of the remaining funds for the purposes of providing housing counseling activities;
- 8 percent of the remaining funds to the AGO to be used by the Consumer Protection Division to enforce the DOTA;
- 6 percent to the OCLA to be used for the representation of homeowners in matters related to foreclosure;
- 17 percent to the Department to be used for implementation and operation of the Act; and
- the DFI is no longer a recipient of funds from the Account.

A provision that required certain beneficiaries to remit \$250 per notice of default is repealed and replaced with a

## 2SHB 2877

remittance requirement tied to notices of trustee's sale. A savings clause is included, preserving any existing right acquired or liability or obligation incurred under the repealed section.

Beginning July 1, 2016, certain beneficiaries must remit \$250 for every notice of trustee's sale recorded on residential real property, excluding the recording of an amended notice of trustee's sale and notices of trustee's sale for which a fee was paid under the repealed provision for a notice of default supporting that notice of trustee's sale. "Residential real property" includes residential real property with up to four dwelling units, whether or not the property or any part thereof is owner-occupied. The remittance requirement does not apply to: any beneficiary or loan servicer that is a federally insured depository institution and that certifies under penalty of perjury that fewer than 50 notices of trustee's sale were recorded on its behalf in the preceding year; or, any homeowners' or condominium association beneficiaries.

The same reporting requirements as applied under the repealed section to remitting beneficiaries are made applicable to remitting beneficiaries under this new provision. Similarly, failure to comply with this new provision is an unfair or deceptive act in trade or commerce and an unfair method of competition under the Consumer Protection Act, just as was provided with respect to violations of the repealed section.

### Votes on Final Passage:

House	97	0
Senate	48	0

**Effective:** July 1, 2016

## 2SHB 2877

C 54 L 16

Expanding distribution dates for supplemental nutrition assistance program benefits.

By House Committee on Appropriations (originally sponsored by Representatives Hickel, Zeiger, Riccelli, Sawyer, Wilcox, Kochmar, Stanford, Gregerson and Ormsby).

House Committee on Early Learning & Human Services  
House Committee on Appropriations  
Senate Committee on Human Services, Mental Health & Housing  
Senate Committee on Ways & Means

**Background:** The Supplemental Nutrition Assistance Program (SNAP), called "Basic Food" in Washington, provides nutritional support benefits to low-income individuals and families. Congress authorizes funding and establishes requirements for the SNAP through the Food and Nutrition Act, commonly referred to as the Farm Bill. The SNAP benefits are distributed to recipients each month via their Electronic Benefits Transfer card, which operates like a debit card. The Economic Services Administration,

of the Department of Social and Health Services (DSHS), distributes the SNAP benefits from the first to the tenth of every month, based on the last digit of the client's case number.

**Summary:** Beginning February 1, 2017, the DSHS must expand the date range that the SNAP benefits are distributed from the first through the tenth of every month, to the first through the twentieth of every month.

### Votes on Final Passage:

House	98	0	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	48	0	(Senate receded)

**Effective:** June 9, 2016

## EHB 2883

C 197 L 16

Addressing government efficiency by eliminating or revising the requirements for state agency reports.

By Representatives Senn, Chandler and Ormsby; by request of Office of Financial Management.

House Committee on State Government  
Senate Committee on Government Operations & Security

**Background:** Agencies, boards, task forces, and other bodies are regularly required to report activities and findings to the Governor and Legislature. While some reports are one-time, others are required on an annual or biennial basis. All reports to the Governor and Legislature must be submitted electronically and be accessible to the public. Some examples include:

- The Apprenticeship and Training Council (ATC) reports annually on opportunities for high school students to transition to local apprenticeship programs.
- The Department of Corrections (DOC) reports on the number of health care visits made by offenders and associated costs.
- The Department of Health (DOH) provides hospitals the opportunity to anonymously evaluate state survey or audit processes and compiles those evaluations into an annual report.
- The Department of Labor and Industries (L&I) reports annually on contractors who have failed to register, contractors assessed monetary penalties, and penalties collected and waived. The L&I also reports on business transacted by the department in the preceding fiscal year.
- The Department of Licensing (DOL) reports annually on agent and subagent fees, fee revision recommendations, and other related information.

- The Department of Social and Health Services (DSHS) reports on blended funding services provided to children.
- The Employment Security Department (ESD) reports annually on the status of the training benefits program and resulting outcomes.
- The Invasive Species Council (ISC) reports annually on activities, including an evaluation of progress made in the preceding year to implement the strategic plan and identifying projects from the plan that will be a focus for the following year.
- The Salmon Recovery Board (SRB) provides an annual list to the Legislature of proposed projects and projects funded.
- The Washington State School Directors Association (WSSDA) reports information related to audits conducted by the Office of Financial Management (OFM) of WSSDA staff classifications and salaries.

In 1977 the OFM was required to serve as a central clearinghouse for information on boards, commissions, and similar entities in order to provide greater oversight and accountability. The OFM compiles and reports biennially to the Legislature, information for groups whose members are eligible to receive travel expenses for meetings.

Many agencies are required to report certain data to one another on a regular basis. Some examples of inter-agency reports include:

- The Washington State Patrol (WSP) provides the DOL with a cross-reference record of accidents related to individuals who have driving infractions and convictions, including whether the accident resulted in a fatality. The WSP also collects, and reports semiannually to the Criminal Justice Training Commission (CJTC), demographic data related to routine traffic stops.
- State agencies using biodiesel document such fuel use in a biannual report to the DES.

**Summary:** The following eight reports to the Legislature are eliminated:

- the DOC report on offender health care visits and costs;
- the DOH report on evaluations by hospitals;
- the L&I reports on contractor violations and annual department business;
- the DOL report on agent and subagent fees;
- the DSHS report on blended funding; and
- the WSSDA report on staff classifications and salaries.

The following four reports to the Legislature are reduced in frequency:

- The ATC high school apprenticeship program report is changed from annual to reporting in years in which grants are awarded.
- The ESD report on the training benefits program is changed from annual to once every five years.
- The ISC annual report is changed to biennial.
- The SRB annual list of proposed and funded projects is eliminated and instead included in the SRB's biennial report.

The following four inter-agency reports are eliminated or reduced in frequency:

- The WSP accident records report to the DOL and the traffic stop demographics report to the Criminal Justice Training Commission are eliminated.
- The requirement for higher education institutions to provide notice to the DES when exercising independent purchasing authority is eliminated.
- State agencies using biodiesel must report to the DES annually instead of biannually.

The OFM requirements to act as a central clearinghouse for information on boards, commissions, councils, and committees; to collect related information from state agencies; and to report to the Legislature biennially on groups whose members are eligible to receive travel expenses, are eliminated.

**Votes on Final Passage:**

House	98	0
Senate	44	2

**Effective:** June 9, 2016

## SHB 2884

C 29 L 16

Modifying the business and occupation tax and public utility tax credits for alternative fuel commercial vehicles.

By House Committee on Transportation (originally sponsored by Representatives Clibborn, Fey and Moscoso).

House Committee on Transportation  
House Committee on Finance  
Senate Committee on Transportation

**Background:** Business and Occupation Tax. Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the cost of doing business. The tax is imposed on the gross receipts from all business activities conducted within the state. Revenues are deposited in the State General Fund. There are several rate categories, and a business may be subject to more than one B&O tax rate, depending on the types of activities conducted. There are multiple exemptions, deductions, and credits to reduce the B&O tax liability for specific taxpayers and business industries.

**Public Utility Tax.** The public utility tax (PUT) is applied to gross income derived from operation of public and privately owned utilities, including the general categories of transportation, communications, and the supply of energy and water. The PUT is in lieu of the B&O tax. The applicable PUT rate depends upon the specific utility activity.

**Business and Occupation Tax and Public Utility Tax Credits for Alternative Fuel Commercial Vehicles.** In the 2015 session, the Legislature enacted new credits under the B&O tax and PUT for alternative fuel commercial vehicle acquisitions or conversions. For the acquisition of a alternative fuel commercial vehicle, a business or utility may take a credit equal to 50 percent of the incremental cost of a clean alternative fuel vehicle, above the cost of a comparable conventionally-fueled vehicle, or \$5,000, whichever is less. Clean alternative fuels are defined to include electricity, dimethyl ether, hydrogen, methane, natural gas, liquefied natural gas, compressed natural gas, and propane. For the conversion of a conventionally-fueled vehicle to a clean alternative fuel, a business or utility may take a credit equal to 30 percent of the costs of converting the vehicle or \$25,000, whichever is less. A business or utility is limited to an annual maximum of \$250,000 in credits or the amount of credit associated with 25 vehicles, whichever is less. To claim the credit, an applicant must submit to the Department of Revenue several pieces of information, including a vehicle quote, the type of alternative fuel to be used, and the incremental cost of the system, among others. The maximum amount of credit that may be claimed statewide is \$6 million annually under both the B&O tax and the PUT. Amounts claimed represent reduced revenues to the State General Fund; however, the credits include provisions that transfer an equivalent amount of funding from the Multimodal Transportation Account to the State General Fund to offset the reductions.

The alternative fuel commercial vehicle tax credits explicitly exclude credit for leased vehicles.

**Tax Preference Performance Statement.** In 2013 legislation was enacted that requires all new tax preference legislation to include a tax preference performance statement. Tax preferences include deductions, exemptions, preferential tax rates, and tax credits. The performance statement must clearly specify the public policy objectives of the tax preference and the specific metrics and data that will be used by the Joint Legislative Audit and Review Committee to evaluate the efficacy of the tax preference. The 2015 legislation that created the alternative fuel commercial vehicle tax credits also included a tax preference performance statement.

**Summary:** The tax credits under the B&O tax and the PUT for alternative fuel commercial vehicle acquisitions are modified to allow credits for vehicles that are acquired by lease. The amount of credit is equal to the amount of credit that may be claimed for a vehicle acquired outright, the lesser of 50 percent of the incremental cost or \$5,000,

multiplied by a lease reduction factor. The lease reduction factor is equal to the ratio of: (1) the difference in the gross capitalized cost, or the agreed-upon value of the vehicle at the beginning of the lease, and the residual or lease-end value, to (2) the agreed-upon value of the vehicle at the beginning of the lease.

The person claiming the credit for the lease of an alternative fuel commercial vehicle must be the lessee. To claim the credit, in addition to other information required under law, the applicant must provide a copy of the lease contract that includes the adjusted capitalized cost and the residual value. A credit may be earned for leased vehicles from July 1, 2016, through January 1, 2021.

The tax preference performance statement for the 2015 legislation that created the alternative fuel commercial vehicle tax credits is modified to refer to the statutes in which the credits are codified.

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** June 9, 2016

**HB 2886**

C 198 L 16

Concerning electrical scope of practice.

By Representative Manweller.

House Committee on Labor & Workplace Standards  
Senate Committee on Commerce & Labor

**Background:** The electrical laws are administered by the Department of Labor and Industries (Department). The regulatory scheme includes licensure for electrical contractors and certification for electricians. Electricians may be certified as journey level, or as multiple types of specialty electricians. Certification is not required for the telecommunications specialty. Most specialty scopes of work are established in rule. However, three specialty scopes are at least in part in statute. These are:

- *Restricted Nonresidential Maintenance (07).* This specialty is limited to a maximum of 277 volts/20 amperes for lighting branch circuits or 250 volts/60 amperes for other circuits excluding repair or replacement of circuit breakers;
- *Equipment Repair (07E).* This specialty involves servicing, maintaining, repairing, or replacing utilization equipment; and
- *Telecommunications (09).* This scope includes the installation, maintenance, and testing of telecommunications systems, equipment, and related specified work. Telecommunications systems are structured cabling systems that begin at the demarcation point between the local service provider and the customer's premises structured cabling system.

**Summary:** The Department may modify the scopes of work for the restricted nonresidential maintenance, equipment specialty, and telecommunications electrical specialties. The Department may specify wiring, appliances, devices, or equipment by rule for the equipment repair and telecommunications specialties. For the nonresidential maintenance specialty, the Department may modify the scope by rule.

**Votes on Final Passage:**

House	97	1
Senate	47	1

**Effective:** June 9, 2016

**SHB 2900**  
**PARTIAL VETO**  
C 199 L 16

Prohibiting marijuana, alcohol, or other intoxicant, or a cell phone while confined or incarcerated in a state, county, or local correctional institution.

By House Committee on Public Safety (originally sponsored by Representatives Klippert and Haler).

House Committee on Public Safety  
Senate Committee on Law & Justice

**Background:** It is a class C felony offense if a person serving a sentence in a state, county, or local correctional institution, knowingly possesses or carries under his or her control, any narcotic drug or controlled substance: (1) while in the institution; (2) while being conveyed to or from the institution; (3) while in the custody of institution officials; or (4) while on the premises of the institution. The sentence imposed for such violations must be in addition to any other sentence being served.

State and local correctional institutions may reduce an offender's term of confinement through early release time. Earned release time may be granted for good behavior and good performance and can be taken away for disciplinary reasons. In the case of an offender convicted of a serious violent offense or a class A felony sex offense, the earned release time may not exceed 15 percent of the sentence. For all other offenders, the aggregate earned release time may not exceed 33 percent of the sentence.

**Summary:** The crime of possessing contraband is expanded. An inmate possessing or carrying under his or her control alcohol, marijuana, other intoxicants, cell phones, and other forms of electronic telecommunication devices is guilty of class C felony offense. An offender that is serving a term of incarceration is not eligible and cannot accrue early release time on that portion of his or her sentence that is a conviction for possessing or carrying contraband inside or on the premises of a correctional facility.

**Votes on Final Passage:**

House	97	0
Senate	45	1

**Effective:** June 9, 2016

**Partial Veto Summary:** The Governor vetoed the section that prohibited an offender from accruing earned early release time on that portion of the offender's sentence that is for a conviction for possessing contraband inside of a correctional facility.

**VETO MESSAGE ON SHB 2900**

*April 1, 2016*

*To the Honorable Speaker and Members,  
The House of Representatives of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval as to Sections 2 and 3, Substitute House Bill No. 2900 entitled:*

*"AN ACT Relating to prohibiting marijuana, alcohol, or other intoxicant, or a cell phone while confined or incarcerated in a state correctional institution."*

*Sections 2 and 3 of this bill disallow earned time on the sentences imposed under this statute, something currently only done on special sex offender sentencing alternatives. It is highly unlikely that disallowing earned time would add to the deterrent effect of this bill, but it will certainly drive additional complications in sentencing calculation. If there is a desire to change the statutes regarding earned time, we should look at this holistically rather than in piecemeal.*

*For these reasons I have vetoed Sections 2 and 3 of Substitute House Bill No. 2900.*

*With the exception of Sections 2 and 3, Substitute House Bill No. 2900 is approved.*

*Respectfully submitted,*



*Jay Inslee  
Governor*

**ESHB 2906**  
C 136 L 16

Strengthening opportunities for the rehabilitation and reintegration of juvenile offenders.

By House Committee on Early Learning & Human Services (originally sponsored by Representatives Stambaugh, Kagi, Magendanz, Tharinger, Ortiz-Self, Frame, Goodman and Ormsby).

House Committee on Early Learning & Human Services  
Senate Committee on Human Services, Mental Health & Housing  
Senate Committee on Ways & Means

**Background:** Juvenile Justice Act of 1977. Under the Juvenile Justice Act of 1977, the juvenile justice system in Washington closely resembles the adult criminal justice system, with determinate sentencing and due process protections for juveniles.

The stated purposes of the Juvenile Justice Act of 1977 include:

- protecting the citizenry from criminal behavior;
- determining whether accused juveniles have committed offenses;



- making juveniles accountable for criminal behavior;
- providing for punishment commensurate with the age, crime, and history of the juvenile offender;
- providing due process for juveniles alleged to have committed an offense;
- providing necessary treatment, supervision, and custody for juvenile offenders;
- providing for the handling of juvenile offenders by communities whenever consistent with public safety;
- providing for restitution to victims of crime;
- developing effective standards and goals for the operation, funding, and evaluation of all components of the juvenile justice system and related services at the state and local levels;
- providing for a clear policy to determine what types of offenders must receive punishment, treatment, or both, and to determine the jurisdictional limitations of the courts, institutions, and community services;
- providing opportunities for victim participation in juvenile justice process, including court hearings on juvenile offender matters, and ensuring that Article I, section 35 of the Washington state Constitution, the victim bill of rights, is fully observed; and
- encouraging the parents, guardian, or custodian of the juvenile to actively participate in the juvenile justice process.

Minimum Sentencing for Juvenile Offenders for Motor Vehicle Related Offenses. Juveniles found to have committed motor vehicle related offenses are subject to mandatory minimum sentences.

A juvenile offender adjudicated of Taking a Motor Vehicle Without Permission in the First Degree is subject to the following mandatory minimum sentencing terms:

- Juveniles with no prior felony adjudications and two or fewer misdemeanor adjudications must be sentenced to a minimum of three months community supervision, 45 hours of community restitution, a \$200 fine, and a requirement that the juvenile remain at home for no less than five days.
- Juveniles with one prior felony adjudication or between three and six misdemeanor adjudications must be sentenced to a minimum of six months community supervision, 10 days detention, 90 hours of community restitution, and a \$400 fine.
- Juveniles with two or more prior felony adjudications or eight or more misdemeanor adjudications must be sentenced to a minimum of 15 to 36 weeks confinement, four months supervision, 90 hours of community restitution, and a \$400 fine.

A juvenile offender adjudicated of Theft of a Motor Vehicle or Possession of a Stolen Vehicle is subject to the following mandatory minimum sentencing terms:

- Juveniles with no prior felony adjudications and two or fewer misdemeanor adjudications must be sentenced to a minimum of three months community supervision, 45 hours of community restitution and a \$200 fine, and either 90 hours of community restitution or a requirement that the juvenile remain at home for no less than five days.
- Juveniles with one prior felony adjudication or between three and six misdemeanor adjudications must be sentenced to a minimum of six months community supervision, 10 days of detention, 90 hours of community restitution, and a \$400 fine.
- Juveniles with two or more prior adjudications or eight or more prior misdemeanor adjudications must be sentenced to a minimum of 15 to 36 weeks of confinement, four months of supervision, 90 hours of community restitution, and a \$400 fine.

A juvenile offender adjudicated of the offense of Taking a Motor Vehicle Without Permission in the Second Degree is subject to the following mandatory minimum sentencing terms:

- Juveniles with no prior felony adjudications or two or fewer misdemeanor adjudications must be sentenced to three months of community supervision, 15 hours community restitution, and a requirement that the juvenile remain at home for no less than one day.
- Juveniles with one prior felony adjudication or between three and six misdemeanor adjudications must be sentenced to a minimum of one day detention, three months of community supervision, 30 hours of community restitution, a \$150 fine, and a requirement that the juvenile remain at home for no less than two days.
- Juveniles with two or more prior felony adjudications or eight or more misdemeanor adjudications must be sentenced to a minimum of three days detention, seven days home detention, six months supervision, 45 hours of community restitution, and a \$150 fine.

For all of these motor vehicle related offenses, juveniles may be subject to electronic monitoring where available.

Deferred Disposition. A juvenile disposition is a court's order after a juvenile is found guilty of having committed an offense. A deferred disposition requires a juvenile to complete certain conditions set out by the court including probation and payment of restitution, while the court defers the disposition. If the juvenile successfully completes the required conditions, the court will dismiss the case. If the juvenile does not successfully complete the conditions, the court may impose the disposition that had been deferred.

A juvenile is eligible for a deferred disposition, unless he or she is charged with a sex or violent offense, has a criminal history that includes any felony, or has two or

more prior adjudications. If a juvenile is eligible, the court has the discretion whether or not to grant a deferred disposition.

**Domestic Violence Offenses.** After responding to a domestic violence call, a law enforcement officer must forward the offense report to the prosecuting attorney within 10 days of making a report if there is probable cause to believe that an offense was committed, unless the case is under active investigation.

**Department of Licensing Notification of Juvenile Offenses.** Courts must notify the Department of Licensing (DOL) within 24 hours after a juvenile 13 years of age or older is found to have committed:

- an offense while armed with a firearm;
- unlawful possession of a firearm; or
- a drug or alcohol-related offense.

Upon receipt of the first notification from a court that one of the above offenses was committed, the DOL must revoke a juvenile's driver license for one year or until the juvenile reaches 17 years old, whichever is longer. Upon notice of the second offense, the DOL must revoke a juvenile's license for two years or until the juvenile reaches 18 years old, whichever is longer.

If a juvenile enters into a diversion agreement for an offense while armed with a firearm or a drug or alcohol related offense, the diversion unit must notify the DOL. Once a juvenile completes a diversion agreement for one of these offenses, the DOL must reinstate the juvenile's driving privileges so long as the juvenile has had their driving privileges revoked for at least 90 days for a first offense or one year for a second offense.

**Restorative Justice.** Restorative justice is an approach to criminal justice that involves the victim, the offender, and the community to address an offender's actions. The Juvenile Justice Act of 1977 allows diversion units to refer juveniles to restorative justice programs as part of a diversion agreement or as part of counseling and releasing a juvenile.

Restorative justice is defined as practices, policies, and programs informed by and sensitive to the needs of crime victims that are designed to encourage offenders to accept responsibility for repairing the harm caused by their offense by providing safe and supportive opportunities for voluntary participation and communication between the victim, the offender, their families, and relevant community members.

**Summary:** Rehabilitation and reintegration of juvenile offenders are added to the purposes underlying the Juvenile Justice Act of 1977.

Restorative justice programs are added to community-based rehabilitation for juvenile offenders.

There is a strong presumption that courts defer a juvenile offender's disposition when eligible.

Courts are given discretion regarding the imposition of fines after a juvenile offender is adjudicated of Taking a Motor Vehicle Without Permission in the First and Sec-

ond Degrees, Theft of a Motor Vehicle, and Possession of a Stolen Vehicle. The mandatory 45 hours of community restitution for juveniles adjudicated of Theft of a Motor Vehicle or Possession of a Stolen Vehicle with a prior criminal history score of zero to one-half is eliminated.

Juveniles adjudicated of Theft of a Motor Vehicle or Possession of a Stolen Motor Vehicle with a prior criminal history score of zero to one-half points must perform either 90 hours of community restitution, be confined at home for at least five days, or complete a combination of those two that includes a minimum of three days home confinement and a minimum of 40 hours of community restitution.

After receiving an offense report from law enforcement that includes information related to domestic violence, the prosecutor may use his or her discretion to determine whether to file the information as a domestic violence offense if the juvenile offense was committed against a sibling, parent, stepparent, or grandparent. In determining whether to file an information as a domestic violence offense, the prosecuting attorney may take into consideration a victim's request or the lack of objection from a victim.

The DOL no longer must be notified by a court or diversion unit after a juvenile offender's first offense or diversion agreement for:

- an offense while armed with a firearm;
- unlawful possession of a firearm; or
- a drug or alcohol-related offense.

**Votes on Final Passage:**

House	85	12	
Senate	44	4	(Senate amended)
House	82	14	(House concurred)

**Effective:** June 9, 2016

**ESHB 2908**

C 200 L 16

Establishing the joint legislative task force on the use of deadly force in community policing.

By House Committee on Public Safety (originally sponsored by Representatives Ryu, Ortiz-Self, Walkinshaw, Stanford and Santos).

House Committee on Public Safety  
Senate Committee on Law & Justice

**Background:** Deadly force is the intentional application of force through the use of firearms or any other means reasonably likely to cause death or serious physical injury. State law authorizes the use of deadly force by officers in certain circumstances. Deadly force is legally justifiable in any of the following contexts:

- when a public officer is acting in obedience to the judgment of a competent court;

- when necessarily used by a peace officer to overcome actual resistance to the execution of the legal process, mandate, or order of a court or officer, or in the discharge of a legal duty; or
- when necessarily used by a peace officer or a person acting under the officer's command and in the officer's aid: (a) to arrest or apprehend a person who the officer reasonably believes has committed, has attempted to commit, is committing, or is attempting to commit a felony; (b) to prevent the escape of a person from a federal or state correctional facility, or in retaking a person who escapes from such a facility; (c) to prevent the escape of a person from a county or city jail or holding facility if the person has been arrested for, charged with, or convicted of a felony; or (d) to lawfully suppress a riot if the actor or another participant is armed with a deadly weapon.

In considering whether to use deadly force to arrest or apprehend any person for the commission of any crime, a peace officer must have probable cause to believe that the suspect poses a threat of serious physical harm to the officer or others if he or she is not apprehended. Under these circumstances, deadly force may also be used if necessary to prevent escape from the officer, as long as some warning is given when feasible. Threat of serious physical harm includes, but is not limited to: the suspect threatens a peace officer with a weapon or displays a weapon in a manner that could reasonably be construed as threatening; or there is probable cause to believe that the suspect has committed any crime involving the infliction or threatened infliction of serious physical harm.

**Summary:** A joint legislative task force on the use of deadly force in community policing is created.

The task force includes 27 members. Members of the task force must include two members from the Senate, appointed by the President of the Senate (President) and two members from the House of Representatives appointed by the Speaker of the House of Representatives (Speaker). In addition, the President and the Speaker must jointly appoint members representing each of the following organizations: the Washington Association of Sheriffs and Police Chiefs; the Washington State Patrol; the Washington Council of Police and Sheriffs; the Criminal Justice Training Commission; the Washington Association of Prosecuting Attorneys; the Washington Association of Criminal Defense Lawyers, Public Defender Association, or the Washington Defender Association; the Washington Association of Counties; the Association of Washington Cities; the National Association for the Advancement of Colored People; the Northwest Immigration Rights Project; the Black Alliance of Thurston County; the Disability Rights Washington; the Latino Civic Alliance; the Council of Metropolitan Police and Sheriffs; Washington State Fraternal Order of Police; an association, community organization, advocacy group, or faith-based organization

with experience or interest in community policing; an association representing law enforcement officers who represent traditionally underrepresented communities; and one person representing a liberty organization. The Governor must also appoint four members representing: the Washington State Commission on Hispanic Affairs; the Washington State Commission on Asian Pacific American Affairs; the Washington State Commission on African-American Affairs; and the Governor's Office of Indian Affairs.

The task force must:

- review laws, practices, and training programs regarding the use of deadly force in Washington state and other states;
- review current policies, practices, and tools used by or otherwise available to law enforcement as an alternative to lethal uses of force, including tasers and other nonlethal weapons; and
- recommend best practices to reduce the number of violent interactions between law enforcement officers and members of the public.

The task force may review literature and reports on the use of deadly force, and may consult with persons, organizations, and entities with interest or experience in community policing including, but not limited to, law enforcement, local governments, professional associations, community organizations, advocacy groups, and faith-based organizations.

The task force must choose its co-chairs from among its legislative membership. The legislative membership must convene the initial meeting of the task force no later than July 1, 2016, and have at least four meetings in 2016.

The task force must submit a report to the Governor and the appropriate committees of the Legislature by December 1, 2016. A minority report must also be submitted along with the task force's report if requested by any task force member.

Staff support for the task force must be provided by Senate Committee Services and the House of Representatives - Office of Program Research. The expenses of the task force must be paid jointly by the Senate and the House of Representatives upon approval by the Senate Facilities and Operations Committee and the House Executive Rules Committee.

The task force expires December 31, 2016.

**Votes on Final Passage:**

House	98	0	
Senate	45	2	(Senate amended)
House			(House refused to concur)
Senate	46	3	(Senate amended/receded)
House	97	0	(House concurred)

**Effective:** June 9, 2016

**HB 2918**

C 201 L 16

Granting a city or town the authority to establish and operate a traffic school without county consent, control, or supervision.

By Representatives Gregerson, Pike, Moscoso, Orwall, Robinson, Hudgins, Van De Wege, Appleton, Stanford and Goodman.

House Committee on Local Government

Senate Committee on Government Operations & Security

**Background:** The stated purpose of a traffic school is to instruct persons appearing for training on the lawful and safe operation of motor vehicles. A city or town and the county in which it is located may establish a traffic school by agreement.

The county board of commissioners (board) may control and supervise a traffic school and administer funds for a traffic school located in its county limits. A city or town may make appropriations for establishment and operation of a traffic school and may accept and expend gifts and donations. All funds appropriated for the operation of a traffic school, however, must be administered by the board.

A traffic school may use fees collected for the cost of attending the traffic school that are in excess of the costs of the traffic school for safe driver education materials and programs, safe driver education promotions and advertising, and the costs associated with the training of law enforcement officers. A traffic school may not charge a fee in excess of the penalty for an unscheduled traffic infraction established by the Washington Supreme Court, inclusive of the base penalty and all assessments and other costs required by statute or rule to be added to the base penalty.

**Summary:** Cities, towns, and counties may establish traffic schools separately, without the requirement that the governing bodies form a traffic school by agreement. A traffic school established by a city, town, or county is under the control and supervision of the governing body that established it. All funds appropriated by the governing body that established the traffic school are deposited with that jurisdiction's treasurer and are administered by the governing body of the jurisdiction.

**Votes on Final Passage:**

House	87	9
Senate	48	0

**Effective:** June 9, 2016

**ESHB 2925**

C 109 L 16

Concerning accessing land during a fire suppression response for the purpose of protecting livestock from a wild-land fire.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Dent, Blake, McCabe, Schmick, Chandler, Short, Griffey, Johnson, Dye, Haler and Springer).

House Committee on Agriculture & Natural Resources

Senate Committee on Natural Resources & Parks

**Background:** The Department of Natural Resources (DNR) is the state agency with the direct charge and responsibility over all matters pertaining to forest fire services in the state. The DNR appoints trained personnel in order to carry out the DNR's duties and is obligated to employ sufficient numbers of personnel to extinguish or prevent the spreading of any fire that may be in danger of damaging or destroying any timber or other property of the DNR.

Also, when in the state's best interest and for the purposes of forest firefighting and patrol, the DNR may cooperate with any agency of another state, the United States or a federal agency, and any county, town, corporation, person, or native American tribe. Further, the DNR may contract and enter agreements with private corporations for the protection and development of the forest lands within the state.

Certain public land managers in the state are authorized to lease land for the purpose of grazing livestock. Agencies with active grazing leases in Washington include the United States Forest Service, the Bureau of Land Management, the Washington State Department of Fish and Wildlife, and the DNR. The DNR may enter into grazing leases on state lands in time increments up to 10 years and charge fees based on a formula that considers the animal units-per-month grazing under the lease. According to the DNR, approximately 1.1 million acres of state land is leased for either grazing or agriculture.

**Summary:** The DNR must make every reasonable effort to accommodate a livestock owner's request to retrieve or care for animals in his or her charge that are at risk due to a wildfire. A livestock owner, or an owner's employee or agent, may only be prohibited from accessing public lands for the purpose of retrieving or caring for livestock during a fire suppression response if the access denial is reasonably necessary to prevent interference with a direct, active fire response.

Any person accessing public lands to retrieve or care for livestock during a fire assumes full liability for himself or herself and any employees or agents in his or her charge. No civil liability may be imposed on the DNR or any other subdivision of the state for any direct or indirect impacts resulting from the retrieval of livestock or the

DNR's accommodation of access. This civil liability immunity extends to injury and death.

The DNR must include an explanation of the right to access public lands during a fire response and the corresponding assumption of liability in all grazing leases. The DNR must also incorporate livestock retrieval into any training or coordination it conducts in communities that have active grazing areas.

**Votes on Final Passage:**

House	97	1
Senate	47	0

**Effective:** June 9, 2016

### ESHB 2928

C 110 L 16

Ensuring that restrictions on outdoor burning for air quality reasons do not impede measures necessary to ensure forest resiliency to catastrophic fires.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Kretz, Blake, Schmick, Dunshee, Short, Haler, Stanford and Chandler).

House Committee on Agriculture & Natural Resources  
Senate Committee on Natural Resources & Parks  
Senate Committee on Ways & Means

**Background:** Air Quality Standards. The Department of Ecology (Ecology) and seven local air pollution control authorities (local air authorities) have each received approval from the United States Environmental Protection Agency (EPA) to administer aspects of the federal Clean Air Act in Washington. Local clean air agencies have the primary responsibility for administering the state and federal Clean Air acts in counties that have elected to activate a local air authority or to form a multicounty air authority. In other areas of the state, Ecology is responsible for administering state and federal Clean Air Act programs. Under the federal Clean Air Act, each state maintains a State Implementation Plan that describes how the state implements clean air programs to achieve the federal ambient air quality standards for air pollutants.

Under the federal Clean Air Act, the EPA sets National Ambient Air Quality Standards (NAAQS) for several pollutants including carbon monoxide and particulate matter. There are two types of NAAQS:

- Primary standards set limits to protect public health of sensitive populations such as children, the elderly, and those with conditions such as asthma.
- Secondary standards set limits to protect public welfare and address decreased visibility and damage to animals, crops, vegetation, and buildings.

Under the state Clean Air Act, Ecology sets Washington Ambient Air Quality Standards (WAAQS). Local air authorities may also adopt standards that apply within their jurisdictions, which must be at least as protective as

federal standards. Local standards and WAAQS are primary standards only.

State Environmental Policy Act. The State Environmental Policy Act (SEPA) establishes procedures and guidelines for state and local governments to review potential environmental impacts of projects and government decisions not exempt from its provisions. The SEPA process involves the completion of an environmental checklist by a lead agency and coordination with other governments and agencies as applicable. Some projects may require the preparation of an environmental impact statement. Information collected during the SEPA process may be used to adjust project proposals to reduce potential environmental impacts.

Outdoor Burning. The Department of Natural Resources (DNR), Ecology, and certain political subdivisions, such as counties, conservation districts, fire protection authorities, and local air authorities, may issue permits for a variety of outdoor burning activities in their respective jurisdictions allowed under the state Clean Air Act. Outdoor burning includes agricultural burning, the burning of organic yard or gardening waste, and silvicultural burning. Outdoor burn permits may not be issued during a period of impaired air quality declared by Ecology or a local air authority, and outdoor fires may not contain any substance other than natural vegetation that normally emits dense smoke or obnoxious odors.

The DNR has direct charge and responsibility over all matters relating to forest fire services in the state. The DNR is also responsible for issuing and regulating permits for certain burning activities on lands under the DNR's fire protection authority for the following purposes:

- to abate and prevent fire hazards;
- forest firefighting instruction; and
- burning operations to improve fire-dependent ecosystems and otherwise improve the forestlands of the state.

The DNR maintains and implements the Smoke Management Plan to regulate burning on DNR-protected lands, and to meet requirements of the state Clean Air Act. The Smoke Management Plan was most recently updated in 1998.

Forest Health Collaboratives. A number of Forest Health Collaboratives have formed in different geographic areas around the state to carry out forest health and restoration projects. Forest Health Collaboratives are comprised of representatives of various groups, which may include industry, conservation groups, tribal governments, state, local, and federal land managers, and elected officials. Examples include the North Central Washington Forest Health Collaborative in Okanogan and Chelan counties, the Tapash Sustainable Forest Collaborative in the central Cascades and Columbia Basin, and the Northeast Washington Forestry Coalition in northeast Washington, including the Colville National Forest.

**Summary:** A forest resiliency burning pilot project is created. Forest resiliency burning is burning carried out by professionals in order to maintain ecosystems, mitigate wildfire potential, decrease forest insect or disease susceptibility, or otherwise enhance resiliency to fire. Forest resiliency burns must be approved by the DNR at least 24 hours before ignition. The DNR may consider forest resiliency burning proposals that include the use of treatments prior to burning such as thinning of forest stands and grazing to clear brush. Forest resiliency burning may not be conducted at a scale that would require a revision the State Implementation Plan and is exempt from SEPA review. Implementation of the pilot project is not intended to require the DNR to update the Smoke Management Plan.

The DNR is responsible for the administration of the forest resiliency burning pilot project, and must develop the processes and procedures necessary to carry out the project. The DNR must also coordinate with a variety of organizations to conduct the pilot program including: (1) the North Central Washington Forest Health Collaborative; (2) the Tapash Sustainable Forest Collaborative; (3) the Northeast Washington Forestry Coalition; and (4) at least one other organization of public agencies and interested stakeholders whose purpose is to protect, conserve, and expand the safe and responsible use of prescribed fire on the Washington landscape. By December 1, 2018, the DNR must submit a report to the Legislature regarding the following:

- the amount of forest resiliency burning proposed, approved, and conducted;
- the quantity and severity of any air quality exceedances;
- an analysis of predicted and actual smoke conditions observed at each burn location; and
- recommendations related to the continuation or expansion of forest resiliency burning.

The report may include recommendations for future updates to the Smoke Management Plan.

Forest resiliency burning must be approved if the burning is unlikely to significantly contribute to an air quality exceedance. Once underway, multiple-day forest resiliency burning may only be stopped or postponed midway through the burn if the DNR or Ecology determines that the burn has significantly contributed to an air quality exceedance, or for safety of adjacent property.

Forest resiliency burning is exempt from certain air quality standards outlined in the state Clean Air Act. The DNR may approve forest resiliency burning when there is an air pollution episode called or forecasted, and in areas that are not in attainment with state or federal air quality standards. Forest resiliency burning remains subject to the prohibition on burning materials that normally emit dense smoke or obnoxious odors.

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House			(House refused to concur)
Senate	49	0	(Senate receded/amended)
House	96	1	(House concurred)

**Effective:** March 21, 2016

**SHB 2938**

C 137 L 16

Encouraging participation in Washington trade conventions by modifying tax provisions related to establishing substantial nexus.

By House Committee on Finance (originally sponsored by Representatives Orcutt and Walkinshaw).

House Committee on Finance

Senate Committee on Trade & Economic Development

**Background:** As interpreted by the United States Supreme Court, the commerce clause of the United States Constitution prohibits states from imposing sales or use tax collection obligations on out-of-state businesses unless the business has a substantial nexus with the taxing state. Under the United States Supreme Court's decision in *Quill Corp. v. North Dakota* (1992), a substantial nexus for sales and use tax collection purposes requires that the taxpayer have a physical presence in the taxing state. Physical presence can be established through a taxpayer's own activities in the taxing state, or indirectly through independent contractors, agents, or other representatives that act on behalf of the taxpayer in the taxing state.

In 2010 Washington adopted an economic presence test for nexus with respect to service-related activities. For these classifications, a business does not need to have a physical presence to have nexus. Economic nexus is established by having sales in excess of \$267,000 to Washington customers. The threshold is adjusted by inflation from year to year.

Until 2015 Washington could not impose the wholesaling Business and Occupation Tax (B&O) on sales of goods that originated outside the state unless the goods were:

- received by the purchaser in this state; and
- the out-of-state seller had physical presence nexus (i.e., the same physical nexus requirement that is used for sales tax purposes).

In 2015 economic nexus standards were extended to out-of-state businesses with no physical presence in Washington, but who make wholesale sales into Washington. If these businesses have more than \$267,000 of receipts from this state, then economic nexus standards with Washington will apply and these businesses will be required to remit the wholesaling B&O tax at the rate of 0.484 percent.

The nexus standards were also modified to include remote sellers who:

- enter into agreements with Washington residents who, for a commission or other consideration, refer potential customers to the remote seller such as by a link on a website; and
- generate more than \$10,000 in gross receipts during the prior calendar year under such agreements from sales into this state.

This type of nexus is referred to as "click-through" nexus. This change in nexus standards will require these remote sellers to collect and remit Washington sales tax for sales made into the state. Remote sellers that collect and remit retail sales tax will also be required to pay the B&O tax on their Washington sales. Remote sellers have the ability to rebut a determination by the Department of Revenue (DOR) that they have established click-through nexus with the state. Any provision of the click-through nexus standards that conflict with any future change in federal law will expire.

All new tax preference legislation must include a tax preference performance statement. Tax preferences include deductions, exemptions, preferential tax rates, and tax credits. The performance statement must clearly specify the public policy objectives of the tax preference, and the specific metrics and data that will be used by the Joint Legislative Audit and Review Committee (JLARC) to evaluate the efficacy of the tax preference. Unless an alternate date is specified, new tax preferences expire after 10 years.

**Summary:** For purposes of B&O taxes and sales and use taxes, the DOR may not consider the mere attendance of one or more representatives of a business at a single trade convention per year in Washington in determining if the person is physically present in this state for the purposes of establishing substantial nexus with this state with respect to making retail sales. This exclusion does not apply if the business makes retail sales at the trade convention. Based on the default 10-year expiration date for tax preferences, this exclusion expires on July 1, 2026.

A tax preference performance statement is included that specifies the bill's public policy objective is to encourage participation in Washington trade conventions. By the end of 2025, the JLARC is required to evaluate whether the number of businesses participating in trade conventions has increased above 2015 levels. If the number of businesses participating in trade conventions has increased, the public policy objective of the bill will have been met, and the JLARC will recommend extending the expiration date. If the number of businesses participating in trade conventions has not increased, the JLARC must recommend ways to improve the tax preference to meet its public policy objective.

**Votes on Final Passage:**

House	96	1	
Senate	47	0	(Senate amended)
House	92	4	(House concurred)

**Effective:** July 1, 2016

**EHB 2959**

C 55 L 16

Concerning local business tax and licensing simplification.

By Representatives Lytton, Nealey and Ormsby.

House Committee on Finance  
Senate Committee on Trade & Economic Development  
Senate Committee on Ways & Means

**Background:** City Business and Occupation Taxes. Local Business and Occupation (B&O) taxes are levied at a percentage rate on the gross receipts of a business, less some deductions. Businesses are put in different classes such as manufacturing, wholesaling, retailing, and services. Within each class, the rate must be the same, but it may differ among classes. Effective April 20, 1982, the maximum tax rate that can be imposed by a city's legislative body was set at 0.2 percent (0.002), but any higher rates that existed on January 1, 1982 were grandfathered. All ordinances that impose this tax for the first time or raise rates must provide for a referendum procedure. Any city may levy a rate higher than 0.2 percent, if it is approved by a majority of the voters. Forty-three of Washington's 281 cities levy this tax.

In 2003 the Association of Washington Cities (AWC) was required to convene a committee to develop a model ordinance that had to be adopted by all cities imposing a B&O tax no later than December 31, 2004. The model ordinance was required to have certain mandatory provisions: a system of credits that prevent multiple taxation of the same income; a gross receipts threshold for small businesses; tax reporting frequency requirements; and provisions for penalties and interest, refunds, and deductions comparable with state law. Beginning January 1, 2008, cities that levied a B&O tax had to allow for allocation and apportionment of taxes between cities.

City Business Licensing. Approximately, 212 of Washington's 281 cities require a business license for any business conducting business activities within the city. Fees associated with the business license vary from flat rate charges to fees based on some combination of employee count, square footage occupied, or business type. For cities imposing a local B&O tax, business licensing fees and filing requirements are separate and in addition to local B&O taxes.

Administration of Local B&O Tax and Local Business Licensing. Unlike local sales and use taxes, local B&O taxes are administered exclusively at the local level.

In 1977 the Master License Service was created to streamline business licensing and renewal. The program transferred to the Department of Revenue on July 1, 2011. The Master License Service was renamed the Business Licensing Service; it is the clearinghouse for business licensing and partners with 10 state agencies and facilitates the issuance of local business licenses on behalf of approximately 70 cities. Agency programs and municipalities retain full regulatory control over their registration and compliance requirements.

The cities of Seattle, Tacoma, Bellevue, and Everett have been working together since 2010 to simplify the process of local business licensing and B&O tax filing. In 2014 these cities signed an interlocal agreement to establish a "one-stop" system for tax payment and business license application filing to make it easier and more efficient for businesses to apply for local business licenses and file local taxes, while the cities retain local control over local licensing and tax collection functions and policies. This joint effort to create an Internet website application gateway where tax collection and business licensing functions can be collectively administered, and where businesses operating in multiple cities can use a one-stop system for tax payment or local business license application filing, began operations in 2016 and is known as FileLocal.

**Summary:** The Department of Revenue must lead a task force during the 2016 interim to evaluate the following: (a) options to coordinate administration of local B&O taxes; (b) options for centralized administration of local B&O taxes for those cities and towns that desire to participate in a state-provided alternative; (c) options for all cities and towns to partner with the state Business Licensing Service; and (d) ways to implement data sharing and establishing a seamless state and local user interface for those cities and towns participating in FileLocal. By January 1, 2017, the task force must prepare a report that assesses these options, as well as any other options to improve the administration of local B&O tax and licensing. The report must also include an examination of the differences in apportionment and nexus between state and local B&O taxes and how these differences impact cities and taxpayers.

The task force consists of the following nine members: two representatives from the Association of Washington Business; one representative of the National Federation of Independent Business; one representative of the AWC; one representative from a Washington city or town that imposes a local B&O tax and has a population greater than 100,000; one representative from a Washington city or town that imposes a B&O tax and has a population of less than 100,000 persons; one representative from FileLocal; one representative from the Washington Retail Association; and one representative from the Department of Revenue, who will act as chair of the task force.

#### Votes on Final Passage:

House	93	4	
Senate	43	6	(Senate amended)
House	96	0	(House concurred)

**Effective:** June 9, 2016

### EHB 2971

C 138 L 16

Addressing real estate as it concerns the local government authority in the use of real estate excise tax revenues and regulating real estate transactions.

By Representatives McBride and Nealey.

House Committee on Finance

Senate Committee on Ways & Means

**Background:** Real Estate Excise Tax - General Authorization for Counties and Cities. County legislative authorities may impose an excise tax on each sale of real property in the unincorporated areas of the county. Similarly, city and town (city) legislative authorities may impose an excise tax on each sale of real property within their corporate limits. County and city real estate excise taxes (REET I) may not exceed a rate of 0.25 percent of the selling price of property. However, in lieu of imposing a local sales and use tax, a county or city may impose an additional excise tax on each sale of real property within its jurisdiction at a rate not to exceed 0.50 percent of the selling price.

Proceeds from the REET I may be used for capital purposes, improvements, and projects. In counties and cities with fewer than 5,000 residents, and in counties and cities that do not fully plan under the Growth Management Act (GMA), the proceeds may be used for any capital purpose identified in a capital improvements plan and local capital improvements. In counties with more than 5,000 residents, and cities with more than 5,000 residents that fully plan under the GMA, the proceeds may be used: (a) to finance capital projects specified in a capital facilities plan; (b) for housing relocation assistance for low-income tenants; (c) for qualifying debt retirement; and (d) for projects to which revenue was committed prior to April 30, 1992.

For purposes of using REET I proceeds, "capital project" (REET I capital projects) means public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of certain types of facilities and infrastructure, including:

- streets, roads, highways, and sidewalks;
- street and road lighting systems;
- storm and sanitary sewer systems;
- recreational facilities;
- parks;
- law enforcement and fire protection facilities;



- administrative and judicial facilities; and
- river and waterway flood control projects.

Real Estate Excise Tax - Additional Authorization for Fully Planning Counties and Cities. Counties and cities that are required to plan under the GMA may impose an additional real estate excise tax (REET II) on each sale of real property within their jurisdictions. However, to impose the REET II, the tax must first be approved by voters at a general or special election. The REET II may not exceed a rate of 0.25 percent of the selling price of property.

Counties and cities may use revenue collected from the REET II for: (a) financing capital projects specified in the capital facilities element of a comprehensive plan; (b) qualifying debt retirement; or (c) for projects to which revenue was committed prior to March 1, 1992. For purposes of using REET II proceeds, "capital project" (REET II capital projects) means public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of certain types of facilities and infrastructure, including:

- streets, roads, highways, and sidewalks;
- street and road lighting systems; and
- storm and sanitary sewer systems.

Real Estate Excise Taxes – Authorization to Use Funds for Maintenance or Operation. *Funds for Operation and Maintenance – Authorization Expiring on December 31, 2016.* From July 22, 2011, to December 31, 2016, counties and cities may use the greater of either \$100,000 or 35 percent of available funds collected under REET I, not to exceed \$1 million per year, for the operation and maintenance of existing REET I capital projects.

Similarly, from June 30, 2012, to December 31, 2016, counties and cities may use the greater of either \$100,000 or 35 percent of available funds collected under REET II, not to exceed \$1 million per year, for: (a) the operation and maintenance of existing REET II capital projects; or (b) the payment of existing debt service incurred for REET I capital projects.

*Funds for Maintenance – Continuing Authority.* In addition to authority that expires on December 31, 2016, counties and cities have continuing authority that does not expire to use funds from the REET I and REET II for maintenance of certain capital projects, or other authorized purposes.

Effective September 26, 2015, counties and cities that impose the REET I may use the greater of \$100,000 or 25 percent of available funds, not to exceed \$1 million per year, from collected revenues for maintenance of REET I capital projects. Similarly, effective September 26, 2015, counties and cities that impose the REET II may use the greater of \$100,000 or 25 percent of available funds, not to exceed \$1 million per year, from collected revenues:

- for maintenance of REET II capital projects; or
- for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, improve-

ment, or maintenance of some REET I capital projects (*i.e.*, only projects included within the definition of REET I capital projects that are not also included within the definition of REET II capital projects).

For purposes of this additional authority, "maintenance" means the use of funds for labor and materials that will preserve, prevent the decline of, or extend the useful life of a capital project, and does not include labor or material costs for routine operations of a capital project.

To qualify under this additional authority to use funds from the REET I or REET II for maintenance or other authorized purposes, a county or city must prepare a written report demonstrating that it has or will have adequate funding to pay for all of its capital projects identified in a capital facilities plan or other document for the succeeding two-year period. The report must be prepared and adopted as part of the county or city's regular, public budget process and must provide specific information, including how revenues collected under the REET I or REET II were used in the preceding two years and how the funds will be used during the succeeding two-years.

Also, a county or city that enacts after September 26, 2015, any new requirement on the listing, leasing, or sale of real property may be disqualified from using the REET revenues for maintenance of its capital projects, or other authorized purposes. However, if a new requirement is specifically authorized by state or federal law, or is a landlord or seller disclosure statement that has been electronically posted in accordance with statute, the county or city is not disqualified.

Municipal Research and Services Center. The Department of Commerce is required to contract for the provision of municipal research and services to cities, towns, counties, and special purpose districts. This directive is fulfilled through a contract with the Municipal Research and Services Center (MRSC), a nonprofit organization that provides policy, financial, and legal research and support services in accordance with the terms of the contract. The MRSC maintains a website where publications, reports, and materials associated with municipal research and services are posted.

Counties and cities must post on the MRSC website any ordinance, resolution, or policy adopted by the county or city that imposes a requirement on landlords or sellers of real property to provide information to a buyer or tenant pertaining to subject property or the surrounding area. The ordinance, resolution, or policy is not effective until posted in accordance with this requirement. If a local ordinance, resolution, or policy was adopted prior to September 26, 2015, the ordinance, resolution, or policy must be posted within 90 days or it will cease to be in effect.

The MRSC must provide a list of all requirements imposed by counties, cities, and towns on landlords or sellers of real property to provide information to a buyer or tenant

pertaining to specific property or the surrounding area. The list must be posted in a specific section on the MRSC website, and it must list by jurisdiction all applicable local requirements.

**Summary:** Cities and counties that have adopted an ordinance, resolution or policy imposing certain requirements on landlords or sellers, prior to June 9, 2016, rather than prior to September 26, 2015, must provide, within 90 days of June 9, 2016, a summary of the ordinance, resolution or policy to be posted with the MRSC. In addition to the summary, a link to the actual ordinance, resolution or policy must also be posted, or the relevant portion of the ordinance, resolution or policy. The MRSC must comply with the new posting requirements.

Provisions disqualifying a city or county from using REET revenues for maintenance of capital projects, or other authorized purposes, are modified. Instead of disqualifying a city or county that enacts any new requirement on the leasing of real property, a city or county is disqualified if it enacts any new requirement on landlords, at the time of executing a lease, to perform or provide physical improvements or modifications to real property or fixtures. A city or county is not disqualified, though, if the requirement is: (a) necessary to address an immediate threat to health or safety; (b) specifically authorized by certain statutes, including statutes relating to the regulation of nuisances and building codes; (c) specifically authorized by other state or federal law; or (d) a seller or landlord disclosure requirement posted electronically in accordance with statute.

**Votes on Final Passage:**

House	96	2	
Senate	48	0	(Senate amended)
House	93	3	(House concurred)

**Effective:** June 9, 2016

## SHB 2985

C 159 L 16

Excluding certain school facilities from the inventory of educational space for determining eligibility for state assistance for common school construction.

By House Committee on Capital Budget (originally sponsored by Representatives Riccelli, Short, Ormsby, Parker, Holy, Manweller, McCaslin, Tharinger, Peterson, Stanford, Kretz, Magendanz and Moscoso).

House Committee on Capital Budget  
Senate Committee on Ways & Means

**Background:** School Construction Assistance Program. In the capital budget, the state provides financial assistance to school districts for constructing new school buildings and remodeling or replacing existing school buildings. The School Construction Assistance Program (SCAP), administered by the Office of Superintendent of

Public Instruction (OSPI), is based on two principles: (1) state and local school districts share the responsibility for the provision of school facilities; and (2) there is an equalization of burden among school districts to provide school facilities regardless of the wealth of the districts. State funding assistance is provided for instructional space, while land purchases and auxiliary facilities, such as stadiums and district administrative space, must be funded entirely with local revenues. The state allocates funding to districts based on a set of educational space and construction cost standards and a funding assistance percentage based on the relative wealth of the district.

Inventory of Educational Space. The OSPI maintains an educational space inventory of all school facilities for purposes of determining district eligibility for state funding assistance of school construction. State statute requires the OSPI to exclude from the inventory those spaces that have been constructed for educational and community activities from grants received from other public or private entities. The OSPI also adopts rules for removing instructional space from the inventory under certain circumstances such as school building demolitions or sales or long-term leases of school buildings. School facilities replaced by new construction in lieu of modernization are also removed from the inventory of educational space, may not be used for district instructional purposes, and will not be eligible for future state funding assistance.

Special School Housing Burden. School districts may experience special school housing burdens resulting from such things as destruction of school buildings by fire, condemnation, or a sudden growth in school enrollments. These school districts may receive additional state funding assistance for the SCAP to address these school housing burdens if funding is provided for such a purpose.

Education Funding. The state is required to fund all-day kindergarten and reduced class sizes in kindergarten through third grade by the 2017-18 school year. The OSPI is required to report biennially on the educational system's capacity to accommodate increased resources for all-day kindergarten and reduced class sizes. In these reports, statewide classroom need estimates, based on school district survey responses, have varied from between 825 classrooms to 5,700 classrooms.

General Obligation Bonds. The board of directors of a school district may borrow money and issue bonds for any capital purpose. The amount that may be borrowed is limited by the state Constitution and state statutes. The state Constitution sets a debt limit for school districts at 1.5 percent of the assessed value of property in the district, but permits districts to exceed this limit for construction to up to 5 percent indebtedness, with approval of at least 60 percent of the voters at an election where the total number of voters is at least 40 percent of the total at the last preceding general election. State statute imposes a lower threshold of 0.375 percent indebtedness, but allows districts to exceed this threshold to a total indebtedness of 2.5

percent with the approval of at least 60 percent of the voters voting.

**Summary:** School facilities replaced by new construction in lieu of modernizing those facilities are excluded from the inventory of educational space for determining eligibility for state assistance for new construction if: (1) the facilities are being used for purposes of supporting all-day kindergarten or reduced class sizes in kindergarten through third grade; or (2) the district is experiencing a special school housing burden due to enrollment growth and failed bond elections within the prior five years. The lack of district facilities must warrant such a use. These educational spaces must meet the safety standards for public school facilities. "School housing burden" is defined as current space that does not meet needed classroom capacity for enrollments as determined by the OSPI in consideration of available instructional space in neighboring school districts. The exclusion applies for state assistance for new construction awarded from July 1, 2016, through June 30, 2021.

**Votes on Final Passage:**

House	93	2	
Senate	49	0	(Senate amended)
House	95	3	(House concurred)

**Effective:** June 9, 2016

## **ESHB 2988**

C 34 L 16 E 1

Making expenditures from the budget stabilization account.

By House Committee on Appropriations (originally sponsored by Representative Dunshee).

House Committee on Appropriations

**Background:** Budget Stabilization Account. In 2007 the voters ratified a constitutional amendment that created the Budget Stabilization Account (BSA) as Article VII, section 12 of the state Constitution. Each year, the State Treasurer must deposit 1 percent of general state revenues (GSR) into the constitutionally created BSA. The term GSR is defined in the Constitution and is largely equivalent to the statutory State General Fund (GFS).

In general, appropriations from the BSA require a three-fifths majority in each chamber of the Legislature, but in the case of a catastrophic event or low employment growth, the Legislature may appropriate from the BSA with a constitutional majority vote of each chamber.

Four-Year Balanced Budget. The four-year balanced budget requirement, sometimes referred to as the Outlook, contains two balance requirements. First, the operating budget must be balanced in the general fund and related funds in the current biennium. Second, the estimated maintenance level costs of that budget in the ensuing biennium may not exceed the fiscal resources estimated for the

ensuing biennium. However, the requirement to balance in the ensuing biennium does not apply in a biennium in which appropriations are made from the BSA.

Fire Suppression and Mobilization. The Department of Natural Resources (DNR) is the primary fire suppression agency for the State of Washington. The DNR has responsibility for protecting state and private forested land, lands that threaten forested lands during a wildfire, and nonforested lands under a protection agreement. The DNR fights wildfires in coordination with a number of state, federal, and local agencies, but in general the DNR is responsible for the costs of fire suppression on lands under DNR protection.

The Washington Department of Fish and Wildlife (WDFW) has a protection agreement with the DNR for nonforested WDFW lands. The WDFW pays the DNR for the DNR's fire suppression costs on lands protected under this agreement, and also pays local fire districts for fire suppression on WDFW lands.

The Legislature traditionally appropriates a base amount to cover fire suppression costs in the operating budgets of the DNR and the WDFW. When either agency's estimated final costs for fire suppression exceed the base amount for the fiscal year, the agency requests additional funding in a supplemental budget.

The Chief of the Washington State Patrol (WSP) has the authority to mobilize jurisdictions under the Washington State Fire Services Mobilization Plan. The purpose of the mobilization plan is to provide a mechanism to quickly notify, assemble, and deploy fire service personnel and equipment to any local fire jurisdiction in Washington that has expended or will expend all available local and mutual aid resources in attempting to manage fires, disasters, or other events that jeopardize a jurisdiction's ability to provide for the protection of life and property. The State Fire Marshal within the WSP serves as the state fire resources coordinator when a state mobilization plan is mobilized.

**Summary:** Legislative findings are made that 2015 wildfires constituted a catastrophic event that resulted in a state of emergency.

A total of \$189.5 million is appropriated from the Budget Stabilization Account (BSA) for fiscal year 2016 for fire suppression and mobilization.

The sum of \$154.966 million is appropriated from the BSA to the Department of Natural Resources and \$155,000 is appropriated from the BSA to the Washington Department of Fish and Wildlife for those agencies' fire suppression costs in the 2015 fire season. The agencies may not retain any portion of the appropriations for their indirect or administrative costs.

The sum of \$34.365 million is appropriated from the BSA to the Washington State Patrol for fire service mobilization costs.

Appropriations in the act do not suspend the requirement to balance in the ensuing biennium under the four-year balanced budget laws.

**Votes on Final Passage:**First Special Session

House	88	7
Senate	39	4

**Effective:** April 18, 2016**HJM 4010**

Requesting that state route number 99 be named the "William P. Stewart Memorial Highway."

By Representatives Dunshee, Santos, Stanford, Wylie, S. Hunt, Tharinger, Ortiz-Self, Fitzgibbon, Sells, Ryu, Walkinshaw, Kagi, Peterson, Hudgins, Robinson and Bergquist.

House Committee on Transportation  
Senate Committee on Transportation

**Background:** The Washington State Transportation Commission (WSTC) is responsible for naming state transportation facilities, including highways and bridges. In order for the WSTC to consider a proposal, the requesting entity must provide sufficient evidence indicating community support and acceptance of the proposal. This evidence can include a letter of support from the state or federal legislator representing the area encompassing the facility to be renamed. Other evidence that can provide proof of community support includes a resolution passed by other elected bodies in the impacted area, Washington State Department of Transportation (WSDOT) support, and supportive action from a local organization such as a chamber of commerce.

Upon passage of a joint memorial requesting the naming of a facility, the WSTC holds a public hearing prior to taking action. After the WSTC takes final action, the WSDOT designs and installs the appropriate signs.

**Summary:** The WSTC is requested to commence proceedings to name State Route 99 the "William P. Stewart Memorial Highway."

**Votes on Final Passage:**

House	97	0	
Senate	48	0	(Senate amended)
House	96	0	(House concurred)

**ESSB 5029**

C 140 L 16

Concerning the revised uniform fiduciary access to digital assets act.

By Senate Committee on Law & Justice (originally sponsored by Senators Pedersen and O'Ban; by request of Uniform Law Commission).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** The Uniform Fiduciary Access to Digital Assets Act (UFADAA) is a model law drafted and approved by the Uniform Laws Commission (ULC) in 2014. The UFADAA sets standards for access to electronic information held by Internet providers when a fiduciary, acting on behalf of the information owner, needs the information to carry out fiduciary duties. During the 2015 legislative interim, the ULC approved changes to the model law addressing opponents' concerns.

Digital assets consist of any content or media, in any form, maintained and accessed electronically. Examples of digital assets include electronic information in online banking, investment accounts, photos, emails, and social media accounts.

The ULC developed the UFADAA because widespread Internet use is changing how electronic information is used and stored for routine business matters and social media. Internet service providers maintain custody of digital assets and keep the electronic information secure according to a terms-of-service-agreement with the owner of the digital assets. Fiduciaries often need access to digital assets on the owner's behalf to manage tangible and digital assets when the owner dies, or gives a power of attorney, or loses the capacity to manage the owner's own property. The UFADAA facilitates the fiduciary's access but also preserves privacy rights for the owner of the assets and third parties.

Under the UFADAA, the owner retains the power to plan for the disposition of the owner's digital assets. Revisions to the UFADAA clarify priorities for determining a fiduciary's access to digital assets if the owner does not provide instruction or multiple instructions conflict.

**Summary:** The Act provides a process for a digital asset custodian to disclose digital asset information when requested by a fiduciary who needs access to the information to fulfill fiduciary duties. The process applies to four types of fiduciaries: personal representatives of a deceased person's estate; court appointed guardians of incapacitated persons; trustees; and attorneys in fact under a power of attorney. The revised UFADAA includes standard definitions and the proof elements a that fiduciary must provide to the custodian of digital assets that verify legal authority to obtain the information.

The ULC's revised version clarifies the model law in seven main areas:

- The federal Electronic Communications Privacy Act (ECPA) governs disclosure of the content of private electronic communications such as voicemail and email. Under the ECPA, either the sender or the intended recipient of the communication must consent to the custodian's disclosure of the communication's content.
- The digital-assets-owner may consent to disclosure of electronic information and content either in a written record or by using an online tool supplied by the cus-

today. The account holder's specific consent overrides a blanket prohibition against content disclosure in the terms-of-service contract.

- When the custodian does not supply an online tool or an account holder elects not to use the custodian's tool, the owner may give legally-enforceable directions for disclosure of the digital assets in a will, trust, power of attorney, or other written record.
- The terms-of-service contract determines the fiduciary's access if the owner does not provide directions. The UFADAA provides default rules if the contract does not address fiduciary access.
- Custodians of digital assets are immune from liability for actions taken in good faith compliance with a fiduciary's request for access to digital assets.
- Custodians are not required to provide the fiduciary with full online account access. The custodian is only required to provide information contained in the account and may select the format used to disclose the requested information.
- The fiduciary must provide sufficient specific information for the custodian to identify and retrieve the electronic information that is requested.

In addition, the digital asset custodian may obtain a court order confirming that the principal, deceased person, trustor, or incapacitated person owns the account containing digital assets and that the owner gave the custodian sufficient consent to disclose the assets or close the account at a fiduciary's request. A custodian may refuse an unduly burdensome disclosure request from other designated recipients in addition to a user's or a fiduciary's unduly burdensome request. The phrase "digital communications" is changed to "electronic communications" with reference to a custodian's non-disclosure of the content of an incapacitated person's communications to a guardian. A small number of technical changes are added to conform more specifically to Washington's guardianship laws and practices and to include technical changes approved by the Uniform Law Commission's executive committee in January 2016.

**Votes on Final Passage:**

Senate	48	0	
House	80	15	(House amended)
Senate	47	1	(Senate concurred)

**Effective:** June 9, 2016

**SB 5046**

C 206 L 16

Correcting a codification error concerning the governor's designee to the traffic safety commission.

By Senators Padden and Pedersen; by request of Statute Law Committee.

Senate Committee on Law & Justice  
House Committee on Transportation

**Background:** The Washington Traffic Safety Commission (Commission) is the federally recognized highway safety office of Washington State. The Commission is chaired by the Governor and is made up of 22 employees and ten commissioners.

In 1982 an amendment to RCW 43.59.030 was codified incorrectly. The codified amendment omitted two phrases that were included in Chapter 30, Laws of 1982, as signed into law by Governor John Spellman. The two phrases relate to the designation and authority of the Governor's designee to the Commission.

**Summary:** The Governor may designate an employee of the Governor's Office familiar with the Commission to act on behalf of the Governor during the absence of the Governor at one or more of the meetings of the Commission. The Governor may also designate a member, other than the Governor's designee, to preside during the Governor's absence.

**Votes on Final Passage:**

2015 Regular Session

Senate	47	0
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2016 Regular Session

Senate	49	0
House	96	0

**Effective:** June 9, 2016

**E2SSB 5109**

C 207 L 16

Concerning infrastructure financing for local governments.

By Senate Committee on Ways & Means (originally sponsored by Senator Brown).

Senate Committee on Trade & Economic Development  
Senate Committee on Ways & Means  
House Committee on Community Development, Housing & Tribal Affairs  
House Committee on Finance

**Background:** The Local Revitalization Financing program (LRF) was created in 2009 to encourage public infrastructure investments to stimulate private development and create jobs. To increase public investments, the LRF provides a mechanism for local governments to use sales and property tax revenues within a designated revitaliza-

tion area to finance public improvement projects. The taxes are assessed based on the incremental increase in revenues within the revitalization area that are generated by the public improvement. The incremental tax revenues, as well as other local public funding sources, are used to finance general obligation or revenue bonds to pay for the improvement.

The state also may provide a contribution up to \$500,000 for financing per public improvement project in the LRF program. Local governments may apply to the Department of Revenue (Department) for a state contribution award. The Department awards a state contribution as determined on a first-come, first-served basis. The Department will credit the state sales and use tax against the local sales and use incremental tax that is applied within the revitalization areas. In determining whether to grant an award, the Department must determine whether the local government is able to match the award amount generated through local sales and use tax revenues. The total state contribution limit for project awards is set at \$2.5 million. The LRF program is currently not open for new applicants because state funding has been awarded. In 2010 the Legislature also authorized an additional \$4.2 million state contribution for 13 LRF demonstration projects designated in statute.

**Summary:** The Department of Commerce is tasked with selecting which projects are awarded state contributions to finance LRF projects. The criteria for awarding a state contribution for these projects is determined by the following:

- the availability of a state contribution;
- the availability of a local match;
- the number of jobs created by the project;
- the fit of the expected business creation or expansion within the region's preferred economic growth strategy;
- the speed with which project construction may begin; and
- the extent to which the project leverages non-state funding.

Local governments that have been approved for a project award prior to January 1, 2011 but have not imposed a sales or use tax by December 31, 2016 must forfeit their project award, unless they send a letter to the department by July 1, 2016, indicating that they intend to impose a sales and use tax by July 1, 2022. Funds that become available under these circumstances may be reallocated to other applicants.

**Votes on Final Passage:**

Senate	40	9	
House	94	3	(House amended)
Senate	44	3	(Senate concurred)

**Effective:** June 9, 2016

**SB 5143**

C 141 L 16

Concerning the availability of childhood immunization resources for expecting parents.

By Senators Becker, Bailey, Dammeier, Rivers, Frockt, Brown and Parlette.

Senate Committee on Health Care  
House Committee on Health Care & Wellness

**Background:** The federal Centers for Disease Control and Prevention establish a schedule for the vaccination of infants and children based on recommendations from the Advisory Committee for Immunization Practices. The Washington State Board of Health has adopted immunization requirements for schools and child care centers. The requirements address immunizations for 11 vaccine-preventable diseases based on national immunization guidelines.

The Department of Health (DOH), consistent with the national immunization guidelines, requires a child to be vaccinated against, or show proof of acquired immunity for, 11 vaccine-preventable diseases before attending a Washington school or child care center, including diphtheria, tetanus, and pertussis or whooping cough. A child may be exempt from immunization requirements for medical, religious, or philosophical reasons.

DOH maintains the Child Profile Health Promotion System to distribute health and safety mailings, including immunization information, to Washington parents of young children from birth to age six. DOH also maintains the Washington State Immunization Information System, a web-based tool for health care providers and schools to track immunization records for Washington residents of all ages.

**Summary:** DOH must develop and make available resources for expecting parents regarding recommended childhood immunizations. The resources are intended to be provided to expecting parents by their health care providers to encourage discussion on childhood immunizations and postnatal care.

**Votes on Final Passage:**

2015 Regular Session

Senate	49	0
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2016 Regular Session

Senate	47	0
House	97	0

**Effective:** June 9, 2016

**ESSB 5145**  
 C 1 L 16 E 1  
FULL VETO  
VETO OVERRIDE

Concerning the health technology clinical committee membership and rotating experts.

By Senate Committee on Health Care (originally sponsored by Senators Dammeier, Frockt, Becker, Bailey, Rivers and Brown).

Senate Committee on Health Care  
 House Committee on Health Care & Wellness

**Background:** The Washington State Health Technology Clinical Committee (HTCC) was established in 2006 to include 11 members appointed by the administrator of the Washington State Health Care Authority (HCA). The committee must include the following:

- six practicing and licensed physicians or osteopathic physicians; and
- five other practicing licensed health professionals who use health technology in their scope of practice.

At least two members of HTCC must have professional experience treating women, children, elderly persons, and people with diverse ethnic and racial backgrounds. Members of HTCC must not contract with or be employed by a health technology manufacturer or participating agency for 18 months before their appointment and throughout their term. Members are immune from civil liability for any official acts performed in good faith as part of HTCC. Members are compensated for participation in the work of HTCC.

The administrator of HCA selects health technologies for review by HTCC. HTCC may also select health technologies for review, pursuant to a petition submitted by an interested party. Upon the selection of a health technology for review, the administrator of HCA contracts for an evidence-based assessment of the technology's safety, efficacy, and cost effectiveness.

For each health technology selected for review, HTCC determines:

- the conditions, if any, under which the health technology will be included as a covered benefit in health care programs of participating agencies; and
- if covered, the criteria which the participating agency administering the program must use to decide whether the technology is medically necessary or proper, and necessary treatment.

**Summary:** At least one member of the HTCC must be appointed by the Washington state medical association or the Washington state osteopathic medical association.

Any rotating clinical experts selected to advise the HTCC must be nonvoting members.

**Votes on Final Passage:**

2015 Regular Session

Senate 49 0

2016 Regular Session

Senate 48 0

House 97 0

**Votes on Veto Override:**

First Special Session

Senate 40 0

House 89 5

**Effective:** June 28, 2016

**VETO MESSAGE ON ESSB 5145**

*March 10, 2016*

*To the Honorable President and Members,  
 The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval, Engrossed Substitute Senate Bill No. 5145 entitled:*

*"AN ACT Relating to the membership of the health technology clinical committee."*

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Engrossed Substitute Senate Bill No. 5145 in its entirety.*

*Respectfully submitted,*



*Jay Inslee  
 Governor*

**SB 5180**

C 142 L 16

Modernizing life insurance reserve requirements.

By Senators Benton, Mullet, Angel, Hobbs, Hargrove, Keiser and Darneille; by request of Insurance Commissioner.

Senate Committee on Financial Institutions & Insurance  
 House Committee on Business & Financial Services  
 House Committee on Appropriations

**Background:** Standard Valuation Law. Life insurance policy reserves are the money an insurance company must set aside today to pay expected future life insurance claims. These reserves are currently calculated (or valued) using pre-set formulas and assumptions as prescribed by law. This methodology for calculating reserves is based on the Standard Valuation Law (SVL). SVL, a National Association of Insurance Commissioners (NAIC) model act, was enacted by the Legislature in 1982 and has not been amended since that time.

Under SVL, the Office of the Insurance Commissioner (Commissioner) annually values the reserve liabilities

for outstanding policies issued by every life insurance company doing business in the state. In turn, life insurance companies must submit the opinion of a qualified actuary regarding whether the required reserve amounts were appropriately determined. The insurance companies must rely on standard mortality tables to determine the minimum standard valuation of the policies and contracts issued.

NAIC adopted a revised model SVL in 2009, which introduced Principle Based Reserving (PBR). PBR would allow insurance companies to use a wide range of economic conditions as well as company experience factors such as mortality, policyholder behavior, and expenses in calculating reserve requirements. Insurance companies would be required to compare its calculation of reserves under the formula with the PBR reserves and hold the higher of the two reserve levels. The new reserve calculation requirements are contained in a Valuation Manual developed and maintained by NAIC.

Standard Nonforfeiture Law. The Standard Nonforfeiture Law (SNL), also adopted in 1982, establishes minimum benefit values for when a life insurance policy is surrendered or lapses. Standard mortality tables are currently used to value these minimum benefits. NAIC also adopted a new SNL model act in 2009 to require the Valuation Manual as the source for mortality and interest rates used in nonforfeiture calculations.

Operative Date of Valuation Manual. PBR and the Valuation Manual become operative once the SVL revisions are adopted by at least 42 states representing 75 percent of total U.S. premiums. SVL has been adopted in 18 states as of August 2014, with five more states expected for the remainder of 2014, and 12 states expected to enact in 2015. The Commissioner anticipates the earliest operative date for the Valuation Manual is January 1, 2017.

**Summary:** Prior to Operative Date of Valuation Manual. Current methodologies for valuing reserves and policies under SVL and SNL continue until the operative date of the Valuation Manual. More robust confidentiality provisions are included to clarify that memoranda and information submitted to the Commissioner to support a company's reserve calculations are confidential and privileged and not subject to public disclosure. The Commissioner's authority to share documents and information with other regulatory entities is specifically outlined.

Standard Valuation Law (After Operative Date of Valuation Manual). The Commissioner must annually value the reserve liabilities for all outstanding life insurance contracts, annuity and endowment contracts, disability contracts, and deposit-type contracts issued after the date of the Valuation Manual. As prescribed by the Valuation Manual, every company with outstanding insurance contracts as noted above must annually submit an opinion of an appointed actuary as to whether its reserves and related actuarial items held in support of the policies and contracts are computed appropriately. If the insurance company

fails to do so or the opinion submitted is inadequate, the Commissioner may engage a qualified actuary at the expense of the company to review the opinion.

An insurance company must establish reserves using a principle-based valuation meeting conditions as provided in the Valuation Manual. The company must further establish procedures for corporate governance and oversight of the actuarial valuation function; provide the Commissioner with an annual certification of the effectiveness of its internal controls for principle-based valuation; and upon request, file a principle-based valuation report with the Commissioner.

The contents of the Valuation Manual are specified. The operative date of the Valuation Manual is January 1 of the first calendar year following the first July 1 as of which all of the following have occurred:

- The Valuation Manual has been adopted by NAIC by at least 42 members or three-fourths of the members voting, whichever is greater;
- SVL, as amended by NAIC in 2009, has been enacted by states representing at least 75 percent of the direct insurance premiums written and as reported in 2008; and
- SVL, as amended by NAIC in 2009, has been enacted by at least 42 U.S. jurisdictions.

Likewise, future changes to the Valuation Manual take effect on January 1 following affirmation by three-fourths of the voting members of NAIC and by members of NAIC representing states with at least 75 percent of the total U.S. premiums.

Confidentiality provisions for documents and information submitted to support the insurance company's reserve calculations are outlined. Those documents and information are confidential to the same extent as information submitted to the Commissioner pursuant to a financial conduct examination.

Standard Nonforfeiture Law (After Operative Date of Valuation Manual). For policies issued on or after the operative date of the Valuation Manual, the Valuation Manual must be used as the source for mortality and interest rates in establishing minimum nonforfeiture values.

Public Disclosure. A cross-reference is added to the public disclosure law to clarify that documents, materials, or information obtained by the Commissioner in determining an insurance company's reserve requirements are exempt from public disclosure.

**Votes on Final Passage:**

2015 Regular Session

Senate 49 0

2015 Second Special Session

Senate 42 2

2015 Third Special Session

Senate 44 2



## 2ESB 5251

### 2016 Regular Session

Senate	48	0	
House	84	12	(House amended)
Senate	49	0	(Senate concurred)

**Effective:** January 1, 2017 (Sections 1-19)  
July 1, 2017 (Section 20)

## 2ESB 5251

C 111 L 16

Transferring public water system financial assistance activities from the public works board and the department of commerce to the department of health.

By Senators Honeyford and Keiser; by request of Department of Health.

Senate Committee on Agriculture, Water & Rural Economic Development  
Senate Committee on Ways & Means  
House Committee on General Government & Information Technology  
House Committee on Capital Budget

**Background:** In 1995 the Legislature created a drinking water assistance account to allow the state to assist water systems in providing safe drinking water using funds available under federal Safe Drinking Water Act (SDWA). The water system acquisition and rehabilitation program is administered by the Department of Commerce (Commerce) and the Public Works Board (PWB). Expenditures from the account may only be made after appropriation by the Department of Health (DOH), Commerce, or PWB.

As part of the program, DOH must:

- develop guidelines for providing public water assistance and related prioritization and oversight responsibilities;
- submit pre-application information to PWB for review and comment;
- submit a prioritized list of projects to PWB for determination of the applicant's ability to repay the loan and project readiness;
- determine consistency with existing water resource planning and management;
- determine least-cost solutions where consolidation and restructuring of systems is appropriate, regional benefits, and compliance with SDWA;
- implement water use efficiency and other demand management measures;
- assist planning and engineering to ensure professional review of projects;
- establish minimum standards for water system capacity; and
- coordinate with other state programs addressing water quality or drinking water contamination.

**Summary:** By December 31, 2016, DOH, Commerce, and PWB must develop memoranda of understanding transferring financial administration of the program to DOH. Until June 30, 2018, expenditures may be made by DOH, PWB, and Commerce. Beginning July 1, 2018, only DOH may expend money from the account.

Technical changes are made:

- clarifies that the account assists local governments and public water systems;
- removes expired rulemaking and reporting provisions;
- removes examples of cost-effective and timely services;
- removes a provision requiring DOH to submit pre-application information to PWB;
- removes examples of criteria for financial assistance for public water systems;
- removes the requirement for approval by PWB; and
- adds a requirement for submitting a prioritized list to the Legislature each year.

### Votes on Final Passage:

#### 2015 Regular Session

Senate 48 1

#### 2015 Third Session

Senate 43 2

#### 2016 Regular Session

Senate 48 1

House 92 4

**Effective:** June 9, 2016

## SB 5265

C 2 L 16 E 1

FULL VETO

VETO OVERRIDE

Allowing a public depository to arrange for reciprocal deposits of public funds.

By Senators Benton, Mullet, Angel and Keiser.

Senate Committee on Financial Institutions & Insurance  
House Committee on Business & Financial Services

**Background:** The Public Deposit Protection Commission (Commission) is comprised of the State Treasurer, Governor, and Lieutenant Governor. The Commission administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The Commission approves which banks and thrifts can hold state and local government deposits and monitors collateral to secure uninsured public deposits when deposits exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). The standard insurance amount through the FDIC is \$250,000 per depositor, per insured bank.

Current state law generally prohibits the deposit of public funds outside of the state. There are several exceptions to the general prohibition, including the following:

- funds deposited under a fiscal agency contract with the state fiscal agent;
- funds deposited under a custodial bank contract with the state's custodial bank;
- funds deposited under a local government multi-state joint self-insurance program as provided in RCW 48.62.081;
- a demand deposit account maintained by a treasurer outside of Washington solely for the purpose of transmitting money for deposit in public depositories; and
- a demand deposit account maintained by a treasurer for higher education endowment funds used for specified study or research programs being performed outside Washington.

An account must be authorized by the Commission or the Chair if delegated that authority by the Commission. There must be good cause for the account. The account may be limited in time, terms, and conditions as the Commission or Chair deem appropriate.

**Summary:** An exception is added to the list of instances when public funds may be deposited outside the state. Public funds may be deposited outside of Washington State if the following conditions are met:

- the funds are initially deposited in a public depository located in the state;
- the selected in-state depository arranges for the funds to be deposited in one or more federally insured banks or savings and loan associations;
- the full amount of the principal and any accrued interest is insured by an agency of the federal government;
- the in-state public depository will act as custodian with respect to the out-of-state deposits; and
- on the same day the funds are deposited, the in-state public depository receives deposits from customers or other financial institutions in an amount equal to or greater than the amount of funds initially deposited by the state or local government.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Votes on Veto Override:**

First Special Session

Senate	43	0
House	87	7

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 5265**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

*Ladies and Gentlemen:*

*I am returning herewith, without my approval, Senate Bill No. 5265 entitled:*

*"AN ACT Relating to allowing a public depository to arrange for reciprocal deposits of public funds."*

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 5265 in its entirety.*

*Respectfully submitted,*



Jay Inslee  
Governor

**SB 5270**

C 208 L 16

Concerning a nonoperating advisory board reporting to the state patrol.

By Senators Roach, Lias and Benton; by request of Washington State Patrol.

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** The Missing & Exploited Children Task Force (MECTF) is a multi-agency task force, under the direction of the Washington State Patrol (WSP), focused on identifying, arresting, and convicting those individuals who exploit children. Crimes investigated by MECTF include communication with a minor for immoral purposes; sexual exploitation of a minor; possession of depictions of minors engaged in sexually explicit conduct; and dealing in depictions of minors engaged in sexually explicit conduct.

MECTF is available to provide on-site assistance, case management, and training; works closely with federal, state, and local agencies to accomplish its mission; and is available to assist agencies that do not have the resources or training necessary to investigate crimes against children. An advisory board for MECTF was established in 1999. The advisory board advises the Chief of WSP on the management and coordination of the various activities of MECTF.

The Legislature may schedule a program or agency to be terminated under the sunset review process. Alternatively a program can be terminated without a sunset review when it has accomplished its purposes.

The Joint Legislative Audit and Review Committee (JLARC) conducts a review of the program or agency and provides a preliminary report to the Office of Financial Management during the year prior to the termination date. Entities scheduled to sunset must establish performance measures and develop a data collection plan subject to review and comment by JLARC. The Sunset Act establish-

## SB 5342

es factors that must be considered by JLARC when conducting its review of the entity. If an entity is terminated under the sunset review process, it continues its existence until June 30 of the next succeeding year in order to conclude its business.

**Summary:** The advisory board for MECTF is terminated.

**Votes on Final Passage:**

### 2015 Regular Session

Senate 48 0

### 2016 Regular Session

Senate 48 1

House 97 0

**Effective:** June 9, 2016

## SB 5342

C 4 L 16

Concerning definitions related to human trafficking.

By Senators Hasegawa, Kohl-Welles, Padden, McAuliffe, Brown, Keiser, Roach, Chase and Conway.

Senate Committee on Commerce & Labor  
House Committee on Labor & Workplace Standards

**Background:** Under the Washington Human Trafficking laws, international labor recruitment agencies and domestic employers of foreign workers must provide a disclosure statement to foreign workers who have been referred to or hired by a Washington employer. The disclosure statement must: (1) state that the worker may be considered an employee in Washington; (2) state that the worker may be subject to both state and federal laws governing overtime and work hours; (3) include an itemized listing of any deductions the employer intends to make from the worker's pay for food and housing; (4) include an itemized listing of the agency's fees; (5) state that the worker has the right to control the worker's travel and labor documents, subject to federal law; and (6) include a list of services or a hotline the worker may contact if the person thinks the worker is a human trafficking victim. The Department of Labor and Industries created a model form, which includes information

on assisting victims on human trafficking in posters and brochures.

As required under federal law, the U.S. Secretary of State developed a federal informational pamphlet on the legal rights and resources available to nonimmigrant visa holders in certain employment and education-based visa categories. International labor recruitment agencies and domestic employers of foreign workers are not required to provide the Washington disclosure statement if the foreign worker has been provided the federal informational pamphlet. A worker is presumed to have been provided the pamphlet if the federal law requiring the pamphlet is in ef-

fect and the worker holds certain personal or domestic servant visas.

An international labor recruitment agency or domestic employer that fails to provide the disclosure statement to any foreign worker is liable to that foreign worker in a civil action. The court must award a prevailing foreign worker an amount between \$200 and \$500, or actual damages, whichever is greater, and court costs and attorneys' fees. The court may also award other equitable relief.

**Summary:** New definitions are added to the human trafficking laws. "Menace of any penalty" is defined to mean all forms of criminal sanctions and other forms of coercion. "Forced labor" is all work exacted under the menace of any penalty and where the person has not voluntarily offered to work. "Human trafficking" is an act conducted to exploit, including forced work, by any means. Examples of means include the threat of use of force or other forms of coercion, abduction, fraud or deception, abuse of power, or abuse of position of vulnerability. "Work or service" includes all types of legal or illegal work, employment, or occupation.

**Votes on Final Passage:**

Senate 49 0

House 97 0

**Effective:** June 9, 2016

## ESSB 5435

C 112 L 16

Addressing optional salary deferral programs.

By Senate Committee on Ways & Means (originally sponsored by Senators Bailey and Schoesler).

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** The Washington State Deferred Compensation Program (DCP) is a supplemental tax-deferred savings program under section 457 of the federal Internal Revenue Code (IRC) offered to state employees and to the employees of local governments that elect to participate in the program. It is administered by the Department of Retirement Systems (DRS) which contracts with a vendor for recordkeeping and other administrative services. More than 1000 employers and 53,000 employees participate in the DCP. Local governments are also authorized to offer deferred compensation programs to their employees through vendors rather than through the DCP. Approximately 55,000 members of state retirement plans administered by DRS are employed by 315 employers that do not currently participate in the DCP.

The Washington State Investment Board (WSIB) is responsible for establishing investment policy; developing participant investment options; and managing investment funds of the self-directed retirement and savings programs, including the selection and monitoring of invest-

ment options offered to DCP participants. In making these decisions it acts as a plan fiduciary. Currently WSIB has 19 investment options for DCP participants: savings pool, bond fund, socially responsible balanced fund, four equity index funds, and 12 retirement date strategy fund options. In 2014 the Legislature authorized WSIB and local governments to offer participants the option of investing in individual securities.

**Summary:** Beginning no later than January 1, 2017, persons newly hired by the state on a full-time basis, other than student employees, must be enrolled in the DCP unless the employee elects to waive participation. Persons who participate in the plan without selecting a deferral amount or investment option must contribute 3 percent of pay which must be invested in a default option selected by WSIB in consultation with the director of DRS. Also beginning no later than January 1, 2017, any county, municipality, or other political subdivision offering the state DCP may choose to administer the plan with the same opt-out feature for new employees. DRS is also authorized to offer a money-purchase retirement savings plan under section 401(a) of the IRC. The bill is contingent on funding being provided in the 2016 Supplemental Budget.

**Votes on Final Passage:**

Senate	49	0	
House	94	3	(House amended)
Senate	49	0	(Senate concurred)

**Effective:** June 9, 2016

**SB 5458**  
C 3 L 16 E 1  
FULL VETO  
VETO OVERRIDE

Concerning health district banking.

By Senators Angel, Rolfes and Hasegawa.

Senate Committee on Health Care  
House Committee on Local Government

**Background:** Public health laws and regulations are administered by the State Board of Health, the state Department of Health, and local boards of health. Local boards of health employ health officers and other personnel to enforce public health standards, including measures to prevent disease.

In most of Washington's 39 counties, the county legislative authority acts as the local board of health, overseeing operations of county health departments. Separate local government entities called health districts (districts) operate in 15 counties. Districts are formed by county legislative authorities. Eleven districts encompass single counties and are governed by boards of health appointed by the county legislative authority. Three districts encompass multiple counties and are governed by boards of

health with representatives of each county legislative authority in the district.

District expenses are paid by the counties in a district. County treasurers act as custodians of district funds. Expenditures are authorized by district boards of health and paid by county treasurers. County auditors keep records of receipts and disbursements.

**Summary:** Health districts may act as custodians of district funds, keep records of receipts and disbursements, and draw, honor, and pay warrants or checks. To exercise this authority, a district first must receive consent from the county legislative authority, county treasurer, county auditor, and the district's board of health. A county may not charge a district that does not choose to act as custodian of its funds for services provided by the county.

**Votes on Final Passage:**

2015 Regular Session

Senate	49	0
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2016 Regular Session

Senate	48	0
House	92	5

**Votes on Veto Override:**

2016 First Special Session

Senate	41	0
House	83	11

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 5458**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Senate Bill No. 5458 entitled:

"AN ACT Relating to health district banking."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 5458 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SB 5549**

C 4 L 16 E 1

FULL VETOVETO OVERRIDE

Concerning the registration and disciplining of pharmacy assistants.

By Senators Jayapal, Angel, Keiser and Cleveland; by request of Department of Health.

Senate Committee on Health Care  
House Committee on Health Care & Wellness

**Background:** Pharmacy assistants may perform certain duties under the supervision of a pharmacist. These duties include typing of prescription labels, filing, bookkeeping, pricing, stocking, delivery, nonprofessional phone inquiries, and documentation of third-party reimbursements. Pharmacy assistants must be registered with the Department of Health (DOH). DOH does not charge a fee for that registration, although all health professions must be fully self-supporting with the collection of fees to cover expenditures for that profession. Currently, other pharmacy professions cover the cost of regulating pharmacy assistants.

The Uniform Disciplinary Act regulates the health professions, including pharmacy technicians and pharmacy assistants.

**Summary:** DOH may establish registration fees for pharmacy assistants. Pharmacy assistants are subject to disciplinary action of the Pharmacy Quality Assurance Commission and the Uniform Disciplinary Act.

**Votes on Final Passage:**

Senate	47	2
House	56	41

**Votes on Veto Override:**First Special Session

Senate	41	2
House	81	13

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 5549**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Senate Bill No. 5549 entitled:

"AN ACT Relating to the registration and disciplining of pharmacy assistants."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 5549 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SB 5581**

C 143 L 16

Addressing the benefits of group life and disability insurance policies.

By Senators Angel and Hobbs.

Senate Committee on Financial Institutions & Insurance  
House Committee on Business & Financial Services

**Background:** The Insurance Commissioner (Commissioner) has the authority to regulate insurance. With the prior approval of the Commissioner, both individual and group life insurers may include certain noninsurance benefits as part of a policy. However, approval of any particular proposed noninsurance benefit is not required. These benefits include the following services: will preparation; financial and estate planning; probate and estate settlement; and such other services as the Commissioner may identify by rule. The provider of the noninsurance benefit must be appropriately licensed. All ethical requirements for, and the authority of, Washington attorneys remain in force. Likewise, the prohibition against the unauthorized practice of law remains in force.

**Summary:** Grief counseling is added as part of the noninsurance benefits a licensed life insurer may provide as part of a policy or certificate of group life insurance with the prior approval of the Commissioner.

As part of a policy or certificate of group disability insurance and with the prior approval of the Commissioner, a licensed disability insurer may provide: noninsurance benefits, including will preparation; financial and estate planning; probate and estate settlement; and grief counseling. The Commissioner is not required to approve any particular proposed noninsurance benefit.

**Votes on Final Passage:**2015 Regular Session

Senate	48	0
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2015 Third Special Session

Senate	44	0
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2016 Regular Session

Senate	49	0
House	95	1

**Effective:** June 9, 2016

**SSB 5597**

C 144 L 16

Concerning the licensing of real estate appraisers.

By Senate Committee on Commerce & Labor (originally sponsored by Senator Roach).

Senate Committee on Commerce & Labor  
House Committee on Business & Financial Services

**Background:** Washington Certified Real Estate Appraiser Act. Real estate appraisers estimate the value of real property. Under the Washington Certified Real Estate Appraiser Act (Act), the Department of Licensing (DOL) certifies and licenses real estate appraisers. The Act prohibits a person from receiving compensation for appraisal services unless certified or licensed by the state.

Types of Credentials. The Act authorizes four types of credentials issued to real estate appraisers, from highest to lowest credentialing requirements:

- state-licensed real estate appraiser;
- state-certified residential real estate appraiser;
- state-certified general real estate appraiser; and
- state-registered appraiser trainee.

Each level of licensing and certification authorizes certain types of appraisal work and allowable transaction values. State-registered trainees may only work under the direct supervision of state-certified real estate appraisers.

Reciprocity. Applicants for certification or licensure already certified or licensed in good standing in another state may be certified or licensed in Washington without satisfying Washington's examination requirements if the applicant's home state:

- has certification or licensing requirements that are substantially similar to Washington's; and
- has a reciprocal agreement with Washington providing similar treatment for Washington appraisers.

Federal Monitoring. Under the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989, enacted in response to the savings and loan crisis of the late 1980s, the United States Congress created the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council. The stated purpose of the ASC is to ensure that real estate appraisals are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated, and whose professional conduct will be subject to effective supervision. To carry out this goal, the ASC is tasked with monitoring state regulation of real estate appraisers, along with other duties.

**Summary:** An applicant for certification or licensure who is currently certified or licensed as a real estate appraiser and in good standing under the laws of another state may obtain a certificate or license as a Washington state-certified or state-licensed real estate appraiser without being required to satisfy the examination requirements, if the Director determines that:

- the appraiser licensing and certification program of the other state is in compliance with ASC regulations as they existed on the effective date of the act, or a later date as the Director may provide by rule; and

- the other state has credentialing or licensing requirements that meet or exceed Washington's licensure standards.

**Votes on Final Passage:**

Senate	48	0
House	97	0

**Effective:** June 9, 2016

**SB 5605**

C 113 L 16

Concerning the arrest of sixteen and seventeen year olds for domestic violence assault.

By Senators Darneille, Jayapal, Kohl-Welles and McAuliffe.

Senate Committee on Human Services, Mental Health & Housing

House Committee on Early Learning & Human Services

**Background:** A police officer must arrest and take into custody certain individuals without a warrant when the officer has probable cause to believe that the person committed specific crimes. These specific crimes include violations of a protection order, restraining order, no-contact order or foreign protection order, and persons age 16 years or older who assaulted a family or household member.

Mandatory arrest with probable cause for domestic violence assault was enacted by the Legislature in 1984 in an attempt to overcome law enforcement's traditional reluctance to arrest in cases of assaults involving domestic partners. The age of mandatory arrest was changed from age 18 to age 16 in 1995.

Assault. There are four assault categories ranging from first through fourth degree assault. First through third degree assault are felony offenses, while fourth degree assault is a gross misdemeanor. Fourth degree assault is defined as an assault not amounting to first degree, second degree, third degree, or custodial assault. Because Washington's criminal code does not define assault, the courts apply a common law definition. That common law definition includes the following:

- an attempt, with unlawful force, to inflict bodily injury upon another;
- unlawful touching with criminal intent; and
- putting another in apprehension of harm whether or not the actor intends to inflict or is capable of inflicting that harm.

A touching may be unlawful because it was not legally consented to nor otherwise privileged, and was either harmful or offensive.

Domestic Violence. Certain crimes, including assault, are designated domestic violence crimes when committed by one family or household member against another. Family or household members include spouses, former

spouses, persons who have a child in common, adults related by blood or marriage, adults who are residing together or who resided together in the past, persons 16 years of age or older who are residing together or who resided together in the past who have or had a dating relationship, and persons who have a biological or legal parent-child relationship, including stepparents and stepchildren and grandparents and grandchildren.

**Summary:** The age of mandatory arrest is increased from 16 to 18 years of age for individuals whom an officer has probable cause to believe assaulted a family or household member in the preceding four hours.

A police officer must arrest a 16 or 17 year old who has assaulted a family member in the preceding four hours and the parent or guardian requests an arrest.

A juvenile detention facility must book into detention persons under age 18 brought to the detention facility pursuant to a domestic violence assault arrest.

**Votes on Final Passage:**

Senate	40	9	
House	55	42	(House amended)
Senate	43	5	(Senate concurred)

**Effective:** June 9, 2016

**ESSB 5635**

C 209 L 16

Enacting the uniform power of attorney act.

By Senate Committee on Law & Justice (originally sponsored by Senators Pedersen and O'Ban; by request of Uniform Law Commission).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** A power of attorney is an adaptable document permitting a person, known as the "principal," to designate someone else to act on the principal's behalf as their surrogate in transactions as an "attorney-in-fact" or "agent." A power of attorney may be very narrow, for a specific action and a specific circumstance. A power of attorney may also be very broad, granting power to make financial and personal decisions. A power of attorney may have a specific end-date, but the principal may also revoke it in writing at any time. The broadest form of a power of attorney is the general durable power of attorney. If it specifically grants general powers, the agent has broad decision-making authority and may continue to use the power if the principal is incapacitated or whereabouts and condition is unknown. A durable power of attorney may be terminated or revoked by the principal, or by a court-appointed guardian, or court order.

Washington's current power of attorney law is chapter 11.94 RCW. The Uniform Law Commission produced a Uniform Power of Attorney Act (UPOAA) in 2006. Currently, 18 states have adopted the 2006 Act: AL, AR, CO,

CT, HI, ID, IA, ME, MD, MT, NB, NV, NM, OH, PA, VA, WV, and WI. It has been introduced in 2016 in South Carolina and Utah.

**Summary:** Washington's power of attorney act is repealed in favor of the UPOAA, but with some differences from the UPOAA. A power of attorney must be signed, dated, and either notarized or witnessed by a non-relative who is someone other than the principal's caregiver.

A power of attorney is assumed to terminate when the principal is incapacitated, so it is not assumed to be durable unless specific language in the document expressly provides that it survives the incapacity of the principal. Co-agents exercise their authority jointly unless specifically provided otherwise. A power of attorney granted to a spouse or a domestic partner terminates upon filing for a dissolution from the spouse or domestic partner. The power also terminates when the court appoints a guardian for the principal. If a limited guardianship is granted, the power of attorney may continue as valid to the extent permitted by the court.

The Act lists the agent's fiduciary duties. The agent is empowered to give informed consent for the principal under a power of attorney for health care decisions. The authority to give informed consent for health care must be specifically stated in the power of attorney. The principal may designate an agent to make health care decisions for the principal's minor children. The agent has access to all of the health care information that the principal would have under the Health Insurance Portability and Accountability Act (HIPAA). The principal may specify a successor agent to act if the agent dies or resigns.

Some powers are assumed to be granted under a general power of attorney unless specifically excluded. Other powers are not assumed, but must be specifically called out in the document in order for the agent to exercise them. The principal may expressly shield the agent from liability negligence or gross negligence. The agent is not held liable for discretionary acts of a hired person if the agent exercises reasonable care in hiring them. Judicial review of an agent's proposed action is broadly available. An agent may resign after giving specified notice. Third parties may be held liable for wrongfully rejecting a power of attorney. A third party is protected from someone using an invalid power of attorney by asking the agent to certify the power of attorney's validity. The certification must include notice that a power of attorney granted to a spouse or a domestic partner terminates upon filing for a dissolution from the spouse or domestic partner.

**Votes on Final Passage:**

Senate	48	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** January 1, 2017

**SSB 5670**

C 145 L 16

Clarifying expenditures under the state universal communications services program.

By Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senators Braun, Chase, Kohl-Welles, Sheldon, Hatfield, Rivers, Bailey, Dansel, Ericksen, Becker and Hewitt).

Senate Committee on Energy, Environment & Telecommunications

Senate Committee on Ways & Means

House Committee on Appropriations

**Background:** State Universal Service Program. In 2011, the Federal Communication Commission (FCC) approved a process to end the complex system of fees, surcharges, and subsidies that support rural telephone companies, and transitioned federal monies toward expanding broadband Internet capability in underserved areas. To assist rural companies in this transition period, the Legislature established a temporary universal service program operated by the Washington Utilities and Transportation Commission (UTC). The program expires in July 2019.

The Universal Service Program is funded by legislative appropriations to the Universal Communications Services Account (Universal Services Account). The maximum amount appropriated each year cannot exceed \$5 million. A telephone company is eligible to receive distributions from the account if:

- the company has fewer than 40,000 access lines in the state;
- the company's customers are at risk of rate instability or service interruptions absent distributions to the company; and
- the company meets any other criteria established by the UTC.

Distributions from the Universal Services Account are made according to a formula developed by the UTC. The first round of distributions occurred in fiscal year 2015 and totaled \$3.3 million. Future distributions will increase annually. By the fourth year, the amount projected to be distributed will exceed the \$5 million annual cap.

**Summary:** Allowing Unspent Funds in the Universal Services Account to be Carried Over to Subsequent Years. If less than \$5 million is spent from the Universal Services Account in any fiscal year, the unspent portion must be carried over to subsequent fiscal years. Any money carried over is in addition to the \$5 million allotted for any subsequent year.

**Votes on Final Passage:**2015 Regular Session

Senate 39 8

2016 Regular Session

Senate 37 10

House 97 0

**Effective:** June 9, 2016

**SB 5689**

C 56 L 16

Concerning the scope and costs of the diabetes epidemic in Washington.

By Senators Becker, Keiser, Dammeier, Frockt, Jayapal and McAuliffe.

Senate Committee on Health Care

House Committee on Health Care & Wellness

House Committee on Appropriations

**Background:** Diabetes is a group of diseases characterized by high blood glucose levels that result from defects in the body's ability to produce and/or use insulin. Type 1 diabetes is usually diagnosed in children and young adults, and was previously known as juvenile diabetes. In type 1 diabetes, the body does not produce insulin. Type 2 diabetes is the most common form of diabetes. Millions of Americans are diagnosed with type 2 diabetes, and many more are unaware that they are at high risk. In type 2 diabetes, either the body does not produce enough insulin or the cells ignore the insulin. Pregnant women who never had diabetes before but who have high blood sugar levels during pregnancy are said to have gestational diabetes.

In the 2013 operating budget, the Legislature included a requirement that the Department of Health (DOH), the Department of Social and Health Services (DSHS), and the Health Care Authority (HCA) work together to produce a report on the epidemic of diabetes in the state. The agencies were required to report on the number of lives impacted by diabetes in the state and the financial impacts, including impacts on the various programs administered by them. It also requested an assessment of the programs and benefits aimed at preventing or controlling the disease, and a description of the coordination between them. Finally, it sought recommendations for policies and actions to battle diabetes, with budget estimates.

The resulting report, The Diabetes Epidemic & Action Report, was produced in December 2014. It provided several recommendations aimed at slowing and managing the diabetes epidemic and included the financial costs of diabetes in the state and the services and programs addressing diabetes in Washington State.

**Summary:** HCA, DSHS, and DOH must collaborate to identify goals and benchmarks while also developing individual agency plans to reduce the incidence of diabetes in Washington, improve diabetes care, and better control medical complications and financial impacts associated with the disease.

By December 31, 2019, and every second year thereafter, HCA, DSHS, and DOH must submit a coordinated report to the Governor and Legislature on the following:



- the financial impact and reach of diabetes of all types on programs administered by these agencies and individuals enrolled in those programs;
- the benefits of implemented programs and activities aimed at controlling diabetes and preventing the disease, including the source of funding directed to the agency for programs and activities aimed at reaching those with diabetes;
- the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all forms of diabetes and its complications;
- their detailed action plans for battling diabetes with a range of actionable items for consideration by the Legislature; and
- estimated costs of implementing their detailed action plans.

**Votes on Final Passage:**

2015 Regular Session

Senate 48 0

2016 Regular Session

Senate 49 0

House 92 4 (House amended)

Senate 49 0 (Senate concurred)

**Effective:** June 9, 2016

**SSB 5728**

C 60 L 16

Concerning screening for HIV infection.

By Senate Committee on Ways & Means (originally sponsored by Senators Darneille, Rivers, Rolfes, Ranker, Keiser, Parlette, Hasegawa, Chase and Jayapal).

Senate Committee on Health Care  
Senate Committee on Ways & Means  
House Committee on Health Care & Wellness

**Background:** State law provides the circumstances under which a person may undergo HIV testing without consent. Exemptions to this prohibition are listed in state law and include situations involving incarcerated persons, persons participating in seroprevalence studies, persons receiving workers' compensation benefits, and persons who have been ruled not competent to make their own health care conditions.

In 2006 the Centers for Disease Control and Prevention (CDC) released guidelines recommending that every patient between the ages of 13 and 64 be offered an HIV test on an opt-out basis in all health care settings, without the requirements of written consent or prevention counseling. According to the CDC recommendations, health care providers offering HIV tests must provide patients information about the test, ask if they have any questions, and

inform them that they have the right to opt out of the test. The CDC released these guidelines in order to address the public health challenge that HIV poses because many people who have HIV are unaware of their status and unknowingly infect others.

**Summary:** Screening for HIV infection must be offered by clinicians consistent with the United States Preventative Services Task Force recommendations for all patients aged 15-65 and for all pregnant women. The health care provider must notify the patient that an HIV screening will be performed unless the patient declines. If the patient declines the HIV screening, the health care provider may not use the fact that the patient declined the screening as a basis for denying services or treatment to the patient.

**Votes on Final Passage:**

Senate 47 2

House 68 29 (House amended)

Senate 46 2 (Senate concurred)

**Effective:** June 9, 2016

**SSB 5767**

C 5 L 16 E 1

FULL VETO

VETO OVERRIDE

Revising local government treasury practices and procedures.

By Senate Committee on Government Operations & Security (originally sponsored by Senators Cleveland, Benton, Honeyford and Fraser).

Senate Committee on Government Operations & Security  
House Committee on Local Government

**Background:** County treasurers have various duties and authorities relating to the receipt, processing, and disbursement of funds. County treasurers are the custodians of the county's funds and the administrators of the county's financial transactions. Additionally, county treasurers provide financial services to special purpose districts and other units of local government including receipt, disbursement, investment, and accounting of the funds for each of these entities. Usually, these entities submit information about bills to be paid to the county auditor, who then issues warrants and sends them to the county treasurer for payment.

County treasurers are authorized to accept electronic payments for the collection of taxes, assessments, fees, rates, and charges. Electronic payments are defined as those made by credit cards, charge cards, debit cards, smart cards, stored value cards, federal wire, and automatic clearinghouse system transactions, or other electronic communications. With limited exceptions, a person using an acceptable electronic payment form must bear the cost of processing the transaction in an amount determined by the treasurer. The cost determination must be based upon

costs incurred by the treasurer and may not exceed the additional direct costs incurred by the county to accept the payment form.

**Summary:** County treasurers are authorized to accept electronic payments for transactions of any kind. Electronic payment includes a payment paid by credit cards, charge cards, debit cards, smart cards, stored value cards, federal wire, automatic clearinghouse system transactions, or other electronic communication. A county treasurer must determine the amount of the transaction processing cost for electronic payments. The costs must be based on costs incurred and may not exceed the additional direct costs incurred by the county to accept the payment. A county treasurer may absorb transaction fees for payments for taxes, interest, and penalties associated with taxes that are made by automatic clearinghouse system, federal wire, or other electronic communication. The county legislative authority, or the legislative authority of a district where the county serves as treasurer, may direct the county treasurer to not charge transaction fees for all payments made for a specific category of nontax payments if it is in the best interests of the county or district.

A local government officer may issue a duplicate warrant for the payment of money in the case of a lost or destroyed warrant under certain circumstances. The local government officer must obtain a written affidavit from the person requesting a duplicate warrant with:

- the date of issue;
- the number, amount, and the purpose of the original warrant; and
- whether it has been lost, destroyed, not received, or not paid.

If the original and the duplicate are both presented for payment as a result of forgery or fraud, the local government officer must endeavor to recover any losses suffered by the local government. The duplicate instrument is subject to the same provisions of law as the original instrument.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Votes on Veto Override:**

First Special Session

Senate	42	0
House	88	6

**Effective:** June 28, 2016

**VETO MESSAGE ON SSB 5767**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 5767 entitled:

"AN ACT Relating to local government treasury practices and procedures."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Substitute Senate Bill No. 5767 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SSB 5778**  
**PARTIAL VETO**  
C 146 L 16

Concerning ambulatory surgical facilities.

By Senate Committee on Health Care (originally sponsored by Senators Becker, Frockt, Keiser, Bailey, Dammeier, Lias, Hatfield, Angel, Dandel, King, Baumgartner, Brown, Cleveland, Warnick, Honeyford, Parlette, Hill, Rivers, Fain, Braun, Litzow, Conway, Sheldon, Erickson and Hewitt).

Senate Committee on Health Care  
House Committee on Health Care & Wellness  
House Committee on Appropriations

**Background:** An ambulatory surgical facility (ASF) is any distinct entity that operates for the primary purpose of providing specialty or multispecialty outpatient surgical services in which patients are admitted to and discharged from the facility within 24 hours and do not require inpatient hospitalization. ASFs are licensed by the Department of Health (DOH) which establishes initial and renewal license fees, change of ownership fees, and late fees.

DOH must survey ASFs every 18 months, which must include an inspection of the ASF. A survey performed pursuant to Medicare certification or by an approved accrediting organization may substitute for a survey by DOH if DOH has completed a survey of the ASF within the previous 18 months and the ASF provides evidence of a successful survey within 30 days of learning the results of the survey.

**Summary:** DOH may not raise fees on ASFs before July 1, 2018. If DOH anticipates that the amounts raised by licensing fees will not defray the costs of regulating ASFs, DOH must report this to the fiscal committees of the Legislature and identify the amount of general fund money necessary to make up for the insufficiency.

ASFs must be surveyed by DOH no more than once every 18 months. However, facilities that are certified by the Centers for Medicare and Medicaid Services (CMS) or accredited by an approved accrediting organization must be surveyed no more than once every 36 months if a certi-

fication or accreditation survey occurs within 18 months of a DOH survey and they maintain certification or accreditation. After an ASF has been surveyed by an entity other than DOH, it must provide DOH with evidence that it is certified or accredited.

Payers that contract with an ASF must accept CMS certification surveys or surveys by an accrediting organization that is determined by DOH to have equivalent standards to the CMS surveys; they may not impose additional requirements on the ASF.

DOH must conduct a benchmark survey to compare Washington's system for licensing ASFs with other states. This must include a review of licensing standards, staffing levels, training of surveyors and inspectors, and expenditures of the selected states. Survey findings must be reported to the health care committees of the Legislature by December 1, 2016.

**Votes on Final Passage:**

Senate	47	0	
House	97	0	(House amended)
Senate	49	0	(Senate concurred)

**Effective:** June 9, 2016

**Partial Veto Summary:** The section providing that the bill would be null and void if funding is not provided in the operating budget is vetoed.

**VETO MESSAGE ON SSB 5778**

March 31, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 7, Substitute Senate Bill No. 5778 entitled:

"AN ACT Relating to ambulatory surgical facilities."

Section 7 is a fiscal null and void clause, but this bill does not have a fiscal impact. Therefore the clause is not necessary.

For these reasons I have vetoed Section 7 of Substitute Senate Bill No. 5778.

With the exception of Section 7, Substitute Senate Bill No. 5778 is approved.

Respectfully submitted,



Jay Inslee  
Governor

**5ESSB 5857**

C 210 L 16

Addressing registration and regulation of pharmacy benefit managers.

By Senate Committee on Ways & Means (originally sponsored by Senators Parlette, Conway, Becker and Pearson).

Senate Committee on Health Care  
Senate Committee on Ways & Means  
House Committee on Health Care & Wellness

House Committee on Appropriations  
House Committee on General Government & Information Technology

**Background:** The 2014 Legislature passed ESSB 6137 requiring pharmacy benefit managers (PBMs) to register with the Department of Revenue to conduct business in this state. PBMs process claims for prescription drugs or medical supplies, provide retail network management for pharmacies, pay pharmacies for prescription drugs or medical supplies, and negotiate rebates with manufacturers for drugs.

Standards are established for auditing pharmacy claims, and for PBMs to use when developing lists of drugs with associated maximum allowable costs, including standards related to the availability of drugs, distribution of the lists, and updates to the list every seven business days. PBMs must establish an appeals process to allow pharmacies to appeal a maximum allowable cost if the reimbursement for the drug is less than the net amount that the pharmacy paid to the supplier of the drug.

The 2014 legislation did not provide regulatory authority.

**Summary:** PBM registration is moved from the Department of Revenue to the Office of the Insurance Commissioner (OIC). The PBM must pay registration and renewal fees that are established in rule by OIC. These fees must be set at a level which allows the registration, renewal, and oversight activities to be self-supporting.

The Commissioner has enforcement authority over the PBMs and the statutory provisions created in 2014. Any entity that violates the chapter is subject to a civil penalty of \$1,000 for each violation. If the violation was knowing and willful, the civil penalty is \$5,000 for each violation. The Commissioner may write rules to implement Chapter 19.340 RCW and to establish registration and renewal fees.

References to the maximum allowable cost (MAC) list are modified to the list of predetermined reimbursement costs for multisource generic drug reimbursement. All drugs on the list must be readily available for purchase by network pharmacies from national or regional wholesalers that serve pharmacies in Washington.

A pharmacy may appeal its reimbursement for a drug to the PBM for a multisource generic drug if the reimbursement is less than the net amount the pharmacy paid to the supplier of the drug. An appeal must be complete within 30 calendar days. The PBM must uphold the appeal of a pharmacy with fewer than 15 retail outlets within the state of Washington if the pharmacy can demonstrate that it is unable to purchase a therapeutically equivalent interchangeable product from a supplier doing business in Washington at the PBM's list price. If the pharmacy appeal to the PBM is denied, the PBM must provide the reason for the denial and the national drug code of a drug that has been purchased by another network pharmacy located

in Washington at a price that is equal to or less than the PBM's list price.

If the appeal to the PBM is denied or the pharmacy is unsatisfied with the outcome of the appeal, a pharmacy with fewer than 15 retail outlets in Washington may dispute the denial and request a second level review by the Commissioner, beginning January 1, 2017. All relevant information from the parties may be presented to the Commissioner, and the Commissioner may enter an order directing the PBM to make an adjustment to the disputed claim, deny the pharmacy appeal, or take other actions deemed fair and equitable. The appeal to the Commissioner must be completed within 30 calendar days, and a copy of the decision must be provided to both parties within seven days. The OIC appeals are subject to the Administrative Procedures Act, and the Commissioner may authorize the Office of Administrative Hearings to conduct the appeals.

Pharmacies with more than 15 retail outlets in Washington may submit information to the Commissioner on an appeal with a PBM for purposes of information collection and analysis.

The OIC must review the potential to use the independent review organizations that currently review consumer disputes with health plans, as an alternative to the appeal process, and submit recommendations to the Legislature by December 1, 2016.

By November 1, 2016, the OIC must complete a study of the pharmacy chain of supply that must:

- review the entire drug supply chain including plan and PBM reimbursements to network pharmacies, wholesaler or pharmacy service administrative organization prices, and drug manufacturer prices to network pharmacies;
- discuss suggestions that recognize the unique nature of small and rural pharmacies and possible options that support a viable business model that do not increase the cost of pharmacy products;
- review the availability of all drugs on the maximum allowable cost list or similar list;
- review data submitted on the appeals for patterns and trends in the denials of internal PBM appeals for pharmacies with 15 or more retail outlets in the state;
- review the telephone contacts and standards for response times and availability; and
- review the pharmacy acquisition cost from national or regional wholesalers that serve pharmacies in Washington.

**Votes on Final Passage:**

2015 Regular Session

Senate 49 0

2015 Second Special Session

Senate 44 0

2015 Third Special Session

Senate 44 0

2016 Regular Session

Senate 33 16

House 94 3 (House amended)

Senate 49 0 (Senate concurred)

**Effective:** June 9, 2016  
January 1, 2017 (Section 1)

**SSB 5864**

C 5 L 16

Concerning sales and use tax for cities to offset municipal service costs to newly annexed areas.

By Senate Committee on Ways & Means (originally sponsored by Senators Nelson and Kohl-Welles).

Senate Committee on Ways & Means  
House Committee on Finance

**Background:** In 2004, the Legislature directed the Department of Community, Trade and Economic Development – now known as the Department of Commerce – to study the progress of annexation and incorporation in six urban counties, and to identify barriers and incentives to fully achieving annexation or incorporation of urban growth areas in those counties. Lack of funding for municipal services during the transition period following annexation was one of the barriers identified by cities.

Legislation adopted in 2006 authorized qualifying cities to impose a sales and use tax to provide, maintain, and operate municipal services, a term defined to mean services customarily provided to the public by a city, in a newly annexed area. Provisions governing the annexation sales and use tax (tax), which is a credit against the state sales tax and not an additional tax to a consumer, were amended in 2009 and 2011.

There are numerous requirements that a city must meet before it may impose the tax. For example, the city must:

- be located in a county with more than 600,000 persons;
- annex an area that is consistent with the comprehensive plan adopted by the city in conformity with the Growth Management Act;
- commence annexation of a qualifying area using direct petition or election annexation methods prior to January 1, 2015; and
- adopt an ordinance or resolution stating that the projected cost to provide municipal services to the annexation area exceeds the projected general revenue that the city would otherwise receive from the area on an annual basis.

All revenue from the tax must be used to provide, maintain, and operate municipal services for the annex-

ation area, an area for which an annexation has been completed. The revenues, which are collected by the Department of Revenue and remitted to the city, may not exceed that which the city deems necessary to generate revenue equal to the difference between the city's cost to provide, maintain, and operate municipal services for the annexation area, and the general revenues that the city would otherwise expect to receive from the annexation in a year. If the revenues from the tax and the revenues from the annexation area exceed the costs to the city to provide, maintain, and operate municipal services for the annexation area during a given year, the tax distributions must be suspended for the remainder of the year. Additionally, the tax may continue for no more than ten years from the date that each increment of the tax is first imposed.

On December 4, 2008, the cities of Burien and Seattle reached agreement regarding the annexation of an unincorporated area located between the two cities. This area is referred to as the North Highline area. The population within this area is approximately 33,000. The city of Seattle will annex a portion of the area with a population around 20,000. The city of Burien has already annexed the remainder of the area. With limited exceptions, the rate of the tax is 0.1 percent for each annexed area with a population greater than 10,000, but less than 20,000, and 0.2 percent for an annexed area with more than 20,000 persons. Additionally, in 2011 the city of Seattle was allowed to impose the annexation sales and use tax at a rate of 0.85 percent; however, the total amount of revenue from the tax was limited to \$5 million per fiscal year.

**Summary:** The \$5 million per-year cap for the city of Seattle is increased to \$7.725 million; however, the time period in which the annexation sales and use tax can be imposed by Seattle is decreased from ten years to six years. The city of Seattle is prohibited from imposing the annexation sales and use tax unless the annexation is approved by the voters residing within the annexed area. It is prohibited to impose an annexation tax if Seattle takes over sewer service in an annexed area in which the population is greater than 16,000 if the annexed area was, prior to November 1, 2008, officially designated as a potential annexation area by more than one city, one of which has a population greater than 400,000.

**Votes on Final Passage:**

Senate	44	4
House	64	33

**Effective:** June 9, 2016

**ESB 5873**

C 120 L 16

Permitting persons retired from the law enforcement officers' and firefighters' retirement system plan 1 to select a survivor benefit option.

By Senators Conway, Bailey, Schoesler and Kohl-Welles.

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** The Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 (LEOFF 1) provides retirement benefits to full-time, fully compensated law enforcement officers and fire fighters employed by the state, cities, counties, and special districts and who were first employed by the state before October 1, 1977. The LEOFF 1 provides comprehensive pension, disability, and medical benefits to about 7600 retirees and 100 active members.

When a LEOFF 1 retiree dies, the surviving spouse is eligible to continue receiving the same retirement allowance being received by the retiree. In order to be eligible for this automatic full survivor benefit, the spouse must have been married to the LEOFF 1 member for one year prior to retirement.

In 2005, the LEOFF 1 survivor benefit options were amended to permit LEOFF 1 retirees to choose an actuarially equivalent survivor benefit for spouses who are not eligible for the automatic survivor benefit because they had not been married for at least one year prior to the member's retirement. For these LEOFF 1 retirees, the cost of providing the survivor benefits is paid through a reduction in the benefits being paid to the retirees. This option includes a requirement that the LEOFF 1 retiree must choose the survivor option during a one-year period that begins one year after the date of marriage to the spouse who is not eligible for the automatic survivor benefit.

**Summary:** A new window period is provided to LEOFF 1 retirees who (1) are married to a spouse that is not eligible for the automatic full survivor benefit; (2) have been married to the spouse for at least two years prior to September 1, 2015; and (3) did not choose an actuarially equivalent survivor benefit within one year of getting married. Those LEOFF 1 retirees have one year from September 1, 2015, to designate their spouse as a survivor beneficiary for an actuarially equivalent survivor benefit. The Office of the State Actuary must provide the Department of Retirement Systems with administrative factors to ensure the survivor benefits are actuarially equivalent to the LEOFF 1 retiree's benefit. Also, a retirement allowance is provided beginning August 1, 2015, to the surviving spouse of a LEOFF 1 retiree who died without selecting an actuarially reduced survivor benefit if the surviving spouse exhausted all administrative remedies with the Department of Retirement Systems prior to March 1, 2015.

**Votes on Final Passage:**

2015 Regular Session

Senate	49	0
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2016 Regular Session

Senate	49	0
House	85	11

**Effective:** June 9, 2016

## SB 5879

C 57 L 16

Concerning early intervention services for infants and toddlers with disabilities and their families.

By Senators Billig, McAuliffe and Kohl-Welles; by request of Department of Early Learning.

Senate Committee on Early Learning & K-12 Education  
House Committee on Early Learning & Human Services

**Background:** Early Support for Infants and Toddlers (ESIT). In accordance with the Individuals with Disabilities Education Act (IDEA), Part C, children from birth to age three who have been diagnosed with disabilities or developmental delays and their families are entitled to intervention services. The program in Washington that provides these services is called the ESIT program. In 2010, the program was transferred from the Department of Social and Health Services to the Department of Early Learning (DEL). At age three, a child may transition from early intervention under Part C of the IDEA to special education under Part B of the IDEA.

Current law provides that each school district must provide or contract for early intervention services to all eligible children with disabilities from birth to age three. Eligibility for these services must be determined according to the IDEA or other applicable federal and state law, and as specified in the Washington Administrative Code adopted by the state lead agency. Current law also states that school districts must provide or contract for early intervention services in partnership with local birth-to-three agencies and birth-to-three providers.

State Interagency Coordinating Council for Infants and Toddlers with Disabilities and their Families (Council). In accordance with Part C of the IDEA, the Council was re-established by Executive Order 14-03 on March 13, 2014. The mission of the Council is to coordinate and foster development of a comprehensive statewide system of accessible local early intervention services for children birth to age three who have disabilities or are at risk for developing disabilities and their families, and to coordinate transition of these children into programs for children ages three to six.

Current law states that the Council addresses children from birth to age six.

**Summary:** ESIT. The state lead agency for ESIT is identified as DEL. School districts may both provide and contract for early intervention services. A technical change is made to accurately reflect the name of federal law.

Council. The Council addresses children from birth to age three.

Accounting and Plan. The Office of Superintendent of Public Instruction (OSPI) and DEL must provide a full accounting for the ESIT program from the 2013-14 and 2014-15 school years. The reported expenditures must include, but are not limited, to per student allocations, per

student expenditures, the number of children served, detailed information on services provided by school districts and contracted for by school districts, coordination and transition services, and administrative costs.

By December 15, 2016, DEL must develop and submit a plan to the Legislature on comprehensive and coordinated early intervention services for all eligible children with disabilities in accordance with Part C of the IDEA. The proposed plan must include, but is not limited to, the following:

- the full accounting of all the expenditures related to ESIT from OSPI and DEL;
- the identification and proposal for coordination of all available public financial resources within the state from federal, state, and local sources;
- a design for an integrated early learning intervention system for all eligible infants and toddlers who have been diagnosed with a disability or developmental delays and their families;
- the development of procedures that ensure services are provided to all eligible infants and toddlers and their families in a consistent and timely manner; and
- a proposal for the integration of ESIT with other critical services available for children birth to age three and their families.

Rulemaking Authority. As the lead state agency for Part C of the IDEA, DEL's duties include developing and adopting rules that establish minimum requirements for the services offered through Part C of the IDEA, including allowable allocations and expenditures for transition into Part B of the IDEA.

**Votes on Final Passage:**

Senate	48	0	
House	92	5	(House amended)
Senate	47	1	(Senate concurred)

**Effective:** June 9, 2016

## SSB 5928

C 33 L 16 E 1

Authorizing Bellevue college to offer bachelor of science degrees in computer science.

By Senate Committee on Ways & Means (originally sponsored by Senator Dammeier).

Senate Committee on Ways & Means

**Background:** In 2005, the State Board for Community and Technical Colleges (SBCTC) was given authority to select four community or technical colleges to develop and offer programs of study leading to applied baccalaureate degrees on a pilot basis. An applied baccalaureate degree is a baccalaureate degree awarded by a community or technical college which expands on the curriculum from an associate of applied science degree, or its equivalent,

# ESB 6091

and incorporates both theoretical and applied knowledge and skills in a specific technical field. In 2010, the pilot status and limitation on the number of colleges was removed. In order for a college to offer an applied baccalaureate degree, the college must receive approval from the SBCTC by demonstrating:

- resource capacity;
- that the college has the appropriate faculty;
- that there is student and employer demand; and
- that the program would fulfill a gap in options available for students because the program is not offered by a public four-year institution of higher education in the college's geographic area.

All programs must be approved by the SBCTC. The community and technical colleges do not have authority to offer bachelor degrees.

In 2014-15, there were 15 colleges offering applied baccalaureate degrees, and 1037 students enrolled in applied baccalaureate degree programs in the community and technical college system.

**Summary:** Bellevue College is authorized to offer bachelor of science degrees in computer science. Bellevue College may develop the curriculum for and design and deliver courses leading to these bachelor degrees. The Bellevue bachelor degree program must be approved by the SBCTC before enrolling students in upper-division courses.

Bellevue College is authorized to award baccalaureate degrees and is allowed to charge tuition fees for the Bachelor of Science degree program above the associate degree level at rates consistent with rules approved by the State Board, but not to exceed the tuition fee rate at the state's regional universities.

**Votes on Final Passage:**

First Special Session

Senate	42	3
House	57	37

**Effective:** June 28, 2016

## ESB 6091

C 211 L 16

Changing the definition of slayer.

By Senators Dammeier, O'Ban, Conway and Becker.

Senate Committee on Law & Justice

House Committee on Judiciary

**Background:** Under certain circumstances, an individual who takes the life of another is not entitled to inherit property or receive any benefit from the person that individual killed. The slayer is deemed to have predeceased the decedent. This rule, in statute as part of the state's estate distribution laws, is commonly referred to as the "slayer statute." A "slayer" is a person who participates, either as

a principal or an accessory before the fact, in the willful and unlawful killing of any other person. In 2009, the statute was amended to also restrict the inheritance rights of an abuser.

A criminal conviction for conduct constituting financial exploitation against a decedent, including but not limited to theft, forgery, fraud, identity theft, robbery, burglary, or extortion, is conclusive for the purposes of determining whether a person is an abuser. In the absence of a criminal conviction, a court may find by clear, cogent, and convincing evidence that:

- the decedent was a vulnerable adult at the time the alleged financial exploitation took place; and
- the conduct constituting financial exploitation was willful action or willful inaction causing injury to the property of the vulnerable adult.

Findings made by the court are conclusive for the purpose of determining whether a person is an abuser. Findings of abuse made by the Department of Social and Health Services are not admissible in any claim or proceeding to determine whether a person is an abuser for inheritance purposes.

**Summary:** For the purposes of determining whether a person is a "slayer," a finding of not guilty by reason of insanity for the willful and unlawful killing of a decedent carries the same meaning as a conviction for the offense. A slayer is not entitled to inherit property or receive any benefit from the person that the individual killed.

The Act will be known and cited as "Carol's Law."

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	46	0	(Senate concurred)

**Effective:** June 9, 2016

## ESB 6100

C 212 L 16

Establishing an economic gardening pilot program.

By Senators Chase, Brown, Angel, Hatfield, Ericksen and McCoy.

Senate Committee on Trade & Economic Development

Senate Committee on Ways & Means

House Committee on Technology & Economic Development

House Committee on General Government & Information Technology

**Background:** Economic gardening programs provide strategic technical assistance to grow currently existing small- to medium-sized businesses. Examples of strategic economic gardening services include market research, website search engine optimization, developing social media strategies, and using geographic information systems. Economic gardening began in Littleton, Colorado in 1987

after the community's largest employer laid off several thousand workers. Rather than recruit new companies to the area, the community encouraged the growth of companies in the community. Several states operate economic gardening programs including Colorado, Michigan, Florida, and Wyoming. Recently, the Tri-City Regional Chamber in Washington entered into an economic gardening pilot program. The National Center for Economic Gardening, part of the Michigan-based Edward Lowe Foundation, partners with local organizations to assist with the pilot program.

**Summary:** An economic gardening pilot program is established in the Department of Commerce (Department) to provide strategic business assistance services to second-stage companies. Second-stage companies must employ at least six but no more than 99 persons and have annual gross revenue between \$500,000 and \$50 million. Strategic economic gardening assistance includes market research, business modeling, identifying qualified sales leads, and assisting with innovation strategies.

The Department must work with chambers of commerce, associate development organizations, or other economic development organizations to implement the pilot project. Economic development organizations participating in the pilot project must be certified in economic gardening by an entity with experience providing strategic assistance to second-stage companies. Before December 1, 2016, the Department must compile a list of interested parties, deliver the list to the Legislature, and select from the list the entity it deems best able to deliver training and strategic assistance services to second-stage companies. The Department or participating economic development organizations may also contract with national specialists in the industries of the selected companies for the pilot project.

The Department and participating economic development organizations must publish criteria for selecting up to 20 companies to participate in the project. Companies seeking to participate in the pilot program must pay a one-time fee of \$750 that must be deposited in the newly created Economic Gardening Pilot Project fund to be used for administering the pilot project. Before November 1, 2017 and annually through November 1, 2019, the Department must submit a report to the economic development committees of the Legislature regarding the services provided, jobs created, and increased sales and services generated as a result of the pilot project. The pilot project expires July 1, 2020.

**Votes on Final Passage:**

Senate	45	1	
House	67	29	(House amended)
Senate	44	4	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6117**  
**FULL VETO**

Concerning notice against trespass.

By Senate Committee on Law & Justice (originally sponsored by Senator Sheldon).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** Generally, trespass occurs when a person knowingly enters or remains unlawfully in or upon the property of another. A person enters or remains unlawfully when the person is not licensed, invited, or otherwise privileged to enter or remain on the property. The type, appearance, and use of the land determine whether a person has a license or privilege to be on the property. However, a property owner can provide notice against trespass by posting in a conspicuous manner.

Many states across the United States have enacted laws that provide landowners with an alternative method for giving notice against trespass. Under these laws, a landowner can paint markings on trees or posts pursuant to the specifications in the statute about the color, size, and location of the marking. If all statutory requirements are met, the markings on the trees or posts provide sufficient notice against trespass and the landowner does not need to post signs.

**Summary:** A person posts in a conspicuous manner by posting signs that are reasonably likely to make intruders aware that entry is restricted or by placing fluorescent orange paint marks on trees or posts on the property. The fluorescent orange marks must be vertical lines approximately 12 inches long, and at least one inch wide. The bottom of the mark must be between three and five feet from the ground. The marks must be placed in locations that are readily visible to any person approaching the property. If the land is forest, the marks cannot be more than 100 feet apart. If the land is not forest, the marks cannot be more than 1000 feet apart. Paint marks cannot be used for posting on roads or driveways approved by the owner for vehicle access. The Department of Fish and Wildlife uses their website or publications to inform the public about the paint marks. The act takes effect on July 1, 2017.

**Votes on Final Passage:**

Senate	29	20
House	96	1

**Effective:**

**VETO MESSAGE ON SSB 6117**

*April 1, 2016*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval, Substitute Senate Bill No. 6117 entitled:*

*"AN ACT Relating to notice against trespass."*

*I don't believe this bill is necessary to achieve the ends it hopes*



## SSB 6120

to accomplish and encourage the stakeholders work together to develop other alternatives.

For these reasons I have vetoed Substitute Senate Bill No. 6117 in its entirety.

Respectfully submitted,



Jay Inslee  
Governor

### SSB 6120

C 114 L 16

Providing a registration exemption for certain vessels.

By Senate Committee on Transportation (originally sponsored by Senator Mullet).

Senate Committee on Transportation  
House Committee on Transportation

**Background:** State law defines a vessel as watercraft, other than seaplanes, used or capable of being used as a means of transportation on the water.

Vessel registration. Within the first 60 days of use in Washington State waters, a vessel must be registered at the Department of Licensing, a county auditor's office, or a licensing subagent's office. Exemptions may be made if the vessel:

- is owned by the United States military;
- is a non-recreation public vessel owned by the United States government;
- is used by a government entity - state, county, city - and is for a government purpose;
- is registered in another country or another state;
- is a valid cruise ship visiting less than 60 days;
- primarily resides in another state and is in state waters for less than 60 days;
- is owned by a non-resident and is in this state for repairs and other services;
- is equipped with a motor of less than 10 horsepower and serves as an additional vessel to a "numbered" registered vessel;
- is less than 16 feet in length and: has no propulsion machinery, is not used in United States waters, or is used beyond territorial waters with a motor of less than 10 horsepower;
- is without propulsion machinery except for human power;
- is a commercial vessel already registered with the Department of Revenue (DOR) or is a foreign commercial vessel; or
- is being sold by a licensed dealer.

**Summary:** An exemption is added to the vessel registration requirement for vessels with motors that draw 250 watts or less that propel the vessel no faster than 10 miles

per hour and are not used on waters subject to the jurisdiction of the United States or on the high seas beyond the territorial seas for vessels owned in the United States.

#### Votes on Final Passage:

Senate	47	0	
House	96	0	(House amended)
Senate	46	2	(Senate concurred)

**Effective:** June 9, 2016  
July 1, 2019 (Section 2)

### SB 6148

C 6 L 16 E 1

FULL VETO

VETO OVERRIDE

Concerning the handling of certain personal property in a self-service storage facility.

By Senators Warnick, Keiser, Schoesler and Conway.

Senate Committee on Commerce & Labor  
House Committee on Business & Financial Services

**Background:** Owners of self-service storage facilities have certain statutory rights when an occupant fails to pay any part of the rent or other charges due. If the occupant is six days late, the owner may deny access to the storage space. If the occupant is 14 days late, the owner may terminate the occupant's right to use the storage space and place a lien on all personal property in the space by sending a preliminary lien notice. The lien can be enforced to cover rent, labor, late fees, costs of the sale incurred pursuant to the rental agreement, and expenses necessary for the preservation, sale, or disposition of personal property.

A lien attaches if the preliminary lien notice has been sent and the termination date as set forth in the preliminary lien notice passes without payment of amounts owed. Following attachment of the lien, the owner must serve the occupant with a notice of final lien sale or disposition. The owner may sell the occupant's personal property if payment of amounts owed is not made by the date specified in the notice of final lien sale, which must be not less than 14 days from mailing the notice or 42 days after the date any part of the rent or other charges remain unpaid, whichever is later.

The notice of final lien sale or disposition must include a statement that any stored motor vehicles or boats may be towed or removed from the facility in lieu of sale. If the property stored by an occupant is a motor vehicle or boat and the occupant is in default for 60 or more days, the owner may have the vehicle or boat towed or removed from the facility in lieu of a sale. The owner must provide advance notice to the occupant of the towing company's contact information. The owner is not liable for any damage to the towed property once in possession of a third party.

**Summary:** Trailers, recreational vehicles, and campers are added to the vehicles that may be towed or removed in lieu of sale after an occupant of a self-service storage facility is in default in payment and the statutory notice requirements are met.

The term "motor vehicle" is changed to "vehicle." The term "boat" is changed to "watercraft." Other technical changes are made.

**Votes on Final Passage:**

Senate	46	0
House	97	0

**Votes on Veto Override:**

First Special Session

Senate	40	0
House	87	7

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 6148**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Senate Bill No. 6148 entitled:

"AN ACT Relating to the handling of certain personal property in a self-service storage facility."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 6148 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SB 6156**  
C 147 L 16

Reauthorizing the medicaid fraud false claims act.

By Senators Rivers, Keiser, Frockt, Miloscia, Pedersen, Litzow, O'Ban, Sheldon, Rolfes, Conway, Mullet, Hasegawa, Benton and Darneille; by request of Attorney General.

Senate Committee on Accountability & Reform  
Senate Committee on Ways & Means  
House Committee on Judiciary  
House Committee on Appropriations

**Background:** Legislation enacted in 2012 established the Medicaid Fraud False Claims Act (MFFCA). The MFFCA establishes civil liability for a number of false or fraudulent activities involving claims for payment to the state Medicaid program. Civil liability for presenting a false or fraudulent claim includes a civil penalty between

\$5,500 and \$11,000 plus three times the amount of damages incurred by the state.

The MFFCA also authorizes qui tam actions that allow private parties, called qui tam relators (relators), to bring a civil action in the name of the state for violations of the MFFCA. Prior to commencing the action, the relator must serve the Attorney General with a copy of the complaint and all material evidence regarding the claim, and the Attorney General has at least 60 days following the receipt of the complaint to decide whether or not to intervene in the action. If the Attorney General intervenes in the action, the relator continues as a party but his or her participation may be limited. If the Attorney General does not intervene in the suit, the relator may proceed with the case. A relator is entitled to share in the proceeds of any settlements or judgments.

The Attorney General's Medicaid Fraud Control Unit civil section (Civil Section) is responsible for investigating and pursuing actions relating to Medicaid fraud under the MFFCA. The Civil Section is funded through a federal matching grant. The state provides 25 percent of the funding, which comes from Medicaid fraud recoveries deposited in the Medicaid Fraud Penalty Account. The federal government provides a grant funding the remaining 75 percent of the Civil Section.

The MFFCA is scheduled to terminate on June 30, 2016, under the Washington Sunset Act. The Joint Legislative Audit and Review Committee (JLARC) conducted a sunset review of the program and issued its report and recommendations in December 2015. The JLARC recommends that the Legislature reauthorize the MFFCA because it allows the state to pursue civil cases against Medicaid fraud that it would lack authority to pursue otherwise, and Medicaid fraud recoveries have increased since enactment of the MFFCA.

**Summary:** All but the qui tam provisions of the MFFCA are permanently codified. Qui tam provisions remain enforceable for seven more years and expire in 2023 unless affirmed and reenacted by the Legislature. Repeal directives in the code are adjusted accordingly.

**Votes on Final Passage:**

Senate	48	0
House	96	1

**Effective:** June 9, 2016

**SSB 6160**  
C 213 L 16

Regulating the manufacture, sale, distribution, and installation of motor vehicle air bags.

By Senate Committee on Law & Justice (originally sponsored by Senators O'Ban, Frockt, Fain, Hobbs, Nelson, Rolfes, Conway and Becker).

Senate Committee on Law & Justice

House Committee on Public Safety  
House Committee on General Government & Information  
Technology

**Background:** An air bag is a safety device in motor vehicles that restrains the driver and passengers by quickly inflating and then deflating during a collision. Since 1998 federal law requires the use of dual front air bags in all cars and light trucks sold in the United States. The National Highway Traffic Safety Administration estimates that frontal air bags have saved 25,782 lives between 1987 and 2008. Several auto manufacturers in recent years have conducted safety recalls affecting millions of cars for defects in air bags causing ruptures.

In Washington State, it is a gross misdemeanor to knowingly install, reinstall, or distribute a previously deployed airbag as part of a vehicle's safety restraint system. Whenever a previously deployed air bag is replaced with a new air bag, the air bag must conform to the original equipment manufacturer requirements, and the installer must verify that the air bag is operating properly using a self-diagnostic test.

**Summary:** An air bag includes all parts that operate in the event of a crash and are designed in accordance with federal standards. A counterfeit air bag means a replacement air bag that displays the mark of a manufacturer without authorization. A nonfunctional air bag is an installed replacement which was previously deployed or damaged, has a detected electrical fault, or includes counterfeit parts or a repaired air bag cover. A non-deployed salvage airbag includes a portion of an inflatable restraint system that has not been previously activated or inflated as a result of a collision.

It is a class C felony to knowingly manufacture, import, sell, or offer for sale a device to replace an air bag if the device is a counterfeit air bag, a nonfunctional air bag, or does not otherwise meet federal safety standards. It is a class C felony to sell, install, or reinstall any device that causes the vehicle's diagnostic system to inaccurately indicate that the air bag is functional if the air bag installed is counterfeit or nonfunctional, or where no air bag is installed or the installer does not verify that the inflatable restraint system is operating properly using a self-diagnostic system.

**Votes on Final Passage:**

Senate 49 0  
House 96 0 (House amended)  
Senate 48 0 (Senate concurred)

**Effective:** June 9, 2016

**SB 6162**

C 7 L 16 E 1

FULL VETO

VETO OVERRIDE

Concerning the expiration date of the invasive species council and account.

By Senators Honeyford, Rolfes, Chase, Parlette, Pearson, Roach and Fraser; by request of Recreation and Conservation Office.

Senate Committee on Natural Resources & Parks  
Senate Committee on Ways & Means  
House Committee on Agriculture & Natural Resources

**Background:** Creation and Role of the Invasive Species Council (Council). The Legislature first established the Council in 2006 to provide policy level direction, planning, and coordination on invasive species issues in Washington. The statutory goals of the Council include minimizing the effects of harmful invasive species, serving as a forum for identifying and understanding relevant issues, facilitating joint planning and cooperation, educating the public, and providing policy advice to the Legislature.

The same 2006 legislation also created the Invasive Species Council Account (Account), which can receive appropriations, gifts, grants, and donations. Account funds may only be used to carry out the purposes of the Council.

Membership and Staffing of the Council. Council membership consists of representatives from state and federal agencies, local governments, and other members invited by the Council. The Council is administratively located within the Recreation and Conservation Office (RCO), and statute directs that the RCO and participating agencies provide staff support to the Council.

Scheduled Expiration of the Council. The Legislature's initial 2006 authorization for the Council established an expiration date of December 31, 2011. In 2011, the Legislature reauthorized the Council and set the current expiration date of June 30, 2017 for the Council and associated Account.

**Summary:** The legislative authorization for the Council and associated Account is extended by five years from June 30, 2017 to June 30, 2022.

**Votes on Final Passage:**

Senate 49 0  
House 96 1

**Votes on Veto Override:**

First Special Session

Senate 43 0  
House 85 9

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 6162**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Senate Bill No. 6162 entitled:

"AN ACT Relating to the expiration date of the invasive species council and account."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 6162 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

## SSB 6165

C 214 L 16

Concerning short-barreled rifles.

By Senate Committee on Law & Justice (originally sponsored by Senators Takko, Pearson, Sheldon and Benton).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** Under both state and federal law, a short-barreled rifle is a rifle having a barrel or barrels less than 16 inches in length, or a weapon made from a rifle if the modified weapon has an overall length of less than 26 inches.

With certain exceptions, it is a class C felony in Washington for a person to manufacture, own, buy, sell, loan, furnish, transport, or have in the person's possession or under control any machine gun, short-barreled shotgun, or short-barreled rifle. In 2014, the Legislature enacted a law making it legal to possess, transport, acquire, or transfer a short-barreled rifle that is legally registered and possessed, transported, acquired, and transferred in compliance with federal law.

The National Firearms Act (NFA) regulates the manufacture, importation, and transfer of certain firearms, including short-barreled rifles. Items regulated under the NFA are referred to as NFA firearms. NFA firearms must be registered in a database maintained by the National Firearms Act Branch of the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF). A person wishing to acquire an NFA firearm must obtain a certification from the local chief law enforcement officer, undergo a background check, obtain prior approval for the transfer, and pay a \$200 tax on the transaction. ATF will not approve a transfer if the transfer would place the transferee in violation of any federal, state, or local law. ATF also will not approve a transfer of an NFA firearm unless it is registered to the

transferor. Unregistered NFA firearms generally may not be lawfully received, possessed, or transferred.

Under the NFA, people may make their own NFA firearm by applying to ATF and meeting certain requirements. These requirements include obtaining prior approval and registration of the item, obtaining a certification from the chief of the local law enforcement agency, undergoing a background check, and paying a \$200 tax on the item.

A person who possesses a firearm registered in the National Firearms Registration and Transfer Record must retain proof of registration which must be made available to ATF upon request.

**Summary:** It is not unlawful for a person to manufacture, own, buy, sell, loan, furnish, transport, transport or repair, or have in possession or under control a short-barreled rifle, or any part designed or intended solely and exclusively for use in a short-barreled rifle or in converting a weapon into a short-barreled rifle, if the person is in compliance with applicable federal law.

### Votes on Final Passage:

Senate	44	5	
House	93	4	(House amended)
Senate	44	4	(Senate concurred)

**Effective:** June 9, 2016

## ESB 6166

### FULL VETO

Allowing incremental electricity produced as a result of certain capital investment projects to qualify as an eligible renewable resource under the energy independence act.

By Senators Takko, Rivers, Ericksen, Chase, Roach, Becker, Sheldon and Benton.

Senate Committee on Energy, Environment & Telecommunications  
House Committee on Technology & Economic Development  
House Committee on General Government & Information Technology

**Background:** Approved by voters in 2006, the Energy Independence Act, also known as Initiative 937 (I-937), requires electric utilities with 25,000 or more customers to meet targets for energy conservation and using eligible renewable resources. Utilities that must comply with I-937 are called qualifying utilities.

**Eligible Renewable Resource Targets and Compliance Dates.** Each qualifying utility must use eligible renewable resources or acquire equivalent renewable energy credits, or a combination of both, to meet the following annual targets:

- at least 3 percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;

- at least 9 percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and
- at least 15 percent of its load by January 1, 2020, and each year thereafter.

**Eligible Renewable Resource.** The term eligible renewable resource means electricity generated from a resource such as wind, solar, geothermal energy, landfill and sewage gas, wave and tidal power, and certain biodiesel fuels. In addition, an eligible renewable resource must be generated in a facility that started operating after March 31, 1999, and the facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis. Under certain conditions, incremental electricity produced as a result of efficiency improvements to hydroelectric generation facilities may also count as an eligible renewable resource.

**Summary:** A qualifying utility may use incremental electricity produced as a result of a capital investment completed after March 31, 1999, as an eligible renewable resource to comply with I-937. The increase in the amount of electricity generated must be relative to a baseline level of generation prior to the capital investment at a facility that began operation before March 31, 1999. The facility must must generate qualified biomass energy.

The facility must demonstrate through direct or calculated measurement the increase in electricity as a result of the capital investment. The Department of Commerce must adopt rules to develop a methodology for calculating baseline levels of generation of electricity produced prior to the capital investment.

**Votes on Final Passage:**

Senate	35	13
House	66	31

**Effective:**

**VETO MESSAGE ON ESB 6166**

April 1, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Engrossed Senate Bill No. 6166 entitled:

"AN ACT Relating to allowing incremental electricity produced as a result of certain capital investment projects to qualify as an eligible renewable resource under the energy independence act."

*This bill would allow electricity produced by new capital investments in older biomass facilities to be fully eligible as renewable energy under Initiative 937, the Energy Independence Act.*

*I appreciate the intent of this bill to encourage owners to make capital improvements that increase the efficiency and use of renewable energy at older biomass facilities. However, the bill would undermine investments in renewable energy previously made by others.*

*I remain open to changes in our renewable energy standards that encourage new investments and new technologies, without displacing current investments.*

*For these reasons I have vetoed Engrossed Senate Bill No. 6166 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SB 6170**

C 8 L 16 E 1

FULL VETO

VETO OVERRIDE

Providing for an exemption from disclosure of certain financial, commercial, and proprietary information held by a city retirement board on behalf of its employees' retirement system.

By Senators Roach, Darneille and Benton.

Senate Committee on Government Operations & Security  
House Committee on State Government

**Background:** The Public Records Act (PRA). The PRA, enacted in 1972 as part of Initiative 276, requires that state and local governments make all public records available for public inspection and copying unless certain statutory exemptions apply. The provisions requiring disclosure of public records are interpreted liberally, while the exemptions from disclosure are narrowly construed, to effectuate a policy favoring disclosure.

The PRA contains a variety of exemptions from disclosure for financial, commercial, and proprietary information. One exemption is for financial and commercial information supplied to the State Investment Board relating to the investment of retirement funds when disclosure would result in loss of retirement funds or private loss to the provider of that information. Financial or commercial information supplied to the University of Washington (UW) relating to investments in private funds is exempt from disclosure if revealing the information would reasonably be expected to result in loss to the UW endowment or private loss to the provider of that information.

Municipal Retirement Systems. First class city retirement systems were first authorized by state law in 1939. Seattle, Tacoma, and Spokane currently operate retirement systems for their municipal employees, collectively covering about 22,000 employees. Municipal retirement systems may invest funds in a variety of assets, including publicly traded stocks, bonds, and securities, as well as in privately managed funds.

**Summary:** Financial and commercial information relating to a municipal employee retirement board's investment in private funds is exempt from public disclosure if disclosure of that information would reasonably be expected to result in a loss to either the retirement fund or to providers of that information.

Two types of information relating to a municipal employee retirement board's investment in private funds are subject to public disclosure:

- the names of private funds and the amount of retirement fund investment in those funds; and
- the aggregate quarterly performance results for the retirement fund's investments in a private fund.

**Votes on Final Passage:**

Senate	47	0
House	97	0

**Votes on Veto Override:**

First Special Session

Senate	39	0
House	87	7

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 6170**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Senate Bill No. 6170 entitled:

"AN ACT Relating to an exemption from disclosure of certain financial, commercial, and proprietary information submitted to or obtained by a city retirement board on behalf of its employees' retirement system."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 6170 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SB 6171**

C 58 L 16

Concerning civil penalties for knowing attendance by a member of a governing body at a meeting held in violation of the open public meetings act.

By Senators Roach, Liias and Benton; by request of Attorney General.

Senate Committee on Government Operations & Security  
House Committee on State Government

**Background:** The Open Public Meetings Act (OPMA) requires all meetings of the governing body of a public agency to be open to the public. The OPMA applies to all public agencies, which are defined broadly to include state boards, commissions, departments, education institutions, agencies, local governments, and special purpose districts.

A public official who knowingly attends a meeting held in violation of the OPMA can be subject to a civil penalty of \$100. In 2014, the Legislature passed ESB 5964, the Open Government Trainings Act, requiring that officials of agencies subject to the OPMA complete training in the OPMA at least once for every four years in office.

**Summary:** The penalty for a public official who knowingly attends a meeting held in violation of the OPMA is increased to \$500 for the first violation, and \$1,000 for each successive violation.

**Votes on Final Passage:**

Senate	49	0
House	72	25

**Effective:** June 9, 2016

**SSB 6177**

C 9 L 16 E 1

FULL VETO

VETO OVERRIDE

Modifying marijuana research license provisions.

By Senate Committee on Commerce & Labor (originally sponsored by Senator Rivers).

Senate Committee on Commerce & Labor  
House Committee on Commerce & Gaming

**Background:** In 2015, a marijuana research license was authorized to permit a licensee to produce and possess marijuana to test chemical potency and composition levels; conduct clinical investigations of marijuana-derived drug products; conduct research on the efficacy and safety of administering marijuana as part of a medical treatment; and conduct genomic or agricultural research.

Marijuana research license applicants must submit a description of the research the applicant intends to conduct to the Life Sciences Discovery Fund (LSDF). LSDF must review the project and determine if it meets one of the permitted research purposes. The application is rejected if LSDF does not find that the project is for a permitted research purpose. Fifty percent of the application fee and renewal fees must be deposited to the LSDF.

LSDF was established in 2005 to support the state's life sciences sector and conduct related research. In 2015, the Legislature transferred \$62 million from the LSDF's budget to the state general fund and prohibited the fund from making any grants after July 1, 2015.

**Summary:** The Liquor and Cannabis Board (LCB), instead of LSDF, is assigned the lead role of reviewing projects submitted by marijuana research license applicants. The LCB must select a scientific reviewer to review the projects. Additional project assessment criteria is provided for the reviewer to consider. The research project applicant must pay the reviewer directly for the entire cost of the scientific review.

A new exemption is added to the Public Records Act that protects proprietary financial, commercial, operations, and technical and research information and data submitted to or obtained by the LCB in applications for marijuana research licenses, or in reports submitted by the licensees.

**Votes on Final Passage:**

Senate 49 0  
House 93 4

**Votes on Veto Override:**

First Special Session

Senate 43 0  
House 81 13

**Effective:** June 28, 2016

**VETO MESSAGE ON SSB 6177**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6177 entitled:

"AN ACT Relating to the marijuana research license."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Substitute Senate Bill No. 6177 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SSB 6179**

C 215 L 16

Concerning water banking.

By Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senator Honeyford).

Senate Committee on Agriculture, Water & Rural Economic Development

House Committee on Agriculture & Natural Resources

**Background:** The phrase "water banking" is widely used to refer to a variety of water management practices. Water banking is typically facilitated by a public or private institution that operates in the role of broker or clearinghouse. Many banks pool water supplies from willing sellers and make them available as mitigation credits to willing buyers.

The Department of Ecology (Department) considers water banking to be an institutional mechanism that facil-

itates the legal transfer and market exchange of various types of surface water, groundwater, and water storage.

In 2003, legislation was passed to allow water banking in the Yakima Basin using the State Trust Water Rights Program. During the 2009 legislative session, the law was amended to clarify that this tool is available to use for water banking statewide. The Washington Water Trust administers water banks in the Dungeness drainage, the Kittitas Basin, and Walla Walla.

The State Trust Water Rights Program allows either a permanent donation of a water right or a temporary donation that allows the water right holder to maintain the holder's water rights for future use without the relinquishment of the water right. Water enrolled in the program is held by the Department and put to beneficial use. Water enrolled in the State Trust Water Rights Program is held in trust and retains its original priority date.

Under the state building code, adequate water supply for the intended use of the proposed building is required in order to receive a building permit. Counties and cities may condition a building permit on the applicant's connecting to an existing public water system that is ready, willing, and able to provide safe and reliable potable water.

The Department is prohibited from using water banking for four stated purposes, one of which prohibits the issuance of temporary water rights from a water bank when the new potable use requires an adequate and reliable water supply.

The Department must maintain information about water banking on its website.

**Summary:** The Department must include on its water banking website a table showing:

- any fees charged, in the amount charged for mitigation;
- if applicable, any geographic areas where DOE may issue permits or other approvals to use the water rights associated with the water bank as mitigation;
- the process the water bank used to obtain approval from DOE, or any other governmental agency, to use the water rights as mitigation for new water uses;
- the nature of the ownership interest of the water right available to be conveyed to the landowner and whether the ownership interest will be recorded on the title;
- the amount charged by each water bank for mitigation;
- the priority date; and
- the amount of water made available for mitigation.

The Department must update the schedule quarterly. Water banks must provide the necessary information to the Department upon request.

It is clarified that the operators of the water banks have the obligation to supply the information for the table maintained on DOE's web site.

**Votes on Final Passage:**

Senate	47	0	
House	94	3	(House amended)
Senate	47	1	(Senate concurred)

**Effective:** June 9, 2016

**E2SSB 6194**

C 241 L 16

Concerning public schools that are not common schools.

By Senate Committee on Ways & Means (originally sponsored by Senators Litzow, Mullet, Fain, Hobbs, Becker, Rivers, O'Ban, Dammeier, Angel, Hill, Bailey, Sheldon, Miloscia, Braun, Baumgartner and King).

Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means  
House Committee on Education

**Background:** Initiative 1240. In November 2012, Washington State voters approved Initiative 1240, which established a process for creating and operating a limited number of publicly funded charter schools that operate provide basic education and independently of an elected school district board of directors as well as most state laws and school district policies. The first charter school began serving students in the 2014-15 school year. Nine charter schools served students in the 2015-16 school year. Seven of the schools were authorized by the Washington Charter School Commission and two were authorized by the Spokane Public School District.

Charter School Lawsuit. On September 4, 2015, the Washington Supreme Court ruled the charter school law unconstitutional and declined to reconsider the ruling on November 19, 2015. The Court found that charter schools are not common schools because they are not subject to and under the complete control of the qualified voters of the school district. The Court also found that since charter schools are not common schools, they cannot receive funds from the common school construction fund or be funded by the common school state property tax because the state constitution requires both to be used exclusively for common schools. The Court declared that because the charter school law could not be implemented without the impermissible funds the law in its entirety was unconstitutional and void.

Local School Levies. Article VII, section 2 of the Washington State Constitution requires that local school district levies be used for the support of common schools.

Prototypical School Funding Formula. In 2009, the Legislature adopted a statutory framework for a funding allocation model for public schools based on prototypical schools. The statute provides that the use of prototypical schools illustrates the level of resources needed to operate a school of a particular size with particular types and grade levels of students using commonly understood terms and

inputs, such as class size, hours of instruction, and specified staff positions. Actual state funding allocations are adjusted from the school prototypes based on the actual number of students in each grade level at each school in the district.

**Summary:** Initiative 1240 is reenacted and amended to designate charter schools as public schools that are not common schools operating separately from the common school system. Charter schools are funded by the Washington Opportunity Pathways Account (WOPA). Additionally, clarifying grammar, terminology, and format changes are made.

Charter School Definition. A charter school is not a common school. It operates separately from the common school system but is a public school that is open to all children. A charter school is exempt from most state laws and rules. It may offer, tuition-free, any program or course of study that a non-charter public school may offer, including one or more K-12 grades. It is managed and operated by a Charter School Board of Directors and governed by the terms of a renewable 5-year charter contract.

Chartering Process. An authorizer must annually solicit applications to establish a charter school. An applicant submits an application that contains specified information to an authorizer. An authorizer must evaluate and approve or deny the charter application. Authorizers must give preference to applications for charter schools that are designed to enroll and serve at-risk student populations but nothing limits a charter school to serving a substantial portion of at-risk students. If the application is approved, then the authorizer and the Charter School Board must execute a five-year charter contract that contains specified components, including a student performance framework and targets. Authorizers must provide an opportunity for previously established charter schools to execute new contracts with the "same or substantially the same terms and duration." "Substantially the same terms and duration" includes contract modifications necessary to comply with applicable law.

Applicant. A charter school applicant must be a non-profit corporation. Applicants may not be a sectarian or religious organization.

Authorizers. Two entities may be authorizers of charter schools: (1) the Washington State Charter School Commission (Commission) and (2) school district boards of directors that have received approval by the State Board of Education (SBE) to be an authorizer. Authorizer duties include approving and monitoring its authorized charter schools and may include taking corrective actions; imposing sanctions; and revoking, renewing or non-renewing a charter.

The Commission is established as an independent state agency to authorize charter schools throughout the state. The Commission has 11 members: the Superintendent of Public Instruction (SPI) or SPI's designee, the chair of the SBE or the chair's designee, three members appoint-



ed by the Governor, three appointed by the President of the Senate, and three appointed by the Speaker of the House of Representatives. The legislative appointments will be made as follows: the largest caucus in each chamber will appoint two members of the Commission and the minority caucus in each chamber will appoint one member. The leaders in the caucuses in the Senate will make the appointments for the Senate and the Speaker of the House of Representatives and leader of the minority caucus will make the appointments for the House. No appointed member may serve more than two consecutive four-year terms. The appointing authorities must ensure the diversity of the Commission members, including representation from various geographic areas of the state, who collectively possess relevant experience and expertise and have a commitment to charter schooling. At least one member must be a parent of a public school student. The members serve without compensation but may be reimbursed for travel expenses. Commission members must file personal financial affairs statements with the Public Disclosure Commission. The Charter School Commission resides within the Office of the SPI for administrative purposes only.

If approved by the SBE, a school district board of directors may authorize charter schools within the school district. The SBE must establish a process and timeline for approving school district authorizers, which includes specified information that must be submitted by the district. The authorization lasts for six years and may be renewed.

The SBE must establish an authorizer oversight fee for authorizers to use in order to fulfill its duties. The fee is deducted from each charter school's funding distribution and cannot exceed four percent of each charter school's annual funding.

Authorizers must establish reasonable reopening requirements or conditions to monitor the start-up progress of newly approved charter schools, ensure that they are prepared to open smoothly on the date agreed, and ensure that each school meets specified requirements for school opening.

**Caps and Limits.** A maximum of 40 charter schools may be established over a five-year period. The five-year period begins immediately upon the signature of the authorizing legislation by the Governor. No more than eight charter schools may be established in a single year. If fewer than eight schools are established in a year, additional schools up to the difference between the number established and eight may be established in subsequent years. Schools established on or before December 1, 2015 do not count against the annual cap.

**Charter School Board.** The charter application provides for the formation of a charter school board to manage and operate one or more charter schools. The members of the board must file personal financial affairs statements with the Public Disclosure Commission.

The charter school board must:

- through website postings and written notice, advise families of new, ongoing, and prospective students of any ongoing litigation challenging the constitutionality of charter schools or that may require charter schools to cease operations; and
- contract for independent performance audits after the second year following the first school year of full operation and every three years thereafter. The performance audit must be conducted in accordance with United States General Accounting Office Government Auditing Standards. This performance audit does not inhibit the state Auditor's Office from conducting a performance audit of the school.

In accordance with the charter contract, the board may:

- hire, manage, and discharge charter school employees;
- establish additional graduation requirements and issue diplomas;
- receive and disburse funds;
- enter into contracts for management and operation - only with nonprofit organizations - for real property, equipment, goods, supplies, and services;
- rent, lease, or own real property;
- solicit and accept gifts, but not from sectarian or religious organizations; and
- issue secured and unsecured debt, which is not an obligation of the state, the charter school authorizer, the school district in which the charter school is located, or any other political subdivision or agency of the state.

A charter school board may not levy taxes, issue tax-backed bonds, or acquire property by eminent domain.

**State and Federal Law.** A charter school is exempt from all state laws and rules as well as school district policies, except those specifically in the legislation and in the approved charter contract. All charter schools must:

- comply with state and federal education, health, safety, parents' rights, civil rights, and non-discrimination laws applicable to school districts including the McKinney-Vento Act; employee record check requirements; the annual performance report; the Open Public Meetings Act; the Public Records Act; and future legislation enacted governing charter schools;
- provide a program of basic education that meets the basic education goals, and includes the essential academic learning requirements, participation in the statewide student assessment system, and be subject to the SBE's performance improvement goals;

- employ certificated instructional staff, except in exceptional cases, the same as public non-charter and private schools;
- adhere to generally accepted accounting principles and be subject to financial examinations and audits as determined by the state auditor; and
- be subject to the supervision of the SPI and the SBE, including accountability measures.

**Student Admissions.** A charter school is open to all children, tuition-free, and may not limit admission except by age group, grade level, or enrollment capacity. However, a charter school may organize around a special emphasis or theme, including focusing on services for particular groups of students. If student applications exceed the enrollment capacity of a charter school, then the school must grant an enrollment preference to siblings of enrolled students, with any remaining enrollments allocated through a lottery. A charter school may offer an enrollment preference for at-risk students or to children of full-time employees of the school if the employee's children reside within the state and the Commission has approved the admission policy. If a student transfers from a charter school to a non-charter school, the non-charter school must accept the student's credits in the same manner as non-charter school credits. School districts must provide information to parents and the public that charter schools within the district are an enrollment option for students.

**Interscholastic and Extracurricular Programs.** A charter school may participate in state- or district-sponsored interscholastic programs to the same extent as other public schools. A charter school may charge for extracurricular events and activities in the same manner as other public schools. The Washington Interscholastic Activities Association (WIAA) rules apply to any proposal by a charter school to regulate the conduct of interschool athletic activities or other interschool extracurricular activities and the eligibility of a charter school student to participate in interscholastic activities. The WIAA rules adopted must provide that a student attending a charter school may only participate in interscholastic activities offered by the student's resident school district unless approved by a nonresident school district or the WIAA; and that a charter school must pay the full cost, minus any student participation fee, for any student who participates in interscholastic activities.

**Employees.** Charter school employees are hired, managed, and discharged by the Charter School Board of Directors. The employees are included in the established state employee insurance and health care systems and are included in the state retirement systems if it does not jeopardize the status of the systems as governmental plans. The state collective bargaining laws for classified and certificated charter school employees apply. The bargaining units for charter schools must be separate from other school district bargaining units. Years of service in a char-

ter school are included in the service calculation for the statewide salary allocation schedule, but a charter school is not required to pay a particular salary.

**Facilities.** Charter schools are eligible for state funding for school construction but not from the common school construction fund. A charter school may purchase or lease facilities or property from a school district at fair market value and may rent from a public or private entity at fair market rent. Public libraries, community service organizations, museums, performing arts venues, theaters, and public or private colleges and universities may provide space to charter schools within their facilities. A purchase, lease, or continued rent free use of facilities requires a negotiated agreement with mutual consideration.

**Annual Reports.** Each charter school authorizer must submit an annual report to the SBE that includes specified components, including the academic and financial performance of each charter school overseen by the authorizer. The SBE, in collaboration with the Commission, must submit to the public, Governor, and Legislature, an annual report based on the authorizer reports. The SBE report must contain specified information, including a comparison of the student performance of charter schools with non-charter schools. After five years, the SBE, in collaboration with the Commission, must recommend whether or not the Legislature should authorize additional charter public schools.

**Renewal, Nonrenewal, and Revocation.** Guidelines for charter contract renewal, nonrenewal and revocation are provided. A charter contract may be non-renewed or revoked if the authorizer determines that the charter school commits a material and substantial violation of the charter contract or laws applicable to the charter school; fails to meet or make sufficient progress toward the performance expectations in the charter contract; or fails to meet generally accepted standards of fiscal management. A charter contract may also not be renewed if at the time of the renewal application the charter school's performance falls in the bottom quartile of schools on the SBE's accountability index, unless the charter school demonstrates exceptional circumstances that the authorizer finds justifiable. Before nonrenewal or revocation of a charter contract, the authorizer must develop a charter school termination protocol to ensure an orderly transition. If the nonprofit corporation operator who was the applicant for the charter school should dissolve because of the termination of the charter contract, then the public school funds of the charter school that have been provided in the last year preceding the dissolution must be returned to the state.

**Funding.** Legislative intent that state funding for charter public schools be distributed equitably with state funding provided for other public schools is provided. The SPI must calculate and transmit funding for charter schools based on: the prototypical school funding, any enrichment specified in the budget, and categorical program

funding. The SPI must adopt rules for distribution of the funding and to comply with federal reporting requirements. Charter public schools may receive state funding for school construction but not from the common school construction fund. Charter schools are not eligible for local school district levy funds. Allowable expenditures from the Washington Opportunity Pathways Account is expanded to include charter schools. It is specifically provided that nothing in the act entitles a charter school to retroactive payments for services provided after December 1, 2015 and before the execution of new charter contract.

### Votes on Final Passage:

Senate	27	20	
House	58	39	(House amended)
Senate	26	23	(Senate concurred)

**Effective:** April 3, 2016

## E2SSB 6195

C 3 L 16

Concerning basic education obligations.

By Senate Committee on Ways & Means (originally sponsored by Senators Rivers, Rolfes, Litzow and Billig).

Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means

**Background:** Basic Education. The Washington State Constitution (Constitution) provides: "It is the paramount duty of the state to make ample provision for the education of all children residing within its borders." The Washington Supreme Court (Court) has interpreted this to mean that the Legislature must define an instructional program of basic education for public schools and amply fund it from a regular and dependable source.

In 2009, the Legislature adopted a revised basic education funding allocation model for public schools based on prototypical schools. The use of prototypical schools is intended to illustrate the level of resources needed to operate a school of a particular size using commonly understood terms such as class size, hours of instruction, and specified staff positions. In 2010, the Legislature set targets and a timeline for phasing in specified funding enhancements to the basic education program by 2018, including enhancements to student transportation; materials, supplies, and operating costs (MSOC); statewide, full-day kindergarten; and a reduction in kindergarten through grade three (K-3) class sizes.

The 2015-17 omnibus appropriations act included sufficient funding to fully implement the enhancements to student transportation, MSOC, and statewide full-day kindergarten. The 2015-17 appropriations also continued the phase-in of K-3 class size reductions. The four-year balanced budget outlook includes the remaining step to implement the enhancement to reduce the K-3 class size to 17 students.

In the 2012 *McCleary v. State* decision, the Court found that the State had failed to meet its paramount constitutional duty to amply fund the costs of its basic education program using the pre-2009 funding model. The Court provided that state funding should reflect the actual costs of providing the legislatively defined instructional program of basic education. The Court identified state salary allocations as one area of shortfall. The Court noted that some of the difference between actual salaries and state allocations represented permissible incentive pay that went toward non-basic education related tasks. However, districts pay for some salaries that are likely a basic education responsibility using local levy funds. The Court reaffirmed that reliance on local school district levies for funding basic education is unconstitutional because local levies are not a regular and dependable funding source since levies are temporary, subject to approval by the voters, and highly variable. Local levies can be used by school districts for enrichment purposes.

The *McCleary* Court retained jurisdiction to help ensure progress by the State in meeting its constitutional obligation. In subsequent orders, the Court has directed the State to provide the Court with a plan for full funding of all aspects of basic education. In 2014, the Court declared that the State's failure to submit a plan constituted contempt of court and in 2015, the Court imposed a fine of \$100,000 per day until the Legislature adopts a complete plan for complying with its constitutional duty by the 2018 school year.

School Employee Compensation. The Legislature allocates money to each school district for state-funded school employee salaries. The actual salaries paid to certificated instructional staff and classified staff are subject to the collective bargaining process, within certain limits set by the Legislature.

Certificated Instructional Staff (CIS). State funding for teachers and other certificated instructional staff salaries is provided through the state salary allocation model, which uses education and years of experience to vary the salary levels. The salary allocation is increased for each additional year of experience, up to 16 years, and for additional education, up to a Ph.D. School districts must pay at least the minimum salary on the state salary allocation model and cannot exceed the average salary calculated on the state salary allocation model.

Certificated Administrative Staff (CAS) and Classified Staff (CLS). There is no state salary allocation model for certificated administrative staff or classified staff such as bus drivers, food service workers, custodial staff, and classroom aides. Each school district receives an allocation for these staff based on historical salary allocations, adjusted for cost-of-living increases.

School District Levies. School districts are authorized to raise funds locally for their districts through excess levies. Since 1977, the Legislature has limited the amount school districts may request from their voters and collect through maintenance and operation (M&O) levies. The

maximum amount that may be raised is based on the state and federal funding received by the district in the prior year. The amount that may be raised is typically referred to as the district's levy authority.

The levy lid is the limit on school districts' levy authority. Under current law, 205 of the 295 school districts have a levy lid of 28 percent of the district's state and federal funding, which was temporarily increased in the 2010 legislative session from 24 percent. This means that school districts may request voter approval and collect \$0.28 for each \$1 of state and federal revenue the district receives. The other 90 school districts have a levy lid ranging from 28.01 percent to 37.90 percent.

Additionally, in the 2010 legislative session, the Legislature increased a school district's levy base to include certain non-basic education revenues formerly allocated by the State in addition to the revenues the district actually receives from state and federal sources. Effective with the levies for calendar year 2018, the levy lid will revert to 24 percent and the increases will be removed from the levy base.

**Local Effort Assistance.** The Local Effort Assistance program (LEA), or levy equalization, was created in 1987 to mitigate the effect that above-average property tax rates might have on the ability of a school district to raise local revenues through voter-approved levies. The LEA is expressly not part of basic education. The amount is calculated based on equalizing tax rates to a statewide average for a certain equalization rate. The current LEA equalization rate is 14 percent. In calendar year 2018, the LEA equalization rate will decrease to 12 percent.

**Four-Year Balanced Budget Outlook.** In 2012, the Legislature enacted a law requiring the state operating budget to be balanced for the two-year biennium in which it is offered and the projected state operating budget to be balanced for the following two-year period based on current estimates for state revenues and the projected cost of maintaining the current level of state programs and services. Together, these two requirements are often referred to as the "Four-Year Balanced Budget Outlook."

**Professional Educator Standards Board (PESB) Brief.** The PESB Brief Addressing Recurring Teacher Shortages includes data, analyses, and recommendations for the Legislature that include:

- funding and requiring public higher education institutions to develop priority production area recruitment and enrollment plans, including recruiting strategies;
- increasing the funding for alternative routes for teacher certification and educator retooling programs;
- centralizing and funding marketing and recruitment;
- establishing competitive beginning teacher pay and aligning salary increases with teacher certification;
- funding statewide beginning teacher induction and mentoring; and
- providing forecasting tools for school district hiring needs.

**Summary: Findings and Intent.** It is noted that the Legislature has demonstrated its commitment to funding its program of basic education including student transportation, MSOC, full-day kindergarten, and K-3 class size reductions. Legislative intent to complete the scheduled phase-in of the K-3 class size reduction in accordance with the four-year balanced budget outlook; to provide state funding for competitive salaries and benefits that are sufficient to hire and retain competent certificated instructional staff, administrators, and classified staff; and to minimize any disruptive impact to school districts and taxpayers is provided. Legislative findings that the lack of transparency regarding school districts' use of local levy funds limits the Legislature's ability to make informed decisions about educator compensation are made. The Legislature declares that data and analysis on the source of compensation funding, duties, uses or categories for which compensation is paid above the State's allocation is necessary to inform the Legislature's decisions.

**Education Funding Task Force.** The Education Funding Task Force (EFTF) is created to continue the work of the Governor's informal work group on implementing the program of basic education. The EFTF consists of eight legislators, two members from each of the two largest caucuses of the House of Representatives and the Senate; and the Governor or the Governor's designee as a non-voting member to serve as a facilitator. Meetings of the EFTF must comply with legislative rules for committee meetings and procedures. Recommendations of the EFTF require an affirmative vote of five of its members and must be submitted to the Legislature by January 9, 2017. Staff support for the EFTF must be provided by the Office of Program Research, Senate Committee Services, and the Office of Financial Management.

The EFTF must review compensation and labor market data and analysis provided by a contracted consultant, and the PESB's report on teacher shortages. The EFTF must make recommendations regarding the following:

- compensation that is sufficient to hire and retain state-funded basic education staff, including whether and how future salary adjustments and a local labor market adjustment should be incorporated;
- whether additional state legislation is needed to help school districts to support state-funded all-day kindergarten and K-3 class size reduction;
- improving or expanding existing educator recruitment and retention programs;
- M&O levies and LEA;
- school district collective bargaining;
- clarifying the distinction between basic education and local enrichment services;
- the provision and funding of school employee health benefits; and
- sources of state revenue to support the state's statutory program of basic education.

Independent Professional Consulting Service. The Washington State Institute for Public Policy (WSIPP), in consultation with the EFTF, must contract for independent consultants to collect and analyze school staff compensation and labor market data. The Superintendent of Public Instruction and school districts must provide the necessary data to the consultant, WSIPP, OFM, and the EFTF. The consultant must provide an interim report by September 1, 2016 and a final report by November 15, 2016.

Legislative Action. The Legislature must take legislative action by the end of the 2017 session to eliminate school district dependency on local levies for implementation of the state's program of basic education.

**Votes on Final Passage:**

Senate	26	23
House	66	31

**Effective:** February 29, 2016

**SB 6196**

C 10 L 16 E 1

FULL VETO

VETO OVERRIDE

Modifying administrative processes for the utilities and transportation commission in managing deposits and cost reimbursements of the energy facility site evaluation council.

By Senators McCoy and Ericksen; by request of Utilities & Transportation Commission.

Senate Committee on Energy, Environment & Telecommunications

House Committee on Technology & Economic Development

**Background:** The Energy Facility Site Evaluation Council (EFSEC). EFSEC is the permitting and certifying authority for the siting of major energy facilities in Washington. The Utilities and Transportation Commission (UTC) provides administrative staff and support to EFSEC and retains supervisory authority over staff to EFSEC.

EFSEC Jurisdiction. EFSEC's siting jurisdiction includes large energy facilities, such as nuclear power plants of any size and thermal electric power plants with a generating capacity of 350 megawatts or greater. Energy facilities of any size that exclusively use alternative energy resources, such as wind power, can also opt-in to the EFSEC review and certification process.

EFSEC Application Fee. A site certification applicant must deposit at least \$50,000 or a greater specified amount with the EFSEC at the time an application is submitted. The deposit covers all of EFSEC's expenses that arise directly from processing a site certification application.

EFSEC Inspection and Compliance Determinations Fees. Within 30 days of executing a site certification

agreement, a certificate holder must deposit at least \$50,000 or a greater specified amount with EFSEC. The deposit covers all of EFSEC's expenses that arise directly from inspecting and determining compliance with the terms of the site certification relative to monitoring the effects of construction, operation, and site restoration of a facility.

Payment of EFSEC Fees. Site certification applicants and certificate holders are required to make all payments to the State Treasurer.

**Summary:** EFSEC Application Fees. Each site certification applicant must pay actual costs incurred by EFSEC and the UTC in processing an application. At the time of submitting an application, each applicant must deposit up to \$50,000 with the UTC, unless a greater amount is specified by EFSEC.

Additionally, applicants must reimburse the UTC for actual expenditures that arise in considering the application, including the cost of a independent consultant study. The UTC, on behalf of EFSEC, must provide an invoice of actual expenditures made during the preceding calendar quarter. The applicant must pay the UTC by the invoice due date.

If the applicant withdraws an application, EFSEC and the UTC must charge costs against the deposit for all actual expenditures incurred while considering the application.

EFSEC Inspection and Compliance Determinations Fees. Each certification holder must pay the UTC actual costs incurred by EFSEC for inspection and determination of compliance with the terms of certification. Within 30 days of executing the site certification agreement, the certificate holder must deposit up to \$50,000 with the UTC, unless a greater amount is specified by EFSEC.

Additionally, certificate holders must reimburse the UTC for actual expenditures that arise in conducting inspections and determining compliance. The UTC, on behalf of EFSEC, must provide an invoice of actual expenditures made during the preceding calendar quarter. The certificate holder must pay the UTC by the invoice due date.

If the certificate holder ceases operations, EFSEC and the UTC must charge costs against the deposit for all actual expenditures incurred in conducting inspections and determining compliance with the terms of the certification.

Reimbursements. Any unexpended portions of the applicant's deposit must be returned within 60 days of the conclusion of the application process, which is after the Governor's decision to grant or deny a certificate and judicial review opportunities have expired.

Any unexpended portions of the certificate holder's deposit must be returned within 60 days after a determination by EFSEC that the certificate is no longer required and there is no need for continuing compliance with its terms.

**EFSEC and UTC Jurisdiction.** Jurisdiction of EFSEC or the UTC is not extended or modified with respect to any energy facility that is not already subject to their jurisdictions as of the effective date of the bill.

**Votes on Final Passage:**

Senate	48	1
House	93	4

**Votes on Veto Override:**

First Special Session

Senate	43	0
House	85	9

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 6196**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Senate Bill No. 6196 entitled:

"AN ACT Relating to administrative processes for the utilities and transportation commission in managing deposits and cost reimbursements of the energy facility site evaluation council."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 6196 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SB 6200**

C 30 L 16

Providing funding for steelhead conservation through the issuance of Washington's fish license plate collection.

By Senators Hewitt, Rolfes and Benton; by request of Department of Fish and Wildlife.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** The Department of Licensing (DOL) issues special vehicle license plates that may be used in lieu of standard plates. A governmental or nonprofit sponsoring organization seeking to sponsor a special plate either submits an application to the DOL or requests legislation to create the special plate. The sponsoring organization seeking to sponsor the special plate is required to reimburse the DOL for the costs of establishing the new special plate.

For special license plates that are enacted by the Legislature, a sponsoring organization must submit prepayment of all start-up costs to the DOL within 30 days of enactment. If the sponsoring organization is not able to meet the prepayment requirement, revenues generated from the sale of the special license plate are first used to pay off any costs associated with establishing the new plate. The sponsoring organization must also provide a proposed license plate design to the DOL. Additionally, the sponsoring organization must submit an annual financial report to the DOL detailing actual revenues generated from the sale of the special license plate. The reports are reviewed, approved, and presented to the Joint Transportation Committee.

The DOL collects special license plate fees, and for administrative expenses, deducts an amount not to exceed \$12 for new plate issuance and \$2 for renewal. After these expenses are paid, the State Treasurer deposits the proceeds into the Motor Vehicle Account until the DOL determines the start-up costs for a special license plate are paid. After that point, all remaining proceeds go to the sponsoring organization.

**Summary:** Washington's fish license plate collection specialty plates are created. In addition to all fees and taxes required to be paid upon application for a vehicle registration, a fee of \$40 must be charged for a Washington's fish license plate and \$30 for renewal of the special license plate.

Washington's fish license plate collection must be a collection of designs. Each license plate design must display a distinct symbol or artwork, to include steelhead, recognizing the fish of Washington.

After the costs associated with establishing the special license plates are recovered, proceeds from the sale of these special license plates must go to support the Department of Fish and Wildlife's steelhead species management activities including, but not limited to, activities supporting conservation, recovery, and research to promote healthy fishable steelhead.

**Votes on Final Passage:**

Senate	47	0
House	95	2

**Effective:** January 1, 2017

**SB 6202**

C 12 L 16

Concerning the enforcement of employment rights arising from state active duty service by a member of the national guard.

By Senators Hobbs, Angel, Roach, Bailey, Conway, Rivers, Rolfes, McCoy, McAuliffe and Benton; by request of Military Department.

Senate Committee on Government Operations & Security

## ESSB 6203

House Committee on Community Development, Housing & Tribal Affairs

**Background:** The Washington National Guard. The Governor appoints the Adjutant General to command the state militia, which includes the National Guard and the State Guard. The Governor may order the state militia into active service in the event of war, public disaster, or when otherwise required for the health, safety, or welfare of the public.

Guard Member Employment Protections. The federal Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 provides certain employment protection for military reserve and National Guard members who are called from civil employment into federal active duty. The Employer Support for Guard and Reserve Ombuds' (ESGR Ombuds) office, located with the Department of Defense, provides services to members and civilian employers about the rights and protections under USERRA.

In 2001, the Legislature provided similar protections for reserve and National Guard members called into state active duty. State law prohibits an employer from discriminating against an employee because of active duty military service, including state active duty. The law also grants a right to reemployment for persons who left an employment position due to active duty service. The Attorney General must bring a legal action against any employer alleged to have violated this provision if the service member protected was in state active duty, the service was not covered by USERRA, and the ESGR Ombuds is unable to resolve the matter.

**Summary:** The Adjutant General, rather than the ESGR Ombuds, now has the primary responsibility for resolving disputes with employers alleged to have violated USERRA. The role of the ESGR Ombuds is eliminated. The Attorney General's obligation to enforce employment rights arises only after the Adjutant General has been unable to resolve the matter with the employer.

### **Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** June 9, 2016

## ESSB 6203

C 148 L 16

Updating statutes relating to the practice of pharmacy including the practice of pharmacy in long-term care settings.

By Senate Committee on Health Care (originally sponsored by Senators Parlette, Becker, Keiser and Conway).

Senate Committee on Health Care  
House Committee on Health Care & Wellness

**Background:** In the 2015 operating budget, the Legislature directed the Pharmacy Quality Assurance Commission (PQAC) to engage in a stakeholder process to develop statutory standards and protocols specific to long-term care pharmacies. During the 2015 interim, PQAC and the Department of Health (DOH) met with stakeholders and interested parties to address the practice of pharmacy in long-term care settings and to develop a report to the Health Care Committees of the Legislature. That report was delivered November 10, 2015 and included draft statutory language provided by the Washington Health Care Association and the Washington State Pharmacy Association.

Three types of long-term care facilities are licensed by the state through the Department of Social and Health Services. These facilities are nursing homes, adult family homes, and assisted living facilities. The level of care provided to residents varies by facility type from nursing homes providing 24-hour supervised nursing care to the occasional nursing care that may be provided by some adult family homes and assisted living facilities. Pharmacy services provided for long-term care facilities are regulated using the same structure provided for regulating retail pharmacies and hospitals; however, the prescribing practitioner and pharmacy for residents of long-term care facilities are usually located off-site.

A chart order is a medication order entered on the chart or medical record of an inpatient or resident of an institutional facility by a prescribing practitioner or his or her designated agent. Chart orders are used in a variety of settings including hospitals and long-term care facilities.

Pharmacists are required to maintain a record of every prescription dispensed at the pharmacy for at least two years. When prescriptions are sent to a pharmacy through a digital or electronic format, pharmacists are required to print a hard copy of the prescription and maintain this copy with their prescription records for a minimum of two years.

**Summary:** Provision of Pharmacy Services - Generally. Chart orders must be considered a prescription if they contain: the full name of the patient; the date of issuance; the name, strength, and dosage form of the drug prescribed; directions for use; and an authorized signature which may be provided in written or electronic format. Chart orders may be used in institutional settings including hospitals, long-term care facilities, hospice programs, mental health facilities, drug abuse treatment centers, residential habilitation centers, or correctional facilities.

When a pharmacy receives a prescription in digital or electronic format, the digital or electronic record may substitute for a hard copy of the prescription for record keeping purposes. The electronic copy must be filed in a form that permits the information to be readily retrievable.

Provision of Pharmacy Services - Long-Term Care Facilities. A licensed nurse, pharmacist, or physician practicing in a long-term care facility or hospice program may

act as a practitioner's agent to document a chart order in the patient's medical record pending the prescribing practitioner's signature and may communicate a prescription to a pharmacy. A pharmacy may dispense prescription drugs to a resident of a long-term care facility or hospice program on the basis of a written or electronic prescription or chart order. A nurse, pharmacist, or physician receiving and recording an oral medication order may communicate that order to a pharmacy on behalf of the prescribing practitioner. Prescriptions for Schedule III, IV, or V controlled substances for a resident of a long-term care facility or hospice program may be communicated to the pharmacy by an authorized agent of the prescriber. Authorized agents include registered nurses, pharmacists, or physicians working at the facility or program.

A pharmacy or pharmacist may provide a limited quantity of drugs to a nursing home or hospice program to be used in emergency kits and to be administered under a prescription by authorized facility personnel. These drugs must meet the immediate therapeutic needs of residents or patients and not be available from another source. If a nursing home uses a unit dose drug distribution system, it may maintain a supplemental dose kit for supplemental nonemergency drug therapy. The types of drugs that may be used in emergency kits and supplemental dose kits must be determined by a pharmaceutical services committee whose membership may include a pharmacist, a physician, an osteopathic physician, an advanced registered nurse practitioner, and representatives of the nursing home or hospice program. Emergency kits and supplemental dose kits may be restocked by a licensed practical nurse operating under the supervision of a pharmacist.

Shared pharmacy services allow a pharmacy to request another pharmacy to fill a prescription or drug order. These services may be used to ensure that drugs or devices are available to meet the immediate needs of residents of a long-term care facility or hospice program. The supplying pharmacy must keep a copy of the prescription or order on file and must notify the outsourcing pharmacy of the service provided.

A pharmacy may repackage and dispense unused drugs returned by a long-term care facility or hospice program if the drugs are in per-use, blister packaging.

A closed door long-term care pharmacy is a pharmacy that provides pharmaceutical care to a defined and exclusive group of patients who access the pharmacy's services through the long-term care facility or hospice program through which they receive care. Closed door long-term care pharmacies do not provide services to the general public. PQAC must establish the ratio of pharmacists to pharmacy ancillary personnel in a closed door long-term care pharmacy; pharmacy technicians who are performing administrative tasks may not be considered to be practicing as a pharmacy technician while performing those tasks.

**Votes on Final Passage:**

Senate	48	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** June 9, 2016

**SB 6205**

C 216 L 16

Clarifying when a person is an acquiring person of a target corporation with more than one class of voting stock.

By Senators Pedersen, O'Ban, Frockt and Fain; by request of Washington State Bar Association.

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** State laws are permitted to regulate corporate mergers and acquisitions within the bounds of the Constitution and controlling federal laws. In a corporate merger or acquisition, a target corporation is the subject of the merger or acquisition effort. An "acquiring person" is outside the target corporation and acquires beneficial ownership of the target corporation's shares to facilitate the merger or acquisition. Chapter 23B.19 RCW limits potential hostile corporate takeovers of Washington corporations or foreign corporations having substantial business ties to Washington State, subject to certain exemptions outlined in RCW 23B.19.030.

**Summary:** An "acquiring person" now includes a person or persons having beneficial ownership of 10 percent or more of the voting power of the target corporation. The change addresses target corporations having more than one class of voting stock. An acquiring person is a "beneficial owner" of shares when that person, individually or with others, directly or indirectly, has power to vote or direct the vote of the shares, dispose of the shares, or acquire the shares now or at a future time. "Voting shares" include all classes of shares entitled to vote to elect the target corporation's directors. "Voting power" is the total number of votes cast by all of the target corporation's outstanding voting shares.

**Votes on Final Passage:**

Senate	47	0
House	91	6

**Effective:** June 9, 2016



**ESSB 6206**  
C 11 L 16 E 1  
FULL VETO  
VETO OVERRIDE

Authorizing the growing of industrial hemp.

By Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Hasegawa, Takko, Chase, Schoesler and Sheldon).

Senate Committee on Agriculture, Water & Rural Economic Development

House Committee on Commerce & Gaming

**Background:** Industrial hemp production is currently not pursued in Washington to any significant extent. The fact that hemp contains tetrahydrocannabinol (THC) - a controlled substance on the federal level and a regulated substance on the state level - complicates its feasibility as a farm product.

In Washington, I-502 legalized the possession of marijuana and authorized the state Liquor Control Board to regulate and tax marijuana's use by persons 21 years of age and older. The definition of marijuana under I-502 requires a THC percentage of 0.3 percent or higher by weight.

Products made from hemp can include cloth, fuel, plastics, seed meal, and seed oil for consumption, among other things. Hemp can also be used directly for erosion control and as a cover crop.

**Summary:** The Washington State Department of Agriculture (WSDA) has specific direction to comply with federal requirements in establishing an industrial hemp research program, licensing program, and seed certification program.

Industrial hemp is defined as the plant, *Cannabis sativa*, with a THC level at or below 0.3 percent by weight, with an exception for licensed seed research. Not included in this definition are any preparation for topical use, oral consumption or inhalation that is made from stalks, leaves, flowers or fiber.

Growing industrial hemp under license as part of WSDA's industrial hemp research program is authorized as an agricultural activity. "Grower" is defined as "licensed grower."

Applications for licensure are submitted to WSDA. Specific requirements for applicants are noted, among which are to provide the location of the fields, disclosure of the applicant's criminal history, and consent to allow WSDA to enter the fields to inspect.

WSDA is given authority to approve selected growers whose demonstration plots will advance the goals of the research program.

The county sheriff is notified immediately of any licenses granted in the sheriff's jurisdiction.

The applications and supporting information are exempt from public disclosure.

Washington State University (WSU) must study the feasibility and desirability of industrial hemp production in Washington State, subject to receiving federal or private funds for this purpose, through the expiration of this provision on August 1, 2017. This study's sources of information are prescribed and specific analyses are required, including whether growing industrial hemp will be a vector for plant disease affecting related species such as hops.

WSU must report its findings to the Legislature by January 14, 2017.

**Votes on Final Passage:**

Senate	48	1
House	97	0

**Votes on Veto Override:**

First Special Session

Senate	43	0
House	88	6

**Effective:** June 28, 2016

**VETO MESSAGE ON ESSB 6206**

*March 10, 2016*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval, Engrossed Substitute Senate Bill No. 6206 entitled:*

*"AN ACT Relating to authorizing the growing of industrial hemp."*

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Engrossed Substitute Senate Bill No. 6206 in its entirety.*

*Respectfully submitted,*



*Jay Inslee  
Governor*

**SSB 6211**

C 217 L 16

Concerning the exemption of property taxes for nonprofit homeownership development.

By Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Rolfes, Fraser, Conway, McCoy, O'Ban, Litzow, Fain, Rivers, Becker, Darneille, McAuliffe, Habib, Chase and Benton).

Senate Committee on Human Services, Mental Health & Housing

Senate Committee on Ways & Means

House Committee on Community Development, Housing & Tribal Affairs

House Committee on Finance

## House Committee on Appropriations

**Background:** Affordable Housing Development. Some low-income housing developers have found it difficult to purchase and hold land for future affordable housing development given the fast-paced real estate market and the short time periods they are allowed to gather financing and close the deal. Many traditional sources of funding and financing for low-income housing developments, including the Housing Trust Fund, have strict application and review periods which are not always conducive to purchasing land in a timely manner within the private market. Furthermore, although short-term "bridge loans" are available, recipient organizations find themselves with tight deadlines to secure permanent financing and risk losing the property in question.

Land Acquisition Fund. In response to this concern the Legislature created the Land Acquisition Fund which is administered by the Washington State Housing Finance Commission (2SHB 1401, 2007). Under this program, loans not exceeding 1 percent interest may be made to eligible organizations to purchase land to develop affordable housing - also known as "land banking". The housing must be developed within eight years of the loan. Resulting housing developments are subject to a minimum of 30 years of affordability.

Property Tax. All real and personal property in the state is subject to property tax each year based on its value, unless specific exemption is provided by law. The Washington Constitution (Constitution) requires that taxes be uniform within a class of property. Uniformity requires both an equal rate of tax and equality in valuing the property taxes. There are numerous exemptions from property tax, established either by statute or constitutionally. The largest exemption is for intangible property. Other exemptions include churches, nonprofit hospitals, private schools and colleges, and agricultural products.

**Summary:** Real property owned by a nonprofit entity for the purpose of developing or redeveloping one or more residences to be sold to low-income households is exempt from property taxes.

Expiration. The property tax exemption expires on or at the earlier of the date on which the nonprofit entity transfers title to the residence on the real property, at the end of the seventh consecutive property tax year for which the exemption is granted, or when the property is no longer held for the purpose for which the exemption was granted.

Extension. If the nonprofit entity believes that the title will not be transferred by the end of the sixth consecutive property tax year, the entity may claim a three-year extension of the exemption by filing a notice with the Department of Revenue and providing a filing fee.

Disqualification. If the title has not been transferred within the required timeframe or if the nonprofit has converted the property to a purpose other than that for which the exemption was granted, and an extension has not been granted, the property is disqualified from the exemption.

Upon disqualification, the county assessor must collect all taxes that would have otherwise been due including interest as calculated for delinquent property taxes.

Definitions. "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is less than 80 percent of the median family income, adjusted for family size as most recently determined by the U.S. Department of Housing and Urban Development for the county in which the property is located.

These changes apply to taxes levied in 2016 for collection in 2017 and thereafter. This tax preference expires ten years after its enactment.

Joint Legislative Audit and Review Committee (JLARC). It is the Legislature's specific public policy objective to encourage and expand the ability of nonprofit low-income housing developers to provide homeownership opportunities for low-income households. To measure the effectiveness of this tax preference, JLARC is to evaluate whether or not the financial resources dedicated by a nonprofit to affordable housing development have increased during the period that the property tax exemption is claimed, two years prior to the expiration of the tax preference. DOR is to share exemption applications and owner occupancy notifications with JLARC. A nonprofit claiming the exemption must retain and provide financial information to JLARC. It is clarified that the value of the property prior to the exemption period is not considered new construction.

**Votes on Final Passage:**

Senate	46	3	
House	83	14	(House amended)
Senate	47	1	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6219**

C 6 L 16

Concerning vehicular homicide sentencing.

By Senate Committee on Ways & Means (originally sponsored by Senators Brown, Angel, Padden, Hewitt, O'Ban, Roach and Pearson).

Senate Committee on Law & Justice  
Senate Committee on Ways & Means  
House Committee on Public Safety  
House Committee on General Government & Information Technology

**Background:** Certain felonious crimes are ranked according to their level of seriousness. The highest ranked felony is aggravated murder 1 with a seriousness level of XVI. The lowest ranked felonies include crimes like attempting to elude a pursuing police vehicle, which has a seriousness level of I. All ranked felonies are codified in

law and are utilized, in conjunction with an offender score, to determine the standard sentence range for crimes.

A driver is guilty of vehicular homicide when an injury proximately caused by operating a vehicle results in the death of a person within three years of the incident. Vehicular homicide may be committed and charged in the three ways depicted in the following chart.

Vehicular Homicide.

<b>Committed While Driving</b>	<b>Rank of Seriousness Level</b>	<b>Standard Sentence Range*</b>
Under the influence of intoxicating liquor or drug	Level X	78 - 102 months
In a reckless manner	Level VIII	21 - 27 months
With disregard for the safety of others	Level VII	15 - 20 months

\*This chart assumes the offender score is zero. If the offender score is greater than zero, then the standard sentence range increases.

A person is classified as driving "in a reckless manner" when that person knows of and disregards a substantial risk that a wrongful act may occur, and that disregard is a gross deviation from the conduct of a reasonable person in the same situation.

As a consequence of the different rankings, the standard sentence range will be different depending on how the crime is committed and charged.

**Summary:** Vehicular homicide while driving in a reckless manner is ranked at seriousness level of XI rather than level VIII. This is similar to the current ranking for vehicular homicide while driving under the influence of intoxicating liquor or any drug.

A mitigating circumstance is added for the court to consider when sentencing. A lesser sentence may be imposed if a person has never committed any other serious traffic offense and the sentence is clearly excessive.

**Votes on Final Passage:**

Senate 49 0  
House 97 0

**Effective:** June 9, 2016

**SB 6220**  
C 12 L 16 E 1  
FULL VETO  
VETO OVERRIDE

Promoting economic development by maximizing the use of federal economic development funding opportunities.

By Senators Brown, Angel, Braun, Hewitt, Roach, Parlette and Sheldon.

Senate Committee on Trade & Economic Development

House Committee on Technology & Economic Development

**Background:** The mission of the Department of Commerce (Department) is to streamline access to business assistance and economic development services by providing them through sector-based, cluster-based, and regional partners. In addition, the Department strives to diversify the state's economy, provide greater access to economic opportunity, stimulate private sector investment and entrepreneurship, and provide stable family-wage jobs.

**Summary:** The Department must track the amount of federal economic development funding received and disbursed, along with any required matching amounts, and provide an annual report to the economic development committees in the Legislature. To maximize the impact of federal funding for economic development, the Department must coordinate with federal and state public research facilities to leverage federal funds coming to the state for research, development, innovation of new technologies, and transfer of technology to the private sector to promote business development and jobs in Washington.

**Votes on Final Passage:**

Senate 48 0  
House 97 0

**Votes on Veto Override:**

First Special Session

Senate 43 0  
House 89 5

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 6220**

*March 10, 2016*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval, Senate Bill No. 6220 entitled:*

*"AN ACT Relating to promoting economic development by maximizing the use of federal economic development funding opportunities."*

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 6220 in its entirety.*

*Respectfully submitted,*



*Jay Inslee  
Governor*

**SSB 6227**

C 149 L 16

Implementing the recommendations of the 2015 review of the Washington wildlife and recreation program.

By Senate Committee on Natural Resources & Parks (originally sponsored by Senators Honeyford, Keiser, Rolfes, Conway, Ranker, McAuliffe, Mullet and Chase; by request of Recreation and Conservation Office).

Senate Committee on Natural Resources & Parks  
House Committee on Capital Budget

**Background:** Washington Wildlife and Recreation Program (WWRP) Generally. The WWRP provides capital budget funds for the acquisition and development of land for outdoor recreation, habitat conservation, and farmland preservation. Eligible recipients include state agencies, local governments, tribes, and nonprofit entities. The WWRP consists of four accounts: the Habitat and Conservation Account (HCA); the Outdoor Recreation Account (ORA); the Riparian Protection Account (RPA); and the Farmland Preservation Account (FPA).

Each of the accounts receive funds according to a statutory formula, with the HCA and ORA each including multiple funding categories within that account.

The statute provides rulemaking and grant review and prioritization authority to the Recreation and Conservation Funding Board (RCFB), which is administrated by the Recreation and Conservation Office (RCO).

2015 WWRP Review. A 2015 capital budget proviso directed RCO to convene and facilitate a stakeholder process to review and make recommendations on the WWRP. RCO submitted a report to the Legislature in December 2015, which includes background on WWRP project funding, a summary of the review process, and a series of statutory and administrative recommendations.

**Summary:** Modifies WWRP's Account Structure. Several changes are made to the WWRP's account structure. These changes:

- shift funding from the RPA as a separate account into a new riparian protection funding category within the HCA; and
- rename the FPA as the Farm & Forests Account (FFA), with 90 percent of funds dedicated to farmland preservation projects and 10 percent for projects on forest land. Priorities are set for forest land funds including community support, likelihood of conversion, and existence of multiple benefits.

Shifts Allocation Among WWRP's Accounts. The allocation among WWRP accounts is modified from a structure that varies based on the appropriation level to a structure that provides 45 percent to the HCA, 45 percent to the ORA, and 10 percent to the FFA, regardless of the amount of the appropriation.

Current	SB 6227
Appropriations of \$40 M or less: <ul style="list-style-type: none"> <li>• 50% - HCA</li> <li>• 50% - ORA</li> </ul>	Appropriations at all levels: <ul style="list-style-type: none"> <li>• 45% - HCA</li> <li>• 45% - ORA</li> <li>• 10% - FFA</li> </ul>
Appropriations over \$40 M: <ul style="list-style-type: none"> <li>• \$20 M - HCA</li> <li>• \$20 M - ORA</li> <li>• Amounts between \$40-50 M:                             <ul style="list-style-type: none"> <li>• 10% - HCA</li> <li>• 10% - ORA</li> <li>• 40% - RPA</li> <li>• 40% - FPA</li> </ul> </li> <li>• Amounts over \$50 M:                             <ul style="list-style-type: none"> <li>• 30% - HCA</li> <li>• 30% - ORA</li> <li>• 30% - RPA</li> <li>• 10% - FPA</li> </ul> </li> </ul>	

Shifts Allocation Within the HCA. An additional funding category is established for riparian habitat within the HCA, and the percentage of funds for state lands restoration and enhancement is increased. The percentage of funding for each of the remaining categories decreases.

Current	SB 6227
Allocation within the HCA: <ul style="list-style-type: none"> <li>• 45% - Critical habitat</li> <li>• 30% - Natural areas</li> <li>• 20% - Urban wildlife habitat</li> <li>• 5% - State lands restoration and enhancement (DFW &amp; DNR)</li> </ul>	Allocation within the HCA: <ul style="list-style-type: none"> <li>• 35% - Critical habitat</li> <li>• 25% - Natural areas</li> <li>• 15% - Riparian habitat</li> <li>• 15% - Urban wildlife</li> <li>• Lesser of 10% or \$3 M for state lands restoration and enhancement (DFW, DNR, State Parks). Amounts in excess of \$3 M are for riparian habitat</li> </ul>

Shifts Allocation Within the ORA. The percentage of funds for state recreational lands within the ORA is increased by 5%, while the amount for water access sites is decreased by 5 percent.

Current	SB 6227
Allocation within the ORA:	Allocation within the ORA:
<ul style="list-style-type: none"> <li>• 30% - State Parks, at least 50% for acquisition</li> <li>• 30% - Local parks, at least 50% for acquisition</li> <li>• 20% - Trails</li> <li>• 15% - Water access sites</li> <li>• 5% - State recreational lands (DFW &amp; DNR)</li> </ul>	<ul style="list-style-type: none"> <li>• 30% - State Parks, 40-50% for acquisition</li> <li>• 30% - Local parks, 40-50% for acquisition</li> <li>• 20% - Trails</li> <li>• 10% - Water access sites</li> <li>• Lesser of 10% or \$3 M for state recreational lands (DFW &amp; DNR). Amounts in excess of \$3 M are for water access sites</li> </ul>

Modifies WWRP Eligibility and Application Processes.

- Expands eligibility for nonprofit nature conservancies within the HCA to include the natural areas, critical habitat, and urban wildlife categories.
- Allows State Parks to apply for funding from the restoration and enhancement category within the HCA, in addition to DFW and DNR.
- Adds criteria the RCFB must consider when setting acquisition priorities for the HCA.
- Specifies that in addition to reviewing an application with the appropriate local governments, applicants must confer with them as well.

Modifies Allowable Costs and Management Requirements Under the WWRP.

- Adds noxious weed control to allowable incidental costs paid from HCA grant for land acquisitions, in addition to currently authorized costs such as fencing and surveying.
- Specifies that development, recreational access, or fee simple acquisition projects must be accessible for recreation and outdoor education unless the RCFB approves a limitation to protect sensitive species, water quality, or public safety.
- Allows the RCFB to waive a local match for projects that meet the needs of an underserved population or a community in need, as defined by the RCFB. The usual requirement is that a local agency match equals the amount awarded from the ORA.

Includes Definitions and Implementing Provisions.

- Makes changes to allocation under the WWRP effective for appropriations after July 1, 2016. Specifies a timeline for implementation of the various provisions of the bill.
- Defines terms and modifies existing definitions.

**Votes on Final Passage:**

Senate 46 0  
 House 77 20 (House amended)  
 Senate 45 2 (Senate concurred)

**Effective:** March 31, 2016

**SSB 6238**  
 C 150 L 16

Allowing the prescription of a schedule II controlled substance to treat certain disease states and conditions.

By Senate Committee on Health Care (originally sponsored by Senators Rivers, Keiser, Cleveland, Miloscia and Chase).

Senate Committee on Health Care  
 House Committee on Health Care & Wellness

**Background:** The Controlled Substances Act prohibits practitioners from prescribing amphetamines or Schedule II non-narcotic stimulants except for the treatment of specific disease states or conditions as set forth in statute and rule. Currently, Schedule II non-narcotic stimulants are permitted to be prescribed for the treatment of narcolepsy, depression, multiple sclerosis, and other listed medical conditions.

**Summary:** Schedule II amphetamines or non-narcotic stimulants may be prescribed for any disease state or condition for which the United States Food and Drug Administration has approved an indication.

**Votes on Final Passage:**

Senate 49 0  
 House 94 3 (House amended)  
 Senate 46 0 (Senate concurred)

**Effective:** June 9, 2016

**E2SSB 6242**  
PARTIAL VETO  
 C 218 L 16

Requiring the indeterminate sentence review board to provide certain notices upon receiving a petition for early release.

By Senate Committee on Ways & Means (originally sponsored by Senators O'Ban, Pedersen, Padden, Roach, Hargrove, Pearson, Darneille, Frockt and Sheldon).

Senate Committee on Law & Justice  
 Senate Committee on Ways & Means  
 House Committee on Public Safety  
 House Committee on General Government & Information Technology

**Background:** The Indeterminate Sentence Review Board (ISRB) was created in 1986. Prior to that time, the ISRB had been the Board of Prison Terms and Paroles. The

ISRB has been given authority over the release and supervision of the following types of offenders:

- felony offenders who committed crimes before July 1, 1984 and went to prison;
- a select group of sex offenders who have committed offenses after August 31, 2001; and
- certain offenders who committed crimes while under the age of 18.

The ISRB is located in Olympia and merged with the Department of Corrections on July 1, 2011. The Chair and three Board Members are appointed by the Governor to serve five year terms. Staff support the ISRB by providing case analysis, maintaining offender records, and providing administrative assistance to the Chair and the Board Members.

**Summary:** Notice. When the ISRB receives a petition for early release submitted under RCW 9.94A.730 - certain offenders who committed crimes while under the age of 18 - or upon determination of a parole eligibility review date pursuant to RCW 9.95.100 and 9.95.052 - felony offenders who committed crimes before July 1, 1984 and went to prison - the ISRB must provide notice and a copy of the petition or parole eligibility documents to the sentencing court, prosecuting attorney, and the crime victim or surviving family member. The ISRB must also provide any assessment, psychological evaluation, institutional behavior record, or other examination of the offender to the sentencing court and prosecuting attorney, or the crime victim or surviving family member if requested in writing. Notice of the early release hearing date or parole eligibility date, and any evaluations or information relevant to the release decision, must be provided at least 90 days before the early release hearing or parole eligibility hearing. These records and other records reviewed by the ISRB in response to the petition must be disclosed in full and without redaction. Copies of records to be provided to the sentencing court and prosecuting attorney must be provided as required without regard to whether the ISRB has received a request for copies.

Records Disclosure. It is presumed that none of the records reviewed are exempt from disclosure to the sentencing court, prosecuting attorney, and crime victim or surviving family member, in whole or in part. The ISRB may not claim any exemption from disclosure for the records reviewed for an early release petition or parole eligibility review hearing. The new disclosure provisions do not preclude a crime victim or surviving family member from submitting confidential input to the ISRB.

Minutes. The ISRB and its committees must:

1. provide comprehensive minutes of all related meetings and hearings on a petition for early release, which should include, but not be limited to:
  - the ISRB members who are present;
  - the name of the petitioner seeking review;
  - the purpose and date of the meeting or hearing;

- a listing of documents reviewed;
  - the names of members of the public who testify;
  - a summary of discussion;
  - the motions or other actions taken; and
  - the votes of ISRB members by name; and
2. post the comprehensive minutes publicly and conspicuously on the ISRB's web site within 30 days of the meeting or hearing, without information withheld or redacted.

**Votes on Final Passage:**

Senate	48	1
House	97	0

**Effective:** June 9, 2016

**Partial Veto Summary:** Emergency Clause Provision is removed.

**VETO MESSAGE ON E2SSB 6242**

*April 1, 2016*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval as to Section 3, Engrossed Second Substitute Senate Bill No. 6242 entitled:*

*"AN ACT Relating to the indeterminate sentence review board."*

*I am vetoing the emergency clause provision in this bill. To properly implement this legislation, the Indeterminate Sentence Review Board (ISRB) needs time to hire and train additional staff, update and create new forms, and notify offenders of the bill requirements. I expect that during this implementation process, the ISRB will continue to work closely with prosecutors and victims to improve transparency and notification.*

*For these reasons I have vetoed Section 3 of Engrossed Second Substitute Senate Bill No. 6242.*

*With the exception of Section 3, Engrossed Second Substitute Senate Bill No. 6242 is approved.*

*Respectfully submitted,*



*Jay Inslee  
Governor*

**SB 6245**

C 219 L 16

Concerning visual screening in schools.

By Senators Litzow, Hill, Fain, Rolfes, McAuliffe and Mullet.

Senate Committee on Early Learning & K-12 Education  
House Committee on Education  
House Committee on Appropriations

**Background:** Current law requires every board of school directors to provide for and require screening for the visual and auditory acuity of all children attending schools in their districts. Visual screening and auditory Auditory and visual screening must be made in accordance with proce-

dures and standards adopted by the Washington State Board of Health (BOH). BOH must seek the recommendations of the Superintendent of Public Instruction regarding the administration of visual and auditory screening and the qualifications of persons competent to administer such screening.

Under BOH rules, schools must conduct visual and auditory screening of children in kindergarten and grades one, two, three, five, and seven as well as any child showing symptoms of possible loss in visual and auditory acuity referred to the district by parents, guardians, or school staff. If resources permit, schools must annually screen children at other grade levels.

BOH rules require students to be screened for distance central vision acuity using a Snellen test chart. The rules do not require near vision screening.

A Health Impact Review of companion House Bill 1865 was requested and is available at the BOH's website: <http://sboh.wa.gov/OurWork/HealthImpactReviews>.

**Summary:** Every board of school directors must provide for and require visual screening that includes both distance and near vision screening.

**Votes on Final Passage:**

Senate	48	1
House	96	1

**Effective:** June 9, 2016

**ESSB 6248**

PARTIAL VETO

C 220 L 16

Regarding a pathway for a transition of eligible coal units.

By Senate Committee on Energy, Environment & Telecommunications (originally sponsored by Senators Erickson and Ranker).

Senate Committee on Energy, Environment & Telecommunications

House Committee on Technology & Economic Development

House Committee on General Government & Information Technology

**Background:** Washington Utilities and Transportation Commission (UTC). The UTC is a three-member commission that has broad authority to regulate the rates, services, and practices of a variety of businesses in the state, including electric investor-owned utilities (IOUs). In a typical rate case, the petitioner must prove a requested action is in the public interest by preponderance of the evidence or a reasonable basis test.

As part of the ratemaking process for electric IOUs, the UTC considers whether, and to what extent, an IOU should recover the cost of a resource acquisition or the cost of an investment in a new generating facility. The UTC's decision is made on a case-by-case basis, taking into con-

sideration such factors as the utility's need for the energy, public policies regarding resource preferences, and the cost of risks associated with the environmental effects of carbon dioxide.

Coal-Fired Generation Facilities. According to Integrated Resource Plans (IRPs) filed in 2013, the IOUs serving customers in the state currently own or partially own 12 coal-fired electric generation facilities throughout several western states, including Montana, Utah, and Wyoming. One of those facilities, the four-unit Colstrip generating plant in Montana, is owned by six entities, three of which are Avista, Puget Sound Energy, and PacificCorp.

**Summary:** Defining Eligible Coal Plant and Unit. An eligible coal plant means a coal-fired electric generation facility that (1) had two or less generating units as of January 1, 1980, and four generating units as of January 1, 2016; (2) has multiple owners; and (3) serves retail customers in Washington with a portion of its load. An eligible coal unit is any generating unit of an eligible coal plant.

Authorizing the Use of Regulatory Liabilities in a Retirement Account. After conducting an adjudicative proceeding, the UTC may authorize an electrical company to place regulatory liabilities into a retirement account to cover decommissioning and remediation costs of eligible coal units that commenced operation before January 1, 1980.

Regulatory liabilities in a retirement account must (1) not be used for any purpose other than to fund and recover prudently incurred decommissioning and remediation costs for eligible coal units; (2) not be reduced, altered, impaired, or limited from the date of UTC approval including regulatory liabilities until all costs are recovered or paid in full; and (3) provide that remaining funds in the retirement account be returned to customers.

**Votes on Final Passage:**

Senate	42	7
House	92	5

**Effective:** June 9, 2016

**Partial Veto Summary:** Removes the provision that prohibited an electrical company from using regulatory liabilities for decommissioning and remediation costs if the electrical company proposed a closing date or retired from service an eligible coal unit prior to December 31, 2022, subject to certain exceptions.

**VETO MESSAGE ON ESSB 6248**

*April 1, 2016*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval as to Section 3, Engrossed Substitute Senate Bill No. 6248 entitled:*

*"AN ACT Relating to risk mitigation plans to promote the transition of eligible coal units [a pathway for a transition of eligible coal units]."*

*Section 3 of the bill prohibits the Utilities and Transportation*

*Commission (UTC) from authorizing the use of retirement account funds if the electrical company proposes a closure or retirement date before December 31, 2022, subject to certain exceptions. This section inappropriately changes the long-standing definition of how the commission determines whether utility investment and expenses are prudent. It unnecessarily interferes with the market and with UTC's role in determining how best to protect the ratepayers of Washington-owned utilities.*

*For these reasons I have vetoed Section 3 of Engrossed Substitute Senate Bill No. 6248.*

*With the exception of Section 3, Engrossed Substitute Senate Bill No. 6248 is approved.*

*Respectfully submitted,*



Jay Inslee  
Governor

## SSB 6254

C 31 L 16

Authorizing the issuance of Purple Heart license plates for more than one motor vehicle.

By Senate Committee on Transportation (originally sponsored by Senators Sheldon, Bailey, Rivers, Roach, O'Ban, Hill, Becker, Miloscia, Angel, Warnick, Honeyford, Padden, Hobbs, Pearson, Hargrove, Braun, Dammeier, Fain, Parlette, Hewitt, Schoesler, Baumgartner, Ericksen, Rolfes, Conway, Mullet and Chase).

Senate Committee on Transportation  
House Committee on Transportation

**Background:** A registered owner of a motor vehicle in Washington State who has served in the armed forces and has been awarded a Purple Heart medal may qualify for a Purple Heart license plate. Purple Heart license plates must be issued without the payment of an additional special license plate fee. Surviving spouses or domestic partners may also qualify for a Purple Heart license plate.

**Summary:** Qualified individuals are eligible to buy additional plates at a cost of \$40 for the initial fee, and \$30 upon renewal. The original plates will remain free of charge. Revenue from the additional plates must be deposited into the Veterans' Stewardship Account for the following:

- providing programs and services for homeless veterans;
- establishing memorials honoring veterans; and
- maintaining a future state veterans' cemetery.

### Votes on Final Passage:

Senate	49	0
House	97	0

**Effective:** July 1, 2017

## SSB 6261

C 221 L 16

Concerning human remains.

By Senate Committee on Law & Justice (originally sponsored by Senators Padden, Pedersen and Miloscia).

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** Under current law, county coroners and medical examiners have the same legal authority, duties, and responsibilities. Smaller counties generally have a coroner while large urban counties have a medical examiner. Coroners are elected officials trained as death investigators and as county administrators. Medical examiners are appointed officials trained in forensic pathology.

A person who knows the location of a dead body must notify the county coroner or medical examiner unless the person has good reason to believe that the coroner has already been notified. Failure to notify is a misdemeanor. A person who moves or conceals a dead body under the coroner's or medical examiner's jurisdiction without authorization is guilty of a gross misdemeanor. Due to advances in the science of death investigation, a coroner's or medical examiner's jurisdiction may be warranted when any human remains are found whether or not identified as a human body. Some laws have not been updated to reflect the co-equal responsibilities of coroners and medical examiners and their current terminology.

**Summary:** Anyone who knows about the existence and location of human remains including but not limited to skeletal remains under RCW 68.50.645 and RCW 27.44.055 must report to the coroner, medical examiner, or law enforcement unless they have good reason to believe the coroner or medical examiner has already been notified. Failure to report is a misdemeanor. Human remains under the coroner's or medical director's custody and not claimed by a relative or friend must not be moved or disturbed without authorization. Knowingly interfering with human remains without authorization is a gross misdemeanor. When deciding whether to retain jurisdiction over human or skeletal remains as provided in RCW 68.50.645, RCW 27.44.055, or RCW 68.50.010, a coroner or medical examiner shall consider the deceased person's religious beliefs, and associated death and burial traditions.

### Votes on Final Passage:

Senate	46	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 9, 2016



**SB 6263**

C 115 L 16

Providing benefits for certain retirement system members who die or become disabled in the course of providing emergency management services.

By Senators Warnick, Ranker, Rivers, Hobbs, Darneille, Lias and Conway; by request of LEOFF Plan 2 Retirement Board.

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** Generally, a member of a state retirement system receives a reduced death and disability benefit if the death or disability is a result of activity outside the member's public employment. This is known as a non-duty death or disability.

Members of state retirement systems who die or become disabled while serving in the military reserves or National Guard during a period of war receive an unreduced death or disability benefit, and may apply for interruptive military service credit for the period of their military service.

**Summary:** Members of Plan 2 of the Law Enforcement Officers and Fire Fighters Retirement System (LEOFF) receive an unreduced retirement benefit if the member dies or becomes disabled as a result of federal service in response to natural disasters or other federal emergencies, and may apply for service credit for the period of their federal service. This eligibility is retroactive to March 22, 2014.

**Votes on Final Passage:**

Senate	49	0
House	92	5

**Effective:** June 9, 2016

**SSB 6264**

C 222 L 16

Allowing certain Washington state patrol retirement system and law enforcement officers' and firefighters' members to purchase annuities.

By Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Conway, Bailey, Rivers, Hasegawa, O'Ban, Frockt, Schoesler, Darneille, Lias and Rolfes; by request of LEOFF Plan 2 Retirement Board).

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** Members of Plan 2 of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF 2) are eligible for a retirement allowance at age 53 that is equal to 2 percent times the member's years of service times the member's average final compensation. Members of LEOFF 2 may add up to five years of service

credit for the calculation of their retirement allowance by paying the actuarial equivalent value of the increase in the member's benefit. Subject to rules adopted by the Department of Retirement Systems (DRS), the payment can be made with a lump sum payment, an eligible or direct rollover, or a trustee-to-trustee transfer from an eligible retirement plan.

Many members of LEOFF 2 also participate in employer-sponsored tax-deferred savings plans established under sections 401(a), 403(b), and 457 of the federal Internal Revenue Code.

Under legislation enacted in 2014, at the time of retirement, members of LEOFF 2 may purchase an optional actuarially equivalent life annuity from the LEOFF 2 fund with a minimum payment of \$25,000. The payment may be made through an eligible or direct rollover, or trustee-to-trustee transfer from a tax-qualified plan offered by a governmental employer.

**Summary:** Members of LEOFF Plan 2 who retired prior to June 1, 2014, may purchase an optional actuarially equivalent life annuity from the LEOFF 2 fund with a minimum payment of \$25,000. The payment may be made through an eligible or direct rollover, or trustee-to-trustee transfer from a tax-qualified plan offered by a governmental employer. The annuity may be purchased between January 1 and June 1, 2017.

Members of LEOFF Plan 1 at time of retirement may purchase an optional actuarially equivalent life annuity from the LEOFF 1 fund with a minimum payment of \$25,000. The payment may be made through an eligible or direct rollover, or trustee-to-trustee transfer from a tax-qualified plan offered by a governmental employer. Plan 1 members who previously retired may purchase the annuity between January 1 and June 1, 2017.

Members of Washington State Patrol Retirement System who retired prior to July 24, 2015, may purchase an optional actuarially equivalent life annuity from the LEOFF 2 fund with a minimum payment of \$25,000. The payment may be made through an eligible or direct rollover, or trustee-to-trustee transfer from a tax-qualified plan offered by a governmental employer. The annuity may be purchased between January 1 and June 1, 2017.

DRS must adopt rules regarding eligible rollovers and transfers to ensure they comply with federal requirements and that the rollovers and transfers are conditioned on the receipt of information needed by DRS to determine their eligibility for tax-free treatment under federal tax law.

The bill is contingent on specific funding being provided in the 2016 Supplemental Budget.

**Votes on Final Passage:**

Senate	47	0	
House	96	1	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** June 9, 2016

## SSB 6273

C 59 L 16

Concerning safe technology use and digital citizenship in public schools.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Liias, Litzow, Rolfes, Fain, Mullet, Carlyle, Billig, Fraser and McAuliffe).

Senate Committee on Early Learning & K-12 Education  
House Committee on Education

**Background:** Technology Literacy and Fluency. In 2007, the Legislature directed the Office of Superintendent of Public Instruction (OSPI) to develop Essential Academic Learning Requirements (EALRs) and Grade Level Expectations for educational technology literacy and technology fluency. Additionally, OSPI was required to obtain or develop education technology assessments that may be administered in elementary, middle, and high school grades to assess the EALRs for technology.

The K-12 Educational Technology Learning Standards were published in 2008. The standards are categorized around two EALRs:

- Integration - Students use technology within all content areas to collaborate, communicate, generate innovative ideas, investigate, and solve problems; and
- Digital Citizenship - Students demonstrate a clear understanding of technology systems and operations, and practice safe, legal, and ethical behavior.

Washington State School Director's Association (WSSDA). This state agency is comprised of all 1477 school board members from Washington's 295 public school districts. WSSDA is authorized by the Legislature to be self-funded and self-governed by a president and board of directors elected from school boards throughout the state. WSSDA provides materials and educational services to its members, including model policies and procedures.

Federal Children's Internet Protection Act (CIPA). This federal act required school districts to update their Internet safety policies in 2012. The policies must provide:

- the education of minors about appropriate online behavior, which includes interaction with other individuals on social networking sites and in chat rooms; and
- cyberbullying awareness and response.

OSPI and WSSDA updated the model policy and procedure regarding electronic resources and Internet safety in accordance with CIPA. The policy and procedure were last updated in 2015.

**Summary:** By December 1, 2016, OSPI must develop best practices and recommendations for instruction in digital citizenship, Internet safety, and media literacy. Best practices and recommendations must include instruction that provides guidance about thoughtful, safe, and strategic uses of online and other media resources, and educa-

tion on how to apply critical thinking skills when consuming and producing information. OSPI must report to the Legislature on strategies to implement the best practices and recommendations statewide to school districts.

To develop the best practices and recommendations, OSPI must convene and consult with an advisory committee. The advisory committee must include representatives from WSSDA; experts in digital citizenship, Internet safety, and media literacy; teacher-librarians; and other stakeholders including parent associations, educators, and administrators. Recommendations produced by the advisory committee may include, but are not limited to:

- revisions to the state learning standards for educational technology;
- revisions to WSSDA's model policy and procedure;
- school district processes necessary to develop customized district policies and procedures;
- best practices, resources, and models for instruction in digital citizenship, Internet safety, and media literacy; and
- strategies to support school districts in local implementation of OSPI's best practices and recommendations.

Digital citizenship includes the norms of appropriate, responsible, and healthy behavior related to current technology use, including digital and media literacy, ethics, etiquette, and security. Digital citizenship includes the ability to access, analyze, evaluate, develop, produce, and interpret media, as well as Internet safety and cyberbullying prevention and response.

Beginning in the 2017-18 school year, a school district must annually review its policy and procedures on electronic resources and Internet safety. In reviewing and amending the policy and procedures, a school district must:

- involve a representation of students, parents or guardians, teachers, teacher-librarians, other school employees, administrators, and community representatives with experience or expertise in digital citizenship, media literacy, and Internet safety issues;
- consider customizing WSSDA's model policy and procedures on electronic resources and Internet safety;
- consider existing school district resources; and
- consider best practices, resources, and models for instruction in digital citizenship, Internet safety, and media literacy, including methods to involve parents.

#### Votes on Final Passage:

Senate	48	0	
House	94	3	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 9, 2016

**SB 6274**

C 223 L 16

Concerning the Columbia river recreational salmon and steelhead endorsement program.

By Senators Parlette, Takko, Pearson, Rolfes, Hargrove, Schoesler, Becker, Warnick and Hewitt.

Senate Committee on Natural Resources & Parks  
House Committee on Agriculture & Natural Resources  
House Committee on Appropriations

**Background:** Columbia River Recreational Salmon and Steelhead Pilot Stamp Program (Program) Generally. In 2009, the Legislature passed ESSB 5421 which directed the Department of Fish and Wildlife (DFW) to create the Program to continue and, to the maximum extent possible, increase recreational selective fishing opportunities on the Columbia River and its tributaries. The Program provides funding to supplement resources available to carry out monitoring, permitting, enforcement, and other actions necessary to provide these fishing opportunities.

Program Funding. Program funding comes from an endorsement required for persons fishing recreationally for salmon and steelhead on the Columbia River and its tributaries. A person must obtain an endorsement in addition to a fishing license. The statutory fee for an endorsement is generally \$7.50, but is discounted to \$6.00 for seniors and youth. Endorsement revenues are approximately \$1.5 million per year.

Program Advisory Board. DFW administers the Program in consultation with an advisory body known as the Columbia River Salmon and Steelhead Anglers Board (Anglers Board), which represents the geographic areas and established recreational fishing organizations of the Columbia River. The Anglers Board must make annual recommendations to DFW regarding Program expenditures, and DFW must provide an explanation for any expenditures that substantially differ from the recommendations.

Scheduled Program Expiration. The statutory authority for the Program expires June 30, 2016.

**Summary:** The Program Is Extended for an Additional Year. The Program is authorized for an additional year, with the Program scheduled to expire on June 30, 2017.

Several Changes are Made to the Program.

- The statute is modified to reflect the name commonly used for the Program, which is the Columbia River Salmon and Steelhead Endorsement Program.
- DFW must maintain updated project information on its website.
- A process must be developed that allows individuals and organizations to submit project proposals for review and consideration by the Anglers Board. DFW and the Anglers Board must develop the process by December 1, 2016.

**Votes on Final Passage:**

Senate	48	0	
House	80	17	(House amended)
Senate	49	0	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6281**

C 13 L 16 E 1

FULL VETO

VETO OVERRIDE

Enacting amendments to the uniform athlete agents act.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Fain, Pedersen, Baumgartner and Frockt; by request of Uniform Law Commission).

Senate Committee on Commerce & Labor  
House Committee on Business & Financial Services

**Background:** Uniform Athlete Agent Act. In 2000, the National Conference of Commissioners on Uniform State Laws drafted the Uniform Athlete Agents Act (UAAA). UAAA, which has been enacted in 42 states, governs relationships among student athletes, athlete agents, and educational institutions. It protects the interests of student athletes and educational institutions by regulating the activities of athlete agents.

Washington Uniform Athlete Agent Act. In 2002, the Washington Uniform Athlete Agents Act (WUAAA) was enacted, based on the Uniform Athlete Agents Act. However, the UAAA has provisions requiring the registration of athlete agents while the WUAAA does not.

Disclosure to the Athlete. Under WUAAA, if an agent initiates contact with a college athlete, the agent must provide the athlete with a disclosure form within seven days after an initial act as agent. The disclosure form must include information about the agent's business operations, including any disciplinary sanctions that have been imposed upon the agent. If an athlete is not provided with this disclosure form within the seven days, any contract signed by the athlete is null and void.

Agent Athlete Contracts. Required elements of the agent athlete contract are specified in statute, including a description of any expenses the student athlete agrees to pay and a disclaimer that athletes may lose their eligibility to compete as students if they sign the contract. A student athlete may cancel a contract within 14 days after the contract has been signed. Agents must retain records of their business practices for five years.

Notice to the Educational Institution. At least 72 hours prior to signing a contract, and within 72 hours after signing a contract, both the student athlete and the agent must notify the athletic director of the student's educational institution, and must provide the athletic director with a copy of the agent's disclosure form.

**Prohibited Individuals and Criminal and Civil Penalties.** No person may be an agent in this state if the person has been convicted of a felony or other crime involving moral turpitude, the person's license has been suspended by another state, or if the person's behavior has resulted in sanctions to an athlete or an educational institution. Prohibited acts under the WUAAA are class C felonies and are also punishable by a civil penalty of up to \$10,000. An educational institution has a right of action against an athlete agent or a former student athlete if the institution is damaged by the agent or athlete's conduct. Damage includes being penalized or suspended from participation in athletics by a national athletic association or conference as a result of the agent or athlete's actions.

**Other Provisions.** Family members of the athlete or agents acting solely on the behalf of a professional sports organization are not considered to be agents.

**Revised Uniform Athlete Agent Act.** In 2015, the National Conference of Commissioners on Uniform State Laws revised the UAAA to the Revised Uniform Athlete Agent Act (RUAAA). The RUAAA makes numerous changes to the original act, including expanding the definition of "athlete agent" and "student athlete;" providing for reciprocal registration between states; adding new requirements to the signing of an agency contract; and expanding notification requirements.

**Summary: Definitions.** The definition of "athlete agent" is expanded. The term does not include an individual who: (1) acts solely on behalf of a professional sports team or organization; or (2) is a licensed, registered, or certified professional and offers or provides services to a student athlete customarily provided by members of the profession, unless the individual meets certain specified conditions.

Other definitions are added.

**Disclosures.** Additional items are required in the disclosure form, including telephone numbers, email addresses, web sites, social media accounts, information about affiliated persons, certain civil proceedings, and registration and certification in other states or professional leagues or associations.

**Prohibited Individuals and Agency Contracts.** Provisions are expanded prohibiting persons from engaging as an athlete agent with respect to crimes and when an agent is refused registration renewal in other states. Additional information is required in an agency contract and in the warning to the student athletes.

**Minors.** When a student athlete is a minor, information and notices must be given to the parent or guardian and the contract must be signed by the parent or guardian.

**Required Notices.** Notices must be given to an athletic director: (1) not later than 72 hours prior to signing a contract; again not later than 72 hours after entering into the contract; or before the student's next scheduled athletic event, whichever is earlier; and (2) after enrollment in an educational institution if the contract is signed before en-

rollment. Additional notices are required when an athletic scholarship is involved and before certain communication with the student athlete.

**Reporting of Violations.** An educational institution that becomes aware of an agent's violation of the WUAAA must notify any professional league or players association with which the institution is aware the agent is licensed or registered of the existence of the violation.

**Right to Action for Damages and Consumer Protection Act.** An educational institution or a student athlete may bring an action for actual damages and attorneys' fees and costs. Violations are considered Consumer Protection Act violations.

Provisions regarding prohibited acts are expanded and other technical changes are made.

**Votes on Final Passage:**

Senate	48	0
House	94	3

**Votes on Veto Override:**

**First Special Session**

Senate	40	0
House	85	9

**Effective:** June 28, 2016

**VETO MESSAGE ON SSB 6281**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6281 entitled:

"AN ACT Relating to athlete agents."

This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.

For these reasons I have vetoed Substitute Senate Bill No. 6281 in its entirety.

Respectfully submitted,



Jay Inslee  
Governor

**SB 6282**

C 7 L 16

Addressing the expiration date of the mortgage lending fraud prosecution account.

By Senators Benton, Hasegawa, Mullet and Angel; by request of Department of Financial Institutions.

Senate Committee on Financial Institutions & Insurance  
House Committee on Business & Financial Services

**Background:** In 2003, legislation was enacted creating the Mortgage Lending Fraud Prosecution Account (Ac-

count), a specific fund to aid in the prosecution of consumer fraud in the mortgage lending process. The Account is administered by the Department of Financial Institutions (DFI). Funds for the Account are generated by a \$1 surcharge, assessed at the recording of a deed of trust. In order to defray the costs of collection, the county auditor may retain up to 5 percent of the funds collected. Once collected by a county, the funds must be transferred monthly to the State Treasurer who, in turn, must deposit the funds into the Account.

The DFI may use the Account to reimburse county prosecutors and/or the Office of the Attorney General (AG) for costs related to the investigation and prosecution of mortgage fraud cases. Reimbursable items include salaries, training costs for staff, and expenses related to investigation and litigation. The Director of the DFI or the Director's designee may authorize expenditures from the Account. The DFI is required to consult with the AG and local prosecutors in developing guidelines for the distribution of the funds, which are to be used to enhance law enforcement capabilities at both the state and local level.

The Account and the surcharge created in 2003 were originally set to expire on June 30, 2006, but the expiration date has been extended twice and currently expires on June 30, 2016.

**Summary:** The expiration date for the mortgage lending fraud prosecution account is extended from June 30, 2016 to June 30, 2021.

**Votes on Final Passage:**

Senate 49 0  
House 97 0

**Effective:** June 9, 2016

**SSB 6283**

C 61 L 16

Addressing the securities act of Washington.

By Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Benton, Mullet and Angel; by request of Department of Financial Institutions).

Senate Committee on Financial Institutions & Insurance  
House Committee on Business & Financial Services

**Background:** A security is an interest or investment in a business venture in which the investment is risked with the expectation of some valuable benefit to the investor. Under both state and federal law, all securities offerings must be registered with state and federal regulators, or be exempt from registration under one of a variety of specified exemptions. The Securities Act of Washington sets out the requirements for registration and the various exemptions applicable under state law. The Department of Financial Institutions (DFI) is responsible for administering the Se-

curities Act and regulating investment activities under the act.

In 2014, the Legislature adopted an exemption from registration under the Securities Act for certain small securities offerings. This exemption is more commonly referred to as the crowdfunding exemption.

**Summary:** The time period for appealing the entry of an order by DFI is changed from 15 days to 20 days, to be consistent with the Administrative Procedures Act.

Statutory references in the chapter listing exemptions have been updated to include the exemption for crowdfunding adopted in 2014. The director's authority to deny, revoke, or condition an exemption as it pertains to a security is extended to the crowdfunding exemption.

The registration renewal deadline for securities professionals is changed from December 31 of each year to the deadline specified in the registration depositories managed by the Financial Industry Regulatory Authority.

The statute outlining criminal penalties for violation of the Securities Act is reenacted to eliminate duplicate statutes passed in a previous session.

Various technical, spelling, and grammatical errors are corrected.

**Votes on Final Passage:**

Senate 47 0  
House 96 1

**Effective:** June 9, 2016

**SSB 6284**

C 14 L 16 E 1

FULL VETO

VETO OVERRIDE

Preventing water-sewer districts from prohibiting multi-purpose fire sprinkler systems.

By Senate Committee on Government Operations & Security (originally sponsored by Senators Takko and Roach).

Senate Committee on Government Operations & Security  
House Committee on Local Government

**Background:** Water-Sewer Districts (Districts). Districts are municipal corporations established to construct and maintain water and sewer systems for District residents. Districts may be formed by petition or resolution, and are governed by a board of three, five, or seven commissioners. Districts have the authority to regulate and control the use, distribution, and price of water within the District, and enforce collection charges against customers who connect with the system or receive water. Water meters are used to measure water usage at each property, and customers are charged based on this measure of water consumption.

Fire Protection Sprinkler Systems. A fire protection sprinkler system is an assembly of piping that starts at a

connection to the primary water supply and carries water to sprinklers to contain and extinguish fires. There are two primary types of fire protection sprinkler systems used in residential homes; stand-alone sprinkler systems and multipurpose sprinkler systems. Stand-alone sprinkler systems are kept separate and independent from the water distribution system of the home, and the piping of the system serves only the fire sprinklers. Multipurpose sprinkler systems combine fire sprinklers with the home's plumbing, so water is supplied both to regular plumbing fixtures and to fire sprinklers. Backflow prevention devices are used when sprinkler systems are connected to a nonpotable water supply, to prevent contamination of potable water.

Washington does not require fire protection sprinkler systems to be installed in new single-family homes. However, individual municipalities may choose to adopt local ordinances specifying this requirement. Currently six cities in Washington have sprinkler ordinances, including Bonney Lake, DuPont, Kenmore, Olympia, Redmond, and Tukwila. Fire protection sprinkler system standards are determined by the National Fire Protection Association, and have been adopted into the Washington State Building Code.

**Summary:** A District may not prohibit the use of multipurpose fire sprinkler systems in single-family homes and townhomes. Water-sewer districts also may not require a separate water meter or backflow preventer for the multipurpose fire sprinkler system.

Multipurpose fire sprinkler systems are defined as systems that are constructed of approved potable water piping and attached sprinkler heads that are supplied only by the purveyor's water. They must terminate at a connection to a plumbing fixture to prevent stagnant water and may not have a fire department pumper connection.

**Votes on Final Passage:**

Senate	48	0
House	97	0

**Votes on Veto Override:**

First Special Session

Senate	40	0
House	88	6

**Effective:** June 28, 2016

**VETO MESSAGE ON SSB 6284**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6284 entitled:

"AN ACT Relating to preventing water-sewer districts from prohibiting multipurpose fire sprinkler systems."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Substitute Senate Bill No. 6284 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SSB 6286**

C 8 L 16

Concerning reimbursement of correctional employees for offender assaults.

By Senate Committee on Law & Justice (originally sponsored by Senators Pearson, Roach, Padden, Takko, Hargrove, Billig, Hewitt and Conway).

Senate Committee on Law & Justice  
Senate Committee on Ways & Means  
House Committee on General Government & Information Technology

**Background:** When an employee of the Department of Corrections or the Department of Natural Resources is assaulted by an offender at work and must miss work because of their injuries, the employee may receive supplemental reimbursement. The employee is ineligible for supplemental reimbursement if the assault is attributable to the employee's negligence, misconduct, or violation of employment rules or conditions. The reimbursements are considered wages or salary. An employee has no contract right to continue receiving reimbursement if the Legislature discontinues this reimbursement program or repeals the law authorizing reimbursement.

**Summary:** A Corrections or Department of Natural Resources employee who is injured by an offender assault may receive supplemental benefits in addition to the time-loss benefits the injured worker receives from the Department of Labor and Industries. The injured employee may continue to receive supplemental benefits for 365 days after the injury or longer, if additional time-loss benefits are provided more than one year after the injury.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** June 9, 2016

**SSB 6290**  
C 15 L 16 E 1  
FULL VETO  
VETO OVERRIDE

Concerning the apple commission.

By Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Honeyford, Hobbs and Parlette; by request of Washington Apple Commission).

Senate Committee on Agriculture, Water & Rural Economic Development

House Committee on Agriculture & Natural Resources

**Background:** The Apple Commission (Commission) has been in existence since before the statutes were codified. Over the years the Commission's statutes have been amended but not updated comprehensively so as to clarify ambiguities or address vestigial provisions.

The Commission is an agency of state government with rule making authority. It consists of 13 members appointed by the director of the Department of Agriculture (Director) for three-year terms. Nine of the 13 are producer-members and four are dealer-members.

If there are more than two candidates for any position of Commissioner, they are nominated by secret advisory ballot mailed to all affected producers for producer-positions and to affected dealers for dealer-positions. The names of the two candidates receiving the most votes are forwarded to the Director. If there are only one or two nominations for a Commissioner position, they need not be submitted to a vote before being forwarded to the Director.

The Director may select any candidate forwarded to the Director by ballot or otherwise, or may reject all candidates. In the case of the Director's rejection of all candidates, the Commission, and the Director if desired, then select the nominees for a new advisory vote.

There are three grower-districts and two dealer-districts, defined geographically. At least two producer-members must at all times be from grower-districts one and two, respectively. At least one producer-member must at all times be from grower-district three.

The number of producer-members of the Commission to be appointed from each grower-district is determined by the relative acreages of planted commercial apple orchards within the various districts as of July 1, 2003. This number must be readjusted every 10 years thereafter according to the most recent census of acreages published by the United States Department of Agriculture.

Nominations of candidates for positions as Commissioners from the two dealer districts are made orally at a meeting of the apple growers and dealers in districts one and two. Nominations for the producer positions are selected by a majority of the votes cast by the apples growers in their respective districts.

Commissioners receive up to \$100 per day in compensation for each day of attendance at meetings or for statutorily prescribed duties approved by the Director plus actual travel expense.

Funding is through an 8.75 cent assessment per 100 weight of apples based on net shipping weight plus annual increases or decreases. Any increases or decreases are determined by a vote of the producers voting. To increase assessments requires a two-thirds vote while to decrease assessments requires a majority vote of the acreage voted in the same election. Before the change in assessment becomes effective, the change must be submitted to the apple growers of the state by referendum mail ballot. This referendum is conducted by the same majority requirements as the producers voting in the first instance. After the mail ballot, the Commission may decide not to approve the increase or decrease. There is also a provision made for eliminating assessments altogether.

Provisions are made for transitioning to an appointed commission from an elected commission; for the use of commission records as evidence; for requiring printing contracts to conform to minimum wage and hour laws; for publication of commission rules in a legal newspaper in Wenatchee and Yakima; and to become effective pursuant to the Administrative Procedure Act.

**Summary:** Statutes relating to the Apple Commission are reorganized, updated, and clarified.

The term "grower" is defined and used throughout in place of the term "producer."

The term "crop year" is defined.

It is clarified that nominations to the dealer-positions on the commission are selected by advisory mail ballot. Each dealer is entitled to one vote. A majority vote of the votes cast by the dealers in the respective districts approves the nominations. The nominees for appointment to the grower-positions are selected the same way. The advisory vote by the growers and dealers is required if more than two candidates are nominated for a position.

It is clarified that rule making is conducted under the Administrative Procedure Act with the same exemptions for the same reason as in the underlying statute. Rule making for increasing or decreasing the annual assessment is commenced by the Commission when a need to do so is identified.

When the director approves this rule making, a referendum is conducted by mail ballot. A vote to increase the assessment is approved if two-thirds of the growers vote in favor and those voting in favor represent two-thirds of the apples grown in the prior two crop years based on net shipping weight. The majority vote required to approve a decrease must also represent two-thirds of the apples grown in the prior two crop years based on net shipping weight. If approved by referendum the new rate must be adopted by rule.

The Commission's authority to disregard the results of the election is deleted.

The purchase of Washington apple stamps as a means of collecting the assessments is deleted.

The provisions made for transitioning to an appointed commission from an elected commission; for the use of commission records as evidence; for requiring printing contracts to conform to minimum wage and hour laws; for publication of commission rules in a legal newspaper in Wenatchee and Yakima; and for the rules to become effective pursuant to the administrative procedure act, are all repealed.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Votes on Veto Override:**

First Special Session

Senate	43	0
House	86	8

**Effective:** June 28, 2016

**VETO MESSAGE ON SSB 6290**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6290 entitled:

"AN ACT Relating to the apple commission."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Substitute Senate Bill No. 6290 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**ESSB 6293**

C 62 L 16

Addressing volunteers, student volunteers, and unpaid students.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Braun, Bailey, Rivers, Conway and Sheldon).

Senate Committee on Commerce & Labor  
House Committee on Labor & Workplace Standards

**Background:** Volunteers who perform assigned work or authorized duties for the state or state agencies are considered employees for the purposes of receiving industrial insurance medical aid benefits. These volunteers must be

acting of their own free choice, not receiving wages, and be registered and accepted as volunteers by the state or a state agency prior to the occurrence of an injury or occupational disease.

Volunteers may be provided medical aid benefit coverage at the option of any local government or nonprofit organization that has given notice to the Department of Labor & Industries (L&I) that it will cover all of its volunteers prior to any injury or occupational disease.

Student volunteers may be provided medical aid benefit coverage at the option of their employer. To qualify for the benefits: (1) the employer must have given notice of its intent to provide coverage, for all of its volunteers, to L&I prior to an any injury or occupational disease; (2) the student must be enrolled and participating in a program authorized by a public school for any grades K-12; and (3) the student must perform the duties for the employer without pay.

All L&I premiums or assessments due for the student volunteers' medical aid benefits are paid by the employer who has registered and accepted the services of the volunteers.

**Summary:** Individual employers may provide medical aid benefits to: (1) student volunteers enrolled and participating in a program authorized by any public or private school, including institutions of higher education; and (2) "unpaid students" who are in school-sponsored, unpaid work-based learning. Work-based learning includes cooperative education, clinical experiences, and internship programs.

An employer may annually elect to pay the L&I volunteer premiums and assessments for 100 hours of service for each volunteer, student volunteer, and unpaid student, instead of tracking the actual number of hours of service for each volunteer. An employer selecting this option must use the method for the entire calendar year.

**Votes on Final Passage:**

Senate	48	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6295**

C 13 L 16

Clarifying the venue in which coroner's inquests are to be convened and payment of related costs.

By Senate Committee on Law & Justice (originally sponsored by Senators Hasegawa and McCoy).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** Under current law, coroners may convene an inquest hearing when the coroner suspects a death occurs through unlawful, violent, or suspicious circumstances.



es. The superior courts provide persons from the jury pool to serve on the inquest jury. The inquest jury renders a verdict on the likely causes and circumstances of a death, but the verdict does not assign culpability for a death. Coroner's inquests happen infrequently. Some jurisdictions may not have a process for scheduling a time and place for the inquest and paying the associated costs.

**Summary:** A coroner holding an inquest requests the superior court to provide a courtroom, court personnel, and the inquest jury panel. The inquest date is set by mutual agreement between the coroner and the superior court. The inquest date must be no later than eighteen months after the coroner's request. If no courtroom is available, the superior court may designate a comparable location in the county. If no location in the county is available, the superior court must certify facility unavailability. The inquest must be transferred to another county within 100 miles if no in-county facility is available. The county transferring the inquest will pay the costs to the county receiving the transfer.

**Votes on Final Passage:**

Senate	45	0
House	75	22

**Effective:** June 9, 2016

**SB 6296**  
C 151 L 16

Extending the expiration date of the habitat and recreation lands coordinating group.

By Senators Parlette, Ranker and Fraser; by request of Recreation and Conservation Office.

Senate Committee on Natural Resources & Parks  
House Committee on Agriculture & Natural Resources

**Background:** Habitat and Recreation Lands Coordinating Group (Lands Group) Generally. In 2007, the Legislature established the Lands Group consisting of representatives from specified natural resources agencies, as well as representatives of local government and stakeholder organizations invited to participate by the director of the Recreation and Conservation Office.

The statutory duties of the Lands Group include producing a biennial forecast of land acquisition and disposal plans, convening an annual forum for agencies to coordinate near-term acquisition and disposal plans, and developing an approach for monitoring the success of acquisitions.

Expiration Date for Lands Group Authorization. The Lands Group was initially authorized for five years, and was set to expire on July 31, 2012. In 2012, the Legislature extended the Lands Group for five additional years until July 31, 2017.

**Summary:** The statutory authorization for the Lands Group is extended by 10 years until July 31, 2027. Prior

to January 1, 2027, the Lands Group must provide a recommendation to the Legislature on whether it should continue.

**Votes on Final Passage:**

Senate	49	0
House	96	1

**Effective:** June 9, 2016

**SB 6299**  
C 32 L 16

Correcting certain manifest drafting errors in chapter 44, Laws of 2015 3rd sp. sess. (transportation revenue).

By Senators King and Hobbs.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** During the third special legislative session of 2015, the Legislature passed 2ESSB 5987, a transportation revenue bill intended to provide transportation funding throughout the state. Since the enactment of that legislation, certain drafting errors were discovered within the bill resulting in some provisions being enacted contrary to legislative intent.

**Summary:** The following technical errors made in the 2015 transportation revenue bill (2ESSB 5987) are corrected as follows:

- reestablishes that the Department of Licensing must collect \$18 per enhanced driver's license from July 15, 2015 until June 30, 2016; and
- clarifies that \$2,750,000 in tax credits are available annually for the Commute Trip Reduction program.

**Votes on Final Passage:**

Senate	48	0
House	87	10

**Effective:** March 25, 2016

**ESSB 6309**  
C 224 L 16

Addressing registered service contract and protection product guarantee providers.

By Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Angel and Hobbs).

Senate Committee on Financial Institutions & Insurance  
House Committee on Business & Financial Services

**Background:** Insurance and insurance transactions are governed by the Insurance Code (Code). Among other things, the Code requires: (1) that insurers meet certain financial requirements; and (2) that agents, solicitors, and brokers of insurance comply with specified licensing stan-

dards. Financial and criminal penalties may result from noncompliance.

Certain transactions that fall within the definition of insurance have been addressed by exemptions from the Code or the creation of a specific regulatory structure. Entities regulated under these chapters may not be required to comply with the same capitalization and reserve requirements, reporting and solvency oversight, and claims handling practices as are required of an insurer selling a traditional insurance product. Service contracts are one of the products regulated less stringently than insurance products under the Code.

**Service Contract Defined.** A service contract is a contract for separately stated consideration and for a specified duration to perform the repair, replacement, or maintenance of property or to indemnify a person for the repair, replacement, or maintenance of property. A service contract is also defined to include a contract for separately stated consideration and for a specified duration to perform one or more of the following motor vehicle related services:

- the repair or replacement of tires or wheel damage;
- the removal of certain dents, dings, or creases on a motor vehicle;
- the repair of or replacement of windshields as a result of damage caused by road hazards;
- the replacement of a motor vehicle key or key fob; and
- other services approved by rule of the Commissioner.

Protection product guarantee is a specific type of service contract to repair, replace, or pay the incidental costs if a product fails to perform as stated in the written contract.

**Motor Vehicle Service Contract.** A motor vehicle manufacturer or vehicle distributor issuing motor vehicle service contracts is exempt from various registration and regulatory provisions applicable to other service contract providers. Those exemptions include the requirement to submit organizational documents and identities of corporate officers; appointing the Commissioner to receive service of process; the requirement to file an annual report; and various other requirements applicable to service contract providers.

**Financial Responsibility of Service Contract Providers.** Service contract providers must register with the Insurance Commissioner (Commissioner). In order to provide assurance as to its financial viability, a service contract provider applying for registration in Washington must submit audited annual financial statements or other financial reports for the two most recent years which prove that the applicant is solvent. If the provider is relying on the financial status of the provider's parent company, the provider must also submit the financial statements of the parent company.

In order to demonstrate financial responsibility or assure the faithful performance of the service contract pro-

vider's obligations to its contract holders, a service contract provider must either:

- insure all service contracts under a reimbursement insurance policy;
- maintain a funded reserve account for its obligations of not less than 40 percent of the gross consideration received, less claims paid, on the sale of the service contract for all in-force contracts; or
- maintain, or have its parent company maintain, a net worth or stockholder's equity of at least \$100 million.

If a service contract provider or protection product guarantee provider is using the reimbursement insurance policy to satisfy its financial responsibility requirements, the policy must be filed with and approved by the Commissioner in accordance with and pursuant to the requirements of Washington law.

**Summary:** In order to provide assurance as to its financial viability, a service contract provider applying for registration in Washington must submit evidence as follows:

- for providers relying on a reimbursement insurance policy to demonstrate its financial responsibility, the applicant must submit the most recent annual financial statements, or if not available, the most recent financial statements, which prove that the applicant is solvent;
- if the provider is relying on a funded reserve account to demonstrate its financial responsibility, the applicant must submit the most recent audited annual financial statements or if not available, the most recent audited financial statements, which prove that the applicant is solvent;
- if the provider or its parent company is maintaining net worth or stockholder's equity of at least \$100 million to demonstrate its financial responsibility, the applicant must submit the most recent audited annual financial statements, or if not available, the most recent audited financial statements of the provider or the provider's parent company.

The Commissioner may request that a service contract provider submit financial statements to the Commissioner as part of its annual report. If the provider is relying on a reimbursement insurance policy to demonstrate financial responsibility, the provider must submit the most recent annual financial statements certified as accurate by two officers of the provider or its parent company. If the provider maintains net worth to demonstrate financial responsibility, the provider must submit the most recent audited annual financial statements of the provider or its parent company.

An applicant to be a protection product guarantee provider in this state must include the most recent annual financial statements, or if not available, the most recent financial statements, certified as accurate by two or more

## SSB 6314

officers of the applicant which prove that the applicant is solvent.

If an evergreen letter of credit is posted with the Commissioner as evidence of financial responsibility, the letter must be irrevocable.

Language is added to clarify that a motor vehicle service contract includes a contract sold for separately stated consideration for a specific duration to perform any of the services set out in the definition of a service contract that relate to a motor vehicle.

### Votes on Final Passage:

Senate	49	0
House	92	4

**Effective:** June 9, 2016

## SSB 6314

C 19 L 16

Concerning county road administration and maintenance.

By Senate Committee on Transportation (originally sponsored by Senators Fain and Mullet).

Senate Committee on Transportation  
House Committee on Local Government

**Background:** County Road Engineers. A county road engineer (CRE) is the county employee responsible for all work and records relating to county road construction, maintenance, ownership, and planning. The specific duties, location, method of record retention and other requirements of a CRE are prescribed in current law.

Road Vacation. By ordinance, a county may choose to vacate certain county roads and transfer those roads to other entities. A county may require compensation equal to, or a percentage of, the appraised value of the road that is being vacated. In King County, there are multiple segments of county roads that are located wholly within a city or town and not connected to the county road system.

Work by County Employees. In counties with a population of 400,000 or more, county employees may only perform work valued at up to ten percent of the dollar value of the annual public works budget. All remaining work, except emergency work, must be contracted out. Additionally, county employees in these counties may not perform a public works project in excess of \$90,000 if more than one trade is involved, or a public works project in excess of \$45,000 if only one trade is involved.

**Summary:** County Road Engineers (CRE). Language listing specific books and other items to be provided to a CRE is stricken. Language stating books in the CRE's office are public records is replaced with language that would make all records under the authority of the CRE public records. Requirements for CREs to keep certain records are stricken and new language is added requiring certain records to be publically available and retained as other records are by the county.

Road Vacation. When determining compensation on a road to be vacated by a county, in addition to current law allowing a county to require compensation equal to, or a percentage of, appraised value, a board of county commissioners may take into consideration transfer of liability, risk, increased property taxes, cost avoidance, limits on development and future public benefit.

Work by County Employees. In counties with a population of 400,000 or more, definitions of "Riverine project" and "Storm water project" are provided. In these counties, county employees may complete a riverine or stormwater project that is \$250,000 or less, if more than one trade is involved, or is \$125,000 if only one trade is involved.

### Votes on Final Passage:

Senate	47	0
House	73	24 (House amended)
Senate	47	1 (Senate concurred)

**Effective:** June 9, 2016

## SB 6325

C 225 L 16

Aligning the alcohol content definition of cider with the federal definition.

By Senators Baumgartner, Ranker and Bailey.

Senate Committee on Commerce & Labor  
House Committee on Commerce & Gaming

**Background:** Cider is defined as a table wine that contains not less than 0.5 percent and not more than 7 percent of alcohol by volume (ABV). Cider is made from the alcoholic fermentation of the juice of apples or pears and may be flavored, sparkling, or carbonated.

On December 18, 2015, Congress amended the federal definition of cider by increasing the maximum amount of ABV from 7 percent to 8.5 percent.

**Summary:** The maximum amount of ABV for cider is increased from 7 percent to 8.5 percent.

### Votes on Final Passage:

Senate	42	6
House	88	9

**Effective:** June 9, 2016

## SSB 6326

C 16 L 16 E 1  
FULL VETO  
VETO OVERRIDE

Concerning the retention and maintenance of auto dealer and repair facility records.

By Senate Committee on Transportation (originally sponsored by Senators King, Hobbs and Fain).

Senate Committee on Transportation  
House Committee on Business & Financial Services

**Background:** A vehicle dealer must maintain records of the purchase and sale or lease of all vehicles for five years. The first two years, the copies must be available in hard copy at their place of business. Records older than two years may be kept at another location as long as they are accessible for inspection within three calendar days, exclusive of Saturday, Sunday, or a legal holiday.

Records must consist of the following:

- the license and title numbers of the state in which the last license was issued;
- a vehicle description;
- the name and address of the person from whom the vehicle was purchased;
- the name of the legal owner, if any;
- the name and address of the purchaser or lessee;
- if purchased from a dealer, the name, business address, dealer license number, and resale tax number of the dealer;
- the price paid for the vehicle and the method of payment;
- the vehicle odometer disclosure statement given by the seller to the dealer, and the vehicle odometer disclosure statement given by the dealer to the purchaser or lessee;
- the written agreement to allow a dealer to sell between the dealer and the consignor, or the listing dealer and the seller;
- trust account records of receipts, deposits, and withdrawals;
- all sale documents, which must show the full name of dealer employees involved in the sale or lease; and
- any additional information the Department of Licensing (DOL) may require. However, the DOL may not require a dealer to collect or retain the hardback copy of a temporary license permit after the permanent license plates for a vehicle have been provided to the purchaser or lessee, if the dealer maintains some other copy of the temporary license permit together with a log of the permits issued.

Automotive repair facilities must retain written price estimates and invoices for at least one year after the date in which the repairs were performed.

**Summary:** A vehicle dealer must keep records in paper form for at least one year. After a year, records may be kept solely as electronic records and not as hard copies as long as the electronic records can be accessed by computer at the dealer's place of business during normal business hours for the remainder of the five-year retention period. Records that originate as electronic records may be retained as electronic records with no paper form and must be accessible by computer at the dealer's place of business for at least five years.

The Director of Licensing may adopt rules necessary to implement electronic records retention.

True copies of written price estimates and invoices required to be retained by automotive repair facilities may be maintained as electronic records as long as the repair facility is capable of printing the records in hard copy upon request of the customer or the customer's authorized representative.

The Department of Licensing must submit a report to the Legislature, by December 31, 2018, describing its effort toward all electronic recordkeeping for auto dealers and repair facilities.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Votes on Veto Override:**

First Special Session

Senate	43	0
House	89	5

**Effective:** June 28, 2016

**VETO MESSAGE ON SSB 6326**

*March 10, 2016*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval, Substitute Senate Bill No. 6326 entitled:*

*"AN ACT Relating to the retention and maintenance of auto dealer and repair facility records."*

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Substitute Senate Bill No. 6326 in its entirety.*

*Respectfully submitted,*



*Jay Inslee  
Governor*

**SSB 6327**

C 226 L 16

Providing for hospital discharge planning with lay caregivers.

By Senate Committee on Health Care (originally sponsored by Senators Bailey, Keiser, Nelson, Conway, Mullet and Dammeier).

Senate Committee on Health Care  
House Committee on Health Care & Wellness

**Background:** Hospitals and acute care facilities are required by statute to establish written policies and procedures to identify patients needing further nursing, therapy,

or supportive care following discharge from the hospital. They are also required to develop a discharge plan for each identified patient, including specific care requirements and information on follow-up care. Patients must be provided information on long-term care options in the community and hospitals must coordinate with case management agencies and long-term care providers to ensure transition to the appropriate home, community residential, or nursing facility care if necessary.

A health care provider may not disclose health care information about a person to any other person without the patient's written authorization. A health care provider or facility may disclose certain health care information about a patient without the patient's authorization, to the extent a recipient needs to know the information, if the disclosure is to a person who the provider reasonably believes is providing health care to the patient.

Federal law allows hospitals to share health care information with a spouse, family member, friend, or other person identified by the patient, if the information is directly relevant to the patient's care.

**Summary:** Hospitals must adopt and maintain written discharge policies. The discharge policies must ensure the discharge plan is appropriate for the patient's physical condition, and emotional and social needs. If a lay caregiver is involved, the discharge plan must take into consideration the lay caregiver's abilities. Lay caregivers are designated by the patient and will provide aftercare assistance to a patient in the patient's home.

The discharge plan must include:

- details of the discharge plan;
- hospital staff assessment of the patient's ability for self-care after discharge;
- an opportunity for the patient to designate a lay caregiver;
- an opportunity for the patient to authorize disclosure of medical information to the patient's designated lay caregiver;
- documentation of any designated lay caregiver's contact information;
- description of aftercare tasks, including instructions or training to the patient or lay caregiver on aftercare tasks;
- an opportunity for the patient and lay caregiver to participate in discharge planning; and
- notification to a lay caregiver of the patient's discharge.

In addition to coordinating with patients, family, caregivers, and lay caregivers, hospitals and acute care facilities may coordinate with long-term care workers or home and community-based service providers. They must also inform the patient or surrogate decision maker if it is necessary to complete a valid disclosure authorization on health information privacy and security in order to allow disclosure of health care information to the individual or

entity involved in the patient's care upon discharge. If a valid disclosure is obtained, the hospital may release the patient's information for care coordination or other specified purposes.

Hospitals are not required to adopt discharge policies that delay a patient's discharge or that require the disclosure of protected health information to a lay caregiver without obtaining a patient's consent. If a hospital is unable to contact a lay caregiver, the lack of contact may not interfere with the discharge of a patient.

**Votes on Final Passage:**

Senate	49	0	
House	56	41	(House amended)
Senate			(Senate refused to concur)
House			(House insists on its position)
Senate			(Senate adheres to its position)
House	98	0	(House receded/amended)
Senate	49	0	(Senate concurred)

**Effective:** June 9, 2016

**ESSB 6328**

C 38 L 16 E 1

Concerning youth vapor product substance use prevention.

By Senate Committee on Health Care (originally sponsored by Senators Dammeier, Hasegawa, Conway, O'Ban, Becker and Carlyle).

Senate Committee on Health Care  
Senate Committee on Ways & Means

**Background:** Electronic cigarettes are battery-operated inhalers containing nicotine. The battery heats liquid in the cartridge, turning it into vapor that can be inhaled. The process of inhaling e-cigarette liquid is often called "vaping."

State Law. Washington currently defines a "vapor product" as: a noncombustible tobacco-derived product containing nicotine that employs a mechanical heating element, battery, or circuit, regardless of shape or size, that can be used to heat a liquid nicotine solution contained in cartridges. "Vapor product" does not include any product that is regulated by the United States Food and Drug Administration under chapter V of the federal food, drug, and cosmetic act.

Vapor products may not be sold or given to any person under the age of 18.

WSIPP Study. In 2014 the Legislature directed the Washington Institute for Public Policy (WSIPP) to research e-cigarette prevention programs. After an extensive search for rigorous outcome evaluations of e-cigarette prevention and cessation programs, WSIPP was unable to locate any studies that met WSIPP's research standards. WSIPP found that relatively little research has been conducted on e-cigarettes as a cessation tool. Surveys suggest

that e-cigarette use grew from 1 percent in 2009 to over 6 percent in 2011 among adults. WSIPP found use rates grew from 3 percent to 7 percent between 2011 and 2012 among adolescents. According to the National Monitoring the Future Project, as of 2014, 16 percent of tenth graders used e-cigs.

**FDA Regulations.** The Food and Drug Administration (FDA) proposed regulations in April 2014, that would include coverage of e-cigarettes under their tobacco authority. The proposed rules include the following:

- setting the federal minimum age of 18 for sales;
- banning vending machine sales;
- mandating warning labels;
- prohibiting free samples; and
- requiring companies to register with the FDA to monitor compliance and quality.

The proposed rules were delivered to the White House Office of Management and Budget in October 2015, for final review.

**Summary: Vapor Products.** "Vapor products" are defined as any noncombustible product that may contain nicotine and that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means, regardless of shape or size, that can be used to produce vapor or aerosol from a solution or other substance. "Vapor product" includes any electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device and any vapor cartridge or other container that may contain nicotine in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. "Vapor product" does not include any product that meets the definition of marijuana, useable marijuana, marijuana concentrates, marijuana-infused products, cigarette, or tobacco products.

**Preemption.** Political subdivisions are preempted from adopting or enforcing requirements for licensure and regulations of promotions and sales. Political subdivisions are also preempted from imposing fees on retail outlets other than general business taxes or license fees. Political subdivisions may regulate the use of vapor products only in outdoor public places where children congregate, such as schools, playgrounds and parks. Political subdivisions may regulate the use of VPs in all indoor public places, except that tasting in vapor products retail outlets is specifically permitted, and vapor products use in and around schools, child care centers, elevators and school buses is specifically prohibited.

**Licensing and Fees.** Vapor Product retailers, distributors and delivery sellers must obtain a license from the Washington State Liquor and Cannabis Board (Board) in order to conduct business in Washington. Applications for licensing must be made through the business licensing system, on a form prescribed by the Board. Fees are set for all vapor product licenses, raised for certain tobacco retail-

ers, and set for retailers with both vapor product and Tobacco licenses.

- Vapor product Retailers - \$175
- Vapor product Distributors - \$150
- Vapor product Delivery Sellers - \$250
- Tobacco & Other Tobacco Product Retailers - \$175
- Vapor product Retailer & Tobacco Product or Other Tobacco Product Retailer Combo Fee - \$250

Licenses must be renewed annually. Licenses must be exhibited in the retailer's place of business. The Board is given authorities, enumerated in the language of the bill, to enforce vapor product retailer licenses.

**Enforcement.** The Board may impose penalties, sanctions and other actions against licensees, and is given other powers and authorities as necessary to enforce the provisions of this act. Monetary penalties for vapor product licensees are set, and monetary penalties for tobacco product retailers are changed to:

- \$200 for 1st offense w/in 3 years;
- \$600 for 2nd offense w/in 3 years;
- \$2000 for 3rd offense w/in 3 years, and if the violation is for selling to minors, suspension of the license for 6 months;
- \$3000 for 4th offense w/in 3 years and if the violation is for selling to minors, suspension of the license for 12 months; and
- revocation of license with no possibility of reinstatement for 5th offense w/in 3 years.

For persons holding dual vapor product and tobacco or other tobacco product licenses who are caught selling to minors, each subsequent offense counts as an additional violation during that 3 year period.

**Signage.** A person who holds a vapor product retailer license must display a sign concerning the prohibition of vapor product sales to minors, including specific language enumerated in the language of the bill. The signs must be provided, free of charge, by the Department of Health (DOH). DOH may issue a single tobacco and vapor product sign to cigarette retailers and wholesalers who are also vapor product retailers.

**Sales Requirements.** It is a class 3 civil infraction for any person under the age of 18 to purchase or attempt to purchase, possess, or obtain vapor products. Whenever there is a question as to whether someone is old enough to purchase vapor products, the retailer or their agent must require the purchaser to present an official form of photo identification. Vapor product retailers may not sell products containing cannabinoid, synthetic cannabinoid, cathinone, or methcathinone.

It is unlawful to sell or distribute vapor products at a retail store unless the customer has no direct access to the product except through assistance of the seller. It is also unlawful to sell vapor products from a self-service display.

Retail establishments are exempt from both restrictions if they do not allow minors into the store.

No person may mail, ship or otherwise deliver any vapor products unless the purchase is made using a credit or debit card in the purchaser's name, and the name, birthdate and address of the purchaser is verified by a third party database.

Labeling Requirements. A manufacturer of an open system liquid nicotine container must label products with warnings about nicotine, keeping away from children, that vapor products are illegal for use by minors, and the milligrams per milliliter of nicotine and total volume of the e-liquid. Manufactures of closed system containers must provide DOH with disclosures of nicotine content in their products.

Child Resistant Packaging. Liquid nicotine containers that are sold in Washington must satisfy the child-resistant effectiveness standards, established by the poison prevention packaging act of 1970, and enforced by the federal Consumer Product Safety Commission.

Use Restrictions. The use of vapor products is prohibited, with certain exemptions enumerated in the bill, in the following areas:

- child care facilities;
- schools;
- within 500 feet of schools;
- school buses;
- elevators; and,
- playgrounds.

Vapor product use is specifically permitted in the indoor areas of vapor product retail outlets, for purposes of tasting.

Tasting. Tastings may be offered in the indoor areas of licensed retail outlets. The vapor product liquids used for tasting must contain zero milligrams of nicotine unless the customer explicitly consents to tasting a product that contains nicotine. Disposable mouthpieces must be used, or the vapor device must be disposed of after each tasting.

Coupons. Coupons are allowed to be used for discounted vapor product sales. Coupons for free vapor products are only allowed as part of a contingency of a prior or the same purchase.

Youth Tobacco Prevention Account. The youth tobacco prevention account name is changed to the youth tobacco and vapor product prevention account. All licensing fees and fees collected by the Board for imposition of monetary penalties must be deposited into the youth tobacco prevention account.

Exemption. Motor carriers, freight forwarders and air carriers are exempted from the vapor product provisions in the bill.

**Votes on Final Passage:**

First Special Session

Senate 37 6

House 74 20

**Effective:** June 28, 2016

Contingent (Sections 5-10 and 28)

**SSB 6329**

FULL VETO

Creating the parent to parent program for individuals with developmental disabilities.

By Senate Committee on Human Services, Mental Health & Housing (originally sponsored by Senators O'Ban, Conway, Becker, Fain, Cleveland, Dammeier, Keiser, Darneille, Rolfes, Hobbs, Litzow, Angel, McAuliffe, Habib and Jayapal).

Senate Committee on Health Care

Senate Committee on Human Services, Mental Health & Housing

House Committee on Early Learning & Human Services

House Committee on Appropriations

**Background:** The Parent to Parent program includes supporting both individuals with developmental disabilities and special health care needs. "Special health care needs" means disabilities or handicapping conditions, chronic illnesses or conditions, health related educational or behavioral problems, or the risk of developing such disabilities, conditions, illnesses or problems. The Parent to Parent Program connects parents of children with certain disabilities and special needs with other volunteer parents who also have children with similar disabilities or special needs. The volunteer parents provide peer and emotional support. The program also offers educational trainings and workshops for parents.

There are Parent to Parent programs in 31 counties including Adams, Asotin, Benton, Chelan, Clallam, Clark, Columbia, Cowlitz, Douglas, Franklin, Garfield, Grant, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Lincoln, Mason, Pacific, Pierce, Skagit, Snohomish, Spokane, Thurston, Walla Walla, Whatcom, Whitman, and Yakima.

Parent to Parent USA is a national nonprofit organization whose mission is to promote access and quality in parent to parent support for all families who have children or adolescents with a special health need, mental health issue, or disability. In Washington, many of the Parent to Parent programs are hosted by The Arc of Washington State.

**Summary:** Goals for the Parent to Parent Program for individuals are established and include:

- providing early outreach, support and education to parents of children with special needs;
- matching a trained volunteer support parent with a new parent who has a child with similar needs; and
- providing parents with tools and resources to be successful.

Activities of the Parent to Parent Program may include:

- outreach and support to newly identified parents of children with special needs;
- educational trainings for parents to support their children;
- ongoing peer support from a trained volunteer support parent; and
- regular communication with other local programs.

If funds are provided, the Parent to Parent Program will be funded through the Developmental Disability Administration and administered by a Washington State lead organization that has extensive experience supporting and training support parents for individuals with developmental disabilities. Each local program must be administered by a host organization through a contract with the lead organization. The lead organization shall provide ongoing training to the host organizations and statewide program oversight.

**Votes on Final Passage:**

Senate	48	0	
House	96	1	(House amended)
Senate	48	0	(Senate concurred)

**Effective:**

**VETO MESSAGE ON SSB 6329**

April 1, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6329 entitled:

"AN ACT Relating to creating the parent to parent program for individuals with developmental disabilities."

*I fully support the intent of this legislation, including the establishment of this program in state statute and provision of certain activities through a contracted agency, dependent on funding provided for that purpose. However, this bill is identical in its substantive provisions with the House companion bill, House Bill 2394, creating the parent to parent program for individuals with developmental disabilities. I have previously signed House Bill 2394 into law, thereby making the provisions of this bill duplicative and unnecessary.*

*For these reasons I have vetoed Substitute Senate Bill No. 6329 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SSB 6337**

C 63 L 16

Disposing tax foreclosed property to cities for affordable housing purposes.

By Senate Committee on Human Services, Mental Health & Housing (originally sponsored by Senators Darneille, Miloscia, McCoy, Hasegawa, Conway and Chase).

Senate Committee on Human Services, Mental Health & Housing

House Committee on Community Development, Housing & Tribal Affairs

**Background:** A local jurisdictions must follow state statute and any applicable local ordinance or code to dispose of property it owns. The same is true for property a legislative authority owns as a result of a tax foreclosure.

A legislative authority may dispose of tax-foreclosed property by private negotiation, without a call for bids, and for at least the principle amount of unpaid taxes in any of the following cases: (1) when the sale is to any governmental agency and for public purposes; (2) when the county legislative authority determines that it is not practical to build on the property due to the physical characteristics of the property or legal restrictions on construction activities on the property; (3) when the property has an assessed value of less than \$500 and the property is sold to an adjoining landowner; or (4) when no acceptable bids were received at the attempted public auction of the property, if the sale is made within 12 months from the date of the attempted public auction.

**Summary:** Prior to disposing of tax-foreclosed property, the county legislative authority gives notice to any city in which any tax foreclosed property is located within 60 days of acquiring the property. The notice must offer the city the opportunity to purchase the property for the original minimum bid under RCW 84.64.080 plus any direct costs incurred by the county in the sale, under the following conditions:

- the city must accept the offer within 30 days of receiving the notice, unless the county agrees to extend the offer;
- the city must provide that the property is suitable and will be used for affordable housing development; and
- the city must agree to transfer the property to a local housing authority or nonprofit entity eligible under chapter 43.185A RCW. The city must be reimbursed by the entity for the original minimum bid under RCW 84.64.080 plus any direct costs incurred by the city in the sale of the property to a local housing authority or eligible nonprofit.

If a county legislative authority wants to purchase a tax foreclosed property for public purposes, the county is not required to offer the property first to a city.



**Votes on Final Passage:**

Senate 34 14  
House 61 36 (House amended)  
Senate 37 11 (Senate concurred)

**Effective:** June 9, 2016

**SSB 6338**

C 228 L 16

Addressing the rights of dissenting members of cooperative associations in certain mergers.

By Senate Committee on Law & Justice (originally sponsored by Senators Padden, Billig and Baumgartner).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** Mergers and other significant corporate actions typically require shareholders to authorize the proposed action by voting their approval. When a corporation goes through a fundamental change, such as a sale or merger, a shareholder who votes against the proposed action, but on the losing side, is entitled to dissent from the action. Dissenters may have the right to be compensated by the corporation for the fair value of the shareholder's shares.

A cooperative association is a unique type of corporation whose members are the joint owners of the cooperative. The members participate in the cooperative's business for the mutual benefit of all the members. Cooperative associations are governed by chapter 23.86 RCW. Cooperative members generally pay a membership fee and acquire an equity interest in the cooperative. Each member has equal ownership and participation in the control of the cooperative. Under current law, association members have the right to dissent from three types of cooperative association actions: merger or consolidation; conversion of the cooperative to an ordinary business corporation; and the sale or exchange of all, or substantially all, of the cooperative's property and assets outside the usual course of business. The current law governing cooperative associations provides that dissenting cooperative members enjoy the same rights that apply to business corporations under Title 23B RCW unless chapter 23.86 RCW provides otherwise.

**Summary:** A member of a rural electric association who dissents from a merger, conversion to a business corporation, or sale of its assets has limited rights. A dissenting member cannot require the association to refund all or part of their investment if all the cooperative association's members have the right to continue as members of the surviving association after the merger, conversion, or asset sale on substantially similar terms.

**Votes on Final Passage:**

Senate 48 0  
House 97 0 (House amended)

Senate 48 0 (Senate concurred)

**Effective:** June 9, 2016

**SSB 6341**

C 17 L 16 E 1

FULL VETO

VETO OVERRIDE

Concerning the provision of personal services and promotional items by cannabis producers and processors.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Rivers and Conway).

Senate Committee on Commerce & Labor  
House Committee on Commerce & Gaming

**Background:** Cannabis producers, processors, and retailers do not have the same statutory authorities as granted liquor industry members. Liquor industry members are authorized to provide retailers with branded promotional items of minimal value, provide personal services to a retailer, post information on the Internet of where to purchase their products, and produce materials promoting tourism.

**Summary:** A cannabis producer or processor may provide cannabis retailers with branded promotional items which are of nominal value. "Nominal value" is defined to mean an item with a value of \$30 or less. The items must be used by the retailer in a manner consistent with its license and may only contain imprinted advertising matter of the producer or processor. Producers and processors may not provide the item directly to retail customers and the items must not be targeted to or appeal principally to youth.

A producer or processor is not obligated to provide promotional items, and a retailer may not require the items to be provided as a condition for selling cannabis.

Any person may file a complaint with the Liquor and Cannabis Board (LCB) if the person believes the promotional items result in undue influence or create an adverse impact on public health and safety. If the LCB agrees with complainant, it may issue an administrative violation notice to the producer, processor, or retailer.

Producers or processors may list on their Internet web sites information related to retailers who sell or promote their products. Retailers may list reciprocal information on their Internet websites.

Producers, processors, and retailers may, individually or jointly, prepare materials promoting tourism in Washington State which contain information regarding retail licensees, producers, processors, and their products.

A cannabis producer or processor may provide personal services to a retailer when conducted at a licensed premises, and are intended to inform, educate, or enhance customers' knowledge or experience of the manufacturer's products.

**Votes on Final Passage:**

Senate 36 13  
House 72 25

**Votes on Veto Override:**

First Special Session

Senate 36 4  
House 75 19

**Effective:** June 28, 2016

**VETO MESSAGE ON SSB 6341**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6341 entitled:

"AN ACT Relating to the provision of personal services and promotional items by cannabis producers and processors."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Substitute Senate Bill No. 6341 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SSB 6342**

C 18 L 16 E 1

FULL VETO  
VETO OVERRIDE

Concerning private activity bond allocation.

By Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Miloscia and Hobbs; by request of Housing Finance Commission).

Senate Committee on Financial Institutions & Insurance  
House Committee on Community Development, Housing & Tribal Affairs

**Background:** The Bond Cap Allocation Program (BCAP) at the Department of Commerce (Commerce) authorizes the issuance of the state's bond cap. The BCAP reviews and approves bond issuances for projects to ensure compliance with federal and state law and to ensure that the state does not exceed its tax-exempt issuance ceiling.

Bond cap is the maximum amount of tax-exempt private activity municipal bonds that can be issued by state issuers for a given year. The federal Tax Reform Act of 1986 identifies the amount of bond cap allocated to each state, which is currently \$90 per capita. The Tax Reform Act of 1986 defines private activity bonds as bonds used

to fund projects or programs that include more than 10 percent private participation or where more than 5 percent of the proceeds are used for loans to private business or individuals.

The categories of tax-exempt bonds and their respective allocations of the bond cap in Washington are:

Housing	32.0%
Small Issue - also known as Industrial Development Bonds (IDBs)	25.0%
Exempt Facility	20.0%
Student Loans	15.0%
Redevelopment and Remainder	8.0%

The BCAP may reallocate unused bond cap allocations within any of the five categories to other categories after July 1 and before the end of the calendar year, and may reallocate unused allocations to one or more issuers as carry-forward to be used within three years.

The Washington State Housing Finance Commission (HFC) was created by the Legislature in 1983. The HFC is not a state agency; it does not receive or lend state funds, and its debt is not backed by the full faith and credit of the state. The HFC acts as a conduit for federal allocated bond cap. It issues both tax-exempt and taxable bonds to provide below-market rate financing to nonprofit and for-profit housing developers that set aside a certain percentage of their units for low-income individuals and families.

Prior to 2010, federal student loans originated through a commercial lender and were guaranteed by the federal government. These loans were often purchased by state and local governments through the use of private activity bonds to generate more capital for loans. In 2010, the federal government reverted to issuing student loans directly rather than through commercial lenders. Although private activity bonds are still sometimes used for state supplemental loans or refundings of pre-2010 loans, there is no longer a need to issue bonds to purchase federal loans from commercial lenders. As a result, the federal allocated bond cap for student loans is generally not being utilized.

**Summary:** The bond cap allocation for housing is increased to 42 percent and the bond cap for students loans is decreased to 5 percent.

In any calendar year for which no allocation for student loan bonds has been granted by February 1 of that year, the entire initial allocation for student loans may be reallocated to housing at that time.

Time periods are adjusted for Commerce to submit biennial reports summarizing the usage of bond allocation proceeds and policy concerns for future bond allocations.

**Votes on Final Passage:**

Senate 48 0  
House 93 4

**Votes on Veto Override:**

First Special Session

Senate 43 0  
House 83 11

Effective: June 28, 2016

VETO MESSAGE ON SSB 6342

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6342 entitled:

"AN ACT Relating to private activity bond allocation."

This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.

For these reasons I have vetoed Substitute Senate Bill No. 6342 in its entirety.

Respectfully submitted,



Jay Inslee  
Governor

SB 6345

C 229 L 16

Merging the department of agriculture's fruit and vegetable inspection districts and accounts.

By Senators Takko, Warnick and Hobbs; by request of Department of Agriculture.

Senate Committee on Agriculture, Water & Rural Economic Development

House Committee on Agriculture & Natural Resources

**Background:** The Washington State Department of Agriculture's (WSDA) Fruit and Vegetable Inspection Program (Program) operates on delegated authority from the U.S. Department of Agriculture through fee-for-service-based, state sponsored programs.

The Program provides inspection services to the fresh produce and processing industry to ensure orderly marketing of fruits and vegetables. Major commodities inspected include apples, pears, cherries, peaches, asparagus, potatoes, and onions.

These commodities are inspected for quality, size, labeling, condition, and contract specifications; and may be certified as free from disease and insects as required by domestic and international markets. These inspections include phytosanitary certification, shipping point inspection, third party grading of raw product for processing, and export certification. The program also licenses controlled atmosphere storage facilities for factors affecting the marketability and export of fresh and processed fruits and vegetables.

These services are provided through two district offices, each with a district manager, and 10 field offices located throughout the state. The Northeast and Northwest Regions are administered from East Wenatchee. The

Southwest and Southeast Regions are administered from Yakima.

The fees collected under the Program are deposited into the fruit and vegetable inspection account in the custody of the state treasurer. Within this account, WSDA must maintain separate accounts for each district. Two \$150,000 transfers of funds from tree fruit inspections were authorized for 2009 and 2013, for the control of *Rhagoletis pomonella* in District Two.

**Summary:** Authority to administer the Program through two districts is repealed.

The positions of district manager are deleted.

The requirement for WSDA to maintain separate accounts for each district is deleted. The section addressing control of *Rhagoletis pomonella* is repealed.

Votes on Final Passage:

Senate	49	0
House	97	0

Effective: June 9, 2016

ESB 6349

C 152 L 16

Concerning public funds and deposits.

By Senators Benton and Mullet; by request of State Treasurer.

Senate Committee on Financial Institutions & Insurance  
House Committee on Business & Financial Services

**Background:** The Public Deposit Protection Commission (Commission) is comprised of the State Treasurer, Governor, and Lieutenant Governor. The Commission administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The Commission approves which banks and thrifts can hold state and local government deposits and monitors collateral to secure uninsured public deposits when deposits exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). The standard insurance amount through the FDIC is \$250,000 per depositor, per insured bank.

**Summary:** Letters of credit qualify as eligible collateral for public deposits. When letters of credit are to be held by third parties and when they may need to be held instead by the commission administrator at the State Treasurer's office is clarified. Investment deposits do not include time deposits represented by a transferable or negotiable certificate, instrument, passbook, or statement, or by book entry or otherwise.

The definition of "public depository" is modified to recognize that credit unions have tax-exempt status and, under certain circumstances, may be utilized as a public depository.

References to the Federal Home Loan Bank - Seattle are replaced with a generic reference to a federal home loan bank. References to the office of thrift supervision are deleted.

The State Treasurer and higher education institutions are broadly authorized to invest in:

- bonds of the state of Washington and local government bonds with one of the three highest credit ratings of a nationally recognized rating agency;
- general obligation bonds of another state or local governments of another state with similarly high credit ratings; registered warrants of a local government in the same county as the government making the investment;
- certificates, notes, or bonds of the United States, any corporation wholly owned by the United States, or obligations issued or guaranteed by supranational institutions that have the United States as its largest shareholder; and
- bankers' acceptances, commercial paper, or corporate notes purchased on the secondary market.

Local governments are similarly authorized, but may invest in Washington and local government bonds without one of the three highest rating of a nationally recognized rating agency. Commercial paper and corporate notes must adhere to the State Investment Board investment policies to be eligible for local government, the State Treasurer, or higher education institutions investment.

The investment authority granted to higher education institutions in the bill does not limit the authority already provided in the laws pertaining to the University of Washington, the Washington State University, regional universities, The Evergreen State College, and the community and technical colleges.

Money market funds and certain types of mutual funds are eliminated from the definitions in the general laws authorizing investment of public funds, and changes are made to the definition of "state" for investment purposes to mean any state in the United States other than the state of Washington. The authority for the state and local governments to invest in any investments authorized by law for the state or any other local government is also eliminated. Local government authority to make investments specifically authorized for those entities is not limited by the repeal.

Authority for the state of Washington and any subdivision or local government to invest in debt secured by mortgages insured by the Federal Housing Administrator, or in bonds of the Home Owner's Loan Corporation is eliminated.

Authority for the State of Washington and any subdivision or local government to invest in notes, bonds, or debentures of savings and loan associations, banks, mutual

savings banks, savings and loan service corporations, and corporate mortgage companies is eliminated.

The Higher Education Facilities Authority is granted the authority to invest funds held in reserve that are not required for immediate disbursement. The authority of the State Finance Committee to administer and adopt rules relating to the investment of local government funds laws is repealed.

**Votes on Final Passage:**

Senate	49	0	
House	93	4	(House amended)
Senate	49	0	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6354**

C 19 L 16 E 1

FULL VETO

VETO OVERRIDE

Concerning the development of higher education reverse transfer agreement plans.

By Senate Committee on Higher Education (originally sponsored by Senators Liias, Baumgartner, Carlyle, Frockt and Bailey).

Senate Committee on Higher Education  
House Committee on Higher Education

**Background:** Transfer in Washington is directed by several statutes and follows the *Policy on Intercollege Transfer and Articulation among Washington Public Colleges and Universities* adopted in 1986, and the *Transfer Task Force Transfer Agreement* adopted in 1994. Transfer policies are implemented and maintained through cooperative efforts of the public institutions of higher education, the State Board for Community and Technical Colleges (SBCTC), and the Washington Student Achievement Council (WSAC).

**Direct Transfer Agreements.** A student may complete a direct transfer agreement (DTA) pathway in math and science, or as part of a major related program. All courses required by these DTA pathways will transfer to every Washington public four-year institution and to many independent institutions participating in the agreement. If admitted into the four-year institution, the transfer student has junior standing.

**Reverse Articulation.** Reverse articulation allows eligible students to receive their associate degree after transferring to a baccalaureate institution. Students who transfer prior to completing their associate degree can complete any remaining requirements as part of their baccalaureate degree program and apply those credits back to the community or technical college (CTC) to receive their associate. The first reverse articulation agreement was signed between Western Governors University in Washington and the SBCTC in 2013. Since then, Eastern Wash-

ington University and Washington State University have also entered into reverse articulation agreements with local community colleges.

**Summary:** The four-year institutions of higher education must work with the SBCTC to develop plans for facilitating the reverse transfer of academic credits from four-year institutions to CTCs. The plans must include the following provisions:

- a policy allowing eligible students the opportunity to transfer credits from a four-year institutions back to a CTC, to use towards a two-year degree; and
- procedures for notifying eligible students of their eligibility in the program.

All transfer students who enroll as degree-seeking students at a four-year institution after completing at least 60 quarter credits at a CTC, but before attaining an associate degree, must be eligible for reverse transfer.

The SBCTC and four-year institutions must adopt plans by December 31, 2017.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Votes on Veto Override:**

First Special Session

Senate	40	0
House	88	6

**Effective:** June 28, 2016

**VETO MESSAGE ON SSB 6354**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6354 entitled:

"AN ACT Relating to developing higher education reverse transfer agreement plans."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Substitute Senate Bill No. 6354 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

Concerning disclosure of identifiable information and security information of certain employees of private cloud service providers.

By Senate Committee on Government Operations & Security (originally sponsored by Senators Roach, Ranker, Takko, McCoy, Hobbs, Litzow, Fain, Hasegawa and Chase).

Senate Committee on Government Operations & Security  
House Committee on State Government

**Background:** The Public Records Act (PRA). The PRA, enacted in 1972 as part of Initiative 276, requires that state and local governments make all public records available for public inspection and copying unless certain statutory exemptions apply. The provisions requiring disclosure of public records are interpreted liberally, while the exemptions from disclosure are narrowly construed, to effectuate a policy favoring disclosure.

Security Exemptions. Various types of security information are exempt from the PRA's disclosure requirements. These include:

- records assembled, prepared, or maintained to prevent, mitigate, or respond to terrorist acts, such as vulnerability assessments and response plans;
- specific vulnerability assessments and emergency and escape response plans for correctional facilities;
- information in safe school plans;
- information regarding the infrastructure and security of information technology networks; and
- system security and emergency preparedness plans.

Criminal Justice Information Systems (CJIS) Agreements. The CJIS division of the Federal Bureau of Investigation (FBI) serves as the focal point and central repository for criminal justice information systems in the FBI. A variety of functions have been consolidated under CJIS, including the National Crime Information Center, the National Instant Criminal Background Check System, and the Law Enforcement Enterprise Portal, which provides data to law enforcement and criminal justice entities.

**Summary:** The following information relating to a private cloud service provider that has entered into a CJIS agreement is exempt from public disclosure requirements:

- personally identifiable information of employees; and
- other security information of the cloud service provider.

**Votes on Final Passage:**

Senate	47	1
House	97	0

**Effective:** June 9, 2016

## SSB 6358

C 33 L 16

Concerning rail fixed guideway public transportation system safety and security oversight.

By Senate Committee on Transportation (originally sponsored by Senators King and Hobbs; by request of Department of Transportation).

Senate Committee on Transportation  
House Committee on Transportation

**Background:** State Safety Oversight Plan. Under federal law, the state is required to have a State Safety Oversight Program (SSOP) for rail transit systems. Rail transit systems are defined as all rail operating on a fixed guideway that is not regulated by the Federal Railroad Administration (FRA). Currently this would include light rail in the Puget Sound area, Seattle streetcars and the Seattle Monorail. The SSOP is housed within the Washington State Department of Transportation (WSDOT). Agencies operating rail transit systems are required to submit a safety plan and a security and emergency preparedness plan to WSDOT. These plans describe various procedures, including how accidents and security breaches will be investigated and reported, corrective action plans, and internal audits. Agencies must submit internal audit results evaluating compliance with the submitted plans to WSDOT annually by December 15th. Agencies must notify WSDOT within two hours of an accident, hazard, or security breach; and provide a written report within 45 days.

Recent Changes to the SSOP. The federal transportation funding act of 2012, known as MAP-21, provided additional enforcement authority, and made other changes to the SSOP. Under MAP-21, states may no longer seek reimbursement for SSOP activities from the entities that they regulate. States are required to update their SSOP, or risk losing Federal Transit Authority (FTA) funding that would otherwise have been granted to entities within that state. Fines may also be leveraged upon rail transit systems that do not comply with the new SSOP requirements. WSDOT does not currently have authority to impose fines upon a rail transit system. The FTA is currently developing new rules to implement the requirements in MAP-21, and states have three years from the time final rules are adopted to comply. The FTA certifies each state's SSOP to ensure compliance with current federal law.

**Summary:** A rail fixed guideway public transportation system (RFGPTS) is defined as rail operating on a fixed guideway that is not regulated by the Federal Railroad Administration (FRA), but excludes systems that are not considered public transportation, such as seasonal, tourist or intra-terminal service.

New requirements for entities operating RFGPTSs. Transit agencies, cities, and counties owning or operating RFGPTSs must include in the reports required to be submitted to WSDOT additional information about security

vulnerabilities and identifying and resolving hazards. WSDOT shall establish the requirements for the annual audit report. Specific dates and notification periods are stricken and replaced with a requirement to comply with the relevant information in the most current version of the WSDOT SSOP manual or WSDOT rule.

New requirements for WSDOT. WSDOT is established as the state safety oversight agency for Washington and has safety and security related investigative and enforcement authority over all RFGPTSs. WSDOT shall adopt rules on its authority. WSDOT must be independent from any agency that they are obliged to oversee, must not employ anyone who is also responsible for administering a RFGPTS, and must not provide direct public transportation in an area with RFGPTSs.

Additional information about security vulnerabilities and hazards is included in the plans WSDOT must - rather than 'may' - collect, audit, approve, oversee and enforce. WSDOT may impose financial penalties, determined by rule, for non-compliance with state or federal RFGPTS regulations; and may suspend service and require equipment removal if safety or security deficiencies are not addressed in a timely manner.

WSDOT may not charge a fee or seek reimbursement for the cost of the SSOP from owners or operators of RFGPTSs.

WSDOT shall report the status of the safety and security of each RFGPTS annually to the governor, the FTA, transportation committees of the Legislature, and each RFGPTS.

**Votes on Final Passage:**

Senate	48	0
House	97	0

**Effective:** March 25, 2016

## SSB 6360

C 230 L 16

Developing a plan for the consolidation of traffic-based financial obligations.

By Senate Committee on Law & Justice (originally sponsored by Senators O'Ban, Carlyle, Liiias, Jayapal, Frockt, King, Pearson, Pedersen, Hasegawa and Chase; by request of Attorney General).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background:** A notice of a traffic infraction is a determination that a person has committed the traffic infraction, and the determination is final unless the person contests the infraction. A person who receives a notice of a traffic infraction may either pay a fine or request a hearing to contest the notice. If the person fails to pay the fine or fails to appear at a requested hearing, the court will enter an or-

der assessing the monetary penalty for the traffic infraction.

A form for a notice of a traffic infraction must include a statement that the person may be able to enter into a payment plan with the court. If a court determines, in its discretion, that a person is unable to pay immediately and less than one year has passed since the infraction became due, the court must enter into a payment plan with the person. If the person has previously been granted a payment plan for the same fine, or if the person is in noncompliance with any previous or existing payment plan, the court has the discretion to enter into a payment plan. A court may administer the payment plan itself or may contract with an outside entity to do so.

Failure to respond to the notice, pay the fine, or comply with a payment plan results in license suspension.

Spokane and King county have established relicensing programs that enable drivers whose licenses are suspended for delinquent traffic fines to consolidate their fines into an affordable payment plan and have their licenses reinstated.

**Summary:** A work group of stakeholders is convened by the Office of the Attorney General (AGO) to receive input and provide feedback on a plan and the program for the efficient statewide consolidation of an individual's traffic-based financial obligations imposed by courts of limited jurisdiction into a unified and affordable payment plan.

The work group convenes as necessary. The work group provides final feedback and recommendations to the AGO no later than September 15, 2017. A final report from the AGO, detailing its recommendations and the plan, must be submitted to the Supreme Court, the Governor, and the appropriate committees by December 1, 2017.

**Votes on Final Passage:**

Senate	49	0	
House	93	2	(House amended)
House	95	2	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6363**

C 34 L 16

Concerning the design and construction of certain transportation facilities adjacent to or across a river or waterway.

By Senate Committee on Transportation (originally sponsored by Senators Takko, Ericksen, Hobbs and Parlette).

Senate Committee on Transportation  
House Committee on Transportation

**Background:** Under current law, the Washington State Department of Transportation (WSDOT) is not required to consider or report on the feasibility of providing a means of public access to a navigable river or waterway for public recreation purposes during the design process for state highway projects that include the construction of a new

bridge or reconstruction of an existing bridge that is adjacent to or crosses a waterway.

Projects that are required to document the environmental impacts of the projects under the National Environmental Policy Act (NEPA) may be required to consider public access as part of the required environmental assessment or environmental impact assessment analysis.

**Summary:** WSDOT must consider and report on the feasibility of providing a means of public access to waterways for public recreation purposes during the design process for state highway projects, other than limited access highways and ferry terminals, that include the construction of a new bridge or reconstruction of an existing bridge across a navigable river or waterway.

WSDOT must document in the feasibility report whether proposed projects are in an area identified by state or local plans to be a priority for recreational access to waterways. WSDOT must coordinate with relevant state agencies or local agencies if the project is in an identified priority area.

WSDOT must not adversely impact any preexisting public access to a waterway, to the greatest extent practicable, when undertaking state highway projects, including major improvement projects.

Major improvement projects are defined.

Requirements of a consideration of feasibility are specified.

These requirements are not to be interpreted as to delay decision-making or approvals on projects, or limit WSDOT's entitlement to recreational immunity consistent with statute.

**Votes on Final Passage:**

Senate	49	0
House	58	39

**Effective:** June 9, 2016

**SB 6371**

C 231 L 16

Concerning the definition of "agency" for purposes of early learning programs.

By Senators Litzow, Mullet, Dammeier, Hargrove, Fain, Hobbs, Hill and McAuliffe; by request of Department of Early Learning.

Senate Committee on Early Learning & K-12 Education  
House Committee on Early Learning & Human Services

**Background:** The Department of Early Learning (DEL) oversees child care licensing, which includes some school-age care programs. School-age care refers to programs that operate before and after school, during the summer, and over holiday breaks.

Under state law, it is unlawful for any agency to care for children unless the agency is licensed by DEL. Agen-

cy means any person, firm, partnership, association, corporation, or facility that provides child care and early learning services outside a child's own home and includes certain entities irrespective of whether there is compensation to the agency.

The term "agency" does not include schools, including boarding schools, that are (1) engaged primarily in education, (2) operate on a definite school year schedule, (3) follow a stated academic curriculum, (4) accept only school age children, and (5) do not accept custody of children.

**Summary:** Within the agency exemption, the definition of schools is modified. The fifth requirement that schools do not accept custody of children is removed.

**Votes on Final Passage:**

Senate	49	0
House	92	5

**Effective:** June 9, 2016

**SB 6376**

C 9 L 16

Recognizing human trafficking awareness day.

By Senators Fraser, Roach, McCoy, Conway, Hasegawa, Padden, Carlyle, Lias, Nelson, O'Ban, Darneille, Chase and Jayapal.

Senate Committee on Human Services, Mental Health & Housing

Senate Committee on Law & Justice

House Committee on State Government

**Background:** Washington State recognizes 10 specific days, all Sundays and one other day that an employee of the state may select, as state legal holidays. Fourteen more specific days are recognized by the Legislature, but not considered legal holidays. These recognized days include Korean-American Day, Columbus Day, Former Prisoner of War Recognition Day, Washington Army and Air National Guard Day, Purple Heart Recipient Recognition Day, Children's Day, Mother Joseph Day, Marcus Whitman Day, Pearl Harbor Remembrance Day, Korean War Veterans Armistice Day, Civil Liberties Day of Remembrance, Juneteenth, Welcome Home Vietnam Veterans Day, and Arbor Day. Recognized days that are not state legal holidays are not paid holidays for state employees.

Human trafficking occurs when a person recruits, harbors, transports, transfers, provides, obtains, buys, purchases, or receives a person who will be engaged by means of force, fraud, or coercion in forced labor, involuntary servitude, a sexual act or acts including commercial sex acts or sex acts involving persons who are underage, or benefits financially from the same.

**Summary:** January 11th of each year is recognized as Human Trafficking Awareness Day. An intent section describes the history of human trafficking legislation in Washington.

**Votes on Final Passage:**

Senate	49	0
House	96	1

**Effective:** June 9, 2016

**SB 6398**

C 20 L 16 E 1

FULL VETO

VETO OVERRIDE

Concerning certain cultural foods.

By Senators Hasegawa and Chase.

Senate Committee on Commerce & Labor

House Committee on Health Care & Wellness

**Background:** The U.S. Food and Drug Administration (FDA) publishes the Food Code, a model that provides recent food science, technology, and legal basis for regulating the retail and food service industry. Local, state, tribal, and federal regulators use the FDA Food Code as a model to develop or update their own food safety rules and to be consistent with national food regulatory policy. Alternatives that offer an equivalent level of public health protection to ensure that food at retail and food service is safe are recognized in the Food Code.

The 2013 FDA Food Code edition reflects input from federal agencies regulatory officials, industry, academia, and consumers. The Food Code establishes requirements that prevent food borne illness and injury and eliminates the most important food safety hazards in retail and food service facilities.

The State Board of Health must consider the most recent version of the FDA Food Code for the purpose of adopting rules for food service. Temperature and time safety controls are provided in rules.

**Summary:** In considering the adoption of rules for food service, the State Board of Health must consider scientific data regarding time-temperature safety standards for Asian rice-based noodles and Korean rice cakes.

The act is not intended to create a private right of action or claim on the part of any individual, entity, or agency against the State Board of Health, any contractor of the State Board of Health, or the Department of Health (DOH).

The Legislature finds that:

1. Asian rice-based noodles and Korean rice cakes are cultural foods with different time-temperature safety standards from other foods;
2. Asian rice-based noodles kept at room temperature are safe for consumption:
  - a. within four hours of the time when they first come out of hot holding at temperatures at or above 135 degrees; or



- b. when they have a pH of 4.6 or below, a water activity of 0.85 or below, or have been determined by the DOH to not be a potentially hazardous food based on formulation and supporting laboratory documentation submitted to the DOH by the manufacturer; and
- 3. Korean rice cakes are safe for consumption within one day of manufacture.

Definitions are provided for Asian rice-based noodles and Korean rice cake.

**Votes on Final Passage:**

Senate	49	0
House	96	1

**Votes on Veto Override:**

First Special Session

Senate	41	0
House	87	7

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 6398**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Senate Bill No. 6398 entitled:

"AN ACT Relating to cultural foods."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 6398 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SB 6400**

C 64 L 16

Concerning technical changes that clarify fish and wildlife enforcement laws.

By Senators Hewitt, Hargrove and Warnick; by request of Department of Fish and Wildlife.

Senate Committee on Natural Resources & Parks  
House Committee on Agriculture & Natural Resources

**Background:** The Washington Department of Fish and Wildlife (WDFW) is responsible for issuing recreational hunting and fishing licenses at fees set in statute for each license type. WDFW also has authority to enforce statutory and regulatory hunting and fishing laws.

Unlawful Recreational Fishing in the First Degree. A person is guilty of unlawful recreational fishing in the first degree if the person:

- takes or possesses two times or more than the bag limit or possession limit of fish or shellfish allowed by any rule;
- fishes in a fishway;
- shoots, gaffs, snags, snares, spears, dipnets, or stones fish or shellfish in state waters, or possesses fish or shellfish taken by such means, unless authorized by rule;
- fishes for or possesses a fish listed as threatened or endangered, unless specifically allowed under federal or state law;
- possesses a white sturgeon measuring in excess of the maximum size limit;
- possesses a green sturgeon of any size; or
- possesses a wild salmon or wild steelhead during a season closed for wild salmon or wild steelhead. Wild salmon means a salmon with an unclipped adipose fin, regardless of whether the salmon's ventral fin is clipped. Wild steelhead means a steelhead with no fins clipped.

Unlawful recreational fishing in the first degree is a gross misdemeanor.

Unlawful Hunting of Wild Birds in the Second Degree. A person is guilty of unlawful hunting of wild birds in the second degree if the person:

- hunts for wild birds and, whether or not the person possesses wild birds, the person has not purchased the appropriate hunting license; or
- takes or possesses less than two times the bag or possession limit of wild birds and either:
  - owns, but does not possess, all required licenses; or
  - violates any rule regarding seasons, bag or possession limits, closed areas, closed times, or the manner or method of hunting or possession of wild birds.

Unlawful hunting of wild birds in the second degree is a misdemeanor.

Unlawful Hunting of Big Game. A person is guilty of unlawful hunting of big game in the second degree if the person:

- hunts for, takes, or possesses big game and the person does not have and possess all required licenses, tags, or permits; or
- violates any rule regarding seasons, bag or possession limits, closed areas including game reserves, closed times, or any other rule governing the hunting, taking, or possession of big game.

A person is guilty of unlawful hunting of big game in the first degree if the person commits the acts for unlawful hunting of big game in the second degree and:

- hunts for, takes, or possesses three or more big game animals within the same course of events; or
- the act occurs within five years of the date of a prior conviction involving unlawful hunting, killing, possessing, or taking big game.

Unlawful hunting of big game in the second degree is a gross misdemeanor. Unlawful hunting of big game in the first degree is a class C felony.

If an adult offender is convicted of unlawful hunting of big game in the first or second degree and that violation results in the death of certain big game animals, the court must require payment of a criminal wildlife penalty assessment. Imposition of the penalty assessment results in revocation of the person's hunting license and suspension of all hunting privileges until the assessment is paid.

**Summary:** Unlawful Recreational Fishing in the First Degree. Clarifies that a salmon is considered to have an unclipped adipose fin if it does not have a healed scar at the location of the clipped adipose fin.

Unlawful Hunting of Wild Birds in the Second Degree. Makes a technical correction to add tags, stamps, and permits to the list of appropriate types of hunting licenses required to hunt for wild birds.

Unlawful Hunting of Big Game. Clarifies that the revocation and suspension that results when assessed the criminal wildlife penalty assessment are in addition to and runs concurrently with any other revocation and suspension required by law.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** June 9, 2016

**SB 6401**  
C 21 L 16 E 1  
FULL VETO  
VETO OVERRIDE

Concerning recordkeeping requirements of secondary commercial fish receivers.

By Senators Rolfes and Warnick; by request of Department of Fish and Wildlife.

Senate Committee on Natural Resources & Parks  
House Committee on Agriculture & Natural Resources

**Background:** Secondary commercial fish receivers are persons who sell fish at retail, and persons who store, hold, ship, or broker fish or shellfish for valuable consideration. A person is guilty of a secondary commercial fish receiver's failure to account for commercial harvest if:

- the person sells fish or shellfish at retail, stores or holds fish or shellfish for another in exchange for valuable consideration, or ships or brokers fish or shellfish in exchange for valuable consideration;
- the fish or shellfish were required to be entered on a Washington fish-receiving ticket or a Washington aquatic farm production annual report; and
- the person fails to maintain records of each receipt of fish or shellfish as required at the location where the fish or shellfish are being sold, stored, or held, or at the principal place of business of the shipper or broker.

Records of the receipt of fish or shellfish must be in the English language and be maintained for three years from the date the fish or shellfish are received, shipped, or brokered. A secondary commercial fish receiver's failure to account for commercial harvest is a misdemeanor.

**Summary:** Clarifies that records of the receipt of fish or shellfish must be kept at the location where the fish or shellfish are stored rather than at a secondary commercial fish receiver's principal place of business.

**Votes on Final Passage:**

Senate	48	0
House	96	0

**Votes on Veto Override:**

First Special Session

Senate	41	0
House	88	6

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 6401**

*March 10, 2016*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval, Senate Bill No. 6401 entitled:*

*"AN ACT Relating to recordkeeping requirements of secondary commercial fish receivers."*

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 6401 in its entirety.*

*Respectfully submitted,*



*Jay Inslee  
Governor*

**SB 6405**  
C 65 L 16

Addressing the civilian health and medical program for the veterans affairs administration.

By Senators Benton, Roach, McCoy, O'Ban, Angel and Conway.

Senate Committee on Financial Institutions & Insurance  
House Committee on Business & Financial Services

**Background:** The federal Department of Veterans Affairs offers a health benefits program, the Civilian Health and Medical Program, commonly called CHAMPVA. The CHAMPVA shares the cost of certain health care services and supplies with eligible beneficiaries, with reimbursement for most medical expenses including inpatient, outpatient, mental health, prescription medication, skilled nursing care, and durable medical equipment.

Eligible beneficiaries include the spouse or widow or widower and the children of a veteran who:

- is rated permanently and totally disabled due to a service-connected disability;
- was rated permanently and totally disabled due to a service-connected condition at the time of death;
- died of a service-connected disability; or
- died on active duty, and the dependents are not eligible for Department of Defense Tricare benefits.

Supplemental insurance policies are available to offset some or all out-of-pocket costs. The supplemental insurance policies are sold by private insurance carriers, and a variety of carriers offer policies across the country, but policies are not currently available in Washington State. Current insurance law allows for the supplemental policies.

**Summary:** The CHAMPVA is included in the definition of "group disability insurance" and excluded from the definition of a "health plan". The CHAMPVA may be offered to a qualified Washington resident under a group disability policy.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** June 9, 2016

**ESB 6413**  
C 66 L 16

Modifying residential landlord-tenant act provisions relating to tenant screening, evictions, and refunds.

By Senators Mullet, Benton, Pedersen and Frockt.

Senate Committee on Financial Institutions & Insurance  
House Committee on Judiciary

**Background:** The Residential Landlord-Tenant Act (RLTA) regulates the rights and duties of landlords and tenants in residential rental housing.

Landlords may screen and evaluate potential tenants, either by conducting their own searches of public records or by using companies that provide consumer reports for use in screening tenants. RLTA provides that if a landlord uses a tenant screening service to obtain the report, only the landlord's cost may be charged to the tenant. The landlord's actual costs may be charged if the landlord conducts the screening. A landlord may not charge a tenant for obtaining background information unless the landlord first notifies the tenant of what the tenant screening will entail, the tenant's right to dispute the information received by the landlord, and the name and address of the tenant screening service used by the landlord.

Prior to screening a prospective tenant, and in order to charge the prospective tenant for that screening, the prospective landlord must first notify the prospective tenant in writing of the following information:

- what types of information will be accessed to conduct the tenant screening;
- what criteria may result in the denial of the application;
- the name and address of the consumer reporting agency, if used; and
- the prospective tenant's right to obtain a free copy of the consumer report in the event of an adverse action, and to dispute the accuracy of information in the consumer report.

If an adverse action is taken, the prospective landlord must provide this information to the prospective tenant in writing, in a form substantially similar to the one prescribed by statute. If the adverse action is based on information received from a consumer report, the contact information of the consumer reporting agency must be provided.

A landlord may collect a deposit from a tenant as security for the performance of the tenant's obligations in a rental agreement. In order to collect a deposit, the rental agreement must be in writing and must include the terms and conditions under which the deposit may be withheld upon termination of the agreement. A written checklist signed by the landlord and the tenant describing the condition of the unit must accompany the rental agreement.

Within 14 days after the termination of a rental agreement or abandonment of the premises, the landlord must give a full and specific statement of the basis for retaining any portion of the deposit together with the payment of any refund due to the tenant. No portion of a deposit may be withheld on the account of wear resulting from ordinary use of the premises. If a landlord fails to provide the required statement and refund to the tenant within 14 days, the landlord must return the entire deposit.

**Summary:** Prior to screening a prospective tenant, and in order to charge the prospective tenant for that screening,

the prospective landlord must notify the prospective tenant in writing as to whether or not the landlord will accept a comprehensive reusable tenant screening report made available to the landlord by a consumer reporting agency. If the landlord accepts such a report, the landlord may still access his or her own tenant screening report, but may not charge the prospective tenant for that report.

Any landlord who maintains a website advertising the rental of a dwelling unit or as a source of information for current or prospective tenants must include a statement on the property's home page stating whether or not the landlord will accept a comprehensive reusable tenant screening report made available to the landlord by a consumer reporting agency.

A court may order an unlawful detainer action to be of limited dissemination for one or more persons if:

- the court finds the plaintiff's case was sufficiently without basis in fact or law;
- the tenancy was reinstated; or
- other good cause exists for limiting dissemination of the unlawful detainer action.

When an order of limited dissemination of an unlawful detainer action has been entered, a tenant screening service provider must not disclose the existence of that unlawful detainer action in a tenant screening report pertaining to that person or use the unlawful detainer action as a factor in determining any score or recommendation included in a tenant screening report.

A landlord must give a former tenant a full and specific statement of the basis for retaining any portion of a rental deposit together with the payment of any refund due within 21 days after the termination of the rental agreement or abandonment of the premises. If a landlord fails to provide the required statement and refund to the tenant within 21 days, the landlord must return the entire deposit.

Comprehensive reusable tenant screening report, criminal history, and eviction history are defined. Obsolete language is removed.

**Votes on Final Passage:**

Senate	46	2	
House	97	0	(House amended)
Senate	49	0	(Senate concurred)

**Effective:** June 9, 2016

## SSB 6421

C 10 L 16

Allowing authorized health care providers to prescribe epinephrine autoinjectors.

By Senate Committee on Health Care (originally sponsored by Senators Ranker, Becker, McAuliffe and Mullet).

Senate Committee on Health Care  
House Committee on Health Care & Wellness

**Background:** An epinephrine autoinjector is a medical device used to deliver a single dose of epinephrine or adrenaline. Most epinephrine autoinjectors are spring-loaded syringes used for the treatment of acute allergic reactions to avoid or treat the onset of anaphylactic shock. Anaphylactic shock is a serious allergic reaction with rapid onset and may cause death. Common causes include insect bites or stings, foods, and medications. Common symptoms include an itchy rash, throat swelling, and low blood pressure.

School districts and nonpublic schools may maintain at a school, in a designated location, a supply of epinephrine autoinjectors. A licensed health professional with the authority to prescribe epinephrine autoinjectors may prescribe epinephrine autoinjectors in the name of the school district or school to be maintained for use when necessary.

**Summary:** Prescribing health care practitioners may prescribe epinephrine autoinjectors to restaurants, recreation camps, youth sports leagues, amusement parks, colleges, universities, and sports arenas. These entities or organizations may acquire and stock a supply of epinephrine autoinjectors if they are stored in an area that is accessible in an emergency and in accordance with manufacturer instructions and Department of Health (DOH) requirements.

Employees of an entity or organization must complete a training program before they are able to administer an epinephrine autoinjector. The entity or organization and its employees are not liable for damages due to use of an epinephrine autoinjector so long as their acts do not constitute gross negligence or willful or wanton misconduct.

Incidents of use of an epinephrine autoinjector must be reported to DOH and DOH must publish an annual report that summarizes use of epinephrine autoinjectors by entities or organizations.

**Votes on Final Passage:**

Senate	48	0
House	96	1

**Effective:** June 9, 2016

## ESSB 6427

C 232 L 16

Specifying the documentation that must be provided to determine when sales tax applies to the sale of a motor vehicle to a tribal member.

By Senate Committee on Ways & Means (originally sponsored by Senators Fain, Hargrove, Keiser, Honeyford, Rolfes and Roach).

Senate Committee on Ways & Means  
House Committee on Finance

**Background:** Retail Sales Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property,

digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital product, or service when used in this state. The state, most cities and all counties levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.1 percent, depending on the location.

Retail Sales Tax on Sales Made to Indians or Indian Tribes. Under federal law, sales tax is not imposed on sales to enrolled tribal members if the tangible personal property is delivered to a member or tribe in Indian country, or if the sale takes place in Indian country. There is no explicit exemption in state law. This includes the sale of motor vehicles, trailers, off-road vehicles, etc.

To make exempt sales to tribal members, auto dealers must obtain a retail sales tax certificate from the Department of Revenue (DOR) and obtain the required information included on the certificate. This includes a declaration of the buyer that requires the buyer's: (1) name; (2) signature; (3) address; (4) delivery address; and (5) proof of tribal membership, using one of four authorized tribal documents.

In addition to the declaration of buyer requirements, the dealer must provide information on the retail sales exemption certificate. This includes: (1) the seller's name; (2) the seller's address; (3) vehicle information; (4) the name of the tribe to which that delivery was made; and (5) the signature of the seller. DOR may require additional information to verify delivery from the seller, such as gas receipts, trip tickets, or a photograph of the vehicle next to a landmark location in Tribal country.

The auto dealer is not required to submit the exemption certificate to DOR; however, the dealer must maintain the certificate as proof the exemption was valid, as required under RCW 82.32. If DOR finds that proper documentation was not obtained, DOR may assess the auto dealer the retail sales tax that would have otherwise been due.

**Summary:** A retail sales tax exemption is created for sales of vehicles to a tribe or a tribal member in their Indian country provided the following information is substantiated by the seller: (1) the buyer's tribal membership or citizenship card; (2) the buyer's certificate of tribal enrollment; or (3) a letter signed by a tribal official confirming the buyer's tribal membership status. The vehicle must be delivered to the Indian country for which the tribal member has tax-exempt status, or purchased in Indian country. However, the tribal member is not required to live in Indian country for the exemption to apply. The seller must document the delivery by completing a declaration, in a form prescribed by DOR, signed by the seller and the buyer attesting to the location of delivery and the enrollment status of the tribal member. The seller must retain copies of the documentation required.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6430**

C 154 L 16

Providing continuity of care for recipients of medical assistance during periods of incarceration.

By Senate Committee on Human Services, Mental Health & Housing (originally sponsored by Senators Parlette, Darneille, O'Ban and Conway).

Senate Committee on Human Services, Mental Health & Housing

Senate Committee on Ways & Means

House Committee on Health Care & Wellness

House Committee on Appropriations

**Background:** Medicaid is a program which provides health insurance to low-income individuals and families. Medicaid is administered as a partnership between state and federal government, in which the federal government provides funding to the states to subsidize insurance in exchange for the state accepting restrictions on how the federal funds may be spent. One such rule, called the "inmate exclusion," prohibits the use of federal funding to provide Medicaid services to a person who is an inmate of a public institution. Another rule, the institution for mental diseases (IMD) rule, excludes the use of federal funds for treatment costs for persons aged 22-64 in a hospital larger than 16 beds which primarily provides mental health services.

The federal government grants waivers of existing Medicaid rules to states under certain circumstances. An example of this is a Section 1115 waiver, under which, subject to negotiation, the federal government allows a state to provide services or extend coverage under Medicaid into areas which would normally be disallowed, in order to demonstrate the existence of an opportunity to increase the quality and efficiency of health networks or health care. A Section 1115 waiver must be budget neutral over time for the federal government. Washington currently holds several Medicaid waivers and is in the process of applying for more.

In 2004, the Center for Medicaid and Medicare Services sent a letter to state Medicaid directors encouraging all states to suspend and not terminate Medicaid services while a person is an inmate of a public institution or IMD.

**Summary:** The Washington State Health Care Authority (HCA) must suspend, rather than terminate, medical assistance benefits by July 1, 2017, for persons who are incarcerated or committed to a state hospital. HCA must allow a person to apply for medical assistance in suspense status during incarceration, whether or not the release date of the

person is known. HCA must provide a progress report including a detailed fiscal estimate to the Governor and Legislature by December 1, 2016.

The Department of Social and Health Services (DSHS) and HCA must publish guidance and provide trainings to behavioral health organizations, managed care organizations, and behavioral health providers relating to how these entities may provide outreach, assistance, transition planning, and rehabilitation case management reimbursable under federal law to persons who are incarcerated, involuntarily hospitalized, or in the process of transitioning out of one of these services. The guidance and training may highlight preventive activities not reimbursable under federal law which may be cost-effective in a managed care environment. The purpose of the guidance and training is to champion best clinical practices. DSHS and HCA must provide a status update to the Legislature by December 31, 2016.

HCA must collaborate with DSHS, the Washington State Association of Counties, Washington Association of Sheriffs and Police Chiefs (WASPC), and accountable communities of health to request expenditure authority from the federal government to provide behavioral health services to persons who are incarcerated in local jails. HCA may narrow its submission to discrete programs or regions of the state as deemed advisable to effectively demonstrate the potential to achieve savings by integrating medical assistance across community and correctional settings.

HCA must request permission from the federal government to allow the state to cover persons participating in work release or other partial confinement programs at the state, county, or city level under the state Medicaid program.

Upon request, a jail must share records about persons confined in jail with federal, state, or local agencies to determine eligibility for services such as medical, mental health, chemical dependency, or veterans' services, and to allow for provision of treatment during the jail stay or following release. Receiving agencies must hold the records in confidence, and comply with all relevant privacy statutes.

The bill is subject to a null and void clause.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6445**

C 155 L 16

Clarifying the role of physician assistants in the delivery of mental health services.

By Senate Committee on Health Care (originally sponsored by Senators Braun and Angel).

Senate Committee on Health Care  
House Committee on Health Care & Wellness

**Background:** A physician assistant is a person who is licensed to practice medicine to a limited extent under the supervision of a physician and who is academically and clinically prepared to provide health care services and perform diagnostic, therapeutic, preventative, and health maintenance services.

The Department of Social and Health Services has adopted rules on the provision of behavioral health services and the provision of psychiatric medication services. The rules describe which health care professionals may have medical direction and responsibility, who may enter clinical notes, which health care professionals may be contracted with, and who may determine medication schedules. These rules do not currently specify physician assistants among the health care professionals who are able to perform such duties.

**Summary:** Both physician assistants and osteopathic physician assistants may provide services that they are competent to perform based on their education, training, and experience and that are consistent with their delegation agreement that is filed with the Medical Quality Assurance Commission (MQAC). Physician assistants may not practice beyond the scope of their supervising physician's own scope of expertise and practice. They may practice in mental health settings as provided in their delegation agreement.

Physician assistants are added throughout the mental health code alongside references to psychiatrists, physicians, and psychiatric advanced registered nurse practitioners. The types of health care providers who may be involved with involuntarily detaining or treating persons at evaluation and treatment facilities are listed; these health care providers include physician assistants working with mental health professionals. The definitions of "developmental disabilities professional" and "mental health professional" are modified to include physician assistants working with a supervising psychiatrist.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6449**

C 116 L 16

Concerning enhanced raffles.

By Senate Committee on Commerce & Labor (originally sponsored by Senators Hewitt and Conway).

Senate Committee on Commerce & Labor  
House Committee on Commerce & Gaming

**Background:** Washington's Gambling Act authorizes charitable and nonprofit organizations to raise funds for the organizations' stated purposes. A raffle may be conducted as a licensed or unlicensed raffle. A license from the Washington State Gambling Commission (Commission) is required if:

- the gross revenue from all gambling fundraising conducted by the organization is \$5,000 or more;
- tickets are sold by someone outside the organization;
- tickets are sold at a discount; or
- firearms are awarded as prizes.

The maximum price of a raffle ticket is \$100. In addition to the license, approval from the Commission is required if the retail value of a prize is \$40,000 or more, or the total value of all raffle prizes offered in a year exceeds \$300,000.

In 2013, the Legislature authorized bona fide charitable and nonprofit organizations that serve individuals with intellectual disabilities to conduct enhanced raffles until June 2017. The Commission may approve four enhanced raffles per year, two in western Washington and two in eastern Washington. An enhanced raffle is a game in which a grand prize and smaller prizes are awarded on the basis of raffle ticket drawings. Enhanced raffles are subject to the following conditions:

- the cap on the individual ticket price is \$250 per ticket;
- the value of the grand prize is capped at \$5 million;
- ticket sales may be in person or by mail, fax, or telephone;
- multiple ticket packages may be purchased at a discount;
- multiple smaller prizes are authorized, including early bird, refer a friend, and multiple ticket drawings;
- for noncash prizes, the organization must demonstrate that such a prize is available and that sufficient funds are available to purchase the noncash prize; and
- raffles must be independently audited.

The Commission is required to report to the Legislature by December 2016 on the results of the enhanced raffles, the revenue generated by the raffles, and any regulatory actions in relation to enhanced raffles.

**Summary:** The June 30, 2017 expiration date for enhanced raffles is extended to June 30, 2022.

**Votes on Final Passage:**

Senate	47	2
House	97	0

**Effective:** June 9, 2016

**E2SSB 6455**

C 233 L 16

Expanding the professional educator workforce by increasing career opportunities in education, creating a more robust enrollment forecasting, and enhancing recruitment efforts.

By Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Rolfes, Litzow, Billig, Rivers, Conway and McAuliffe).

Senate Committee on Early Learning & K-12 Education  
Senate Committee on Ways & Means  
House Committee on Education  
House Committee on Appropriations

**Background:** The Office of Superintendent of Public Instruction (OSPI) and the Association of Washington School Principals conducted a statewide survey in 2015 and found that principals are struggling to hire qualified teachers and substitute teachers. The feedback showed a particular shortage of teachers in areas that are typically difficult to fill, such as special education, mathematics, and science. Of the principals who responded, 45 percent said they were unable to fill all teacher positions in the 2015-16 school year with certificated instructional staff who met the job qualifications. In addition, 54 percent said they were often unable to find enough substitutes.

**Recruitment Campaign.** The Professional Educator Standards Board (PESB) is a 13-member board responsible for establishing the requirements for the state certification of educators and approving educator preparation and certification programs. In 2015, PESB released a report with recommendations addressing the current teacher shortage. The report highlighted several areas of improvement for reducing teacher attrition in Washington, including assisting school districts with the hiring of new teachers. In addition, the report notes the need for a more robust recruitment campaign aimed at encouraging young people to enter the teaching profession and attracting out-of-state teachers to positions in Washington public schools.

**Teaching Certificates.** There are two levels of teacher certification in Washington: Residency and Professional. The Residency Teacher Certificate is a regular teaching certification that is required for most first-time and out-of-state applicants. To obtain a Residency Teacher Certificate, applicants must complete an approved teacher preparation program and pass both a basic skills and content test. Basic skills test fees range from \$155 to \$225, and

content knowledge test fees range from \$95 to \$155. Test takers must also pay a \$35 registration fee.

The Professional Certificate is an advanced level teaching certification. Teachers in Washington are required to obtain the Professional Certificate sometime between their third and seventh years of teaching. To obtain a Professional Certificate, most teachers complete the Pro-Teach Portfolio, an external, uniform assessment adopted by PESB, or they become certified by the National Board for Professional Teaching Standards. PESB has an expedited Professional Certificate process for out-of-state teachers who have five or more years of successful teaching experience and have completed an advanced level certification program in another state that is comparable to the professional certification process in Washington.

**Retired Teachers.** The normal retirement age for members of Plans 2 and 3 of the Teachers Retirement System (TRS) is age 65. TRS Plan 2 members with 20 years of service and TRS Plan 3 members with 10 years of service can retire as early as age 55. Benefits paid to persons who retire early from TRS Plans 2 or 3 with less than 30 years of service are calculated using early retirement factors that provide a full actuarial reduction based on the number of years between the retirement age and age 65. For example, there is a 27 percent reduction of benefits for retirement at age 62 and a 41 percent reduction of benefits for retirement at age 60.

Two early retirement factor options are available to TRS Plan 2 and 3 members who retire with 30 or more years of service. One of the options was created in 2000 and reduces benefits by 3 percent for each year in the period between the retirement age and age 65. For example, there is a 9 percent reduction of benefits for retirement at age 62 and a 15 percent reduction of benefits for retirement at age 60. The other option that provides smaller benefit reductions was implemented in 2008 as a replacement for gain-sharing benefits. Under the 2008 early retirement factors, TRS Plan 2 and 3 members with 30 years of service may retire at age 62 with no reduction of benefits and at age 60 with a 5 percent reduction.

State law does not prohibit persons who retire from TRS Plans 2 or 3 from returning to work, but it does limit when a retiree may work and continue receiving pension payments. In general, payments are suspended when a TRS retiree works more than 867 hours per year in a position included in TRS or another state retirement plan. However, payments are suspended immediately if a TRS Plan 2 or 3 retiree who retired using the 2008 early retirement factors returns to work in any kind of position with a state retirement plan prior to age 65. This includes returning to work as a substitute teacher.

**Alternative Route to Teaching Certification Programs.** Alternative route programs allow school districts and educational service districts to partner with teacher preparation programs to provide performance-based alternative routes to teacher certification. The programs are designed to fill subject matter or geographic shortage areas by al-

lowing individuals with work and life experience to segue into teaching by completing a shortened, field-based preparation program and mentored internship. Alternative route programs are currently offered at eight higher education institutions.

There are four different routes to alternative certification, depending on the candidate's education level and employment experience:

- Route 1 is for candidates employed as classified staff in a school district for one year who have received a transferable Associate of Arts Degree;
- Route 2 is for candidates employed as a classified staff for one year who have received a minimum of a Bachelor of Arts Degree from a regionally accredited institution;
- Route 3 is for candidates who have received a minimum of a Bachelor of Arts degree from a regionally accredited institution and are not be employed by a school district at the time of application; and
- Route 4 is for candidates who have received a minimum of a Bachelor of Arts degree from a regionally accredited institution and hold a conditional teaching certificate.

**Conditional Scholarship Programs.** A conditional scholarship is a loan that is forgiven in whole or in part in exchange for qualified service as a certificated teacher employed in a Washington K-12 public school. The conditional scholarship programs are designed to help school districts recruit teachers, particularly in subject matter and geographic shortage areas. The state will forgive one year of loan obligation for every two years a loan recipient teaches in a designated shortage area in a Washington K-12 public school. Typical shortage areas include bilingual education, computer science education, English language learner, mathematics, science, and special education. PESB determines the shortage areas and selects the recipients. The Washington Student Achievement Council (WSAC) administers the programs.

**Alternative Route to Certification Conditional Scholarship.** The Alternative Route to Certification Conditional Scholarship is available to individuals enrolled in an alternative route program. The conditional scholarship loan is forgiven in exchange for teaching service in a designated shortage area or for teaching in a secondary content area in a Washington K-12 public school. Approved designated shortage areas include endorsements in special education, math, science, and English language learner. The scholarship amount for the alternative route program is currently \$8,000 per year.

**Educator Retooling Conditional Scholarship.** The Educator Retooling Conditional Scholarship program is available to teachers currently working in a Washington K-12 public school. In order to receive a conditional scholarship, teachers and individuals certificated with an elementary education endorsement must pursue an en-



dorsement in a subject or geographic endorsement shortage area, such as mathematics, science, special education, bilingual education, English language learner, computer science education, or environmental and sustainability education. The annual scholarship, which may not exceed \$3,000, is for the cost of tuition, test fees, and educational expenses, including books, supplies, and transportation for the endorsement pathway being pursued.

*Pipeline for Paraeducators Conditional Scholarship.*

The pipeline for paraeducators conditional scholarship program is limited to paraeducators without a college degree who have at least three years of classroom experience. Candidates enrolled in the scholarship program must complete their associate of arts degree at a community and technical college in two years or less and become eligible for a mathematics, special education, or English language learner endorsement via route one of the alternative routes to teacher certification program.

*Future Teachers Conditional Scholarship Program.*

The Future Teachers Conditional Scholarship Program is designed to encourage into the teaching profession individuals who demonstrate outstanding academic achievement, leadership ability, and willingness to commit to providing teaching service in shortage areas; and who are likely to be good role models for students. Participants in the program incur an obligation to repay the conditional scholarship, with interest and an equalization fee, unless they teach for two years in an approved education program for each year of scholarship received. However, participants who teach in a designated teacher shortage area have one year of loan canceled for each year they teach in the shortage area. The program was last funded in fiscal year 2010 at \$1 million annually.

Beginning Educator Support Team (BEST). The BEST program provides professional development and mentor support for beginning educators and educators on probation. OSPI administers grant funding for this program. The BEST program includes professional development for beginning educators and mentors, release time for beginning educators and mentors to work together, orientation or individualized assistance before the start of the school year, and program evaluation.

Tuition Waivers. Tuition waivers provided by public institutions of higher education fall into one of three categories: state-supported, discretionary, and space available.

For state-supported waivers only, it has been assumed that tuition not collected from students to whom the waivers are granted is offset by state funding in the institutions' budgets. These waivers are subject to caps on the maximum percentages of gross operating fee revenue that each institution or sector can waive. A few mandatory waivers exist in state law concerning the children and spouses of veterans and law enforcement officers who became totally disabled or lost their lives in the line of duty.

Public institutions have the authority to waive tuition to any undergraduate or graduate student for any purpose. These discretionary waivers are not subject to caps, but

none of the foregone tuition revenue is made up by the state.

Under current law, public institutions of higher education may waive all or a portion of the tuition and services and activities fees for state employees, teachers, and certain certificated instructional staff. However, the following conditions exist: these students must register for and be enrolled in courses on a space-available basis; enrollment information must be maintained separate from official enrollment reports; and a registration fee is required.

**Summary:** Teacher Recruitment. Subject to appropriation, OSPI, in partnership with educational service districts and school districts, must develop and implement a comprehensive, statewide initiative to increase the number of qualified individuals who apply for teaching positions in Washington.

The recruitment initiative activities include:

- implementing a recruitment campaign that targets individuals with certificates who are not employed as teachers, undergraduate college students who have not chosen a major, out-of-state teachers, military personnel and their spouses, and other groups of individuals who may be interested in teaching in Washington public schools;
- developing, in partnership with the Employment Security Department, a central web-based depository that allows teachers to apply for jobs in multiple school districts, and school districts to have access to a broader pool of applicants, with priority to smaller school districts;
- creating or enhancing an existing website that provides job-related information to individuals who are interested in teaching in Washington; and
- taking other actions to increase the number of qualified individuals who apply for teaching positions in Washington.

OSPI must assess the efficiency of the web-based application depository, after soliciting feedback from small districts. By December 1, 2019, OSPI must report to the Legislature on whether the requirement for the application depository be continued, modified, or terminated. Subject to a specific appropriation, the Workforce Training and Education Coordinating Board, in collaboration with PESB, must work with appropriate public agencies, school districts and educational service districts, and other parties to disseminate information designed to increase recruitment into teacher preparation programs. The information must be disseminated statewide using existing channels.

Subject to a specific appropriation, PESB must create and administer the Recruitment Specialists Grant program to provide funds to PESB-approved teacher preparation programs to hire, or contract with, recruitment specialists who focus on recruiting individuals from traditionally un-

derrepresented groups among teachers in Washington when compared to the common school population.

Professional Certification for Out-of-State Teachers. PESB must develop a method to compare the rigor of the Washington professional certificate process with the advanced level teaching certification process of other states and with United States federal or state teacher certification processes that allow individuals to teach internationally.

Out-of-state teachers with at least five years of successful teaching experience must be given the state professional certificate if they have:

- a certificate from the National Board for Professional Teaching Standards;
- an advanced level teaching certificate from another state that is determined to be comparable to the Washington professional certificate; or
- a United States federally issued or state-issued advanced level teaching certificate that allows the individual to teach internationally that has been determined to be comparable to the Washington professional certificate.

By September 1, 2020, the Washington State Institute for Public Policy must review the effect of the out-of-state teaching professional certification provisions and report to the Legislature, with information on:

- the extent to which advanced level teaching certificates from other states compare to the Washington professional certificate;
- the extent to which United States federal or state-issued advanced level teaching certificates that allow individuals to teach internationally compare to the Washington professional certificate; and
- whether these provisions have increased the number of professional certifications issued to individuals from out-of-state.

Retired Teachers. Until August 1, 2020, certain teachers who have retired under the alternate early retirement provisions may be employed without a suspension of benefits for up to 867 hours per school year, provided that the retired teacher reenters employment more than one calendar month after his or her accrual date and after the effective date of this section, is employed exclusively as a substitute teacher, and the employing district compensates the district's substitute teachers at a rate that is at least 85 percent of the full daily state rate.

School districts must report to OSPI, and OSPI must post on its website, the number of substitute teachers hired per school year, the number hired under the above post-retirement provision, the full daily compensation rate per substitute teacher, and the reason for hiring the substitute teacher.

Expansion of Alternative Route Programs. Subject to a specific appropriation, PESB must convene meetings between school districts that do not have alternative route

programs and the nearest PESB-approved teacher preparation program to determine whether the districts and institutions can partner to operate an alternative route program.

Subject to a specific appropriation, public institutions with PESB-approved teacher preparation programs that do not have an alternative route program must submit proposals to PESB to offer such programs by September 1, 2016. If approved, the institutions must implement an alternative route program according to a timeline suggested by PESB.

By July 1, 2018, institutions of higher education with an alternative route program must develop a plan describing how the institution will partner with school districts in the general geographic region of the school, or where its programs are offered, regarding placement of resident teachers. The plans must be developed in collaboration with districts desiring to partner with the institutions. The plans may include use of unexpended federal or state funds to support residencies and mentoring for students who are likely to continue teaching in the district in which they have a supervised student teaching residency. The plans must be updated at least biennially.

Mentoring Teachers. A mentor is an educator who has achieved appropriate training in assisting, coaching, and advising beginning teachers or student teaching residents as defined by OSPI, such as a national board certification or other specialized training.

Candidates in alternative route programs are offered support through the BEST program. Funds are prioritized to school districts with a large influx of beginning teachers. The BEST program must have a goal to provide beginning teachers from underrepresented populations with a mentor who has strong ties to underrepresented populations. OSPI must notify districts about the BEST program and encourage them to apply for program funds.

In fiscal year 2017, OSPI must collaborate with PESB and PESB-approved teacher preparation programs to develop mentor training program goals and make the mentor training goals available on its website. Once developed, OSPI is encouraged to use the mentorship training goals to develop professional development curricula.

Conditional Scholarship Endorsement Areas. Elementary and early childhood endorsements are added to the list of endorsements eligible for the Educator Retooling Conditional Scholarship. Bilingual education, elementary education, computer science education, and early childhood education are added to the list of qualifying endorsements for the Pipeline for Paraeducators Conditional Scholarship.

Teacher Hiring Reports. By June 15th of each year, school districts must report to OSPI the number of classroom teachers hired in the previous school year and the number of teachers the district projects to hire in the following school year. The report must be disaggregated by content area.

Teacher Shortage Conditional Grant. Subject to a specific appropriation, the Teacher Shortage Conditional Grant program is established within the Future Teachers Conditional Scholarship and Loan Repayment Program. The purpose of the program is to encourage individuals to become teachers by providing financial aid to individuals enrolled in PESB-approved teacher preparation programs. WSAC must develop and adopt rules to administer the program.

As part of its rule-making process, WSAC must collaborate with PESB, the Washington State School Directors' Association, and PESB-approved teacher preparation programs to develop a framework for the conditional grant program, including eligibility requirements, contractual obligations, conditional grant amounts, and loan repayment requirements.

In developing the eligibility requirements, WSAC must consider: whether the individual has a financial need, is a first-generation college student, or is from a traditionally underrepresented group among teachers in Washington; whether the individual is completing an alternative route program; whether the individual plans to obtain an endorsement in a subject shortage area; the characteristic of any geographic shortage area that the individual plans to teach in; and whether a school district has committed to offering the individual employment once the individual obtains a Residency Certificate.

In developing the contractual obligations, WSAC must consider requiring the individual to: obtain a Residency Certificate; teach in an endorsement shortage area; and commit to teach for five school years in an approved education program with a need for a teacher with such an endorsement at the time of hire.

In developing the conditional grant award amounts, WSAC must consider whether the individual is: enrolled in a public or private institution of higher education; a resident; in a baccalaureate or post-baccalaureate program; or in an alternative route program. In addition, the award amounts must not result in a reduction of the individual's federal or state grant aid, including Pell Grants, State Need Grants, College Bound Scholarships, or Opportunity Scholarships.

In developing the repayment requirements for a conditional grant that is converted into a loan, the terms and conditions of the loan must follow the interest rate and repayment terms of the federal Direct Subsidized Loan program. In addition, WSAC must consider the following repayment schedule, including interest and an equalization fee:

- 85 percent of the conditional amount if less than one school year of teaching is completed;
- 75 percent of the conditional amount if less than two school years of teaching are completed;
- 55 percent of the conditional amount if less than three school years of teaching are completed; and

- 40 percent of the conditional amount if less than four school years of teaching are completed.

By November 1, 2018 and November 1, 2020, WSAC must submit reports to the Legislature that recommend whether the conditional grant program should be continued, modified, or terminated, and that include information about the recipients of the grants under this program.

Teacher Endorsement and Certification Help (TEACH) Pilot Project. The Teacher Endorsement and Certification Help (TEACH) pilot project is created to develop an expandable program that provides grants to teachers taking basic skills and content tests for teacher certification. The creation of the program is dependent upon funds being specifically appropriated by the Legislature for its establishment. Authorization for the project expires June 30, 2021.

WSAC, after consultation with the PESB, is charged with developing and adopting rules by August 1, 2016 to administer the TEACH pilot project. The rules must satisfy specified requirements including establishing grant application and financial need verification processes. To qualify for financial assistance under the TEACH pilot project, an applicant must:

- be enrolled in, have applied to, or have completed a PESB-approved teacher preparation program;
- show a financial need, as demonstrated by the student's eligibility to receive the State Need Grant; and
- register for an endorsement competency test in endorsement shortage areas.

Grant funds awarded under the TEACH pilot project must be awarded beginning September 1, 2016, to cover the costs of basic skills and content tests required for teacher certification. In awarding funds, WASC must prioritize grant awards first, to applicants registered for competency tests in endorsement shortage areas and second, to applicants with the greatest financial need. WASC is required to scale the number of TEACH pilot project grant awards to the amount of appropriated funds.

WSAC, in collaboration with PESB, must submit a preliminary report to the Legislature by December 31, 2018, that details the effectiveness and costs of the TEACH pilot project. The preliminary report must comply with specific requirements, including comparing the numbers and demographic information of students taking and passing tests in the endorsement shortage areas before and after implementation of the TEACH pilot project. A final report that details the effectiveness and costs of the TEACH pilot project and includes a recommendation as to whether the pilot project should be modified, continued, or expanded is due to the Legislature by December 31, 2020.

Student Residency Grant. Subject to a specific appropriation, WSAC must administer a Student Teaching Residency Grant program to provide additional funds to individuals completing residencies at public schools in Washington. To qualify for the grant, recipients must be

enrolled in a PESB-approved teacher preparation program, be completing or about to start a student teaching residency at a Title I school, and demonstrate financial need as defined by WSAC and consistent with the income criteria required to receive the State Need Grant.

Tuition Waivers. Public four-year and two-year institutions of higher education may waive all or a portion of the tuition and services and activities fees for public school K–12 classified staff when their coursework is relevant to their work assignment.

**Votes on Final Passage:**

Senate	45	4	
House	76	21	(House amended)
Senate			(Senate refused to concur)
House	96	2	(House receded/amended)
Senate	49	0	(Senate concurred)

**Effective:** June 9, 2016

**SB 6459**  
C 234 L 16

Authorizing peace officers to assist the department of corrections with the supervision of offenders.

By Senators Rivers, Takko, Litzow, Ranker, Ericksen, Benton and Pearson.

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** When a court sentences an offender to a term of community custody, the court imposes conditions prohibiting or requiring specified behaviors. The court must require the offender to comply with any additional conditions imposed by the Department of Corrections (DOC). The DOC determines additional conditions based on the risk to community safety and supervises the offender based on that risk in addition to the conditions imposed by the court.

If an offender violates any condition or requirement of a sentence, a community corrections officer (CCO) may arrest the offender without a warrant, pending a determination by the court or the DOC. If there is reasonable cause to believe that an offender has violated a condition or requirement, the CCO may require an offender to submit to a search and seizure of the offender's person, residence, automobile, or other personal property. A CCO may also arrest an offender for any crime committed in the CCO's presence. The facts and circumstances of the conduct of the offender are reported by the CCO - with recommendations - to the court, local law enforcement, or local prosecution for consideration of new charges.

The DOC may also issue a warrant for the arrest of any offender who violates a condition of community custody. The arrest warrant authorizes any law enforcement officer or CCO of this state or any other state where such offender may be located, to arrest the offender and place him or her

in total confinement pending disposition of the alleged violation.

**Summary:** General and limited authority peace officers have the authority to assist the DOC with the supervision of offenders. If the officer has reasonable cause to believe an offender is in violation of the terms of supervision, the officer may conduct a search of the offender's person, automobile, or other personal property to search for evidence of the violation. The officer must notify the DOC upon substantiation that an offender has violated the offender's conditions of community supervision.

A peace officer may also assist a CCO with a search of the offender's residence if requested to do so. The peace officer may arrest an offender for any new crime found as a result of the offender's arrest or search.

**Votes on Final Passage:**

Senate	44	5	
House	95	2	(House amended)
Senate	45	2	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6463**  
C 11 L 16

Concerning the crime of luring.

By Senate Committee on Law & Justice (originally sponsored by Senators Pearson, Darneille, O'Ban, Padden and Dammeier).

Senate Committee on Law & Justice  
House Committee on Public Safety

**Background:** A person commits the crime of luring if the person: (a) orders, lures, or attempts to lure a minor or a person with a developmental disability into any area or structure that is obscured from or inaccessible to the public, or away from any area or structure constituting a bus terminal, airport terminal, or other transportation terminal, or into a motor vehicle; (b) does not have the consent of the minor's parent or guardian or of the guardian of the person with a developmental disability; and (c) is unknown to the child or developmentally disabled person. Luring is an unranked class C felony.

It is an affirmative defense to luring, which the defendant must prove by a preponderance of the evidence, that the defendant's actions were reasonable under the circumstances and the defendant did not have any intent to harm the health, safety, or welfare of the minor or the person with the developmental disability.

**Summary:** To be convicted of luring, the prosecution must prove that the defendant had the intent to harm the health, safety, or welfare of the minor or person with a developmental disability or with the intent to facilitate the commission of any crime.

**Votes on Final Passage:**

Senate 47 0  
House 97 0

**Effective:** June 9, 2016

**SSB 6466**

C 22 L 16 E 1

FULL VETO

VETO OVERRIDE

Creating a work group to develop a plan for removing obstacles for higher education students with disabilities.

By Senate Committee on Higher Education (originally sponsored by Senators Habib, Dammeier, Darneille, Lias, Roach, Keiser, Frockt, Becker, Hasegawa, Conway and McAuliffe).

Senate Committee on Higher Education  
House Committee on Higher Education

**Background:** Federal Regulation. Postsecondary schools are prohibited from discriminating against students on the basis of disability under two federal laws. Section 504 of the Rehabilitation Act of 1973 (Rehabilitation Act) prohibits entities that receive federal financial assistance, which includes institutions of higher education, from discriminating against otherwise qualified individuals with disabilities. The Americans with Disabilities Act of 1990 (ADA) also protects individuals with disabilities from discrimination and covers a broader range of schools. The Rehabilitation Act applies to schools that receive federal funds and the ADA applies to state and locally funded and private-sector schools, with the exception of those that are controlled by religious entities. The Rehabilitation Act and ADA define individuals with disabilities as an individual who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment. Under the laws that prohibit discrimination on the basis of disability, postsecondary schools are required to provide equal access to education to qualified students through academic adjustments and auxiliary aids and services, such as extending time allowed for taking tests and providing sign language interpreters. In addition, postsecondary schools must ensure physical access to buildings on campus.

Core Services. Each public institution of higher education must ensure that students with disabilities are reasonably accommodated within that institution. The institution must provide students with disabilities with the appropriate core service or services necessary to ensure equal access. Core services include:

- flexible procedures in the admissions process and early registration;
- sign language, or other interpreter services;

- textbooks and other education materials in large print, braille, electronic format or audiotape;
- provision of a reader, note taker, scribe or proof reader;
- ongoing coordination of efforts to improve campus accessibility;
- facilitation of physical access;
- access to adaptive equipment;
- referral to appropriate campus resources;
- flexibility in test taking arrangements; and,
- notification of the higher education's policy of non-discrimination on the basis of disability.

Accommodations. Reasonable accommodations for students with disabilities must be provided as appropriate for all aspects of college and university life, including recruitment, applications, enrollment, registration, financial aid, coursework, research, academic counseling, housing programs, and nonacademic services.

**Summary:** The Council of Presidents (COP) must convene a workgroup to develop a plan for removing obstacles for students with disabilities. The work group must include:

- representatives from the State Board of Community and Technical Colleges, four-year institutions, Washington Student Achievement Council, and statewide student associations; and
- at least two students with disabilities selected by student associations.

The plan must, but is not limited to:

- standardize medical documentation requirements;
- standardize intake and review procedures; and
- develop best practices for institutions to provide outreach to and help prepare students for transmitting accommodations information and documentation to their next institution.

The COP must provide the plan to the higher education committees of the Legislature by December 31, 2016.

**Votes on Final Passage:**

Senate 48 0  
House 97 0

**Votes on Veto Override:**

First Special Session

Senate 42 0  
House 89 5

**Effective:** June 28, 2016

**VETO MESSAGE ON SSB 6466**

*March 10, 2016*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval, Substitute Senate Bill No. 6466 entitled:*

"AN ACT Relating to student services for students with disabilities."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Substitute Senate Bill No. 6466 in its entirety.*

*Respectfully submitted,*



Jay Inslee  
Governor

**ESSB 6470**

C 235 L 16

Addressing provisions concerning wineries in respect to the licensing of private collections of wine, allowing wineries to make sales for off-premises consumption at special occasion licensed events, modifying special occasion licenses, and making certain related technical corrections.

By Senate Committee on Commerce & Labor (originally sponsored by Senators King, Hasegawa, Conway, Keiser, Hewitt, Rivers and Chase).

Senate Committee on Commerce & Labor  
House Committee on Commerce & Gaming  
House Committee on General Government & Information Technology

**Background:** Special Occasion Events. A not-for-profit organization that obtains a special occasion liquor license from the Liquor and Cannabis Board (LCB) may sell spirits, beer, and wine by the individual glass to be consumed on the premises. This license permits the licensee to serve liquor at a specified event, on a specified date and place. The fee for this license is \$60 per day and the organization is limited to sales on no more than 12 days per year.

The sale, service, and consumption of spirits, beer, or wine is limited to a designated area only. If an organization gets prior permission from the LCB, the licensee may sell spirits, beer, or wine in original, unopened containers for off-premises consumption as well.

Taxes on Donated Liquor. LCB can issue a variety of special permits that allow vendors, manufacturers, importers, or distributors to provide liquor without a charge to delegates and guests at specified events. These events include liquor served at trade association conventions for licensees of the LCB, and at international trade fair, shows, or expositions sponsored by a governmental entity or nonprofit organization. The donated liquor must be purchased from a spirits retailer or distributor and is subject to the applicable liter taxes for wines and cider and the barrel taxes on beer. The special permit statute does not specify that taxes are imposed on donated spirits.

Special Permits. LCB is authorized to issue a variety of special permits for selling, serving, and handling alco-

hol at specified events or to persons or entities that do not hold a liquor license. There are no special permits for the sale of private wine or spirits collections.

**Summary:** Special Occasion Events. A not-for-profit organization that obtains a special occasion liquor license may also sell wine in original, unopened containers for consumption on the premises, if prior permission is obtained from the LCB.

Additionally, a domestic winery may sell wine of its own production at a not-for-profit organization's licensed special occasion event. The winery can make wine sales: for on-premises consumption for wine that may be served by the special occasion licensee; to a consumer for later delivery after the event; or, to a consumer for delivery at a different location. The winery must comply with all requirements for direct sales of wine to consumers. Wine sold at the event may not be sold for resale. The winery may enter into an agreement to share a portion of the proceeds with the special occasion licensee.

Clarification on Donated Liquor. A technical cross-reference is added for the taxes that are currently collected on spirits donated under a special permit that allows vendors, manufacturers, importers, or distributors to provide liquor without a charge to delegates and guests at specified events.

Special Permits. An individual or business may apply to the LCB for a special permit to sell a private collection of wine or spirits to another individual or business. The seller must obtain a permit at least five business days before the sale, for a fee of \$25 dollars per sale. The seller must report the sales information and pay any taxes due to the LCB within 20 days of the sale.

This special permit may be issued to allow the sale of a private collection to an LCB licensee. The permit is not available to an LCB licensee to sell to a private individual or business which is not otherwise authorized under the seller's license. If the liquor is purchased by a LCB licensee, all sales are subject to taxes assessed as on liquor acquired from any other source. The LCB may adopt rules to implement this section.

Technical Clarifications and Corrections. A number of technical clarifications and corrections are made. An outdated statute authorizing discounted liquor sales by the LCB to specific entities is repealed.

Null and Void. The bill is null and void if it is not referenced in the supplemental omnibus operating appropriations act (Supplemental Budget). The bill was referenced in the Supplemental Budget.

**Votes on Final Passage:**

Senate	39	8	
House	96	1	(House amended)
Senate	44	4	(Senate concurred)

**Effective:** June 9, 2016

**SB 6475**  
C 67 L 16

Addressing political subdivisions purchasing health coverage through the public employees' benefits board program.

By Senators Dansel, King, Takko and Frockt.

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** The Health Care Authority (HCA) administers benefits plans, forms benefits contracts, develops participation rules, and through the Public Employees' Benefit Board (PEBB) approves schedules of rates and premiums for active employee and retired participants. The members of PEBB vote to approve contracts and benefits for the PEBB program.

The PEBB program primarily covers employees and retirees of state agencies and state higher education institutions, and the retirees of school districts and educational service districts. Active employees and pre-Medicare retirees participate in a single medical risk pool, so that the cost of claims, insurance, and risk are shared amongst all employees and

employees that participate. Retirees eligible for Medicare participate in a separate risk pool; however, employer cost sharing is significantly different. Medicare absorbs the majority of medical expenses for this group, and other insurance costs are limited by a maximum per person retiree cost established in the state biennial operating budget. Currently, this explicit Medicare-eligible retiree subsidy is set at \$150 per Medicare-eligible participant per month.

Subject to the approval of HCA, PEBB may also cover employees of a county, municipality, or other political subdivision of the state, as well as employees of a tribal government, and the Washington Health Benefit Exchange. Currently, in addition to the approximately 109,000 employee subscribers that participate in PEBB from state agencies and higher education institutions, about 2600 school district employees and about 13,000 other local government employees participate in PEBB.

For a county or other non-state governmental entity to join the PEBB system, a contract must be negotiated with HCA and receive HCA approval; HCA has the sole right to reject the application to join PEBB.

**Summary:** Counties and political subdivisions with fewer than 5000 employees may join the PEBB health care program upon completion of an application to contract for coverage with HCA.

To account for an increased cost of benefits for the state and for state employees, HCA may develop a rate surcharge applicable to participating counties, municipalities, other political subdivisions, and tribal governments.

**Votes on Final Passage:**

Senate 48 0

House 97 0

**Effective:** June 9, 2016

**SB 6491**

C 23 L 16 E 1

FULL VETO

VETO OVERRIDE

Concerning apostille or other signature or attestation services by the secretary of state.

By Senators Pedersen and Roach; by request of Secretary of State.

Senate Committee on Government Operations & Security  
House Committee on State Government

**Background:** The Office of the Secretary of State provides apostille services to U.S. citizens and foreign nationals who wish to authenticate documents for use in foreign countries that are parties to the Hague Convention of 1961. An apostille is a certificate that authenticates the origin of a public or personal document, such as vital records, business entity records, and school or university records. To obtain an apostille, a person must submit a certified or notarized document to be authenticated, accompanied by a request form indicating the country where the document will be used and a minimal service fee.

Uncertified documents must be notarized before obtaining an apostille. Documents are notarized by an appointed notary public, who may take an acknowledgment, administer an oath or affirmation, witness or attest to a signature, or certify a copy of a document. A notarial act made by a notary public must be evidenced by a signed and dated certificate, accompanied by the notary's jurisdiction, title, and official stamp.

**Summary:** The Secretary of State may attest to the authenticity of the signature of a public official within the state of Washington, and may also attest to or certify the signature of a notary public.

The Secretary of State may not certify or attest to the signature of a notary public on a document:

- regarding allegiance to a government or jurisdiction;
- relating to the relinquishment or renunciation of citizenship, sovereignty, military status, or world service authority; or
- setting forth or implying a claim of immunity from the laws of jurisdictions within Washington, immunity from the laws of the state of Washington, or immunity from federal law.

**Votes on Final Passage:**

Senate 49 0

House 95 2

**Votes on Veto Override:****First Special Session**

Senate	41	0
House	87	7

**Effective:** June 28, 2016**VETO MESSAGE ON SB 6491**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Senate Bill No. 6491 entitled:

"AN ACT Relating to apostille or other signature or attestation services by the secretary of state."

This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.

For these reasons I have vetoed Senate Bill No. 6491 in its entirety.

Respectfully submitted,



Jay Inslee  
Governor

**SSB 6498**

C 24 L 16 E 1

**FULL VETO****VETO OVERRIDE**

Concerning testimonial privileges for alcohol and drug addiction recovery sponsors.

By Senate Committee on Law & Justice (originally sponsored by Senators Fain, Frockt, Pedersen, Angel and Rolfes).

Senate Committee on Law & Justice  
House Committee on Judiciary

**Background: Privileges Generally.** The law protects certain communications from disclosure in the course of litigation, even though the communication might otherwise be admissible and helpful in arriving at the truth. These special protections are based upon a belief that certain communications should be encouraged by eliminating, or at least reducing, the possibility that they will be revealed in court.

The privileges apply to all stages of proceedings, including discovery and other proceedings in which the rules of evidence do not apply. Generally, privileges are strictly construed. In other words, in close cases, the courts tend to require disclosure.

**Washington Privileges.** Washington statutes make reference to the following privileges or privileged communications:

- Attorney-Client - see RCW 5.60.060(2).

- Clergyman or Priest - see RCW 5.60.060(3), 26.44.060, 70.124.060.
- Dispute Resolution Center - see RCW 7.75.050.
- Counselor - see RCW 18.19.180.
- Higher Education Procedures - see RCW 28B.19.120(4).
- Spouse or Domestic Partner - see RCW 5.60.060(1), 26.20.071, 26.21A275(8).
- Interpreter in Legal Proceeding - see RCW 2.42.160; GR 11.1(e).
- Journalist - see RCW 5.68.010.
- Optometrist-Patient - see RCW 18.53.200, 26.44.060.
- Physician-Patient - see RCW 5.60.060(4), 26.26.120, 26.44.060, 51.04.050, 69.41.020, 69.50.403, 70.124.060, 71.05.250.
- Psychologist-Client - see RCW 18.83.110, 26.44.060, 70.124.060.
- Public Assistance Recipient - see RCW 74.04.060.
- Public Officer - see RCW 5.60.060(5).
- Registered Nurse - see RCW 5.62.010, 5.62.020, 5.62.030.

**Summary:** A testimonial privilege is created for an individual who acts as a sponsor providing guidance, emotional support, and counseling in an individualized manner to a person participating in an alcohol or drug addiction recovery fellowship. The sponsor may not testify in any civil action or proceeding about any communication made by the person participating in the addiction recovery fellowship to the individual who acts as a sponsor except with the written authorization of that recovery participant or, in the case of death or disability, the recovery participant's personal representative.

**Votes on Final Passage:**

Senate	49	0
House	94	3

**Votes on Veto Override:****First Special Session**

Senate	43	0
House	85	9

**Effective:** June 28, 2016**VETO MESSAGE ON SSB 6498**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6498 entitled:

"AN ACT Relating to testimonial privileges for alcohol and drug addiction recovery sponsors."

This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.

For these reasons I have vetoed Substitute Senate Bill No. 6498 in its entirety.



Respectfully submitted,



Jay Inslee  
Governor

**ESSB 6513**

C 117 L 16

Concerning reservations of water in water resource inventory areas 18 and 45.

By Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Warnick, Hobbs, Parlette, Takko, Hargrove and Honeyford).

Senate Committee on Agriculture, Water & Rural Economic Development

House Committee on Agriculture & Natural Resources

**Background:** Approximately a year after a Washington State Supreme Court decision in 2013, the Department of Ecology (DOE) issued a letter notifying Chelan County that DOE would no longer issue permits that rely on water reserved by Washington Administrative Code (WAC) governing Water Resource Inventory Area 45 (WRIA 45). The reason stated is that DOE believes these permits would not provide uninterrupted water rights under the 2013 decision.

WRIA 45 includes territory in the Wenatchee River Basin. WRIA 18 includes territory in the Elwha-Dungeness River basin.

In WRIA 45 and WRIA 18, DOE reserved water for new domestic, irrigation, and stock watering uses, well after instream flows were set that made no such provision. The legal authority DOE used to amend WRIA 18 and WRIA 45 to provide for these reservations of water was the legal theory of overriding consideration of the public interest. It is DOE's use of this legal principal that invalidated its reservations in the Skagit WRIA according to the 2013 Supreme Court decision. The setting of instream flows that include no reservations, prior to the amendment to make the reservations, are facts the Skagit Supreme Court case and the administrative history of WRIA 18 and WRIA 45 share.

**Summary:** The Legislature declares its intent to authorize DOE to maintain and implement its current rule establishing reservations for WRIA 18 and WRIA 45. DOE must act on all water right applications relying on these reservations in WRIA 18 and WRIA 45 as the WAC governing WRIA 18 and WRIA 45 exists as of the effective date of the legislation.

**Votes on Final Passage:**

Senate	48	0
House	93	4

**Effective:** March 31, 2016

**SSB 6519**

C 68 L 19

Expanding patient access to health services through telemedicine and establishing a collaborative for the advancement of telemedicine.

By Senate Committee on Health Care (originally sponsored by Senators Becker, Cleveland, Dammeier, Frockt, Brown, Angel, Rivers, Bailey, Keiser, Conway, Fain, Carlyle, Rolfes, Chase and Parlette).

Senate Committee on Health Care

Senate Committee on Ways & Means

House Committee on Health Care & Wellness

House Committee on Appropriations

**Background:** The 2015 Legislature passed SSB 5175 requiring health insurance carriers, including health plans offered to state employees and Medicaid managed care plan enrollees, to reimburse a provider for a health care service delivered through telemedicine, or "store and forward" technology, if the plan provides coverage of the health care service when provided in person, the health care service is medically necessary, and the health care service is a service recognized as an essential health benefit under the federal Affordable Care Act. The requirement becomes effective January 1, 2017.

The originating site for the service means the physical location of a patient receiving the health care services through telemedicine. A list of originating sites includes a hospital, rural health clinic, federally qualified health center, a health care provider's office, community health center, skilled nursing facility, or renal dialysis center. The originating site may charge a facility fee for infrastructure and preparation of the patient.

Since passage of the legislation in April 2015, modifications have been made to the Medicaid fee-for-service program to expand the sites for a patient to access care, including clinics, community mental health or chemical dependency settings, dental offices, home or any location determined appropriate by the individual receiving the service, neurodevelopmental centers, and schools. The United States Department of Health and Human Services just released final regulations for Medicaid clarifying that home health services may be provided through the use of telehealth, and that home health services may be provided, as appropriate, in any setting in which normal life activities take place, other than a hospital, nursing facility, or intermediate care facility, or any in patient setting.

The Northwest Regional Telehealth Resource Center, located in Billings, Montana, serves Alaska, Idaho, Montana, Oregon, Utah, Washington, and Wyoming, providing technical assistance with the development and implementation of telehealth. Staff from the University of Washington School of Medicine Telehealth Services sit on the board.

Store and forward technology was included in the telehealth bill last year. Store and forward technology means

the use of asynchronous transmission of a covered person's medical information from an originating site to the health care provider at a distant site which results in medical diagnosis and management of the covered person. References to the store and forward technology were inadvertently left out of one statute governing hospitals.

**Summary:** The Collaborative for the Advancement of Telemedicine (Collaborative) is created to enhance the understanding of health services provided through telemedicine. By July 1, 2016, the Collaborative shall be convened by the University of Washington Telehealth Services and participants shall include four legislators, and representatives of the academic community, hospitals, clinics, health care providers in primary care and specialty care, health insurance carriers, and other interested parties.

The Collaborative shall develop recommendations on improving reimbursement and access to services, including reviewing the originating site restrictions or additions proposed in this bill, provider to provider consultative models, and technologies and models of care not currently reimbursed. The Collaborative must identify telemedicine best practices, guidelines, billing requirements, and fraud prevention developed by recognized medical and telemedicine organizations. The Collaborative must also make a recommendation on whether to create a technical assistance center in Washington to support providers in implementing or expanding services delivered through telemedicine.

An initial progress report is due December 1, 2016, with follow-up reports due December 1, 2017 and December 1, 2018. Reports must be shared with the Health Care Committees of the Legislature as well as relevant professional associations, governing boards, or commissions. Meetings must be open public meetings with summaries available on a web page. The future of the Collaborative shall be reviewed by the Legislature with consideration of on-going technical assistance needs. The Collaborative terminates December 31, 2018.

The list of sites a patient may receive health care services through telemedicine is modified to include "home," effective January 1, 2018. The underlying law with the originating sites that were included in 2015 legislation is still effective January 1, 2017. Services provided from home are not eligible to charge a facility fee. Health care services provided through telemedicine must meet generally accepted safety standards, and the technology must meet the standards required by state and federal laws governing the privacy and security of protected health information.

Hospital statutes are modified to include appropriate references to the store and forward technology included in the 2015 law.

**Votes on Final Passage:**

Senate	49	0
House	91	6

**Effective:** June 9, 2016  
January 1, 2018 (Sections 3-5)

**SSB 6523**  
**PARTIAL VETO**  
C 236 L 16

Providing service credit for pension purposes for certain emergency medical services employees.

By Senate Committee on Ways & Means (originally sponsored by Senators Pearson, Hasegawa and Conway).

Senate Committee on Ways & Means  
House Committee on Appropriations

**Background:** Under the Interlocal Cooperation Act, two or more units of local governments can join together in a consortium to jointly perform various public duties that are within the statutory powers of the local governments. Some local governments have formed nonprofit corporations to provide emergency medical services within the jurisdictions of the local governments.

The eligibility of the employees of such nonprofit corporations to participate in state retirement systems was uncertain until an Attorney General's Opinion (AGO 2007 No. 6) was issued in 2007 that determined that the nonprofit corporations would qualify as an eligible employer for the purposes of participating in state retirement coverage.

**Summary:** An employee providing emergency medical services to a consortium of local governments may choose to establish service credit in the Public Employees' Retirement System for service performed prior to July 23, 2003, if the service was performed in a county with a current population exceeding 700,000 but fewer than 800,000. The employee must pay both the employer and employee contribution, as calculated by the Department of Retirement Systems, within five years of making the election to establish service credit.

**Votes on Final Passage:**

Senate	49	0	
House	81	14	(House amended)
Senate	49	0	(Senate concurred)

**Effective:** June 9, 2016

**Partial Veto Summary:** The Governor vetoed section 1 of the bill, which was a legislative declaration and statement of intent. The substantive provisions of the bill are unchanged.

**VETO MESSAGE ON SSB 6523**

*April 1, 2016*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval as to Section 1,  
Substitute Senate Bill No. 6523 entitled:*

"AN ACT Relating to service credit for pension purposes for certain emergency medical services employees."

The first section of this bill is not necessary for the implementation of the bill, and it raises facts that are inconsistent with the remainder of the bill. This may cause confusion and make the statute less clear.

For these reasons I have vetoed Section 1 of Substitute Senate Bill No. 6523.

With the exception of Section 1, Substitute Senate Bill No. 6523 is approved.

Respectfully submitted,

Jay Inslee  
Governor

**ESSB 6528**  
PARTIAL VETO  
C 237 L 16

Enacting the cybersecurity jobs act of 2016.

By Senate Committee on Trade & Economic Development (originally sponsored by Senators Brown, Sheldon, Dammeier, Parlette, Schoesler, Warnick, Honeyford, Braun, Angel, Hewitt, Miloscia, O'Ban, Becker, Rivers and Rolfes).

Senate Committee on Trade & Economic Development  
House Committee on Technology & Economic Development

House Committee on General Government & Information Technology

**Background:** The Office of the Chief Information Officer (OCIO) is responsible for the preparation and implementation of a strategic information technology (IT) plan and enterprise architecture for the state. The OCIO's duties include standardization and consolidation of IT infrastructure and establishment of IT standards and policies, including state IT security and cybersecurity policies.

**Summary:** The OCIO must implement a process for detecting and responding to security incidents. Security incidents include accidental or deliberate events that result in unauthorized access, loss, disruption, or destruction of communication and IT resources. The OCIO must develop plans and procedures to ensure the continuity of operations for IT resources in the event of a security incident.

The OCIO must work with the Department of Commerce and other economic development stakeholders to facilitate the development of a strategy that includes key local, state, and federal assets that will make Washington a national leader in cybersecurity. The OCIO must collaborate with community colleges, universities, the National Guard, the Department of Defense, the Department of Energy, and national laboratories to develop the strategy. The OCIO must establish performance metrics to measure periodically the state's performance in achieving the Cybersecurity Jobs Act's goal of making Washington a national

leader in cybersecurity. Before December 1, 2020, the OCIO must report to the Legislature on the state's performance in achieving these metrics and any recommendations for different metrics if necessary. The act is known and cited as the Cybersecurity Jobs Act.

**Votes on Final Passage:**

Senate	49	0	
House	95	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 9, 2016

**Partial Veto Summary:** The Governor vetoed the intent section of the bill that describes the importance of protecting the state's communication and information resources and provides direction for the state to become a national leader in cybersecurity.

**VETO MESSAGE ON ESSB 6528**

April 1, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 1, Engrossed Substitute Senate Bill No. 6528 entitled:

"AN ACT Relating to promoting economic development through protection of information technology resources."

Section 1 is an intent section that is not necessary for the policy implementation of the bill. It does, however, contain language that may create unintended liability for the state.

For these reasons I have vetoed Section 1 of Engrossed Substitute Senate Bill No. 6528.

With the exception of Section 1, Engrossed Substitute Senate Bill No. 6528 is approved.

Respectfully submitted,

Jay Inslee  
Governor

**SSB 6531**  
C 28 L 16 E 1

Changing who the department of corrections is required to supervise based on the current offense as defined in RCW 9.94A.501(4)(e)(ii) and the maximum duration of community custody as defined in RCW 9.94A.501(8).

By Senate Committee on Law & Justice (originally sponsored by Senator Hargrove; by request of Department of Corrections).

Senate Committee on Law & Justice

**Background:** Community Supervision. The Department of Corrections (DOC) is required to supervise the following offenders sentenced to community custody:

1. offenders who are classified at a high risk to reoffend; and
2. regardless of risk classification, those offenders who:

- are convicted of a sex offense or serious violent offense;
- are identified as dangerously mentally ill;
- have an indeterminate sentence;
- are convicted of a failure to register;
- have a current conviction for domestic violence felony offense where domestic violence was pleaded and proven after August 1, 2011, and a prior conviction for a repetitive domestic violent offense or domestic violence felony offense where domestic violence was pleaded and proven after August 1, 2011 (this section applies only to offenses committed prior to July 24, 2015);
- have a conviction for a domestic violence felony offense where domestic violence was pleaded and proven;
- are sentenced to a Drug Offender Sentencing Alternative, Special Sex Offender Sentencing Alternative, Parenting Sentencing Alternative, or First Time Offender Waiver;
- must be supervised under the Interstate Compact;
- are convicted and sentenced for vehicular homicide, vehicular assault, felony DUI, or felony physical control; or
- are certain misdemeanor sex offenders and repeat domestic violence offenders.

#### Supervision for Domestic Violence (DV) Offenders.

In 2015, Senate Bill 5070 amended the law to require the DOC to supervise an offender with a conviction for a DV felony offense where DV was plead and proven, regardless of risk classification. The new language did not specify if the law should apply to offenders with prior DV convictions, current DV convictions, or both. Prior to the enactment of SB 5070, offenders with a current DV conviction needed at least one prior conviction for a repetitive DV offense in order to be placed under mandatory DOC supervision.

State v. Bruch Washington Supreme Court Case (2015). In *State v. Bruch*, the defendant was convicted of two counts of second degree child molestation and two counts of third degree rape of a child. The trial court imposed a standard range sentence of 116 months of confinement and ordered community custody for a period of "at least 4 months, plus all accrued earned early release time at the time of release." Bruch challenged the sentence and argued that the court-imposed term of community custody was indeterminate and may exceed the statutory requirement of three years of community custody.

The Supreme Court reasoned that the statutory scheme contemplates that an offender might serve more time in community custody than imposed by the sentencing court if he earns early release. The court stated that the trial court's intended sentence—a total term of 120 months—is not undermined by giving effect to the DOC's

authority to transfer earned early release into community custody.

**Summary:** Clarifies that the DOC must supervise an offender ordered to community custody by the court for a current plead and proven DV conviction, regardless of risk.

Authorizes the DOC to supervise offenders up to the length of supervision that can be imposed by a court.

#### **Votes on Final Passage:**

##### First Special Session

Senate	43	0
House	76	18

**Effective:** June 28, 2016

## E2SSB 6534

C 238 L 16

Establishing a maternal mortality review panel.

By Senate Committee on Ways & Means (originally sponsored by Senators O'Ban and Becker).

Senate Committee on Health Care  
Senate Committee on Human Services, Mental Health & Housing

Senate Committee on Ways & Means  
House Committee on Health Care & Wellness  
House Committee on Appropriations

**Background:** Maternal Mortality Subcommittee. In late 2000, in response to two maternal deaths that were initially thought to have similar causes, the State of Washington Perinatal Advisory Committee formed the Maternal Mortality Subcommittee.

Committee goals include: analyzing patterns by disease, hospital, provider types; attempting to identify preventable deaths and potential interventions; attempting to define an acceptable/irreducible minimum incidence of maternal mortality; proposing enhancements to the system or make recommendations for a new system; and communicating information and trends to provider groups.

The maternal mortality surveillance subcommittee members include: perinatologists, obstetricians, nurses, midwives, epidemiologists, and Department of Health (Department) staff. Reviews are conducted every two to three years. All deaths that occur within a year of pregnancy are reviewed. The review panel looks at all the data available concerning these deaths and their circumstances, and may include a death certificate; a birth/fetal death certificate for deaths that linked to a live birth or fetal death within a year before death; and any hospitalization data on deaths that occurred within a year of a hospitalization for pregnancy or delivery.

The subcommittee then makes an assessment based on timing of the death relative to the pregnancy, taking into account any risk factors, diagnoses or procedures to identify cause of death. The subcommittee identifies two

groups of deaths: pregnancy-associated deaths (deaths within one year of delivery due to any cause) and pregnancy-related deaths (subset of pregnancy-associated deaths that only includes women whose death was caused by the pregnancy or a condition that was exacerbated by pregnancy). This second group is what most people refer to as maternal death. Due to limited resources, there is limited staffing for this subcommittee.

**Summary:** A maternal mortality review panel (panel) is established to conduct comprehensive, multidisciplinary reviews of maternal deaths in Washington, identify factors associated with these deaths, and make recommendations for system changes to improve health care services for women. The terms "maternal mortality" and "maternal death" mean the death of a woman while pregnant or within one year following delivery or the end of a pregnancy, whether or not the death is related to or aggravated by the pregnancy.

The panel is appointed by the Secretary of Health (Secretary) and may include an obstetrician, a physician specializing in maternal fetal medicine, a neonatologist, a licensed midwife, a Department representative who works in the field of maternal and child health, a Department epidemiologist with experience analyzing prenatal data, a pathologist, and a representative of community mental health centers.

The Department must review available data to identify maternal deaths. The Department may access additional data to assist it in determining whether a maternal death was related to or aggravated by the pregnancy and whether the maternal death was preventable. The additional data include information related to specific maternal deaths such as medical records, autopsy reports, medical examiner reports, coroner reports, and social services records and information from health care providers, health care facilities, clinics, laboratories, and medical examiners, coroners, health professions and facilities, local health jurisdictions, the Health Care Authority and its licensees and providers, and the Department of Social and Health Services and its licensees and providers.

The panel must submit biennial reports to the Secretary and legislative health care committees beginning July 1, 2017. The report must include a description of the maternal deaths reviewed by the panel in the prior two years, including aggregated statistics and causes, and evidence-based system changes and possible legislation to improve maternal outcomes and reduce preventable deaths in Washington. The report must be distributed to relevant stakeholder groups for performance improvement.

Persons who attend panel meetings or prepare materials for the panel may not testify in civil or criminal actions about the panel's proceedings or information, documents, records, or opinions, unless the testimony relates to their personal knowledge acquired independently of the panel. Panel members and persons providing information to the panel are immune from civil damages.

Information, documents, proceedings, records, and opinions related to the panel are confidential and exempt from public inspection and copying. Such materials are also exempt from discovery or introduction into evidence in civil or criminal actions. The panel and the Secretary may only retain information identifying facilities related to occurrences of maternal deaths for the purpose of analysis over time

The bill is null and void if it is not funded in the budget. The act expires June 30, 2020.

**Votes on Final Passage:**

Senate	49	0	
House	95	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6536**

C 156 L 16

Addressing the filing and rating of group health benefit plans other than small group plans, all stand-alone dental plans, and stand-alone vision plans by disability insurers, health care service contractors, and health maintenance organizations.

By Senate Committee on Health Care (originally sponsored by Senator Becker).

Senate Committee on Health Care  
House Committee on Health Care & Wellness

**Background:** The 2015 Legislature passed SSB 5023 requiring all rates and forms for group health benefit plans, other than small group plans, and all stand-alone dental and stand-alone vision plans be filed with the Office of Insurance Commissioner (OIC) before use. The intent articulated in the bill was to create regulatory uniformity in the filing requirements of the rates and forms required for group health benefit plans and stand-alone dental plans and stand-alone vision plans.

The OIC was directed to adopt rules to standardize the rate and form filings requirements, and to use the already adopted standards in place for health care service contractors and health maintenance organizations. The OIC completed rule making in the fall that became effective January 8, 2016.

**Summary:** It is the intent of the Legislature to establish regulatory uniformity for the rate and form filing content and regulatory review standards for group health benefit plans, other than small group plans, and stand-alone dental plans and stand-alone vision plans.

The 2015 law is amended to clarify that the filing of negotiated contract forms for group health plans, stand-alone dental plans, and stand-alone vision plans that are in effect at the time of negotiation are not required to be filed in advance but must be filed within 30 working days of

completion of contract negotiation or the date the renewal premiums are implemented.

The OIC must amend existing rules to standardize the rate and form filing process as well as regulatory review standards for the rates and forms of the plans. The Commissioner may amend the rules previously adopted and must amend any additional rating requirements established by existing rule that are not applied to health care service contractors and health maintenance organizations. The new requirements apply to plans issued or renewed on or after the effective date of the act. The act includes an emergency clause and is effective immediately.

**Votes on Final Passage:**

Senate	48	1	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** March 31, 2016

## SSB 6558

C 118 L 16

Allowing a hospital pharmacy license to include individual practitioner offices and multipractitioner clinics owned and operated by a hospital and ensuring such offices and clinics are inspected according to the level of service provided.

By Senate Committee on Health Care (originally sponsored by Senators Parlette and Cleveland).

Senate Committee on Health Care  
House Committee on Health Care & Wellness

**Background:** The 2015 Legislature passed ESSB 5460 which allowed hospitals to transfer medications to their clinics, and allowed the hospital license to include any individual practitioner's office or multipractitioner clinic owned and operated by a hospital to be identified by the hospital on the hospital pharmacy license application or renewal. The 2015 legislation was intended to streamline the regulatory process and to avoid individually licensing all hospital owned clinics and practices as pharmacies. The Washington State Pharmacy Quality Assurance Commission (PQAC) regulates the practice of pharmacy and the distribution, manufacturing, and delivery of pharmaceuticals. PQAC has held stakeholder conversations about the bill but has not initiated formal rule making to implement the new provisions. Stakeholder conversations have identified some areas that may need further clarification.

**Summary:** A hospital that elects to include one or more offices or clinics under its pharmacy license no longer must maintain the office or clinic through at least one pharmacy inspection or 24 months. The definition of the hospital that excludes clinics, or physician's offices where patients are not regularly kept for 24-hours, does not limit the ability of the hospital to include individual practi-

tioner's offices or clinics owned and operated by a hospital on the pharmacy application or renewal. A hospital that elects to include one or more offices or clinics must describe the type of services relevant to the practice of pharmacy provided at each location, as requested by the Commission. Any updates required for the application forms to accomplish the licensure option must be made no later than 90 days after the effective date of this section.

The law must be interpreted in a manner that supports regulatory, inspection, and investigation standards that are reasonable and appropriate based on the level of risk and the type of services provided in a pharmacy. PQAC must provide clear and specific information regarding the standards to which particular pharmacy services will be held, as appropriate, based on the type of pharmacy services provided at each location.

If PQAC determines that rules are necessary for the immediate implementation of the inspection standards, it must adopt emergency rules not later than 90 days after the effective date of this section. DOH must ensure that the emergency rules remain in effect while the permanent rules are developed with no interruption in the licensure option.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 9, 2016

## E2SSB 6564

C 172 L 16

Providing protections for persons with developmental disabilities.

By Senate Committee on Ways & Means (originally sponsored by Senators O'Ban, Fain, Keiser, McAuliffe, Hobbs, Conway, Angel, Frockt and Warnick).

Senate Committee on Human Services, Mental Health & Housing

Senate Committee on Ways & Means  
House Committee on Early Learning & Human Services  
House Committee on Appropriations

**Background:** The Developmental Disabilities Administration (DDA) is a subdivision of the Department of Social and Health Services (DSHS) which provides assistance and support for persons with developmental disabilities in Washington. Programs offered by the DDA include residential provider services, residential services, and various non-residential services including case management, child development services, employment services, and Medicaid personal care.

DDA clients receive a functional assessment which is updated annually to determine whether the client qualifies

for funded DDA services and to determine the level of service.

Adult Protective Services (APS) is a division of DSHS which investigates allegations of abuse, abandonment, exploitation, or neglect relating to vulnerable adults. According to statutory direction, APS may conduct a fatality review when a vulnerable adult dies and DSHS has reason to believe that the death may be related to abuse, abandonment, exploitation, or neglect and the adult is receiving home and community-based services in the adult's home or is living at home and was the subject of a report of abuse, abandonment, exploitation, or neglect within the past 12 months.

**Summary:** Within funds dedicated for this purpose, DDA must increase home visits for clients identified as having the highest risk of abuse and neglect. DDA must develop a process to determine which of its clients who receive an annual developmental disabilities assessment are at highest risk of abuse and neglect. Factors which DDA may consider in making this assessment are specified in the bill. DDA must visit these clients at least once every four months, including unannounced visits as needed. If an unannounced visit takes the place of a scheduled visit and is unable to be completed, the case manager must schedule a follow-up visit.

During annual assessments, DDA must meet with the client in person. If the client is receiving personal support or supported living services, the case manager must ask to view the client's living quarters and note his or her observations in the service episode record.

An Office of the Developmental Disabilities Ombuds is created. The Department of Commerce must contract with a private, independent nonprofit organization to provide developmental disabilities Ombuds services by a competitive bidding process following stakeholder consultation. The Developmental Disabilities Ombuds must have powers and duties including:

- providing information on the rights and responsibilities of persons receiving DDA services or other state services;
- investigating administrative acts relating to persons with developmental disabilities;
- monitoring procedures implemented by DSHS and DSHS facilities relating to persons with developmental disabilities, and recommending changes to procedures; and
- submitting an annual report concerning the work of the Ombuds, including recommendations.

The Developmental Disabilities Ombuds must consult with stakeholders to develop a plan for future expansion into a model of individual Ombuds services akin to the Long-Term Care Ombuds, and report its progress and recommendations by November 1, 2019. Conflict of interest provisions, confidentiality protections, liability protection, and other policies and procedures are established re-

lating to the Developmental Disabilities Ombuds. The Developmental Disability Ombuds must negotiate memoranda of agreement with the state Long-Term Care Ombuds, the Office of the Family and Children's Ombuds, Washington Protection and Advocacy System, the Mental Health Ombuds, and the Office of the Education Ombuds to clarify authority in those situations where their mandates overlap.

DSHS must conduct a vulnerable adult fatality review in the event of the death of a vulnerable adult when DSHS has reason to believe that the death may be related to abuse, abandonment, exploitation, or neglect, if the vulnerable adult was receiving services in the adult's home or a licensed or certified settings, or lives in one of those settings and was the subject of a report of abuse, abandonment, exploitation, or neglect within the past 12 months.

**Votes on Final Passage:**

Senate	48	0	
House	95	0	(House amended)
Senate	48	0	(Senate concurred)

**Effective:** June 9, 2016

**SSB 6569**

C 25 L 16 E 1

FULL VETO

VETO OVERRIDE

Creating a task force on patient out-of-pocket costs.

By Senate Committee on Health Care (originally sponsored by Senators Cleveland, Becker, Carlyle, Keiser and Ranker).

Senate Committee on Health Care  
House Committee on Health Care & Wellness

**Background:** A recent Kaiser Family Foundation Health Tracking Poll indicates that half of the public reports taking a prescription drug, and almost 40 percent of those people report taking four or more drugs. Of those individuals taking four or more drugs, 38 percent say it is difficult to afford the cost of the prescriptions, and 35 percent say they or a family member has not filled a prescription or has cut pills in half or skipped doses because of the cost. The cost of prescription drugs are identified as a primary area of concern, along with the deductible that must be paid prior to insurance coverage, and the insurance premiums.

**Summary:** The Department of Health must convene a task force on patient out-of-pocket costs. The task force must include representatives from all participants with a role in determining the prescription drug costs and out-of-pocket costs for patients. Participants may include patient groups, insurance carriers, pharmacists, pharmacy benefit managers, pharmaceutical companies, prescribers, hospitals, the Office of the Insurance Commissioner, the Health Care Authority and other purchasers, the Office of Finan-

cial Management, unions, a Taft-Hartley Trust, a business association, and biotechnology representatives.

The task force must evaluate factors contributing to the out-of-pocket costs for patients, particularly in the first quarter of each year. Factors shall include prescription drug cost trends and plan benefit design. The task force must consider patient treatment adherence and the impact on chronic illness and acute disease, with consideration of the long-term outcomes and costs for the patient. The task force must consider the impact when patients cannot maintain access to their prescription drugs and the implications of adverse health impacts such as more expensive medical interventions or hospitalizations and the impact on the workforce with the loss of productivity. The task force must also consider the impact of the factors on the affordability of health care coverage.

The task force recommendations, or a summary of the discussions, must be provided to the appropriate committees of the Legislature by December 1, 2016.

**Votes on Final Passage:**

Senate	49	0
House	78	19

**Votes on Veto Override:**

First Special Session

Senate	41	0
House	82	12

**Effective:** June 28, 2016

**VETO MESSAGE ON SSB 6569**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill No. 6569 entitled:

"AN ACT Relating to the creation of a task force on patient out-of-pocket costs."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Substitute Senate Bill No. 6569 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**ESB 6589**

C 227 L 16

Concerning a feasibility study to examine whether water storage would provide noninterruptible water resources to users of permit exempt wells.

By Senators Bailey, Pearson and Warnick.

Senate Committee on Agriculture, Water & Rural Economic Development

House Committee on Agriculture & Natural Resources

**Background:** Generally, the Department of Ecology (Ecology) must base water allocation among potential uses and users on the principle of securing maximum net benefits for the people of the state. Ecology must also set minimum instream flows to protect fish and wildlife habitat, and water quality instream resources.

Ecology establishes instream flow rules for the state's major river basins and typically bases rules on the stream flows needed to support healthy fish populations. Ecology may authorize withdrawals of water conflicting with base flows necessary to preserve instream values only in situations where it is clear that overriding considerations of the public interest will be served.

In April 2001, the Skagit River Basin Instream Resources Protection Program Rule, WAC 173-503, established minimum instream flows throughout the basin in water resource inventory areas (WRIA) 3 and 4. Eight businesses and 475 homes have relied on these Skagit reservations, which set aside finite water amounts set aside for specific future uses, for their water supplies since 2001.

In 2006, Ecology found that limited reservations would not substantially harm fish populations and amended the rule to establish reservations of surface and groundwater for future out-of-stream uses. The reservations provided uninterrupted, or year-round, water supplies for new agricultural, residential, commercial or industrial, and livestock uses across 25 sub-basins.

In October 2013, the Washington Supreme Court invalidated the 2006 amendments, holding that Ecology could not set aside water reservations through water management rules where it had previously set aside water to support stream flows for instream resources. Since the court decision, Ecology has exercised its enforcement discretion not to curtail water use of homes and businesses that have relied on the 2006 reservations.

**Summary:** Ecology, in cooperation with the state Department of Health, Skagit county, Tribes, and non-municipally owned public water systems in Skagit county, must study whether use of effectively sized water storage to recharge the Skagit river basin is feasible for providing year-round water to users of permit exempt wells.

Ecology must report the study's findings to the Legislature by December 1, 2016.



## E2SSB 6601

### Votes on Final Passage:

Senate	49	0
House	96	1

**Effective:** June 9, 2016

### E2SSB 6601

C 69 L 16

Creating the Washington college savings program.

By Senate Committee on Ways & Means (originally sponsored by Senators Frockt, Bailey, Braun, Mullet, Carlyle and McAuliffe).

Senate Committee on Higher Education  
Senate Committee on Ways & Means  
House Committee on Higher Education  
House Committee on Appropriations

**Background:** A 529 savings plan is a tax-advantaged method of saving for future college expenses that is authorized by Section 529 of the Internal Revenue Service. There are two major types, pre-paid tuition plans and savings plans. Pre-paid tuition plans, like the Guaranteed Education Tuition (GET) program in the state of Washington, allow the plan holder to pay for the beneficiary's tuition and fees at designated institutions in advance. Savings plans are tax-advantaged investment vehicles, similar to individual retirement accounts (IRAs). Rules governing the plans are laid out in Section 529 of the Internal Revenue Code. They are legally referred to as "Qualified Tuition Programs" and sometimes called "Section 529 plans."

**Prepaid Tuition Plans.** The GET program is Washington's 529 prepaid college tuition plan. It is administered by the Washington Student Achievement Council, and was established in 1998 to help families save for their child's future higher education costs. Since that time, over 157,000 GET accounts have been opened and over 37,000 students have used their accounts to attend colleges, universities, and technical schools nationwide. The state of Washington guarantees that the value of an account will keep pace with the cost of college tuition at its public institutions, no matter how much the cost of tuition increases in the future.

In 2015, the Legislature lowered resident undergraduate tuition. Starting in the 2015-16 academic year, tuition is reduced by 5 percent for all public higher education institutions in the state of Washington. In the 2016-17 academic year, tuition is reduced by another 10 percent for research institutions and another 15 percent for regional institutions. In response to lower tuition, the GET Committee has set the payout value for units redeemed at the 2014-15 rate of \$117.82 per unit for the 2015-16 and 2016-17 academic years. The GET program is not currently accepting new enrollments or lump sum purchases.

For the quarter ending September 30, 2015, the program had \$2.4 billion in assets under management.

**529 Savings Plans.** A 529 Savings Plan allows an account-holder to establish a college savings account for a beneficiary and use the money to pay for tuition, room and board, mandatory fees, and required books and computers. The money contributed to the account can be invested in stock or bond mutual funds or in money market funds, and the earnings are not subject to federal tax as long as the money is used only for qualified college expenses. The plans are open to both adults and children.

There are two major types of 529 Savings Plans:

- **Broker Sold Savings Programs:** Savings plans that are managed by a brokerage company. Broker-sold plans often require the account holder to pay a "load." Broadly speaking, the load is paid to the broker as a commission for selling the college savings plan. Broker-sold savings programs exist in 30 states nationwide.
- **Direct Sold Savings Programs:** States offer college savings plans through which residents and, in many cases, non-residents can invest without paying a "load," or sales fee. This type of plan, which can be bought directly from the plan's sponsor or program manager without the assistance of a broker, is generally less expensive because it waives or does not charge sales fees that may apply to broker-sold plans. The District of Columbia and 48 states offer direct-sold savings programs. Washington and Wyoming are the two states that currently do not offer direct sold savings programs.

**Washington State Investment Board.** The Washington State Investment Board (WSIB) was created in 1981 under Chapter 43.33A of the Revised Code of Washington (RCW). The WSIB has a staff of approximately 85 employees who work in three divisions - Investments, Operations, and Institutional Relations. The WSIB's executive director is appointed by the WSIB to oversee the staff, develop and recommend agency and investment policies for WSIB adoption, and ensure adherence to state policies and laws.

According to the WSIB 2015 Annual Report, the WSIB has \$81.7 billion in retirement funds under management.

**Summary:** Subject to appropriations, the Washington College Savings Plan (WCSP) is established as an option, in addition to the Washington Advanced College Tuition Payment Program, for individuals to save for college. The WCSP must be administered by the Committee on Advanced Tuition Payment and College Savings (Committee), and chaired by the Director of the Washington Student Achievement Council. The WCSP is open to eligible purchasers and eligible beneficiaries who are residents and nonresidents of Washington State.

The Committee may either work with the WSIB or contract with other states or non-state entities that are authorized to do business in the state for the investment of

monies in the college savings program. The committee shall be responsible for the following duties:

- determining the conditions under which control, or the beneficiary of an individual college savings program account, may be transferred to another family member; and
- promoting the WCSP.

Eligible purchasers will not be required to make an initial minimum contribution that exceeds \$25. The governing body is directed to develop educational materials that highlight the differences between a prepaid tuition plan and a college savings plan, as well as how the two plans can be used to save for the full cost of attending college. Policy goals are established for the Washington college savings program, as well as a biennial reporting requirement that demonstrate how the committee is achieving those goals.

Advisor-sold college savings plans are defined as a channel through which a broker dealer, investment advisor, or other financial intermediary recommends the program to eligible investors and assists with the opening and servicing of individual college savings accounts. The GET Committee is permitted to establish an advisor-sold option for the program if deemed appropriate after reviewing other 529 college savings programs.

The committee is directed to create an expedited direct rollover process between eligible state sponsored 529 accounts, as well as to out of state 529 accounts.

In addition to these duties, the GET Committee may:

- impose limits on the amount of contributions that may be made on behalf of any eligible beneficiary;
- determine and set age limits and time limits for the use of benefits;
- establish incentives to encourage participation in the WCSP;
- impose and collect administrative fees and charges in connection with any transaction;
- appoint and use advisory committees and the state actuary as needed to provide program direction and guidance;
- formulate and adopt all other policies and rules necessary for the efficient administration of the program;
- purchase insurance to provide coverage against any loss in connection with the account's property, assets, or activities;
- make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise and discharge of its powers and duties under this chapter; and
- contract for all or part of the services necessary for the management and operation of the WCSP.

The GET Committee is required to include a disclaimer on all online and print publications that the only guarantee is that the GET prepaid college tuition plan will keep

pace with in-state college tuition. The credits may lose value whenever in-state college tuition is reduced.

The GET Committee is required to begin and continue to accept applications for new tuition unit contracts and authorize the sale of new tuition units by July 1, 2017. In the event that annual sales of tuition units fall below 500,000, the GET Committee is directed to determine how to reinvigorate the GET program.

The Washington College Savings Plan Account is created as a discrete, nontreasury account retaining its interest earnings. All monies received from the WCSP shall be deposited in this account. The assets of the account may be spent without appropriation for the purpose of making payments to institutions of higher education on behalf of the qualified beneficiaries, making refunds, transfers, or direct payments upon the termination of the WCSP.

The WCSP account is authorized to maintain a deficit, up to five fiscal years, to defray administration start-up costs. By December 31, 2017, the GET Committee must establish an administration spending plan and a fee schedule to discharge any projected deficit to the account. The Legislature may appropriate funds into the account to reduce administration costs.

In the event the state determines that the GET program is not financially feasible, the Legislature may declare the discontinuance of the program.

The investment manager has the full power to invest, reinvest, manage, contract, sell, or exchange investment money without limitation. As deemed appropriate by the investment manager, monies in the WCSP may be commingled for investment with other funds subject to investment by the investment manager. The authority to establish all policies relating to the WCSP account resides with the GET Committee. The investment manager shall routinely consult and communicate with the Committee. The investment manager is required to provide age-based investment options for individual college savings program account owners.

The investment fees charged to the owner of an individual college savings program account is limited to no more than one-half of 1 percent on an annual basis beginning January 1, 2018.

The GET committee is permitted to issue refunds. Refunds may be subject to federal penalties and taxes associated with 529 college savings plans. Refunds must be issued under the following specific conditions:

- the beneficiary certifies that they will not attend a public or private institution of higher learning and is 19. The refund is not to exceed the current value at the time of such certification minus a penalty at a rate established by the Committee;
- the beneficiary has a death or disability certificate. The refund shall equal to 100 percent of the current value at the time that such certification is submitted to the Committee;

- the beneficiary certifies graduation or program completion, the refund shall be as great as 100 percent of the current value at the time that such certification submitted to the governing body, less any administrative processing fees;
- the beneficiary certifies that other tuition and fee scholarships will cover the cost of tuition;
- incorrect or misleading information provided by the purchaser or beneficiary may result in a refund of the purchaser's and contributor's contributions, less any administrative processing fees;
- the Committee may determine other circumstances for qualifying for refunds of remaining unused participant WCSP account balances; and
- the Committee may not impose a penalty on a beneficiary declaring that they will not use the account for the purpose of paying for postsecondary education.

With regard to bankruptcy filings and enforcement of judgments, deposits made by participants into the WCSP more than two years before the date of filing or judgments are considered excluded personal assets.

It is clarified that the Legislature is the entity under current statute that can discontinue the Washington pre-paid tuition college savings plan. Investment options with fees that exceed one-half of one percent trigger a legislative review.

If specific funding for the purposes of this bill is not provided in the Omnibus Appropriations bill, by June 30, 2016, this bill is null and void.

**Votes on Final Passage:**

Senate	49	0	
House	82	13	(House amended)
Senate	45	2	(Senate concurred)

**Effective:** June 9, 2016

**ESSB 6605**

C 119 L 16

Ensuring that solid waste management requirements prevent the spread of disease, plant pathogens, and pests.

By Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senators Warnick, Becker, Brown and Honeyford).

Senate Committee on Agriculture, Water & Rural Economic Development

Senate Committee on Ways & Means

House Committee on Environment

House Committee on General Government & Information Technology

**Background:** Each county must establish a local solid waste advisory committee (Committee). The members of the Committee are appointed by the county legislative au-

thority. The Committee must consist of at least nine members who represent a balance of interests such as citizens, business, the waste management industry, and public interest groups. The Committee reviews and comments upon proposed rules, policies, and ordinances prior to their adoption.

Each county, city, or local board of health must adopt regulations governing solid waste handling that implement the comprehensive solid waste management plan (Plan).

The Plan is required of every county. Each Plan must include various elements, one of which is a comprehensive waste reduction and recycling element. This element provides programs that reduce the amount of waste, provide for source separation, and provide recycling opportunities.

The local health department must submit any application for a permit to establish or modify a solid waste handling facility to the Department of Ecology (DOE). DOE must report its findings to the local health department. The local health department determines whether the site and its facilities comply with local regulations and state rules.

After a permit is issued by the local health department, the permit is reviewed by DOE for conformity with all applicable laws and regulations and for conformity with the Plan.

Every solid waste handling facility permit must be renewed at least every five years. It may be suspended if at any time the local health department decides the facility is violating any laws, DOE's rules, or local regulations.

Any given solid waste may be exempted from permitting, by DOE's rule or by application from a person, for one or more beneficial uses. If exemption is initiated by an application to DOE, the application is forwarded to the local health department for review and comment within 45 days. The local health department and the applicant may appeal DOE's decision whether to approve a solid waste for exemption from permitting.

The Washington State Department of Agriculture (WSDA) has the authority to protect agricultural, silvicultural, floricultural, apiarial, and other environmental interest of the state by declaring a quarantine. The quarantined area may be publically or privately owned within the state, other states, or other countries. A quarantine may prohibit any regulated article from being moved outside of the quarantined area.

**Summary:** A local government that prohibits the disposal of food waste and compostable paper as garbage is required to consult with the WSDA to ensure its Plan prevents the spread of disease, plant pathogens, and pests to areas not under WSDA quarantine. This process is required before the local government submits its Plan to DOE for approval. Before DOE may approve the local Plan, DOE must require WSDA's written statement of compliance with this requirement for inclusion in the final approved Plan. Any existing Plans must be reviewed and

made to comply with this approval process within 90 days of the effective date of this legislation. If revision occurs, the revised Plan is subject to approval by DOE.

As part of its rule making, DOE may include quarantine status among the factors bearing on classifying areas of the state according to relevant factors concerning solid waste disposal standards.

The standards used by each county or city when siting a solid waste disposal facility must be periodically revised. The revision shall include information relating to preventing the spread of disease, plant pathogens, and pests to areas that are not quarantined.

The interests of agriculture must be part of the balance of interests that the county legislative authority considers in appointing members to the local solid waste advisory committee.

DOE must immediately upon receipt, provide WSDA with a copy of the preliminary draft Plan submitted by a county or city to DOE. WSDA must review the Plan within 45 days for compliance with quarantine law and rules. WSDA must advise the county or city and DOE of the results of WSDA's review.

When an application is submitted to DOE by the local health department for a permit to establish or modify a solid waste handling facility, the application must also be submitted to WSDA if the proposed location is in an area not under quarantine and if the facility is proposing to receive material for composting from an area that is under quarantine. WSDA's review is to determine whether the application demonstrates information sufficient for the assessment of risk to non-quarantined areas.

A permit may be suspended by the local health department for violation of WSDA's rules.

An application to DOE from a person to exempt any given solid waste from permitting for one or more beneficial uses must be forwarded to WSDA as well as to the local health department for review and comment within 45 days of application. WSDA's comments must address whether approving the application places an area currently not under quarantine at risk of being placed under quarantine.

WSDA may elect to appeal DOE's decision whether to approve solid waste for exemption from permitting. The appeal is to the pollution control hearings board. WSDA's election has no effect on its authority to regulate and enforce relative to the solid waste that is the subject of the exemption petition.

WSDA may comment on applications for exemptions from solid waste permitting requirements that apply to waste-derived soil amendments, using the same WSDA comment process that applies to other DOE beneficial use determinations.

Persons who violate conditions attached to waste-derived soil amendment exemptions from solid waste per-

mitting requirements are subject to penalties of up to \$1,000 per day.

**Votes on Final Passage:**

Senate	48	1	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 9, 2016

**ESSB 6606**

C 26 L 16 E 1

FULL VETO

VETO OVERRIDE

Concerning wholesale vehicle dealers.

By Senate Committee on Transportation (originally sponsored by Senator King).

Senate Committee on Transportation  
House Committee on Business & Financial Services

**Background:** The Department of Licensing (DOL) is responsible for licensing all motor vehicle dealers operating in Washington.

Wholesale Motor Vehicle Dealers. Current law defines a wholesale motor vehicle dealer as a vehicle dealer who buys and sells other than at retail.

A wholesale vehicle dealer must have office facilities in a commercial building within Washington State, and all storage facilities for inventory shall be listed with the DOL, and must meet local zoning and land use ordinances. A wholesale vehicle dealer shall maintain a telecommunications system. An exterior sign visible from the nearest street must identify the business name and the nature of the business. When two or more vehicle dealer businesses share a location, all records, office facilities, and inventory must be clearly segregated and clearly identified.

Motor Vehicle Dealers. A motor vehicle dealer deals in new and used motor vehicles, or both. A license is needed for anyone who sells more than four vehicles in any 12 months, buys and sells vehicles for the purpose of making a profit, or sells vehicles that are not registered to the seller. A motor vehicle dealer must have an established place of business that includes a publicly available commercial space open at least five days a week, with signage, located in a commercially zoned area with a business telephone listing in the local directory. Required books and records must be kept at the place of business.

Before a motor vehicle dealer may be issued a license, they must have:

- filed with the DOL a surety bond worth \$30,000;
- shown proof of either owning or renting a business site;
- submitted an application of a business license to the Department of Revenue;
- submitted a source of funds statement;

- submitted a personal criminal history statement with a fingerprint card for each member of the business; and
- submitted proof of required training, if selling only used vehicles.

**Summary:** The definition for wholesale vehicle dealer is retained in statute and further clarified as a dealer who buys and sells vehicles to other Washington licensed dealers.

Wholesale vehicle dealers must have office facilities within this state with no more than two other wholesale or retail vehicle dealers in the same building.

**Votes on Final Passage:**

Senate	47	2
House	91	6

**Votes on Veto Override:**

First Special Session

Senate	41	2
House	82	12

**Effective:** March 29, 2016

**VETO MESSAGE ON ESSB 6606**

March 10, 2016

To the Honorable President and Members,  
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Engrossed Substitute Senate Bill No. 6606 entitled:

"AN ACT Relating to wholesale vehicle dealers."

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Engrossed Substitute Senate Bill No. 6606 in its entirety.*

Respectfully submitted,



Jay Inslee  
Governor

**SB 6607**

C 239 L 16

Removing state route number 276 from the state highway system.

By Senators Baumgartner and Schoesler.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** In 1973, state route number 276 (SR 276) was designated as a state highway in statute. SR 276 was designed as a north bypass route around Pullman and was to connect state route number 195 west of Pullman to state route number 270 east of Pullman.

The Washington State Department of Transportation (WSDOT) purchased the right of way for the route in the 1970s, but SR 276 was never constructed. Funding for construction of the bypass has not yet been identified. WSDOT is responsible for managing the unconstructed SR 276 right of way.

WSDOT may, through the surplus real property program, dispose of any real property, in full or in part, if the property is owned by the state, under WSDOT's jurisdiction, no longer required for transportation purposes, and in the public interest to do so.

Under the surplus property program, WSDOT may publish a call for bids, conduct a public auction, or sell the real property at fair market value to certain entities or persons including, but not limited to, other state agencies, the city or county in which the property is situated, and other municipal corporations.

**Summary:** Removes the designation in statute of SR 276 as a state highway.

**Votes on Final Passage:**

Senate	49	0
House	97	0

**Effective:** June 9, 2016

**SB 6614**

C 35 L 16

Concerning performance oversight of the state transportation system.

By Senators Hobbs, King and Conway.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** Between 2007 and 2015, the Office of Financial Management (OFM) was required to establish objectives and performance measures for the Washington State Department of Transportation (WSDOT) and other state transportation agencies to ensure the transportation system was progressing toward the attainment of the statutory transportation policy goals. In 2015, legislation was enacted requiring WSDOT, rather than OFM, to establish the objectives and performance measures.

Between 2011 and 2015, OFM was required to complete an annual performance report of the state ferry system. In 2015, legislation was enacted requiring WSDOT, rather than OFM, to complete the report.

OFM must submit to the Legislature and the Governor a biennial attainment report measuring the degree to which state transportation programs have progressed toward the attainment of the statutory transportation policy goals.

**Summary:** OFM, in consultation with the Transportation Commission, must establish objectives and performance measures for WSDOT and other state transportation agencies and submit the objectives and performance measures to the Legislature every other year.

Annual state ferry system performance reports must first be reviewed and commented on by OFM, and also reviewed by the Joint Transportation Committee, prior to submittal by WSDOT.

WSDOT, rather than OFM, must submit biennial transportation progress attainment reports; however, OFM must first review and comment on the reports prior to submittal by WSDOT.

**Votes on Final Passage:**

Senate	47	0	
House	95	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 9, 2016

**ESB 6620**

C 240 L 16

Concerning cost-effective methods for maintaining and increasing school safety.

By Senators McAuliffe, Dammeier, Rolfes, Litzow, Billig, Keiser and Conway.

Senate Committee on Early Learning & K-12 Education  
House Committee on Education

**Background:** Current law requires school districts to adopt and implement safe school plans. The plans must contain specified information. To the extent funds are available, school districts must annually review and update safe school plans.

In the 2001-02 budget, the Washington Legislature established a School Safety Center in the Office of the Superintendent of Public Instruction (OSPI). The School Safety Center's requirements included disseminating successful models of school safety plans, providing assistance to schools to establish a comprehensive safe school plan, coordinating activities relating to school safety, and maintaining a school safety information website.

In addition, the Superintendent of Public Instruction was directed to participate in a School Safety Center Advisory Committee that included representatives from a wide variety of stakeholders in education and law enforcement. According to the School Safety Center's website, the purpose of the Committee is to advise OSPI and support and assist in the implementation of the School Safety Center's work, as well as support the efforts for increased academic achievement by students.

Educational service districts (ESDs) are regional agencies intended to provide cooperative and informational services to local school districts, assist the Superintendent of Public Instruction and the State Board of Education in the performance of their respective statutory or constitutional duties, and provide services to school districts to assure equal educational opportunities. Washington has nine ESDs. ESDs receive funding from the state,

federal and private grants, service fees, agency contracts, and cooperatives.

ESD 105 serves 25 public schools and 22 state-approved private and tribal schools in South-Central Washington. This ESD has developed a school safety and security center that offers support to school districts and individual buildings to develop safety plans. The center offers technical assistance and resource networking.

In the 2015-17 operating budget, OSPI was directed to convene a workgroup to recommend comprehensive benchmarks for developmentally appropriate interpersonal and decision-making knowledge and skills of social and emotional learning for grades kindergarten through high school that build upon what is being done in early learning. The workgroup will submit recommendations to the education committees of the Legislature and the Office of the Governor by October 1, 2016.

**Summary:** Washington State Institute for Public Policy (WSIPP) Evaluation. WSIPP must complete an evaluation of how Washington and other states have addressed the funding of school safety and security programs. It must submit a report to the appropriate committees of the Legislature, the Governor, and OSPI by December 1, 2017. This section expires August 1, 2018.

**School Safety Summit.** Subject to funds appropriated, OSPI and the School Safety Advisory Committee must hold annual school safety summits. Each annual summit must focus on establishing and monitoring the progress of a statewide plan for funding cost-effective methods for school safety that meet local needs. Other areas of focus may include planning and implementation of school safety planning efforts, training of school safety professionals, and integrating mental health and security measures.

Summit participants must be appointed no later than August 1, 2016:

- the Majority and Minority Leaders of the Senate must appoint two members from each of the relevant caucuses of the Senate;
- the Speaker of the House of Representatives must appoint two members from each of the two largest caucuses of the House of Representatives; and
- the Governor must appoint one representative.

Other summit participants may include representatives from OSPI, the Department of Health, ESDs, educational associations, emergency management, law enforcement, fire departments, parent organizations, and student organizations.

Staff support for the annual summit must be provided by OSPI and the School Safety Advisory Committee.

Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Other nonlegislative and legislative summit participants must be reimbursed for travel expenses as provided in current law.

Regional School Safety and Security Programs. Subject to funds appropriated, ESDs may implement a regional school safety and security program modeled after the ESD that developed a regional school safety and security center. The programs should include the following components:

- establishment of a network of school safety coordinators for the ESDs, which must focus on prevention planning, intervention, mitigation, crisis response, and community recovery regarding emergency incidents in schools;
- collaboration with the ESD that developed the model for a regional school safety and security center to adopt its model for a regional school safety and security center;
- creation of technology-based systems that enable more efficient and effective communication between schools and emergency response entities, including local law enforcement, local fire departments, and state and federal responders;
- provision of technology support to improve communication and data management between schools and emergency response entities;
- ongoing training of school personnel and emergency responders to establish a system for preventative identification, intervention strategies, and management of risk behaviors;
- development of a professional development program to train school personnel as first responders until the arrival of emergency responders; and
- collaborative relationship building between ESDs participating in the program, OSPI, and the School Safety Advisory Committee.

Social and Emotional Training Module. By September 1, 2017, OSPI must create and maintain an online social and emotional training module for educators, administrators, and other school district staff. The training module must be based on the recommendations of OSPI's 2016 report on comprehensive benchmarks for developmentally appropriate interpersonal and decision-making knowledge and skills of social and emotional learning. The module must promote students' self-awareness, self-management, social-awareness, relationships, and responsible decision-making.

**Votes on Final Passage:**

Senate	49	0	
House	82	15	(House amended)
Senate	44	4	(Senate concurred)

**Effective:** June 9, 2016

**SB 6633**

C 27 L 16 E 1

FULL VETO

VETO OVERRIDE

Concerning the marine resources advisory council.

By Senators Ranker and Ericksen.

Senate Committee on Energy, Environment & Telecommunications

House Committee on Environment

**Background:** In 2013, the Legislature created the Washington Marine Resources Advisory Council (MRAC) within the Office of the Governor. The purpose of MRAC is to maintain a sustainable, coordinated focus to address impacts of ocean acidification and to advise and work with the University of Washington and others conducting technical analysis on the effects and sources of ocean acidification.

MRAC membership includes legislators, the Governor or the Governor's designee and elected officials, representatives from tribes, commercial and recreational fishing, shellfish growers, state agencies, marine recreation and businesses, and others from the private sector. The National Oceanic and Atmospheric Administration and academic institutions conducting research on ocean acidification were asked to participate as non-voting members by invitation from the Governor.

MRAC is required to meet at least twice per year and provide opportunity for public comment. It may provide recommendations to the Legislature and any recommendation must identify a range of actions necessary for implementation and consider the differences between in-state and out-of-state impacts and sources. In addition, MRAC may seek public and private funding resources for ongoing technical analysis to support its recommendations.

MRAC expires June 30, 2017.

**Summary:** MRAC is extended to June 30, 2022.

**Votes on Final Passage:**

Senate	49	0
House	88	9

**Votes on Veto Override:**

First Special Session

Senate	43	0
House	77	17

**Effective:** June 28, 2016

**VETO MESSAGE ON SB 6633**

*March 10, 2016*

*To the Honorable President and Members,  
The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval, Senate Bill No. 6633 entitled:*

*"AN ACT Relating to the marine resources advisory council."*

*This is a worthy bill, but it has preceded the passage of the 2016-2017 supplemental operating budget, which is a greater legislative priority. Until a budget agreement is reached, I cannot support this bill.*

*For these reasons I have vetoed Senate Bill No. 6633 in its entirety.*

*Respectfully submitted,*



Jay Inslee  
Governor

**ESSB 6656**  
**PARTIAL VETO**  
C 37 L 16 E 1

Concerning state hospital practices.

By Senate Committee on Ways & Means (originally sponsored by Senators Hill, Hargrove, Ranker, Darneille, Parlette, Becker, Braun, Fain and Bailey).

Senate Committee on Ways & Means

**Background:** Western State Hospital, Eastern State Hospital, and the Child Study and Treatment Center are state hospitals designated by the state of Washington to care for persons with mental illness. The state hospitals treat court-committed patients who are civilly committed based on a mental disorder which causes the patient to present a likelihood of serious harm or to be gravely disabled, and patients who are forensically committed for psychiatric services related to criminal insanity and competency to stand trial. State hospital administration is overseen by the Department of Social and Health Services (DSHS).

Civil beds at Western State Hospital and Eastern State Hospital are distributed by providing bed allocations to each of the state's 11 regional support networks (RSN). An RSN is a county or group of counties which administers a treatment network that provides publically funded community mental health treatment to persons with a specific geographic area. State hospital bed allocations are determined by agreement or by a formula which weighs estimated incidence of mental illness within the geographic area and historical state hospital utilization patterns. An RSN is not charged for its use of the state hospital unless it exceeds its bed allocation.

In April 2015, forensic operations at the adult state hospitals were placed under the supervision of a court monitor appointed by the United States District Court for the Western District of Washington, based on a permanent injunction and finding that waiting times for forensic services are violating the constitutional due process rights of state hospital patients.

In November 2015, the Centers for Medicare & Medicaid Services (CMS) conducted a surprise inspection of Western State Hospital and cited the hospital with six notices of immediate jeopardy, placing the receipt of federal funding at risk. The immediate jeopardy notices cited

staffing shortages, lack of active treatment hours, lack of appropriate infection controls, and an insufficient culture of safety. In response to this action, DSHS stopped or indefinitely postponed the opening of two funded wards at Western State Hospital, citing insufficient availability of staff to assure patient safety. The immediate jeopardy notices were abated with the submission of a corrective action plan which is currently undergoing revision between DSHS and CMS. A portion of the planned expansion of state hospital capacity has been diverted to an offsite facility which is projected to begin accepting patients in March 2016.

A psychiatric advanced registered nurse practitioner (psychiatric ARNP) is a nursing professional who has obtained a graduate degree and is licensed to take an expanded role in providing health care services, including the diagnosis of patients and prescription of legend drugs and controlled substances.

Starting April 1, 2016, the role of RSNs will be expanded to include community substance abuse treatment services and the RSNs will be referred to as behavioral health organizations (BHOs). Two counties in Southwest Washington will become an early adopter region, which means that publically funded community health services will be administered by managed care organizations which combine oversight of primary health care and behavioral health care.

**Summary:** The Governor's Behavioral Health Innovation Fund (Fund) is created in the state Treasury as an appropriated account under control of the Director of Office of Financial Management (OFM). DSHS may apply to OFM for the use of monies in the Fund for proposals to improve the functioning of the state hospital system. Proposals must be based on evidence-based practices, promising practices, or approaches that demonstrate quantifiable, positive results. Monies in the fund may be spent to improve quality of care, patient outcomes, patient and staff safety, or the efficiency of state hospital operations and must be authorized by the director of financial management.

A Select Committee on Quality Improvement in State Hospitals (Committee) is established. The Committee must meet at least quarterly, starting in April 2016. The membership must consist of:

- four members of the Senate, consisting of the chairs and ranking members of the Health Care Committee and Human Services, Mental Health & Housing Committee;
- four members of the House of Representatives, consisting of the chairs and ranking members of the Health Care and Wellness Committee and Judiciary Committee;
- one member, appointed by the Governor, representing OFM; and



- two nonvoting members, appointed by the Governor, consisting of the Secretary of DSHS and the Director of the Department of Labor and Industries or their designees.

The Committee must meet at least quarterly, starting in April 2016 and ending in July 2019. Primary staff support must come from OFM. Two cochairs must be elected by the Committee. DSHS must provide quarterly implementation progress reports to the Committee relating to key activities, critical milestones, deliverables, and policy implementation. The Committee must receive updates, monitor, and make recommendations concerning the state hospitals in the following areas:

- planning related to the appropriate role of the state hospitals in the state mental health system;
- recommendations for the use of moneys from the Fund;
- monitoring of process and outcomes regarding policies and appropriations passed by the Legislature; and
- reviewing findings by the Department of Health concerning the safety of state hospitals and compliance with recommended corrective actions.

OFM must hire an external consultant to examine the current configuration and financing of the state hospital system, and DSHS must contract for an academic or independent state hospitals psychiatric clinical care model consultant. These consultants must make recommendations to the Governor, Legislature, and Committee by October 1, 2016, which must be used to inform recommendations for use of monies in the Fund. Twenty-six areas of focus related to state hospital improvement are specified for these consultants.

DSHS must identify and discharge or divert at least 30 geriatric and long-term care patients at Western State Hospital who can safely be served in community settings to alternative placements. A twenty-bed reduction must be realized by July 1, 2016, with a reduction of 10 additional beds by January 1, 2017. The resources used to serve these beds must be reinvested within the state hospital system. DSHS must provide preliminary and follow-up reports on patient outcomes to the Legislature on December 1, 2016, and August 1, 2017.

**Votes on Final Passage:**

First Special Session

Senate	32	11
House	78	16

**Effective:** April 19, 2016 (Sections 3-6, 8, and 10)  
 June 28, 2016  
 July 1, 2018 (Section 15)

**Partial Veto Summary:** The Governor vetoed four sections of this bill. The vetoed sections would have 1) required DSHS to develop a detailed transition plan to implement changes to the financing structure for the utilization of state hospital civil beds that incentive community treatment and diversion; 2) established a procedure for

DSHS to apply to use money in the Fund and restrict the usage of monies in the Fund to proposals based on evidence-based or promising practices that demonstrate quantifiable results and do not include compensation increases within the state hospitals; 3) required DSHS to implement policy improvements including a standardized acuity-based staffing model, a strategy to reduce unnecessary state hospital utilization, a program of safety training, a plan to fully use appropriated funding for enhanced service facilities, and an appeal process to resolve disputes between a behavioral health organization and the state hospital concerning a patient's readiness for discharge; and 4) required DSHS to create a job class series for psychiatric ARNPs and physician assistants allowing for reduced reliance on psychiatrist positions.

**VETO MESSAGE ON ESSB 6656**

*April 19, 2016*

*To the Honorable President and Members,  
 The Senate of the State of Washington*

*Ladies and Gentlemen:*

*I am returning herewith, without my approval as to Sections 2, 7, 9, and 12, Engrossed Substitute Senate Bill No. 6656 entitled:*

*"AN ACT Relating to the reform of practices at state hospitals."*

*Section 2 refers to the creation of a transition plan for changing the current financing structure for civil bed utilization. While I agree a transition plan is needed, I would prefer to use the consultant's recommendations to inform the development of the plan. The consultant is funded in the Office of Financial Management's (OFM) budget. I will charge OFM to work with the Department of Social and Health Services (DSHS) and the consultant to address the requirements of this section and report back to me and the Select Committee on Quality Improvement in State Hospitals by November 2016.*

*Section 7 creates rules for how funds from the Governor's Behavioral Health Innovation Fund can be used. While I agree with many of the categories for funding, I am concerned that funding cannot be used for compensation increases for hospital personnel; a critical tool in increasing staffing at the state hospitals. As a result, I have vetoed Section 7.*

*Section 9 requires DSHS to assure that several policies are implemented, subject to the availability of funding. This section is effective in July of 2016. While I agree with many of the policies stipulated in the bill, this section requires implementation of policies that have not had the full benefit of the recommendations made by the consultants called for in section 5. In addition, provisions that require a plan to use all the funding appropriated for Enhanced Services Facilities is duplicative of the requirements of Section 11. For these reasons, I have vetoed Section 9.*

*Section 12 requires the Office of Financial Management to create a job class for Advanced Registered Nurse Practitioners [Practitioners] (ARNP) and Physician Assistants (PA) to allow them to work at the top of their practice. While I agree that allowing ARNPs and other mid-level professionals to practice in our hospitals should be an important part of the state's strategy to address workforce shortages, the requirement to create the job class is not consistent with the process provided in law for creation of classified positions. I have therefore vetoed Section 12.*

*For these reasons I have vetoed Sections 2, 7, 9, and 12 of Engrossed Substitute Senate Bill No. 6656.*

*With the exception of Sections 2, 7, 9, and 12, Engrossed Substitute Senate Bill No. 6656 is approved.*

Respectfully submitted,



Jay Inslee  
Governor

## SJM 8019

Requesting that a portion of state route number 509 be named the Philip Martin Lelli Memorial Highway.

By Senators Conway, Dammeier, Hobbs, Darneille, King, O'Ban, Roach and Hasegawa.

Senate Committee on Transportation  
House Committee on Transportation

**Background:** The Washington State Transportation Commission (Commission) is responsible for naming state transportation facilities, including highways and bridges. The Commission's policy states: "a naming is done in a thorough and deliberative manner to honor and institute an enduring memory of a person or group of people who have contributed significantly to the well-being of the state or nation and with the widespread support of the people from the area in which the facility is located."

Upon passage of a Joint Memorial requesting the naming of a facility, the Commission holds a public hearing prior to taking action. After the Commission takes final action, the Washington State Department of Transportation (WSDOT) designs and installs the appropriate signs.

**Summary:** The Commission is requested to commence proceedings to name state route number 509 from the junction with Pacific Avenue to the junction with Taylor Way the Philip Martin Lelli Memorial Highway to honor his dedication and service as a longshoreman, activist, and advocate for the betterment of the Port of Tacoma and Washington State.

Copies of the memorial must be forwarded to the Secretary of Transportation, the Commission, and WSDOT.

### Votes on Final Passage:

Senate	48	0
House	61	36

## SJR 8210

Amending the Constitution to advance the date for completion of the redistricting plan.

By Senators Schoesler, Nelson and Mullet.

Senate Committee on Government Operations & Security  
House Committee on State Government

**Background:** The State Redistricting Commission (Commission) was established by constitutional amendment in 1983. The purpose of the Commission is to provide for the

redistricting of state legislative and congressional districts every 10 years based on the federal decennial census.

The Commission is composed of five members. The legislative leaders of each of the two largest political caucuses in each house of the Legislature appoint one person to the Commission. These appointments must be made by January 31. The fifth person is appointed by the four appointees. The Supreme Court makes the appointment of the fifth person if the appointment is not made by the other four members by February 5.

The Commission must complete its redistricting by no later than January 1 of the next year. At least three members of the Commission must approve the redistricting plan. The Supreme Court must adopt a redistricting plan by April 30 of that year if the Commission fails to adopt a plan by January 1.

The Legislature may amend the redistricting plan by a two-thirds vote of the members elected to each house within 30 days of the first legislative session occurring after the Commission submits its plan.

Each district must have a population, excluding non-resident military personnel, equal as practicable to the population of each other district. To the extent reasonable, each district must contain contiguous territory, be compact and convenient, and be separated from adjoining districts by natural geographic barriers, artificial barriers, or political boundaries. The Commission's plan may not be drawn purposely to favor or discriminate against any political party or group.

**Summary:** At the next general election, the Secretary of State must submit for voter approval an amendment to the Washington State Constitution that requires the Commission to complete its redistricting by no later than November 15 of each year ending in one.

### Votes on Final Passage:

Senate	46	0
House	97	0

## SUNSET LEGISLATION

**Background:** The Washington State Sunset Act (Chapter 43.131 RCW) was enacted in 1977 in order to improve legislative oversight of state agencies and programs. The sunset process provides for the automatic termination of selected state agencies, programs, units, subunits, and statutes. Unless provided otherwise in legislation, the entity made subject to sunset review must formulate the performance measures by which it will ultimately be evaluated. One year prior to an automatic termination, the Joint Legislative Audit and Review Committee and the Office of Financial Management conduct program and fiscal reviews. These reviews are designed to assist the Legislature in determining whether agencies and programs should be terminated automatically or reauthorized in either their current or a modified form prior to the termination date.

## SUNSET LEGISLATION

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**Summary:** Legislation modified the sunset review for the Medicaid Fraud False Claims Act (MFFCA). The sunset review is limited to the qui tam provisions of the MFFCA and the termination date for those provisions is extended from June 30, 2016, to June 30, 2023. The repeal date for the statutes establishing the processes is extended from June 30, 2017, to June 30, 2024.

### **Programs for which Sunset Review is Extended**

The sunset review is extended for the qui tam provisions of the Medicaid Fraud False Claims Act: SB 6156 (C 147 L 2016).



## 64<sup>TH</sup> WASHINGTON STATE LEGISLATURE

### **Section II: Budget Information**

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# 2016 SUPPLEMENTAL OMNIBUS BUDGET Overview

## Operating Only

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### **Fiscal Context**

In June 2015, the Legislature adopted the biennial operating budget for the 2015-17 biennium. The budget for Near General Fund - State plus Opportunity Pathways accounts (NGF-P) for 2015-17 was \$38.2 billion. All budgeted funds, which include NGF-P, federal funds, several higher education funds, and numerous dedicated funds, totaled \$78.9 billion for the 2015-17 biennium.

Since the biennial budget was adopted last June, NGF-P resources for the current biennium increased by \$270 million (primarily from revenue forecast updates and the FY 2015 closing). At the same time, projected NGF-P maintenance level costs (primarily caseload and per capita cost changes for entitlement programs) also increased by \$203 million.

In addition to considering these resource and maintenance level changes, the Legislature faced a number of policy issues that have a budget impact; these include court cases related to mental health, *Moore v. HCA* related to employee benefits, as well as forest fire costs and other fiscal and policy issues.

### **Enacted 2016 Supplemental Omnibus Operating Budget**

#### **Spending**

The budget, as passed the Legislature, increased NGF-P spending by a net \$190 million; after veto actions the increase was a net increase of \$234 million. These net figures include both maintenance level and policy level changes.

In addition to these NGF-P changes made in Chapter 36, Laws of 2016, 1<sup>st</sup> sp.s. (2ESHB 2376), Chapter 34, Laws of 2016, 1<sup>st</sup> sp.s. (SHB 2988) appropriated \$190 million from the Budget Stabilization Account for fire suppression and related costs incurred during the 2015 wildland fire season.

In developing the 2016 supplemental omnibus operating budget, the cost of maintaining current services (updated caseloads and other maintenance level changes) was estimated to increase by a net \$203 million (NGF-P). The largest maintenance level increases were in low income health care (\$167 million net increase; primarily from managed care rate changes), K-12 education (\$25 million) and corrections (\$24 million). The largest maintenance level decreases were in debt service (\$34 million), higher education financial aid (\$18 million). In maintenance level, all other changes were a net increase of \$39 million.

As passed the Legislature, NGF-P policy changes were a net negative \$12 million; after veto actions net policy changes were a positive \$31 million.

As passed the Legislature, policy increases from NGF-P totaled \$248 million, including:

- \$15 million for K-12 (including \$5 million for staff recruitment and retention and a net increase of \$4 million for Charter Schools);
- \$31 million for higher education (including \$18 million for the State Need Grant and \$8 million for the College Affordability Program backfill);
- \$16 million for early learning and child care (including \$13 million for the family child care provider collective bargaining agreement);
- \$37 million for health care (including \$28 million for expected savings in Healthier Washington and from a federal waiver that were not realized, \$4 million for health home services, and \$4 million for vendor rate increases);

- \$41 million for mental health (including \$11 million for transitional support for Western State Hospital, \$10 million for compensation increases, \$7 million for a new Behavioral Health Innovation Fund, and \$7 million for state hospital registered nursing staff);
- \$33 million for programs and services for long term care and developmentally disabled persons (including \$29 million for Individual Provider overtime consistent with recent federal rule changes);
- \$8 million for criminal justice;
- \$17 million for other human services (including \$5 million for a Medicaid cost allocation correction and \$4 million for Special Commitment Center increases);
- \$6 million for natural resources; and
- \$43 million for other policy increases (including \$32 million for the *Moore v. HCA* lawsuit settlement).

As passed the Legislature, the \$248 million in NGF-P increases were offset by approximately \$260 million in NGF-P policy savings, including:

- \$7 million savings in higher education from a funding shift (some maintenance and operations costs are funded by the Education Construction Account instead of GF-S on a one-time basis);
- \$12 million savings in early learning and child care (\$10 million from use of federal funds rather than GF-S);
- \$64 million savings in health care (\$46 million in additional marijuana revenue used to offset general fund support for low income health programs, \$13 million in managed care reforms, and \$4 million for inpatient cost reduction by increasing access to skilled home nurses);
- \$25 million savings in mental health (\$11 million from reserves being returned by the Southwest Washington Regional Support Network as it transitions to an early adopter of integrated physical and behavioral health care, and \$14 million in one-time savings and underspends);
- \$71 million savings in other human services (including \$41 million from utilizing a WorkFirst fund balance, \$17 million from utilization of the Administrative Contingency Fund on a one-time basis, and \$8 million utilizing a Temporary Assistance for Needy Families underspend);
- \$36 million savings in natural resources (including \$27 million in funding provided through the Budget Stabilization Account and Disaster Response Account for fires, and \$7 million from unspent funds provided for drought response); and
- \$31 million savings in other areas (including \$22 million in various shifts of program funding to other funds and \$8 million from funding the budgeting, accounting, and forecasting responsibilities of the Office of Financial Management as a central service).

## Resources

As the budget passed the Legislature, a \$105 million net increase in resources was assumed. This included:

- \$29 million in additional net fund transfers to GF-S, including, \$16 million from the Public Works Assistance Account.
- \$78 million in net budget driven revenue and other changes, including:
  - \$46 million in budget driven revenue from royalty payments (later vetoed);
  - \$34 million from audit payments; and
  - \$3 million from an Attorney General lawsuit settlement.
- -\$2.5 million net in legislation impacting revenues.

For purposes of the budget outlook, the Economic & Revenue Forecast Council chose to exclude \$33.8 million previously assumed from anticipated payments from audit assessments. Those amounts have not been excluded here or on the balance sheet.

### **Governor's Vetoes**

Vetoes made by the Governor had the impact of increasing NGF-P spending for the 2015-17 biennium by a net \$43.5 million. The Office of Financial Management has directed agencies to set aside, and not obligate, \$19.7 million of that amount. Assuming those amounts are set aside, vetoes had the impact of increasing the total funds budget for Department of Early Learning, the Administrative Office of the Courts and increasing resources in the Performance Audits of Government Account.

Vetoes made by the Governor also had the impact of decreasing NGF-P resources by \$46.1 million (budget driven revenue from royalty payments).

### **Ending Balances**

The enacted budget leaves \$508 million in projected NGF-S ending fund balance for 2015-17 and total reserves of \$1,208 million (including \$701 million in the Budget Stabilization Account). If the \$33.8 million assumed from anticipated payments for audit assessments were excluded, the ending NGF-P balance would be \$474 million and total reserves would be \$1,174 million.

As passed the Legislature, including the assumed audit related payments, the budget complied with the provisions of the four-year budget outlook (Chapter 8, Laws of 2012). An updated budget outlook, reflecting the impact of vetoes and other assumption changes is available on the Economic and Revenue Forecast Council website.

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*Note: It is possible for similar items to be summarized in slightly different ways. For example, the agency detail document lists items on an agency-by-agency basis. Various summary documents may total the same item from multiple agencies into a single description. Summary documents may also summarize multiple similar items into a single description. For that reason, it is possible that budget items might be grouped differently, even within a single document.*



**2015-17 Balance Sheet**  
**Including the Enacted 2016 Supplemental Budget (2ESHB 2376)**  
**General Fund-State, Education Legacy Trust, and Opportunity Pathways Accounts**  
**(and Budget Stabilization Account)**  
(Dollars in Millions)

	<b>2015-17</b>
<b>RESOURCES</b>	
<b>Beginning Fund Balance</b>	<b>1,011.2</b>
February 2016 Forecast	37,837.4
Transfer to Budget Stabilization Account (1% of GSR)	(372.3)
Transfer to Budget Stabilization Account (EORG)	(63.6)
Transfer from BSA (EORG)	63.6
Other Enacted Fund Transfers	178.0
Alignment to the Comprehensive Financial Statements & Other Adj	40.8
<b>2016 Supplemental Changes</b>	
Fund Transfers (Excluding BSA)	29.4
Revenue Legislation(net)	(2.5)
Budget Driven Revenue & Other	77.9
Impact of Governor's Veto	(46.1)
<b>Total Resources (including beginning fund balance)</b>	<b>38,753.9</b>
<b>EXPENDITURES</b>	
<b>2015-17 Biennium</b>	
Enacted Budget	38,219.2
Proposed 2016 Supplemental Budget	190.9
Assumed Reversions	(207.2)
Impact of Governor's Veto	43.5
<b>Total Expenditures</b>	<b>38,246.3</b>
<b>RESERVES</b>	
<b>Projected Ending Balance (GFS + ELTA + Opp Pathways)</b>	<b>507.6</b>
<b>Budget Stabilization Account</b>	
Budget Stabilization Account Beginning Balance	513.1
Plus Transfers from General Fund and Interest Earnings	440.7
Less Spending From BSA: Fires	(189.5)
Less Transfers Out to GFS (EORG)	(63.6)
<b>Projected Budget Stabilization Account Ending Balance</b>	<b>700.7</b>
<b>Total Reserves (Near General Fund plus Budget Stabilization)</b>	<b>1,208.3</b>

*Note: For purposes of the budget outlook, the Economic & Revenue Forecast Council chose to exclude \$33.8 million previously assumed from anticipated payments from audit assessments. Those amounts are not excluded in the balance sheet.*

## Fund Transfers, Revenue Legislation and Budget Driven Revenues

(Dollars In Millions)

	FY 16	FY 17	2015-17
<b>Fund Transfers To/From GFS (Excluding Transfers To/From BSA)</b>			
Public Work Assistance Account		16.000	16.000
Flood Control Account	0.350		0.350
CEPRI Account	1.000		1.000
Labor Relations Account		1.000	1.000
Personnel Services Account		0.500	0.500
Prof Engineers Acct Transfer		0.500	0.500
Real Estate Commn Acct Transfer		0.500	0.500
Real Estate Research Acct Transfer		0.500	0.500
Housing Trust Account		3.000	3.000
Savings Incentive	1.071		1.071
Employment Services Administrative Account	0.750	2.250	3.000
Aerospace Training Account	1.000	1.000	2.000
<b>Subtotal</b>	<b>4.171</b>	<b>25.250</b>	<b>29.421</b>
<b>Legislation (GFS Unless Otherwise Noted)</b>			
2540 Annual Tax Surveys & Reports	-	(0.602)	(0.602)
2539 Real Estate Tax Inheritance	-	(0.033)	(0.033)
6328 Vapor Products	-	0.078	0.078
1713 Mental Health/Chemical Dependency	-	(1.900)	(1.900)
<b>Subtotal</b>	<b>-</b>	<b>(2.457)</b>	<b>(2.457)</b>
<b>Budget Driven &amp; Other (General Fund Unless Otherwise Noted)</b>			
Attorney General/Lawsuit Settlements	3.300	-	3.300
Habitat Conservation	(0.120)	(0.120)	(0.240)
* <i>Expected Audit Payments</i>	33.800	-	33.800
HCA Clinics	(2.425)	(0.457)	(2.882)
Lottery Fund BDR (Opportunity Pathways)	0.043	0.048	0.091
Liquor Revolving Fund BDR	(0.473)	(2.268)	(2.741)
** <i>Royalty Payment Amnesty</i>	46.100	-	46.100
Marijuana BDR	0.166	0.297	0.463
<b>Subtotal</b>	<b>80.391</b>	<b>(2.500)</b>	<b>77.891</b>
<b>Grand Total</b>	<b>84.562</b>	<b>20.293</b>	<b>104.855</b>

\* For purposes of the budget outlook, the Economic & Revenue Forecast Council excluded this item.

\*\* This item was vetoed by the Governor.

**2015-17 Washington State Budget**  
**Appropriations Contained Within Other Legislation**

(Dollars in Thousands)

Bill Number and Subject			Session Law	Agency	GF-S	Total
<b>2016 Legislative Session</b>						
ESHB	2988	Budget Stabilization Account	C 34 L16 E1	Dept of Natural Resources		154,966
ESHB	2988	Budget Stabilization Account	C 34 L16 E1	Dept of Fish & Wildlife		155
ESHB	2988	Budget Stabilization Account	C 34 L16 E1	Washington State Patrol		34,365
E2SSB	6195	Basic Education Obligations - Task Force	C3 L16	The Evergreen State College	500	

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# REVENUE

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The 2015-17 supplemental budget assumes revenue of \$37.8 billion, an increase of approximately \$390 million since the original biennial operating budget was adopted in June 2015.

Revenue legislation adopted in 2016 impacting the operating budget was relatively limited. Seven of the fourteen revenue bills enacted by the Legislature modify state revenue provisions; however, their impacts are either minimal, delayed until later biennia, or both. These bills are estimated to decrease revenues in the 2015-17 biennium by \$0.5 million.

Seven of the fourteen revenue bills enacted by the Legislature impact local government finance. With the exception of a bill modifying a local annexation sales and use tax that is credited against the state sales tax (Chapter 5, Laws of 2016 (SSB 5864)), these bills do not directly impact state revenues.

**2016 Revenue Legislation**  
**Near General Fund-State and Opportunity Pathways Account**  
(Dollars in Millions)

Bill Number	Brief Title	2015-17
<b>3SHB 1713</b>	Chemical Dependency B&O Deduction	-1.9
<b>SHB 2519</b>	Nuisance abatement costs	0.0
<b>SHB 2539</b>	Real estate tax/inheritance	0.0
<b>ESHB 2540</b>	Annual tax surveys & reports	-0.6
<b>HB 2565</b>	Local sales & use tx changes	0.0
<b>HB 2768</b>	Dental plan taxes & charges	0.0
<b>SHB 2831</b>	Small business liquor sales	0.1
<b>2SHB 2839</b>	Airplane repair taxes	0.0
<b>HB 2842</b>	State-owned land/private dev	0.0
<b>EHB 2959</b>	Business tax & licenses	0.0
<b>EHB 2971</b>	Real estate/local government	0.0
<b>E2SSB 5109</b>	Infrastructure/local govt	0.0
<b>SSB 5864</b>	Annexed areas/sales & use tx	0.0
<b>SSB 6211</b>	Nonprofit homeownership dev.	0.0
<b>ESSB 6427</b>	Tribal member/vehicle sale	0.0
<b>Total</b>		<b>-2.5</b>

## 2016 - Revenue Bill Summaries

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### **RELATING INTEGRATING TREATMENT SYSTEMS FOR MENTAL HEALTH AND CHEMICAL DEPENDENCY - \$1.9 MILLION GENERAL FUND-STATE DECREASE**

Chapter 29, Laws of 2016, 1st sp.s. (E3SHB 1713) makes short-term changes to the involuntary chemical dependency treatment provisions that parallel corresponding involuntary mental health treatment provisions. Included is a delayed expiration date of a business and occupation tax deduction for amounts received for providing mental health services under a government funded program, and expands the deduction to apply to chemical dependency services.

### **RELATING TO NUISANCE ABATEMENT COST RECOVERY FOR CITIES - NO IMPACT TO GENERAL FUND-STATE**

Chapter 100, Laws of 2016 (SHB 2519) authorizes cities and towns to levy a special assessment on property where a nuisance is situated, for the purpose of reimbursing the city or town for the expense of abatement. The special assessment levied by the city or town constitutes a lien against the property, up to \$2,000 of which is of equal rank with state, county, and municipal taxes.

### **CONCERNING THE INHERITENCE EXEMPTION FOR REAL ESTATE EXCISE TAX - NO IMPACT TO GENERAL FUND-STATE**

Chapter 174, Laws of 2016 (SHB 2539) clarifies the application of the real estate excise tax to property inherited by operation of law.

### **MODIFYING THE PENALTY FOR UNFILED ANNUAL SURVEYS OR REPORTS - \$0.6 MILLION GENERAL FUND-STATE DECREASE**

Chapter 175, Laws of 2016 (ESHB 2540) reduces the penalty for failure to submit an Annual Tax Incentive Survey (Survey) or an Annual Tax Incentive Report (Report) from 100 percent of the tax preference claimed to 35 percent for the first time a taxpayer is assessed a penalty for failing to submit the Survey or Report; with an additional 15 percent penalty for failure to submit any future Survey or Report for the same tax preference. Clarifies that any taxpayer who has filed an appeal regarding taxes, penalties, and interest for failure to file a Survey before January 1, 2016, and the appeal is pending before the Department of Revenue or Washington State Board of Tax Appeals as of the effective date of the bill, is only assessed a 35 percent penalty for any calendar year included in an appeal. Eliminates the authorization to apply interest on penalties assessed for failure to submit a Survey or Report.

### **RELATING TO REDUCING THE FREQUENCY OF LOCAL SALES AND USE TAX CHANGES - NO IMPACT TO GENERAL FUND-STATE**

Chapter 46, Laws of 2016 (HB 2565) reduces the frequency with which local governments may change the local sales and use tax rate, from four times per year to three times per year. Local governments may now change the rate on the first day of January, April, or July.

### **RELATING TO TAXES AND SERVICE CHARGES ON CERTAIN QUALIFIED STAND-ALONE DENTAL PLANS OFFERED IN THE INDIVIDUAL OR SMALL GROUP MARKETS - INDETERMINATE IMPACT TO GENERAL FUND-STATE**

Chapter 133, Laws of 2016 (HB 2768) subjects stand-alone family dental plans offered in the small group or individual market to the 2 percent insurance premium tax, with the proceeds deposited into the Washington Health Benefit Account Fund (thereby exempting the gross proceeds from these plans from the business and occupation tax). Authorizes the Washington Healthplanfinder to levy an assessment on certain qualified stand-alone dental plans offered in the individual or small group markets, if the proceeds from the 2 percent tax are not enough to cover the operating costs of administering the plans in the markets.

**ASSISTING SMALL BUSINESSES LICENSED TO SELL LIQUOR - \$0.1 MILLION LIQUOR REVOLVING ACCOUNT INCREASE**

Chapter 190, Laws of 2016 (SHB 2831) creates a "wine retailer reseller endorsement" that is available to qualifying beer and/or wine specialty shop licensees. Authorizes a retailer licensed to sell both wine and spirits for off-premises consumption to use or operate a warehouse facility, where it may accept deliveries and store and distribute wine, spirits, and non-liquor items.

**RELATING TO PROVIDING A SALES AND USE TAX EXEMPTION FOR CERTAIN NEW BUILDING AND CONSTRUCTION TO BE USED BY MAINTENANCE REPAIR OPERATORS FOR AIRPLANE REPAIR AND MAINTENANCE - NO IMPACT TO GENERAL FUND-STATE**

Chapter 191, Laws of 2016 (2SHB 2839) creates a sales and use tax exemption, in the form of a remittance, for payment by an eligible aircraft maintenance repair operator for the construction of a new building. Remittance of the local sales and use tax is immediate; remittance of the state sales and use tax does not occur until after the facility has been operationally complete for four years, but not earlier than December 1, 2021. The Department of Revenue may not refund the state sales and use tax unless the purchaser reports at least 100 average employment positions to the Employment Security Department for the period from September 1, 2020, to September 1, 2021, with average annualized wages of \$80,000 or greater. A local government revenue loss of \$284,000 is estimated in fiscal year 2018, with the state impact realized in fiscal year 2022.

**RELATING TO FINANCING OF IMPROVEMENTS FOR STATE-OWNED LANDS TO BE TRANSFERRED FOR PRIVATE DEVELOPMENT - NO IMPACT TO GENERAL FUND-STATE**

Chapter 192, Laws of 2016 (HB 2842) authorizes an eligible city to adopt an ordinance designating a state land improvement finance area for the purpose of encouraging private development. All regular property taxes, except for the state portion levied within the designated area may be directed to finance public improvement projects within the area. The designated area may include any state-owned land that has been sold or is pending sale for private development.

**CONCERNING LOCAL BUSINESS TAX AND LICENSING SIMPLIFICATION- NO IMPACT TO GENERAL FUND-STATE**

Chapter 55, Laws of 2016 (EHB 2959) establishes a Department of Revenue led task force to evaluate and recommend legislation and options to continue simplifying the administration of local business taxes and licensing.

**CONCERNING LOCAL GOVERNMENT AUTHORITY IN THE USE OF REAL ESTATE EXCISE TAX REVENUES AND REGULATION OF REAL ESTATE TRANSACTIONS - NO IMPACT TO GENERAL FUND-STATE**

Chapter 138, Laws of 2016 (EHB 2971) modifies information that cities, counties, and the entity with which the Department of Commerce contracts for the provision of municipal research and services must post electronically with respect to locally adopted ordinances, resolutions, or policies that impose specific requirements on landlords or sellers of real property. Modifies provisions disqualifying a city or county from using real estate excise tax revenues for maintenance of capital projects, or other authorized purposes.

**CONCERNING INFRASTRUCTURE FINANCING FOR LOCAL GOVERNMENTS- NO IMPACT TO GENERAL FUND-STATE**

Chapter 207, Laws of 2016 (E2SSB 5109) changes the criteria for determining a state contribution award for a local revitalization program and eliminates the first-come, first-served priority. Requires local governments to forfeit the state contribution award if they have not started using the state contribution award by the end of 2016. Transfers administration of the state contribution application and approval process from the Department of Revenue to the Department of Commerce.

**RELATING TO SALES AND USE TAX FOR CITIES TO OFFSET MUNICIPAL SERVICE COSTS TO NEWLY ANNEXED AREAS - NO IMPACT TO GENERAL FUND-STATE**

Chapter 5, Laws of 2016 (SSB 5864) increases the annual cap for a sales and use tax (annexation tax) used by the City of Seattle to offset the cost of providing services to newly annexed areas, from \$5 million per year to \$7.725 million per year. Decreases the time frame that the annexation tax can be imposed from 10 years to six years.

Disallows the City of Seattle from imposing the annexation tax unless the annexation is approved by voters. A revenue loss of \$2.7 million annually would be realized beginning in FY 2019.

**CONCERNING THE EXEMPTION OF PROPERTY TAXES FOR NONPROFIT HOMEOWNERSHIP DEVELOPMENT - NO IMPACT TO GENERAL FUND-STATE**

Chapter 217, Laws of 2016 (SSB 6211) creates a property tax exemption for property owned by a nonprofit entity for the purpose of developing or redeveloping one or more residences to be sold to low-income households. The expiration for the exemption is the earlier of the date on which the nonprofit entity transfers title to the residence on the real property, at the end of the seventh consecutive year for which the exemption is granted, or when the property is no longer held for the purpose for which the exemption is granted.

**SPECIFYING THE DOCUMENTATION REQUIREMENT FOR THE VEHICLE SALES TAX EXEMPTION FOR TRIBAL MEMBERS- NO IMPACT TO GENERAL FUND-STATE**

Chapter 232, Laws of 2016 (ESSB 6427) creates an explicit exemption in state law, for an existing retail sales tax exemption for vehicles sales to an enrolled tribal member delivered within Indian country.



**Washington State Omnibus Operating Budget**  
**2016 Supplemental Budget**  
**Chapter 36, Laws of 2016, Partial Veto**  
**TOTAL STATE**  
Dollars In Thousands

	NGF-S + Opportunity Pathways			Total Budgeted Funds		
	2015-17	2016 Supp	Rev 2015-17	2015-17	2016 Supp	Rev 2015-17
Legislative	153,796	2,551	156,347	173,930	2,524	176,454
Judicial	267,132	2,109	269,241	337,921	3,069	340,990
Governmental Operations	510,107	-180	509,927	3,792,924	98,302	3,891,226
Other Human Services	5,952,628	154,805	6,107,433	21,333,537	-134,166	21,199,371
Dept of Social & Health Services	6,381,151	24,238	6,405,389	13,932,885	251,765	14,184,650
Natural Resources	308,873	-21,766	287,107	1,713,043	190,119	1,903,162
Transportation	80,612	2,726	83,338	195,359	40,710	236,069
Public Schools	18,156,830	40,604	18,197,434	20,008,166	102,359	20,110,525
Higher Education	3,525,134	33,190	3,558,324	13,826,980	75,874	13,902,854
Other Education	347,928	1,206	349,134	736,946	10,247	747,193
Special Appropriations	2,534,988	-5,148	2,529,840	2,836,614	59,731	2,896,345
<b>Statewide Total</b>	<b>38,219,179</b>	<b>234,335</b>	<b>38,453,514</b>	<b>78,888,305</b>	<b>700,534</b>	<b>79,588,839</b>

**Washington State Omnibus Operating Budget**  
**2016 Supplemental Budget**  
**Chapter 36, Laws of 2016, Partial Veto**  
**LEGISLATIVE AND JUDICIAL**

Dollars In Thousands

	NGF-S + Opportunity Pathways			Total Budgeted Funds		
	2015-17	2016 Supp	Rev 2015-17	2015-17	2016 Supp	Rev 2015-17
House of Representatives	68,438	708	69,146	70,356	707	71,063
Senate	48,768	1,130	49,898	50,516	1,130	51,646
Jt Leg Audit & Review Committee	0	128	128	6,711	143	6,854
LEAP Committee	0	0	0	3,658	20	3,678
Office of the State Actuary	592	0	592	5,617	-79	5,538
Office of Legislative Support Svcs	8,123	465	8,588	8,278	477	8,755
Joint Legislative Systems Comm	19,006	112	19,118	19,006	112	19,118
Statute Law Committee	8,869	8	8,877	9,788	14	9,802
<b>Total Legislative</b>	<b>153,796</b>	<b>2,551</b>	<b>156,347</b>	<b>173,930</b>	<b>2,524</b>	<b>176,454</b>
Supreme Court	15,085	131	15,216	15,085	131	15,216
State Law Library	3,147	28	3,175	3,147	28	3,175
Court of Appeals	34,158	153	34,311	34,158	153	34,311
Commission on Judicial Conduct	2,210	24	2,234	2,210	24	2,234
Administrative Office of the Courts	112,694	314	113,008	178,222	1,070	179,292
Office of Public Defense	74,460	907	75,367	78,108	907	79,015
Office of Civil Legal Aid	25,378	552	25,930	26,991	756	27,747
<b>Total Judicial</b>	<b>267,132</b>	<b>2,109</b>	<b>269,241</b>	<b>337,921</b>	<b>3,069</b>	<b>340,990</b>
<b>Total Legislative/Judicial</b>	<b>420,928</b>	<b>4,660</b>	<b>425,588</b>	<b>511,851</b>	<b>5,593</b>	<b>517,444</b>

**Washington State Omnibus Operating Budget**  
**2016 Supplemental Budget**  
**Chapter 36, Laws of 2016, Partial Veto**  
**GOVERNMENTAL OPERATIONS**

Dollars In Thousands

	NGF-S + Opportunity Pathways			Total Budgeted Funds		
	2015-17	2016 Supp	Rev 2015-17	2015-17	2016 Supp	Rev 2015-17
Office of the Governor	10,813	42	10,855	14,813	42	14,855
Office of the Lieutenant Governor	1,270	22	1,292	1,365	22	1,387
Public Disclosure Commission	4,747	106	4,853	4,747	106	4,853
Office of the Secretary of State	38,666	246	38,912	99,819	-3,884	95,935
Governor's Office of Indian Affairs	537	3	540	537	3	540
Asian-Pacific-American Affrs	450	16	466	450	16	466
Office of the State Treasurer	0	0	0	16,753	76	16,829
Office of the State Auditor	45	2	47	72,677	195	72,872
Comm Salaries for Elected Officials	331	0	331	331	0	331
Office of the Attorney General	23,148	-3,311	19,837	265,955	2,754	268,709
Caseload Forecast Council	2,832	25	2,857	2,832	25	2,857
Dept of Financial Institutions	0	0	0	51,960	-167	51,793
Department of Commerce	121,265	2,247	123,512	488,382	26,248	514,630
Economic & Revenue Forecast Council	1,672	21	1,693	1,722	21	1,743
Office of Financial Management	38,903	-50	38,853	136,004	17,602	153,606
Office of Administrative Hearings	0	0	0	38,508	-32	38,476
State Lottery Commission	0	0	0	946,373	370	946,743
Washington State Gambling Comm	0	0	0	30,548	10	30,558
WA State Comm on Hispanic Affairs	505	14	519	505	14	519
African-American Affairs Comm	502	12	514	502	12	514
Department of Retirement Systems	0	0	0	62,244	3,828	66,072
State Investment Board	0	0	0	42,452	116	42,568
Department of Revenue	239,909	-10	239,899	285,139	5,387	290,526
Board of Tax Appeals	2,555	69	2,624	2,555	69	2,624
Minority & Women's Business Enterp	0	0	0	4,730	159	4,889
Office of Insurance Commissioner	527	0	527	59,514	1,356	60,870
Consolidated Technology Services	1,450	-22	1,428	353,968	-14,627	339,341
State Board of Accountancy	0	0	0	6,095	22	6,117
Forensic Investigations Council	0	0	0	500	2	502
Dept of Enterprise Services	6,459	-224	6,235	326,294	288	326,582
Washington Horse Racing Commission	0	0	0	5,826	11	5,837
Liquor and Cannabis Board	0	260	260	82,925	4,110	87,035
Utilities and Transportation Comm	176	0	176	65,478	3,921	69,399
Board for Volunteer Firefighters	0	0	0	1,013	-2	1,011
Military Department	6,803	237	7,040	303,233	49,984	353,217
Public Employment Relations Comm	3,789	104	3,893	8,509	222	8,731
LEOFF 2 Retirement Board	0	0	0	2,350	16	2,366
Archaeology & Historic Preservation	2,753	11	2,764	5,316	7	5,323
<b>Total Governmental Operations</b>	<b>510,107</b>	<b>-180</b>	<b>509,927</b>	<b>3,792,924</b>	<b>98,302</b>	<b>3,891,226</b>

**Washington State Omnibus Operating Budget**  
**2016 Supplemental Budget**  
**Chapter 36, Laws of 2016, Partial Veto**  
**OTHER HUMAN SERVICES**

Dollars In Thousands

	NGF-S + Opportunity Pathways			Total Budgeted Funds		
	2015-17	2016 Supp	Rev 2015-17	2015-17	2016 Supp	Rev 2015-17
WA State Health Care Authority	3,883,404	132,668	4,016,072	16,723,288	-169,783	16,553,505
Human Rights Commission	4,168	15	4,183	6,476	14	6,490
Bd of Industrial Insurance Appeals	0	0	0	41,724	14	41,738
Criminal Justice Training Comm	35,870	669	36,539	49,067	523	49,590
Department of Labor and Industries	33,971	-53	33,918	704,104	8,358	712,462
Department of Health	116,806	1,301	118,107	1,122,550	23,805	1,146,355
Department of Veterans' Affairs	16,058	898	16,956	135,268	1,003	136,271
Department of Corrections	1,857,764	18,872	1,876,636	1,871,417	25,008	1,896,425
Dept of Services for the Blind	4,587	435	5,022	29,783	411	30,194
Employment Security Department	0	0	0	649,860	-23,519	626,341
<b>Total Other Human Services</b>	<b>5,952,628</b>	<b>154,805</b>	<b>6,107,433</b>	<b>21,333,537</b>	<b>-134,166</b>	<b>21,199,371</b>

**Washington State Omnibus Operating Budget**  
**2016 Supplemental Budget**  
**Chapter 36, Laws of 2016, Partial Veto**  
**DEPARTMENT OF SOCIAL AND HEALTH SERVICES**  
Dollars In Thousands

	NGF-S + Opportunity Pathways			Total Budgeted Funds		
	2015-17	2016 Supp	Rev 2015-17	2015-17	2016 Supp	Rev 2015-17
Children and Family Services	667,953	-6,083	661,870	1,196,657	-13,320	1,183,337
Juvenile Rehabilitation	183,432	-193	183,239	191,878	-193	191,685
Mental Health	1,063,347	-1,660	1,061,687	2,287,636	51,449	2,339,085
Developmental Disabilities	1,259,757	29,398	1,289,155	2,535,727	59,848	2,595,575
Long-Term Care	1,928,998	10,978	1,939,976	4,476,033	20,219	4,496,252
Economic Services Administration	854,197	-40,127	814,070	2,128,441	5,981	2,134,422
Alcohol & Substance Abuse	129,660	786	130,446	631,281	88,796	720,077
Vocational Rehabilitation	26,320	-101	26,219	125,571	-861	124,710
Administration/Support Svcs	66,335	2,405	68,740	105,271	5,276	110,547
Special Commitment Center	74,946	5,367	80,313	74,946	5,367	80,313
Payments to Other Agencies	126,206	23,468	149,674	179,444	29,203	208,647
<b>Total Dept of Social &amp; Health Services</b>	<b>6,381,151</b>	<b>24,238</b>	<b>6,405,389</b>	<b>13,932,885</b>	<b>251,765</b>	<b>14,184,650</b>
<b>Total Human Services</b>	<b>12,333,779</b>	<b>179,043</b>	<b>12,512,822</b>	<b>35,266,422</b>	<b>117,599</b>	<b>35,384,021</b>

**Washington State Omnibus Operating Budget**  
**2016 Supplemental Budget**  
**Chapter 36, Laws of 2016, Partial Veto**  
**NATURAL RESOURCES**  
Dollars In Thousands

	NGF-S + Opportunity Pathways			Total Budgeted Funds		
	2015-17	2016 Supp	Rev 2015-17	2015-17	2016 Supp	Rev 2015-17
Columbia River Gorge Commission	929	11	940	1,856	22	1,878
Department of Ecology	49,489	-329	49,160	475,200	-7,223	467,977
WA Pollution Liab Insurance Program	0	0	0	1,866	40	1,906
State Parks and Recreation Comm	21,053	614	21,667	156,347	15,584	171,931
Rec and Conservation Funding Board	1,718	-58	1,660	10,174	-145	10,029
Environ & Land Use Hearings Office	4,287	37	4,324	4,287	37	4,324
State Conservation Commission	13,585	41	13,626	24,486	7,841	32,327
Dept of Fish and Wildlife	74,181	2,853	77,034	403,339	11,295	414,634
Puget Sound Partnership	4,657	25	4,682	17,362	99	17,461
Department of Natural Resources	106,732	-26,852	79,880	449,410	156,466	605,876
Department of Agriculture	32,242	1,892	34,134	168,716	6,103	174,819
<b>Total Natural Resources</b>	<b>308,873</b>	<b>-21,766</b>	<b>287,107</b>	<b>1,713,043</b>	<b>190,119</b>	<b>1,903,162</b>

**Washington State Omnibus Operating Budget**  
**2016 Supplemental Budget**  
**Chapter 36, Laws of 2016, Partial Veto**  
**TRANSPORTATION**  
Dollars In Thousands

	NGF-S + Opportunity Pathways			Total Budgeted Funds		
	2015-17	2016 Supp	Rev 2015-17	2015-17	2016 Supp	Rev 2015-17
Washington State Patrol	77,949	2,722	80,671	149,192	40,384	189,576
Department of Licensing	2,663	4	2,667	46,167	326	46,493
<b>Total Transportation</b>	<b>80,612</b>	<b>2,726</b>	<b>83,338</b>	<b>195,359</b>	<b>40,710</b>	<b>236,069</b>

**Washington State Omnibus Operating Budget**  
**2016 Supplemental Budget**  
**Chapter 36, Laws of 2016, Partial Veto**  
**PUBLIC SCHOOLS**  
Dollars In Thousands

	NGF-S + Opportunity Pathways			Total Budgeted Funds		
	2015-17	2016 Supp	Rev 2015-17	2015-17	2016 Supp	Rev 2015-17
OSPI & Statewide Programs	77,072	7,703	84,775	157,910	11,198	169,108
General Apportionment	13,242,915	-37,237	13,205,678	13,242,915	-37,237	13,205,678
Pupil Transportation	927,123	57,957	985,080	927,123	57,957	985,080
School Food Services	14,222	0	14,222	685,566	0	685,566
Special Education	1,733,950	-20,001	1,713,949	2,210,489	-13,002	2,197,487
Educational Service Districts	16,424	-16	16,408	16,424	-16	16,408
Levy Equalization	742,844	23,579	766,423	742,844	23,579	766,423
Elementary/Secondary School Improv	0	0	0	4,302	500	4,802
Institutional Education	27,970	-1,460	26,510	27,970	-1,460	26,510
Ed of Highly Capable Students	20,191	-17	20,174	20,191	-17	20,174
Education Reform	243,925	9,222	253,147	340,826	14,320	355,146
Transitional Bilingual Instruction	239,926	3,473	243,399	312,133	3,473	315,606
Learning Assistance Program (LAP)	450,930	2,246	453,176	899,398	48,246	947,644
Compensation Adjustments	418,512	-15,221	403,291	418,512	-15,221	403,291
Public School Apportionment	0	10,159	10,159	0	10,159	10,159
Washington Charter School Comm	826	217	1,043	1,563	-120	1,443
<b>Total Public Schools</b>	<b>18,156,830</b>	<b>40,604</b>	<b>18,197,434</b>	<b>20,008,166</b>	<b>102,359</b>	<b>20,110,525</b>



**Washington State Omnibus Operating Budget**  
**2016 Supplemental Budget**  
**Chapter 36, Laws of 2016, Partial Veto**  
**HIGHER EDUCATION AND OTHER EDUCATION**

Dollars In Thousands

	NGF-S + Opportunity Pathways			Total Budgeted Funds		
	2015-17	2016 Supp	Rev 2015-17	2015-17	2016 Supp	Rev 2015-17
Student Achievement Council	724,868	1,487	726,355	760,655	7,745	768,400
University of Washington	619,572	5,704	625,276	7,534,038	22,455	7,556,493
Washington State University	419,891	3,336	423,227	1,530,269	9,309	1,539,578
Eastern Washington University	102,699	806	103,505	320,363	-8,691	311,672
Central Washington University	103,428	248	103,676	321,147	938	322,085
The Evergreen State College	52,779	723	53,502	137,671	1,328	138,999
Western Washington University	133,111	1,164	134,275	365,714	2,171	367,885
Community/Technical College System	1,368,786	19,722	1,388,508	2,857,123	40,619	2,897,742
<b>Total Higher Education</b>	<b>3,525,134</b>	<b>33,190</b>	<b>3,558,324</b>	<b>13,826,980</b>	<b>75,874</b>	<b>13,902,854</b>
State School for the Blind	12,944	54	12,998	17,162	53	17,215
Childhood Deafness & Hearing Loss	20,039	252	20,291	21,145	-458	20,687
Workforce Trng & Educ Coord Board	3,314	78	3,392	59,049	79	59,128
Department of Early Learning	301,079	566	301,645	621,955	10,318	632,273
Washington State Arts Commission	2,266	43	2,309	4,384	43	4,427
Washington State Historical Society	4,764	113	4,877	7,154	112	7,266
East Wash State Historical Society	3,522	100	3,622	6,097	100	6,197
<b>Total Other Education</b>	<b>347,928</b>	<b>1,206</b>	<b>349,134</b>	<b>736,946</b>	<b>10,247</b>	<b>747,193</b>
<b>Total Education</b>	<b>22,029,892</b>	<b>75,000</b>	<b>22,104,892</b>	<b>34,572,092</b>	<b>188,480</b>	<b>34,760,572</b>

**Washington State Omnibus Operating Budget**  
**2016 Supplemental Budget**  
**Chapter 36, Laws of 2016, Partial Veto**  
**SPECIAL APPROPRIATIONS**

Dollars In Thousands

	NGF-S + Opportunity Pathways			Total Budgeted Funds		
	2015-17	2016 Supp	Rev 2015-17	2015-17	2016 Supp	Rev 2015-17
Bond Retirement and Interest	2,232,970	-32,316	2,200,654	2,427,080	-26,930	2,400,150
Special Approps to the Governor	160,418	26,237	186,655	223,375	118,289	341,664
Sundry Claims	0	931	931	0	931	931
State Employee Compensation Adjust	0	0	0	32,559	-32,559	0
Contributions to Retirement Systems	141,600	0	141,600	153,600	0	153,600
<b>Total Special Appropriations</b>	<b>2,534,988</b>	<b>-5,148</b>	<b>2,529,840</b>	<b>2,836,614</b>	<b>59,731</b>	<b>2,896,345</b>

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## LEGISLATIVE

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The Office of Legislative Support Services is provided \$447,000 from the General Fund-State to upgrade and replace audio/visual systems in both the John A. Cherberg Building hearing rooms and the Senate chamber.

The Joint Legislative Audit and Review Committee is provided a total of \$128,000 from the General Fund-State to establish data collection for various 2016 legislation related to youth mental health services, Washington trade conventions, and the Statewide Reentry Council.

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# JUDICIAL

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## **Administrative Office of the Courts**

Total funding of \$763,000 from the Judicial Information Systems (JIS) Account is provided for the following:

- \$492,000 to hire staff to support the continued implementation of a new commercial off-the-shelf case management system for the superior courts.
- One-time funding of \$271,000 to complete the implementation of the Appellate Court Case Management System.

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# GOVERNMENTAL OPERATIONS

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## **Department of Commerce**

The Department of Commerce (Commerce) administers a variety of programs to enhance community and economic development using a variety of federal, state and local funds. The 2016 supplemental operating budget increased total funding by \$26.3 million for Commerce programs and activities.

Expenditure authority was increased \$11.7 million for a federal National Disaster Resilience Competition (NDRC) grant. The NDRC grant will fund a portfolio of projects to help communities in the Puyallup River watershed recover from a 2012 winter storm that caused severe widespread flooding and develop strategies to more quickly recover from future natural disasters.

Funding for homelessness programs increased a total of \$11.4 million. The primary source of funding for these programs is from homeless housing document recording surcharges deposited into the Home Security Fund-State and Affordable Housing for All Account-State that is supplemented by the state general fund. Expenditure authority for the Consolidated Homeless Grant is increased \$7.4 million to reflect anticipated revenues. Of that amount, \$787,000 is provided for youth-specific grants.

Other homeless programs directed at youth and young adults increased a total of \$4.0 million. Funding is provided to add 23 HOPE beds and 10 Crisis Residential Center beds for youths under 18 and to add 20 shelter beds for young adults' ages 18 to 24 years-old. Services to identify and engage with street youth under the age of 18 is increased by \$800,000 General Fund-State. Lastly, funding of \$1 million General Fund-State is provided to implement Chapter 157, Laws of 2016 (3SHB 1682), which creates a competitive grant program for school districts to link homeless students and their families with stable housing located in the homeless student's school district.

Programs to assist persons with developmental disabilities are expanded. \$572,000 General Fund-State is provided to implement Chapter 39, Laws of 2016 (ESHB 2323) to create the Washington Achieving a Better Life Experience (ABLE) Program. The ABLE Program will allow families to contribute to qualified savings accounts to assist with expenses for eligible people with disabilities. Additional expenditure authority is provided for outreach and enrollment activities for the existing Developmental Disabilities Endowment Trust Fund that allows individuals with disabilities or their families to set aside funds for future use without affecting their eligibility for government services. \$693,000 General Fund-State is also provided to create an Office of the Developmental Disabilities Ombuds within the Commerce akin to its Long-Term Care Ombuds, as directed by Chapter 172, Laws of 2016 (E2SSB 6564).

Crime victim and criminal justice programs are expanded. Funding is provided for Chapter 50, Laws of 2016 (SHB 2711) for the Commerce's Office of Crime Victims Advocacy to study and make recommendations regarding the availability of sexual assault nurse examiners. Chapter 173, Laws of 2016 (2SHB 2530) creates the Washington Sexual Assault Kit Program and authorizes Commerce to accept private funds until June 1, 2022 to fund sexual assault kit forensic testing and sexual assault nurse examiner services and training. Chapter 188, Laws of 2016 (2SHB 2791) creates the Washington Statewide Reentry Council at Commerce for the purpose of promoting successful reentry of offenders after incarceration.

Economic development programs are revised. Chapter 212, Laws of 2016 (ESB 6100) creates the Economic Gardening pilot program to provide strategic business assistance to second-stage companies to increase their market share. Funding for the Regulatory Roadmap Program is supplemented to create online guides to help the construction industry navigate and predict regulatory requirements. One-time funding is provided for grants to counties and cities in eastern Washington for the costs of preparing an environmental analysis that advances permitting activities around manufacturing sites and other key economic growth centers. Funding of \$504,000 General Fund-State is eliminated for foreign representatives who provide export assistance to Washington businesses.

## **Military Department**

Additional funding is provided for National Guard training to prepare for future wildland fire emergencies. Funds are anticipated to ensure that 250 National Guard soldiers and airmen are proficient in fire suppression and have necessary equipment and gear for fighting fires.

An additional \$5.7 million in Enhanced 911 Account-State funds are provided to continue transitioning from an analog-based 911 system to an IP-based Next Generation 911 network. Funding will be used for increased network costs during the transition and for hardware required for the new system.

### **Office of Financial Management**

One-time state general funds of \$300,000 are provided to the Office of Financial Management to support the Blue Ribbon Commission on Delivery of Services to Children and Families (Commission), established by Executive Order. The Commission will develop recommendations on whether to create a separate Department of Children and Families, including new organization structures, estimated costs, transition plans, and benchmarks for assessing the effectiveness of services.

Additionally, \$14.6 million in General Fund-State funding for the Office was offset through a new central service charge, allocated to state agencies based on full time equivalent employees, for budget, accounting, and forecasting services. However, a Governor's veto restored the General Fund-State appropriations to levels prior to changes made in the 2016 Supplemental Budget. The Governor's veto message directed that agencies only be billed the difference between the cost of the providing these services and the amount of unrestored funding.

Chapter 37, Laws of 2016, 1st sp.s., Partial Veto (ESSB 6656) creates the Select Committee on Quality Improvement in State Hospitals (Committee). Funding is provided for the Office to contract for an external consultant to examine the current configuration and financing of the state hospital system and to make recommendations to the Governor, Legislature and Committee by October 1, 2016.

Staff and funding levels are also increased from transfers from other agencies. The Medical Assistance forecast function is transferred from the Health Care Authority to the Office. Information technology staff is transferred from Consolidated Technology Services to the Office for support of the Office's information, enterprise and facility inventory systems.

### **Office of Insurance Commissioner**

Funding is provided to implement Chapter 210, Laws of 2016 (SESSB 5857) to regulate pharmacy benefit managers (PBMs). The Commissioner is required to set fees for PBMs at a level that allows registration, renewal and oversight activities to be self-supporting. The Commissioner will also be responsible for the regulation of Independent Review Organizations; Chapter 139, Laws of 2016 (HB 2326) transfers this function from the Department of Health to the Commissioner.

### **Consolidated Technology Services**

Funding is provided in individual agency budgets for adjustments to central service charges at the Consolidated Technology Services (CTS). Increased costs for two FTEs to support network capacity planning is added to CTS charges. Charges are also increased for costs of licensing fees and additional staff to support SecureAccess Washington, a portal that allows state employees and members of the public to securely access state agency data and applications online. These increases are adjusted by a rate reduction to reflect recent spending levels for Access Washington website support.

### **Liquor and Cannabis Board**

Funding and additional FTEs are provided for processing applications for wine retailer endorsements that allow wine retailers to act similar to distributors and for enforcement; funding and FTEs are also provided for the regulation, enforcement, education, and licensing of vapor products.

### **Horse Racing Commission**

Chapter 160, Laws of 2016 (HB 2320) changes the Washington Horse Racing Commission operating account from an appropriated account to a non-appropriated account.

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# HUMAN SERVICES

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The Human Services section is separated into two sections. The Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division to most efficiently describe the costs of particular services provided by DSHS. The Other Human Services section displays budgets at the agency level and includes the Health Care Authority, Department of Corrections, Employment Security Department, Department of Veterans' Affairs, Department of Labor and Industries, Criminal Justice Training Commission, Department of Health, and other human service related agencies.

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# DEPARTMENT OF SOCIAL AND HEALTH SERVICES

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## **Children and Family Services**

The Department of Social and Health Services (DSHS) Children's Administration (CA) administers Child Protective Services (CPS), which responds to reports of child abuse or neglect through investigations or Family Assessment Response (FAR). FAR is an alternative to the investigative response that aims to safely avoid out-of-home placement by providing basic needs and engaging families in services. CA also administers the foster care system for children in out-of-home placements with caregivers and the adoption support program for special needs children adopted from state foster care. Dependent youth with high-level needs may be served through Behavioral Rehabilitative Services (BRS). Additionally, CA contracts for a variety of prevention, intervention, and other services to children and families involved in the child welfare system.

A total of \$1.2 billion (\$662 million General Fund-State) is provided for services to children and families. This represents a \$13.3 million decrease (1.1 percent) in total funds from amounts appropriated in the 2015-17 biennial budget.

A total of \$4.5 million (\$3.4 million General Fund-State) is provided to expand FAR to potential child abuse and neglect intakes statewide, continue a performance-based contracting pilot for family support services in eastern Washington, and increase the vendor rate for child-placing agencies.

A reduction of \$8.5 million (\$4.2 million General Fund-State) reflects vacancy savings and average per-capita staffing expenditures that are lower than allotments.

## **Mental Health**

Mental health services for those living with severe, chronic, or acute mental illnesses are administered primarily through DSHS. These services include operation of two adult state hospitals that deliver psychiatric treatment to clients on civil or forensic commitment orders and for the Child Study Treatment Center, which is a small psychiatric inpatient facility for children and adolescents. In addition, DSHS contracts with regional administrative entities to coordinate crisis response, community support, and residential and resource management services through a network of community providers. Services for Medicaid-eligible consumers within each region are provided through a capitated Prepaid Inpatient Health Plan. Limited services that cannot be reimbursed through the Medicaid program are provided within available state and local resources.

A total of \$2.3 billion (\$1.1 billion General Fund-State) is provided for operation of the public mental health system during the 2015-17 biennium. This is an increase of \$51.4 million in total funds (2 percent) from the amount originally appropriated for the biennium. Approximately \$45.3 million of this change (-\$9.8 million General Fund-State) is due to technical adjustments to the number of people expected to qualify for Medicaid-funded services and adjustments to Medicaid capitation rates which are required under federal law to be certified as actuarially sound. There was an additional net increase of \$9.2 million in total funds (\$7.8 million General Fund-State) for policy changes including:

- State Hospital Investments:
  - \$11.0 million in total funds (\$11.0 million General Fund-State) is provided on a one-time basis to address overspending at the state hospitals as well as new expenditures required to develop and implement a plan of corrections required by the federal Center for Medicare and Medicaid Services.
  - \$10.0 million in total funds (\$9.3 million General Fund-State) is provided to increase compensation and provide recruitment and retention incentives for a variety of positions at the state hospitals.
  - \$6.8 million in total funds (\$6.8 million General Fund-State) and 51 FTEs are provided to increase the total number of nurses on day and evening shifts at Western State Hospital.



- \$6.8 million in total funds (\$6.8 million General Fund-State) is provided for a Governor's Behavioral Health Innovation Fund to improve the quality of patient care and patient and staff safety at the state hospitals as well as compliance with court orders related to civil and forensic treatment.
- \$1.2 million in total funds (\$1.2 million General Fund-State) is provided for a variety of other safety and quality improvements at the state hospitals including funding for development of a plan to create a high quality forensic teaching unit in collaboration with Western State Hospital.
- Community Investments:
  - \$2.9 million in total funds (\$2.0 million General Fund-State) is provided to implement new mobile crisis teams and expand outreach and engagement activities for existing mobile crisis teams.
  - \$2.8 million in total funds (\$2.0 million General Fund-State) is provided to implement four new housing and recovery services teams which provide supportive housing services and short-term rental assistance for individuals transitioning or being diverted from inpatient behavioral health treatment.
  - \$5.4 million in total funds (\$0.4 million General Fund-State) is provided for a variety of other enhancements including peer bridging programs and implementation of Chapter 158, Laws of 2016 (2SHB 1448) which is expected to increase mental health referrals from law enforcement.
- Savings:
  - A one-time savings of \$23.8 million total (\$11.1 million General Fund-State) results from the return of state and federal reserves from Southwest Washington Regional Support Network. Effective April 1, 2016, mental health services in the region will be purchased through fully integrated contracts with private healthcare companies.
  - A one-time savings of \$13.8 million total (\$13.8 million General Fund-State) results from delayed implementation of a variety of community and state hospital investments made in the original 2015-17 operating budget.

### **Aging and Disabilities Services (Developmental Disabilities and Long-Term Care)**

Within DSHS, the Aging and Long Term Support Administration administers the Long Term Care (LTC) Program and the Developmental Disabilities Administration administers the Developmental Disabilities (DD) Program. These programs provide long-term supports and services to vulnerable adults and children in institutional, community-based residential, and in-home settings. While these programs serve two distinct populations, they are both institutionally-based Medicaid entitlement programs with options for home and community services that share some vendors including represented home care workers and adult family homes. The entitlement program in LTC is the nursing home or skilled nursing facility program. The entitlement program in DD is the state-operated Residential Habilitation Centers. Total funding for these two programs combined accounts for 50 percent of the DSHS budget, and is approximately \$7.1 billion total (\$3.2 billion General Fund-State) in budgeted expenditures for the 2015-17 biennium after revisions made in the 2016 supplemental budget. Funding remained relatively flat from the 2015-17 operating budget level, resulting in an approximately 1 percent increase for the two programs combined.

The 2016 supplemental budget includes the following items (which impact both programs):

- A total of \$72.7 million (\$31.9 million General-Fund-State) is provided for LTC and DD to comply with a recent U.S. Department of Labor rule that applies provisions of the Fair Labor Standards Act (FLSA), including a requirement for overtime pay, to Individual Provider (IP) home care workers. Overtime pay will be paid to IPs consistent with criteria established in Chapter 30, Laws of 2016, 1st sp. s. (E2SHB 1725). The above figure includes information technology (IT) system changes associated with FLSA compliance and funded through the IT pool in the Special Appropriations section of the budget.
- A total of \$1.9 million (\$1.2 million General Fund-State) is provided to LTC and DDA pursuant to Chapter 172, Laws of 2016 (E2SSB 6564) which, among other provisions, increases home visits for individuals at the highest risk of abuse or neglect and expands Adult Protective Services fatality review responsibilities.

## **Economic Services Administration**

The Economic Services Administration (ESA) operates a variety of programs for low-income persons and families. These programs include the federal Supplemental Nutritional Assistance Program (SNAP), the State Food Assistance Program, the Aged, Blind, or Disabled Assistance Program, the WorkFirst/Temporary Assistance for Needy Families (TANF) Program, and assistance to refugees. ESA also determines eligibility for a variety of state assistance programs.

A total of \$2.1 billion (\$814 million General Fund-State) is provided to ESA for administration of programs and delivery of services. This reflects an increase in total funds of \$6 million (0.3 percent) from the estimated amount needed to maintain the current level of services and activities.

State general fund savings of \$58.3 million are achieved by providing funding from other sources, including federal, rather than state general funds for the WorkFirst/TANF program. Other larger policy changes include:

- \$7.7 million of state general fund savings as a result of one-time under-expenditures for WorkFirst employment and training services.
- \$8.0 million of state general funds are provided for the child care collective bargaining reopener, which included a base rate increase.
- \$4.8 million of state general funds are provided for revised cost allocation estimates to offset fewer federal funds available to support eligibility operations and staff.

## **Alcohol and Substance Abuse**

The Alcohol and Substance Abuse Program coordinates state efforts to reduce the impacts of substance abuse and problem gambling on individuals and their communities. DSHS contracts with counties and community organizations to provide prevention, treatment, and other support services for individuals with problems related to alcohol, tobacco, drugs, and gambling. Effective April 1, 2016, most outpatient and residential services will shift from fee-for-service contracts and grants to managed-care contracts with Behavioral Health Organizations. DSHS also manages government-to-government contracts with 29 tribes for prevention and treatment services for Native Americans.

A total of \$720.1 million (\$130.4 million General Fund-State) is provided for alcohol and substance abuse services. This reflects an increase in total funds of \$88.8 million (14 percent) from the amount originally appropriated for the biennium. Approximately \$86.0 million of this change (\$0.6 million General Fund-State) is due to technical adjustments to the number of people expected to qualify for Medicaid-funded services and adjustments to Medicaid capitation rates which are required under federal law to be certified as actuarially sound. This includes leveraging of federal Medicaid funds under a waiver for some residential services that previously were not covered under the Medicaid program. Additional increases include:

- \$2.0 million in General Fund-Federal is provided to increase access to medication-assisted treatment for individuals with opioid addiction.
- \$0.6 million in total funds (\$0.4 million General Fund-State) is provided to implement Chapter 29, Laws of 2016, 1st sp. s. (E3SHB 1713), which begins to integrate the involuntary treatment systems for chemical dependency and mental health.
- \$0.5 million in Criminal Justice Treatment Account-State funds are provided to increase substance abuse treatment and support services for offenders and to support drug courts.

## **Special Commitment Center**

The 2016 supplemental operating budget provides a total of \$80.3 million, in total and in General Fund-State, for the Special Commitment Center (SCC). This represents a total increase of \$4.2 million (7.2 percent) from amounts originally appropriated for the 2015-17 biennium. The main facility for the SCC, located on McNeil Island, and two Secure Community Transitional Facilities (SCTFs), located in King and Pierce counties, are used for the confinement and treatment of civilly committed sexually violent predators. The SCTFs are less restrictive alternative facilities.

Increases in the 2016 supplemental operating budget include:

- \$3.2 million General Fund-State and 24.5 FTEs for treatment, rehabilitative care, and health care services and support for high-acuity residents of the SCC. With the additional staff, the SCC will provide individualized treatment, rehabilitative support, resident advocacy, and a more therapeutic response to behavioral issues for residents with disabilities and multiple serious mental health issues.
- \$929K General Fund-State for nine new resident escorts to staff the SCTFs, which have an increased number of residents pursuant to court-ordered conditional releases, and to comply with statutory requirements set forth in Chapter 71.09 RCW.

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# OTHER HUMAN SERVICES

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## **Low-Income Medical Assistance**

A total of \$16.3 billion is provided to pay for medical and dental services for an average of 1.9 million low-income children and adults each month by the end of the 2015-17 biennium. This is a \$170.5 million (1 percent) decrease from the funding levels provided in the 2015-17 biennial operating budget for these services. Of the \$16.3 billion, \$4.7 billion are state funds; \$11.2 billion are federal funds, primarily from Medicaid; and the rest are local government funds provided for purposes of collecting Medicaid matching funds. Of the \$4.6 billion in state funds, \$4 billion is from the state general fund and \$690 million is from the Hospital Safety Net Assessment Fund created in 2010. The state general fund spending is \$132.6 million (3.4 percent) more than provided in the 2015-17 biennial operating budget.

Calendar year 2016 rates for Medicaid clients enrolled in managed care increased by \$504.2 million, including \$182.9 million in state dollars. This includes a 3.3 percent increase for low-income children and families, a 19.9 percent increase for children in the State Children's Health Insurance Program, and a 13 percent increase for disabled clients. The Health Care Authority (HCA) is expected to achieve \$47.6 million in savings, including \$13.3 million in state dollars, by developing strategies to hold rates flat in calendar year 2017.

The FY 15-17 operating budget included \$44 million in state savings expected from implementing the Healthier Washington program, which aims to promote value-based purchasing, improve prevention and early mitigation of disease, and integrate physical and behavioral health care. Under Healthier Washington, the HCA expects to achieve approximately \$1.7 million in state savings by integrating physical and behavioral health services in Southwest Washington. The HCA does not expect to achieve further savings during this biennium; thus, a total of \$25.9 million, including \$11.4 million in state dollars, is provided in FY 16 to restore funding for the savings that the HCA will not achieve under this program.

Legislation was enacted in 2011 that directed the HCA to request a federal waiver that would reduce state expenditures through implementation of innovative payment methods. The HCA did not receive federal approval for its waiver requests. A total of \$35.2 million, including \$16.7 million in state dollars, is provided because the HCA will not achieve those savings.

## **Department of Corrections**

A total of \$1.9 billion is provided to the Department of Corrections (DOC) for the operation of prisons and the supervision of offenders in the community for the 2015-17 biennium. The prison system is budgeted to provide monthly average incarceration for 17,519 prison and work release inmates and 1,031 offenders who have violated the terms of their community supervision. The community supervision program is budgeted to provide supervision to a monthly average of 17,214 offenders who have either received sentencing alternatives or have served their sentences and have been released into the community. The 2016 supplemental funded level for DOC represents an increase of \$26 million (1.4 percent) from the original 2015-17 budget, and an increase of \$5 million (0.27 percent) from the 2016 supplemental maintenance level.

\$2.7 million is provided for specific employee benefits increases, including providing a cost of living adjustment and health benefits (comparable to previously negotiated collective bargaining agreements) for non-represented contract employees who provide educational services to offenders, costs associated with dentists joining the Teamsters Union in July 2015, and supplemental agreements for mental health workers.

A total of \$1.7 million is provided for items related to work release. Pioneer Human Services (PHS) is a contract provider of work release facilities for DOC. In July 2015, PHS chose not to renew its contract with DOC to operate Reynolds Work Release in Seattle. \$1 million is provided to the department to cover projected costs to run Reynolds as a DOC-operated facility on an ongoing basis. This appropriation includes funds to cover one-time emergency operations costs incurred in FY 2016 to ensure safety, security, and continuity of operations during the transition from PHS operation to DOC operation. Additionally, \$700,000 is provided as a vendor rate increase for PHS' operation of other facilities.

\$300,000 total is provided for Indeterminate Sentencing Review Board (ISRB) activities. This includes funding to implement Chapter 218, Laws of 2016, Partial Veto (E2SSB 6242), which requires the ISRB to provide notice and appropriate documentation to the sentencing court, prosecuting attorney, and victims or victims' family 90 days before a petition to release hearing when requested. Additionally, an ISRB member position is increased from part time to full time status, and funding is provided to conduct additional Forensic Psychological Evaluations for offenders being considered for release by the ISRB.

A savings of \$2.3 million is assumed as a result of the passage of Chapter 28, Laws of 2016, 1<sup>st</sup> sp.s. (SSB 6531-DOC supervision requirements). In the 2015 case *State of Washington v. Matthew Bruch*, the Washington State Supreme Court ruled that an offender who earns earned-release time that is in excess of court-ordered supervision time must have the total amount of earned-release time added onto his or her court-ordered term of supervision, thereby lengthening terms of community supervision served by some offenders. As a result, the 2016 maintenance level caseload for DOC included a larger population of offenders on community supervision. SSB 6531 made statutory changes limiting the total term of community supervision that can be served by an offender to the term which is imposed by the court at sentencing, achieving projected savings in community supervision caseload costs.

A total of \$6 million is shifted from the Correctional Industries Non-Appropriated account to offset caseload costs in Community Supervision.

The supplemental budget included \$831,000 for the implementation of Engrossed Second Substitute Senate Bill 5105 (DUI 4th offense/felony), which would have made sentencing changes making a DUI a felony upon a 4th conviction, rather than a 5th. This bill did not ultimately pass the legislature and the governor subsequently vetoed the relevant section in the budget; the funding included for this item therefore lapses.

## **Department of Health**

The Department of Health (DOH) has a total budget of \$1.1 billion (\$116.7 million in General Fund-State) to provide educational and health care services, administer licensing for health care programs, regulate drinking water and commercial shellfish production, respond to infectious disease outbreaks, support local public health jurisdictions, and operate the state's public health laboratory.

- \$3.1 million is provided to address the increase in the number and complexity of disciplinary cases and to address a rulemaking backlog, which resulted from the Legislature's four-year rulemaking moratorium.
- \$2 million in expenditure authority is provided for the drinking water program in response to a change in federal grant guidelines which require previously awarded grants to be used within two years instead of five.
- \$1.7 million is provided for the regulation, enforcement, education and intervention strategies, and licensing of vapor products.
- \$1.2 million is provided for the completion of the Online Licensing and Information Collection project and expenditure authority is provided to allow DOH to move its health professions credentialing online.
- \$511K is provided for a medical record validation tool for schools to check the state's immunization information system, which will electronically determine if a child meets immigration requirements for school entry using data from the child's immunization records.
- \$586K is provided:
  - For DOH to ensure that hospitals are complying with charity care laws and rules;
  - For rulemaking to allow hospital pharmacy licenses to include individual practitioner offices and multi-practitioner clinics owned, operated, or under common control with a hospital;
  - For a task force to evaluate factors contributing to the out-of-pocket costs for patients;
  - For rulemaking to allow access to the Prescription Monitoring Program by prescribers of legend drugs, personnel of a health care facility, and certain provider groups without individually registering; and
  - To establish a maternal mortality review panel to to conduct reviews of maternal deaths in Washington and make recommendations for evidence-based system changes to improve maternal outcomes and reduce maternal deaths.

### **Criminal Justice Training Commission**

A total of \$49.6 million is provided to the Criminal Justice Training Commission (CJTC) for training and certification of local law enforcement and corrections officers and pass-through funds to the Washington Association of Sheriffs and Police Chiefs; this funding reflects a 1.1 percent increase from the underlying 2015-17 budget. The budget assumes funding for a total of 26 Basic Law Enforcement Academy classes and ten Correctional Officer Academy classes for the biennium.

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# NATURAL RESOURCES

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## **Land and Species Management**

### **Wildfires**

The Department of Natural Resources (DNR) is provided \$155.0 million and the Department of Fish and Wildlife (WDFW) is provided \$155,000 from the Budget Stabilization Account (BSA) for fire suppression costs resulting from the 2015 fire season. Funding from the BSA is provided separately from the operating budget in Chapter 34, Laws of 2016, 1st sp.s. (ESHB 2988).

A total of \$6.1 million from the Disaster Response Account (DRA) is provided to DNR for additional firefighting resources and prevention activities, including \$1.2 million for joint wildfire training, \$1.0 million for equipment grants to local fire districts, \$800,000 for forest resiliency burning as required by Chapter 110, Laws of 2016 (ESHB 2928), \$696,000 for additional fire commanders, \$629,000 to update the Smoke Management Plan, and \$569,000 for upgraded radio equipment. DNR is also provided \$700,000 from the Resources Management Cost Account (RMCA) for forest health treatments on state land. The Conservation Commission is provided \$1.0 million from the DRA for the Firewise program, which focuses on fire prevention education for communities.

Funding from the DRA for wildfire recovery includes \$6.8 million to the Conservation Commission to assist private landowners with re-seeding and infrastructure repair and \$642,000 to WDFW for wildlife habitat restoration.

### **Forest Management**

DNR is provided a total of \$578,000 to increase staff capacity in the Forest Practices program, including additional screening of potentially unstable slopes, as well as a total of \$236,000 for management activities at the Teanaway Community Forest.

### **Fish and Wildlife Management**

WDFW is provided a total of \$4.0 million in one-time funding for fish management, including hatchery maintenance, hatchery production, fishery monitoring and sampling, and activities related to securing Endangered Species Act permits. WDFW is provided \$475,000 of state general fund for increased stakeholder engagement on agency decisions and \$300,000 of state general fund for Livestock Damage Prevention Cooperative agreements to reduce potential wolf-livestock conflict.

### **Outdoor Recreation**

A total of \$14.2 million from the Parks Renewal and Stewardship Account is provided to the State Parks and Recreation Commission (State Parks) for maintenance and preservation activities, radio equipment, equipment for protecting state parks from wildfires, and marketing activities.

State Parks is provided \$250,000 from the Recreation Access Pass Account to coordinate with WDFW and DNR on recommendations to improve access fee systems, and for a contract to facilitate this process.

Funding of \$1.8 million from the Off-Road Vehicle and Non-Highway Vehicle Account is provided to DNR to increase outreach and volunteer efforts, maintain recreational facilities and trails, and reduce the maintenance backlog for trails used by off-road vehicles.

### **Agriculture**

A total of \$4.8 million (\$1.2 million in state general fund and \$3.6 million in federal funds) is provided to the Department of Agriculture to design and implement an eradication program for the Asian gypsy moth to take place in the spring of 2016 and spring of 2017.

## **Savings and Fund Shifts**

### **Model Toxics Control Act (MTCA) Savings**

A total of \$15.6 million of Department of Ecology operating expenditures from the Model Toxics Control Act (MTCA) accounts are reduced to address the decline in the Hazardous Substance Tax revenue. Specific reductions include \$5.0 million from restrictions on MTCA-funded hiring, \$3.8 million from a one-time elimination of Public Participation Grants, \$2.9 million from a reduction in stormwater capacity grants, and a \$2.4 million fund shift to the Water Quality Permit Account.

### **General Fund-State Savings**

In the Department of Ecology, \$11.5 million of operating costs in the Water Resources Program are shifted on a one-time basis from state general fund to either the Reclamation Account or the Water Rights Tracking System Account. In DNR, \$5.5 million of state general fund support in the base budget for fire suppression costs is shifted on an ongoing basis to the DRA. State general fund base budgets for fire suppression of \$21.1 million for DNR and \$344,000 for WDFW are reduced, as funding for fire suppression is provided from the BSA pursuant to Chapter 34, Laws of 2016, 1st sp.s. (ESHB 2988).



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# PUBLIC SCHOOLS

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## **K-12 Public School Staff Recruitment and Retention**

Funding totaling \$5.75 million is provided for recruitment and retention of K-12 public school staff as follows: Beginning educator support team funding is increased by \$3.5 million; \$1.75 million is provided for professional development for classroom paraeducators; and \$0.5 million is provided to implement a statewide initiative to increase the number of qualified individuals who apply for teaching positions in Washington, including creation of a website providing useful information to individuals who are interested in teaching and incorporating certificated positions into the Employment Security Department's existing web-based depository for job applications.

## **Charter Schools**

Net funding totaling \$3.7 million is provided to implement Chapter 241, Laws of 2016 (ESSB 6194), reenacting and amending the charter schools laws, and establishing charter schools as public schools outside the common school system. Funding consists of \$10.5 million from the Washington Opportunity Pathways account and General Fund-State savings totaling \$6.8 million.

## **Improving Student Outcomes and Closing the Opportunity Gap**

Funding totaling \$4.6 million is provided to support programs improving student outcomes and closing the opportunity gap including: \$1.2 million for implementation of Chapter 72, Laws of 2016 (4SHB 1541), addressing the educational opportunity gap; \$1.0 million for implementation of Chapter 157, Laws of 2016 (3SHB 1682), for grants supporting homeless student stability; \$0.6 million to expand the Washington achievers scholars program; and \$0.4 million for implementation of Chapter 205, Laws of 2016 (2SHB 2449), addressing truancy reduction. Additionally \$1.5 million is transferred from the Department of Social and Health Services to the Office of the Superintendent of Public Instruction for improving foster youth outcomes, pursuant to Chapter 71, Laws of 2016 (4SHB 1999).

## **Savings**

Savings totaling \$0.4 million is included, reflecting implementation of Chapter 162, Laws of 2016 (HB 2360), eliminating the Quality Education Council and reflecting lower than expected expenditures for academic acceleration in fiscal year 2016.

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# TRANSPORTATION

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The majority of the funding for transportation services is included in the transportation budget, not the omnibus appropriations act. For additional information on funding for transportation agencies and other transportation funding, see the Transportation section of the Legislative Budget Notes. The omnibus appropriations act includes only a portion of the total funding for the Washington State Patrol and the Department of Licensing.

## **Washington State Patrol**

One-time Budget Stabilization Account funds of \$34.4 million are provided to the Washington State Patrol (WSP) to cover fire mobilization costs incurred by local jurisdictions, other state and federal agencies, and volunteer firefighters for the 2015 wildfire season in Washington State.

One-time funding for the tracking and testing of sexual assault examination kits is increased by a total of \$3.3 million. Of this funding, \$871,000 is provided from the Fingerprint Identification Account to implement the statewide Sexual Assault Kit Tracking System pursuant to Chapter 173, Laws of 2016 (2SHB 2530). An additional \$2.5 million from the Sexual Assault Kit Account is provided for the Washington State Patrol Crime Lab to decrease the current backlog of sexual assault exam kits required for examination under state law.

Additionally, funding is provided to implement Chapter 28, Laws of 2016 (E2SHB 2872) by increasing compensation costs to address WSP recruitment and retention.

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# HIGHER EDUCATION

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## **Overview**

The 2016 operating budget provides total of \$3.6 billion in state funds (Near General Fund plus Washington Opportunity Pathways Account) to support the higher education system (including financial aid); \$2.8 billion (79 percent) of this amount is appropriated to the public colleges and universities. As compared to the underlying 2015-17 operating budget, this represents a \$31.7 million (1.1 percent) increase in state funds to the institutions of higher education and a \$33.2 million (1 percent) increase in state funds to the higher education system overall.

## **Tuition Policy**

During the 2015 legislative session the Legislature passed the College Affordability Program (Chapter 36, 2015 Laws of 3rd sp.s.). The College Affordability Program requires that all institutions of higher education reduce operating fees by 5 percent from current levels for the 2015-16 academic year. For the 2016-17 academic year, research institutions are required to reduce operating fees by an additional 10 percent, regional institutions are required to reduce operating fees by an additional 15 percent, and community and technical colleges are required to hold operating fees at 2015-16 academic year rates. The 2016 supplemental operating budget provides an additional \$7.8 million in state funds above amounts provided in the underlying 2015-17 operating budget to the institutions of higher education to replace the loss of tuition revenue resulting from the reductions specified in the College Affordability Program.

## **Major Increases**

### **State Need Grant**

A total of \$18 million in one-time caseload savings from the College Bound Program in fiscal year 2016 and fiscal 2017 are shifted to the State Need Grant (SNG) program to maintain fiscal year 2015 service levels for fiscal year 2016 and fiscal year 2017. Changes in SNG costs are due in part to increased College Bound Scholarship and SNG coordination.

### **Alcoa Worker Training**

The amount of \$3 million is provided to Bellingham Technical College for on-site worker training and skills enhancement training for Alcoa Intalco aluminum smelter workers whose jobs have been impacted by foreign trade. These funds will support approximately 400 workers at full implementation.

### **Teacher Shortage Grant Programs**

A total of \$1.1 million is provided to the Student Achievement Council to administer the Teacher Shortage Conditional Grant, and Residency Grant programs. These programs were created as part of Chapter 233, Laws of 2016 (E2SSB 6455).

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## OTHER EDUCATION

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### **Department of Early Learning**

A total of \$632.3 million (\$301.6 million near General Fund-State and Opportunity Pathways) is provided to the department for developing, implementing, and coordinating early learning programs for children from birth to five years of age. This represents an increase of \$10.3 million (1.7 percent) in total funds and an increase of \$566,000 (0.3 percent) in near General Fund-state and Opportunity Pathways above amounts appropriated in the underlying 2015-17 operating budget.

The 2016 supplemental operating budget provides an additional \$3.7 million General Fund-State for increased tiered reimbursement rates for licensed family home child care providers participating in the Early Achievers Program, and other items negotiated as part of the Service Employees International Union (SEIU), local 925 collective bargaining agreement. The funds appropriated to the department represent approximately 30% of the total \$12.6 million General Fund-State provided in the 2016 supplemental operating budget for these purposes. The remaining amounts, which include funding for a variable base rate increase averaging approximately 8 percent across all regions, are provided to Children and Family Services and the Economic Services Administration both housed within the Department of Social and Health Services.

An additional \$2.1 million in near General Fund-State is provided for the Early Childhood Intervention Prevention Services (ECLIPSE) program. The program provides early intervention services and treatment in a child care setting for over 350 children, birth through age five, with significant developmental, behavioral and mental health challenges. This amount replaces funding previously received through federal Medicaid. Use of federal Medicaid dollars to support this program has been prohibited since 2014.

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# SPECIAL APPROPRIATIONS

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## **(Non-Compensation Related)**

### **Emergency Drought Funding**

The General Fund-State appropriation into the State Drought Preparedness Account in fiscal year 2016 is reduced by \$7.3 million, which reflects the unspent funds from the 2015-17 biennial budget appropriation for drought response.

### **Moore v. HCA Settlement**

A total of \$80 million in expenditure authority is provided from the Special Personnel Litigation Revolving Account for the purpose of settling all the claims in the litigation involving public employee insurance benefit eligibility. Funding is appropriated in individual agency budgets for deposit into the Special Personnel Litigation Revolving Fund. Additionally, appropriations are made in the operating budget for accounts appearing in the transportation and capital budgets.

### **Behavioral Health Innovation Fund**

A total of \$6.3 million General Fund-State is appropriated into the Behavioral Health Innovation Fund (Fund) established in Chapter 37, Laws of 2016, 1st sp.s., Partial Veto (ESSB 6656). The Fund may be used to improve quality of care, patient outcomes, patient and staff safety, and the efficiency of the operations at the state hospitals.

### **Information Technology Pool**

Funding is adjusted for the information technology (IT) pool to reflect adjusted amounts the DSHS's Eligibility Services and ACES (Automated Client Eligibility System) Remediation (ESAR) project within the IT pool. Additionally, new projects were added to the IT pool, including ProviderOne Individual Provider overtime changes and DSHS's mainframe re-hosting.

## **(Compensation Related)**

### **State Employee Health Benefits Funding**

The state employer contribution for state employee insurance benefits is reduced for FY 2017 from \$894 per month to \$888 per month. Reductions are achieved while maintaining fully funded reserves through the use of accumulated surplus funds due to reduced claims costs. The Health Care Authority and the Public Employees' Benefits Board continue to be required to set aside any reserves that accumulate from favorable claims or contracting experience, and not increase benefit costs through changes to the benefit packages. The Health Care Authority is also required to review the cost-effectiveness of the wellness program, and report to the appropriate committees of the legislature on the effectiveness of the program, including at least the effectiveness of the contractors' communication strategies, rates of employee engagement, and the identification and quarterly measurement of employee wellness outcome criteria.

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# 2016 SUPPLEMENTAL BUDGET OVERVIEW

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## **Expenditures and Revenues**

The 2016 Supplemental Transportation Budget includes \$8.6 billion in appropriation authority, an increase of \$506 million from the 2015-17 enacted budget and the additional appropriations associated with the Connecting Washington transportation package approved in 2015. The increase is primarily attributable to re-appropriated funds from the previous biennium for delayed capital activity and additional federal dollars in the capital spending plan, including recently authorized Fixing America's Surface Transportation (FAST) Act federal funds. \$32.6 million is appropriated for compensation increases approved in the 2015-17 Omnibus Operating Budget, and those amounts have been removed from the Omnibus Operating Budget.

Overall, state transportation revenues are forecasted at \$5.7 billion for the current biennium and \$6.3 billion in 2017-19. Other resources supporting the 2016 supplemental budget include federal funds, bonds issued for capital construction, and amounts re-appropriated from the 2013-15 biennium.

## **Implementing the Connecting Washington Investment Package**

The budget makes only minor changes to the expenditures contained in the Connecting Washington highway project list. Generally, projects retain current total funding and project aging assumptions as passed the Legislature in 2015. For the 2015-17 biennium, Connecting Washington Account expenditure authority is \$449 million.

For the tiered lists of transit, and bicycle and pedestrian projects approved in the 2015 Connecting Washington investment package, the enacted budget retains the 16-year delivery of these projects.

## **Nickel and Transportation Partnership Account (TPA) Program**

The enacted transportation budget continues delivery of remaining Nickel and TPA package projects originally approved in 2003 and 2005. About \$169 million of Nickel and TPA expenditures are re-appropriated from the 2013-15 biennium to the 2015-17 biennium. Nickel program spending of \$17.5 million is re-appropriated to finish the third Olympic Class ferry vessel. To ensure construction continuity for the fourth Olympic Class vessel, \$17 million of Nickel expenditures and \$25 million of Connecting Washington spending are advanced from 2017-19 to 2015-17.

## **Additional Ferry System Highlights**

Additional ferry changes enacted in the final budget include \$3.0 million of additional spending authority for emergency repairs, \$8.8 million in new FAST Act funds for additional vessel preservation work, and \$300,000 for passenger counting equipment. Appropriations for work at the Seattle terminal are separated into two projects to more easily monitor costs for the current terminal replacement project.

- \$5.9 million of federal funds for vessel maintenance.
- \$1.3 million for the operating costs of the third Olympic Class vessel scheduled to begin service in early 2017.
- \$809,000 for a larger reserve ferry vessel.
- \$400,000 for the continued operation of the ferry reservation system.
- \$165,000 to hire two additional electricians at the Eagle Harbor maintenance facility to address routine and emergency vessel work.

## **Tolling Program Highlights**

- \$45.3 million is added to the capital project list for improvements to the I-405 corridor.
  - \$15 million for Northbound Auxiliary Lane - SR 520 to NE 70th PI (2017-19 and 2019-21).
  - \$30 million for Northbound Hard Shoulder Running - SR 527 to I-5 (2017-19 and 2019-21).
  - \$250,000 to identify and prioritize the projects that will help reduce congestion and added capacity to the corridor (2015-17).
- \$4.4 million in toll revenue is appropriated for increased I-405 Express Toll Lanes operating costs.
- The budget directs the WSDOT to issue a request-for-proposals, subject to required oversight by the Office of the Chief Information Officer (OCIO) and the Office of Financial Management (OFM), for a new tolling customer service toll collection system by December 1, 2016. The budget further directs the WSDOT to submit a draft project management plan to the OFM and the OCIO prior to implementing the new system.
- The budget directs the Transportation Commission to use its emergency rule-making authority to effect changes to improve operations of the I-405 Express Toll Lanes.

## **WSDOT Operating Program Changes**

- \$2.8 million for the Maintenance Program to pay higher local government stormwater fees.
- \$1.5 million for the Traffic Operations Program to purchase and operate 10 new incident response trucks to clear accidents faster on high-volume and high-congestion state freeways.
- \$663,000 for the Rail Program to continue existing Amtrak Cascades Service and to begin operational funding for two new round-trips from Seattle to Portland.
- \$346,000 in additional federal funding for the Public Transportation Program for the state rail transit safety oversight activities.

## **Washington State Patrol (WSP)**

- \$5 million for compensation increases for WSP troopers, sergeants, lieutenants, and captains. Increased compensation costs for ongoing recruitment and retention of state patrol officers is directed by Chapter 28, Laws of 2016 (E2SHB 2872).
- \$190,000 to continue funding of the Judicial Information Network Data Exchange system.
- \$150,000 for an organizational assessment conducted by the OFM to address recruitment and retention issues for the WSP personnel.

## **Department of Licensing (DOL)**

- \$2.4 million to expand capacity for processing enhanced driver licenses and enhanced identicards. Recent federal announcements have caused an increase in wait times and demand for these documents. Funding will allow the hiring of up to 25 new licensing service representatives to preserve short wait times and to process transactions as quickly as possible. These funds are made contingent on a monthly evaluation by the DOL and the OFM of actual demand for these documents.
- \$1.4 million to provide all licensing service offices with the ability to process commercial driver license and enhanced driver license transactions.
- \$6.7 million to accelerate delivery of the driver's module of the Business and Technology Modernization (BTM) project. The vehicle's module is scheduled to finish 6 months earlier than anticipated.
- \$1.3 million to consolidate all BTM project staff into one location and permanently relocate staff in the Prorate and Fuel Tax Division. At the conclusion of the BTM project, the department will vacate the Bristol Court facility, resulting in future lease savings.
- \$388,000 for costs associated with modifying DOL's existing information technology systems and additional staff support related to implementing SHB 2700 (impaired driving).

## Utilities and Transportation Commission

- \$1.1 million to correct at-risk public railroad-highway grade crossings to improve public safety.

### Project Changes and Additions

Project	Amount (in thousands)	LD	
SR 539 Guide Meridian	\$40,000	42	Replaces project in the same district.
Thornton Road	\$19,167	42	Replaces project in the same district.
I-90/Henry Road	\$26,400	04	Replaces project in the same district.
SR 14 Roundabouts	\$7,500	18	Replaces project in the same district.
Spokane City Line	\$3,000	03	Project to move up one biennium.
Tacoma Narrows Bridge Debt Service	\$2,500	26	Increased funding to mitigate potential toll increase.
Electrical Vehicle/ Infrastructure Bank	\$2,000	N/A	Adds two biennia of funding.
US 2 Trestle	\$1,500	44	New funding for interchange justification report.
Encampments	\$1,000	11 & 37	Safety improvements and operations.
South Kelso Rail Crossing	\$900	19	Addresses project in order to assist funding opportunity.
Bay Street Pedestrian Project	\$500	26	Moves project up to allow for development.
SR 240/Hagen Road	\$350	08	Replaces project in the same district.
Salmon Creek Bridge	\$300	18	New funding for project for economic development.
SR 410 Interchange	\$300	25 & 31	New funding for interchange study.
SR 169 Safety Study	\$150	05	New funding for safety study.
North Bend Overlay	\$100	05	New funding.
Veteran's Signage	\$30	15	New funding for signage for veteran's memorial.



## 2015-17 Revised Transportation Budget (2016 Supp)

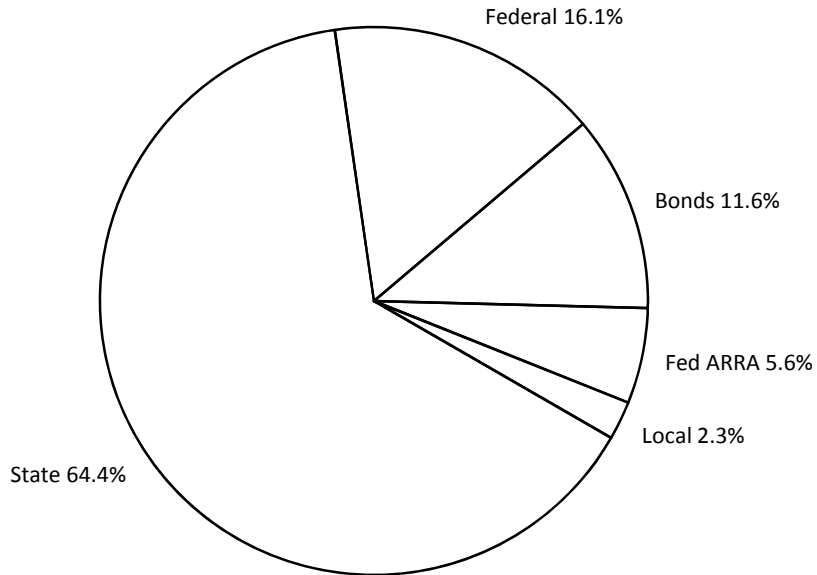
### Chapter 14, Laws of 2016, Partial Veto

#### Total Appropriated Funds

Dollars in Thousands

#### COMPONENTS BY FUND TYPE

#### Total Operating and Capital Budget



<b>Fund Type</b>	<b>2015-17 Original</b>	<b>2016 Supp</b>	<b>2015-17 Revised</b>
State	5,375,936	181,584	5,557,520
Federal	1,200,367	190,232	1,390,599
Bonds	995,156	6,762	1,001,918
Federal ARRA	362,641	123,414	486,055
Local	193,083	3,897	196,980
<b>Total</b>	<b>8,127,183</b>	<b>505,889</b>	<b>8,633,072</b>

## 2015-17 Revised Transportation Budget (2016 Supp)

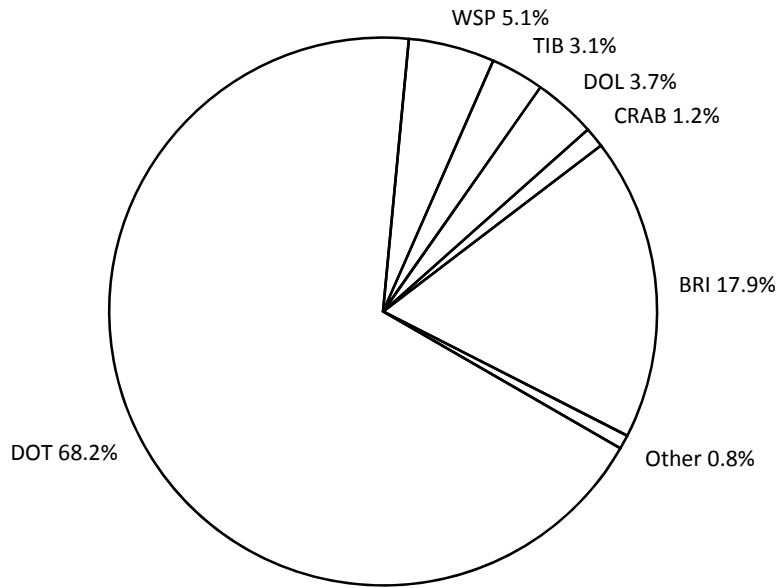
### Chapter 14, Laws of 2016, Partial Veto

#### Total Appropriated Funds

Dollars in Thousands

#### MAJOR COMPONENTS BY AGENCY

#### Total Operating and Capital Budget



<b>Major Transportation Agencies</b>	<b>2015-17 Original</b>	<b>2016 Supp</b>	<b>2015-17 Revised</b>
Department of Transportation	5,505,131	378,909	5,884,040
Washington State Patrol	431,090	8,973	440,063
Transportation Improvement Board	202,799	68,866	271,665
Department of Licensing	299,373	20,018	319,391
County Road Administration Board	94,877	9,244	104,121
Bond Retirement and Interest	1,521,033	20,103	1,541,136
Other Transportation	72,880	-224	72,656
<b>Total</b>	<b>8,127,183</b>	<b>505,889</b>	<b>8,633,072</b>

## 2015-17 Washington State Transportation Budget

### Agency Summary

#### TOTAL OPERATING AND CAPITAL

#### Total Appropriated Funds

Dollars In Thousands

	2015-17 Original	2016 Supplemental	2015-17 Revised
<b>Department of Transportation</b>	<b>5,505,131</b>	<b>378,909</b>	<b>5,884,040</b>
Pgm B - Toll Op & Maint-Op	85,028	5,892	90,920
Pgm C - Information Technology	73,524	1,833	75,357
Pgm D - Facilities-Op	27,132	511	27,643
Pgm D - Facilities-Cap	24,481	-2,162	22,319
Pgm F - Aviation	12,303	485	12,788
Pgm H - Pgm Delivery Mgmt & Suppt	52,820	1,841	54,661
Pgm I - Improvements	2,457,354	-6,694	2,450,660
Pgm K - Public/Private Part-Op	1,582	18	1,600
Pgm M - Highway Maintenance	416,795	14,312	431,107
Pgm P - Preservation	595,179	83,373	678,552
Pgm Q - Traffic Operations - Op	56,997	2,955	59,952
Pgm Q - Traffic Operations - Cap	12,230	2,727	14,957
Pgm S - Transportation Management	30,003	1,958	31,961
Pgm T - Transpo Plan, Data & Resch	49,830	2,800	52,630
Pgm U - Charges from Other Agys	79,443	-1,162	78,281
Pgm V - Public Transportation	163,339	9,347	172,686
Pgm W - WA State Ferries-Cap	303,315	102,720	406,035
Pgm X - WA State Ferries-Op	483,758	590	484,348
Pgm Y - Rail - Op	58,789	729	59,518
Pgm Y - Rail - Cap	395,581	142,454	538,035
Pgm Z - Local Programs-Op	11,684	338	12,022
Pgm Z - Local Programs-Cap	113,964	14,044	128,008
Washington State Patrol	431,090	8,973	440,063
Department of Licensing	299,373	20,018	319,391
Joint Transportation Committee	2,177	45	2,222
LEAP Committee	563	19	582
Office of Financial Management	2,378	183	2,561
Utilities and Transportation Comm	504	1,100	1,604
WA Traffic Safety Commission	31,505	-5,710	25,795
Archaeology & Historic Preservation	476	12	488
The Evergreen State College	0	100	100
County Road Administration Board	94,877	9,244	104,121
Transportation Improvement Board	202,799	68,866	271,665
Transportation Commission	2,564	565	3,129
Freight Mobility Strategic Invest	30,515	3,003	33,518
Department of Ecology	0	131	131
State Parks and Recreation Comm	986	0	986
Dept of Fish and Wildlife	0	300	300
Department of Agriculture	1,212	28	1,240
Bond Retirement and Interest	1,521,033	20,103	1,541,136
<b>Total</b>	<b>8,127,183</b>	<b>505,889</b>	<b>8,633,072</b>

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# 2016 SUPPLEMENTAL CAPITAL BUDGET OVERVIEW

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## TOTAL APPROPRIATIONS AND REMAINING BOND CAPACITY

The 2016 Supplemental Capital Budget was enacted as Chapter 35, Laws of 2016, 1st sp.s, Partial Veto (ESHB 2380).

The supplemental budget makes new appropriations totaling \$95.4 million, including \$89.7 million in general obligation bonds. In addition, reappropriations are reduced by a total of \$39.8 million, including a reduction of \$423,000 in general obligation bonds.

The supplemental budget also authorizes \$74.4 million in alternatively financed projects.

\$78,000 in bond capacity remains under the 2015-17 bond authorization.

## MAJOR PROJECT SUMMARIES

### MENTAL HEALTH FACILITIES

#### **Institution-Based Facilities.**

The Department of Social and Health Services (DSHS) receives \$7.95 million for Institution-Based Mental Health Facilities:

- Design funds of \$450,000 are provided for an 18-bed addition to the Child Study and Treatment Center.
- \$2 million is added for the conversion of facilities at Maple Lane for temporary use as forensic beds.
- Design funds of \$450,000 are provided for an Acute Mental Health Unit at Echo Glen.
- \$1.95 million is provided for upgrades to Western State Hospital.
- \$1.3 million is provided for a new emergency generator at Eastern State Hospital.
- \$950,000 is provided for Competency Restoration beds at Western State Hospital.
- \$400,000 is provided for a 15-bed addition at Eastern State Hospital.
- \$450,000 is provided for a new Civil Ward at Western State Hospital.

#### **Community-Based Facilities.**

Funding in the amount of \$12.5 million is provided to the Department of Commerce (Commerce) for community-based facilities:

- \$7.55 million for Commerce, in collaboration with the DSHS and the Health Care Authority, to award grants for development of facilities that provide for the diversion or transition of patients from the state hospitals. Commerce must prioritize an equitable distribution for facilities in both urban and rural areas with greatest demonstrated need.
- \$5 million for competitive grants for construction and equipment costs associated with establishing community behavioral health beds. This supplements the \$5.5 million provided for competitive grants in the 2015-17 biennial budget, all of which has been awarded.

### COMMUNITY PROJECTS AND HOUSING

#### **Disaster Emergency Response.**

Funding is provided to three eastern Washington communities for projects related to recent state disasters:

- Pateros water system (\$1.1 million)
- Twisp City Hall/Emergency Response (\$500,000)
- Chelan Emergency Operations Center (\$209,000)

### **Local Community Projects.**

Projects sponsored by local governments and nonprofit organizations statewide are granted \$11.4 million through Commerce for capital projects intended to meet a wide range of community-based objectives.

### **Housing.**

- Mental Health Housing Health Homes: \$6 million is allocated for construction or renovation of health home projects in Bellingham, Everett, southwest Washington, and eastern Washington to serve people with severe health, mental health and housing challenges. An additional \$1.5 million is provided for a health home in Pierce County, contingent upon county adoption of the sales tax for chemical dependency or mental health treatment authorized in RCW 82.14.460.
- Supportive Housing and Emergency Shelters: \$2.25 million is allocated for projects in North Spokane, Kirkland, and Bellevue.
- Homeless Youth Facilities: A total of \$2.5 million is provided for a Seattle and an Everett facility.

## **NATURAL RESOURCES AND THE ENVIRONMENT**

### **Environmental Clean Up and Prevention.**

Appropriations and reappropriations for a number of projects funded through Model Toxics Control Act accounts are reduced to reflect sharp decreases in revenues from the Hazardous Substance Tax. Projects authorized through appropriations in previous budgets continue to be authorized. Funding reductions are intended to be restored in future biennia.

New bond funding totaling \$8.1 million is provided to the Department of Ecology for other environmental protection projects.

### **Clean Water.**

The Department of Ecology's Centennial Clean Water program receives \$2.5 million for grants to communities to plan, design, acquire, construct, and improve water pollution control facilities and nonpoint pollution control activities.

### **Recreation and Conservation.**

The Department of Natural Resources (DNR) and the Recreation and Conservation Office (RCO) receive appropriations aimed at recreational lands and facilities, environmental protection, and conservation, including:

- \$7.4 million from increased motor vehicle revenues to the RCO for grants for boating facilities and non-highway off-road vehicle activities;
- \$3 million for the State Forest Land Replacement program within the DNR to transfer state forest trust lands that are encumbered through the Federal Endangered Species Act to Natural Resource Conservation Areas for Wahkiakum and Pacific Counties.

### **Environmental Restoration.**

The Department of Fish and Wildlife receives \$1 million for restoring marsh land and estuary habitat in the Snohomish River delta as part of the Puget Sound Nearshore Ecosystem Restoration project.

## **Drought Wells.**

\$4 million is provided to the Department of Ecology to make low interest loans for drought wells, which may be operated only during a drought declaration.

## **K-12 SCHOOL CONSTRUCTION**

### **K-3 Class Size Reduction Classrooms.**

- \$34.5 million of additional funding is provided for the K-3 Class Size Reduction Grant program established in Chapter 41, Laws of 2015, 3rd sp.s, (ESSB 6080) to support all-day kindergarten, and class size reductions in kindergarten through third grades.
- \$5.5 million is provided to the Department of Enterprise Services (DES) to purchase modular classrooms for five school districts for the purpose of supporting reduced class sizes in kindergarten through third grades. The selected school districts will receive up to four modular classrooms each. The modular classrooms may be constructed of cross laminated timber (CLT) as part of a pilot program encouraging the use of CLT or other mass timber products. The DES will conduct a request for qualifications process for selecting the modular classroom builders and among the scoring criteria will be the innovative use, percent, and regional sourcing of CLT.
- \$786,000 is provided for the WSU Energy Office to verify classroom need through site visits at the school districts applying for K-3 Class Size Reduction Grants.

### **School Construction Assistance Program.**

- \$34.8 million of additional funding is provided as assistance for school districts to construct, modernize, or replace school facilities to support educational goals and outcomes such as all-day kindergarten, reduced class sizes in kindergarten through third grades, and Science, Technology, Engineering, and Mathematics labs and classrooms. The additional funding for the School Construction Assistance Grant Program comes from the following sources: \$3.6 million from state general obligation bonds and \$31.2 million from the Common School Construction Account (CSCA). The CSCA receives revenue from timber sales, leases, and other earnings from state trust lands.

## **HIGHER EDUCATION FACILITIES**

### **Alternative Financing for Major Projects.**

\$74.4 million in alternative financing is authorized for higher education facilities in the community and technical college system. Funding is provided as follows:

- \$45.7 million for a Student Housing building at the Bellevue College;
- \$19.5 million for the Gymnasium renovation and addition at Spokane Falls Community College;
- \$6.2 million for a Recreation Center at Wenatchee Valley; and
- \$3 million for Student Housing at Pierce Fort Steilacoom.

## **STATE BUILDING DEVELOPMENT**

### **Tri Cities Readiness Center.**

The Military Department receives funding of \$1.9 million for land acquisition for a new Tri Cities Readiness Center. Design and construction will be funded in the 2017-19 capital budget.

**Balance Sheet**  
**2016 Supplemental Capital Budget**  
**Includes Alternatively Financed Projects**

(Dollars in Thousands)

<b>2015-17 Bond Authorization<sup>1</sup></b>	<b>\$2,309,362</b>		
		<b>State Bonds</b>	<b>Other Funds<sup>6</sup></b>
			<b>Total Funds</b>
<b>2015-17 Biennial Capital Budget<sup>2</sup> Appropriations</b>			
State Bonds Under 2015-17 Bond Authorization <sup>1</sup>	\$2,219,964		
State Bonds Under Previous Bond Authorizations <sup>3,4</sup>	\$24,213		
<b>Total 2015-17 Biennial Capital Budget Appropriations</b>	<b>\$2,244,177</b>	<b>\$1,680,726</b>	<b>\$3,924,903</b>
<b>Remaining Bond Capacity under 2015-17 Bond Authorization - 6/30/15</b>	<b>\$89,398</b>		
<b>2016 Supplemental Budget<sup>5</sup> Appropriations</b>			
State Bonds Under 2015-17 Bond Authorization <sup>1</sup>	\$89,320		
State Bonds Under Previous Bond Authorization <sup>7</sup>	\$423		
<b>Total 2016 Supplemental Budget<sup>5</sup> Appropriations</b>	<b>\$89,743</b>	<b>\$80,104</b>	<b>\$169,847</b>
<b>Total Revised 2015-17 Capital Budget</b>	<b>\$2,333,920</b>	<b>\$1,760,830</b>	<b>\$4,094,750</b>
<b>Remaining Bond Capacity under 2015-17 Bond Authorization - 3/25/16</b>	<b>\$78</b>		

<sup>1</sup>Chapter 37, Laws of 2015 (ESHB 1166) -- GO Bond Authorization

<sup>2</sup>Chapter 3, Laws of 2015 (2EHB 1115) -- 2015-17 Capital Budget

<sup>3</sup>Chapter 167, Laws of 2006 (ESHB 3316) -- Columbia River Bonds

<sup>4</sup>Chapter 179, Laws of 2008 (HB 3374) -- Catastrophic Flood Relief

<sup>5</sup>Chapter 35, Laws of 2016 (ESHB 2380) -- 2016 Supplemental Capital Budget

<sup>6</sup>Includes Certificates of Participation, cash from dedicated accounts, federal funds

<sup>7</sup>Chapter 20, Laws of 2013 (ESSB 5036) -- GO Bond Authorization

## 2016 Supplemental Capital Budget

### New Appropriations Project List

(Dollars In Thousands)

New Appropriations	State Bonds	Total
<b>Governmental Operations</b>		
<b>House of Representatives</b>		
Interim Task Force on Washington Waters	-75	-75
<b>Joint Legislative Audit &amp; Review Committee</b>		
WWRP and State Land Acquisition Study	350	350
<b>Court of Appeals</b>		
Spokane Court Facility Upgrade	103	103
<b>Department of Commerce</b>		
2017 Local and Community Projects	11,363	11,363
Community Behavioral Health Beds - Acute & Residential	12,399	12,399
Disaster Emergency Response	1,809	1,809
Housing Trust Fund Appropriation	5,000	8,000
JBLM North Clear Zone BRAC Preparation	50	50
Rapid Housing Improvement Program	0	225
Saint Edward Feasibility Study	50	50
Ultra-Efficient Affordable Housing Demonstration	0	0
<b>Total</b>	<b>30,671</b>	<b>33,896</b>
<b>Office of Financial Management</b>		
Approp to Public Works Acct for Previously Authorized Loans	-11,000	-11,000
Cost Effective K-3 Classrooms Assessment	125	125
Cross Laminated Timber Pilot Project	125	125
Emergency Repair Pool for K-12 Public Schools	1,216	1,216
Emergency Repairs	2,000	2,000
Equipment Benchmarks for Capital Projects Study	-125	-125
Oversight of State Facilities	142	142
Water Infrastructure Investment Analysis	250	250
<b>Total</b>	<b>-7,267</b>	<b>-7,267</b>
<b>Department of Enterprise Services</b>		
Capitol Lake Long-Term Management Planning	250	0
K-3 Modular Classrooms	5,500	5,500
Minor Works Preservation	-1,000	60
<b>Total</b>	<b>4,750</b>	<b>5,560</b>
<b>Military Department</b>		
Emergency Management Division's (EMD's) UPS Replacement	500	500
Thurston County Readiness Center	-7,248	-39,655
Tri Cities Readiness Center - Land	900	1,900
<b>Total</b>	<b>-5,848</b>	<b>-37,255</b>

Note: Excludes Alternatively Financed Projects



## 2016 Supplemental Capital Budget

### New Appropriations Project List

(Dollars In Thousands)

New Appropriations	State Bonds	Total
<b><i>Department of Archaeology &amp; Historic Preservation</i></b>		
National Parks Service Maritime Heritage Grants	0	10
<b>Total Governmental Operations</b>	<b>22,684</b>	<b>-4,678</b>
<b>Human Services</b>		
<b><i>Department of Social and Health Services</i></b>		
Child Study and Treatment Center: CLIP Capacity	450	450
Eastern State Hospital-Eastlake: Emergency Generator Replacement	1,300	1,300
Eastern State Hospital: Psychiatric Intensive Care Unit	-950	-950
Echo Glen-Housing Unit: Acute Mental Health Unit	450	450
ESH-15 Bed Addition for SSB 5889	400	400
Lakeland Village: Code Required Campus Infrastructure Upgrades	1,200	1,200
Maple Lane-Cascade: Remodel for Forensic Services	2,000	2,000
Minor Works Preservation Projects: Statewide	6,205	6,205
Minor Works Program Projects: Western State Hospital	1,950	1,950
Western State Hospital - New Civil Ward	450	450
Western State Hospital: Competency Restoration	950	950
<b>Total</b>	<b>14,405</b>	<b>14,405</b>
<b><i>Department of Health</i></b>		
Drinking Water Preconstruction Loans	0	0
<b><i>Department of Veterans' Affairs</i></b>		
Minor Works Facilities Preservation	250	250
<b>Total Human Services</b>	<b>14,655</b>	<b>14,655</b>
<b>Natural Resources</b>		
<b><i>Department of Ecology</i></b>		
Centennial Clean Water Program	2,500	2,500
Cleanup Toxics Sites - Puget Sound	0	-4,000
Drought Response	-2,000	-9,277
Low Interest Loans for Drought Wells	4,000	4,000
Port Angeles Municipal Landfill	2,200	2,200
Port of Tacoma Arkema/Dunlap Mound	2,900	2,900
Reducing Toxic Woodstove Emissions	1,500	1,500
Remedial Action Grants	0	-5,000
Storm Water Improvements	20,000	20,000
Stormwater Financial Assistance Program	-20,000	-21,800
Water Treatment Plant (Lakewood)	1,500	1,500
<b>Total</b>	<b>12,600</b>	<b>-5,477</b>
<b><i>Washington Pollution Liability Insurance Program</i></b>		
Underground Storage Tank Capital Financial Assistance Program	0	10,000

Note: Excludes Alternatively Financed Projects

## 2016 Supplemental Capital Budget

### New Appropriations Project List

(Dollars In Thousands)

New Appropriations	State Bonds	Total
<b><i>State Parks and Recreation Commission</i></b>		
Local Grant Authority	0	1,000
<b><i>Recreation and Conservation Funding Board</i></b>		
Boating Facilities Program	0	4,850
Nonhighway Off-Road Vehicle Activities	0	2,500
Recreation & Conservation Office Recreation Grants	-3,615	-3,615
<b>Total</b>	<b>-3,615</b>	<b>3,735</b>
<b><i>Department of Fish and Wildlife</i></b>		
Puget Sound and Adjacent Waters Nearshore Restoration - Match	500	1,000
<b><i>Department of Natural Resources</i></b>		
Contaminated Sites Cleanup and Settlement	75	75
Fire Communications Base Stations and Mountain Top Repeaters	626	626
State Forest Land Replacement	3,000	3,000
<b>Total</b>	<b>3,701</b>	<b>3,701</b>
<b>Total Natural Resources</b>	<b>13,186</b>	<b>13,959</b>
<b>Higher Education</b>		
<b><i>Washington State University</i></b>		
Inventory and Condition of Schools Data Collection	0	786
<b><i>Western Washington University</i></b>		
Minor Works - Preservation	423	423
<b>Total Higher Education</b>	<b>423</b>	<b>1,209</b>
<b>Other Education</b>		
<b><i>Public Schools</i></b>		
2013-15 School Construction Assistance Program - Maintenance	150	150
2015-17 School Construction Assistance Program	3,600	34,757
Capital Program Administration	0	350
K-3 Class-size Reduction Grants	34,500	34,500
<b>Total</b>	<b>38,250</b>	<b>69,757</b>
<b><i>Washington State Historical Society</i></b>		
Facilities Preservation - Minor Works Projects	169	169
<b><i>Eastern Washington State Historical Society</i></b>		
Campbell House Roof Replacement	376	376
<b>Total Other Education</b>	<b>38,795</b>	<b>70,302</b>
<b>Statewide Total</b>	<b>89,743</b>	<b>95,447</b>

**Alternatively Financed Projects**  
**2016 Supplemental Capital Budget**  
(Dollars In Thousands)

<b>Projects Authorized</b>	<b>Amount</b>
Bellevue College Student Housing	45,700
Pierce Fort Steilacoom Student Housing	3,000
Spokane Falls Gymnasium Renovation and Addition	19,500
Wenatchee Valley Recreation Center	6,200
<b>Projects Total</b>	<b>74,400</b>



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Lynda Wilson ..... Assistant Minority Whip

Barbara Baker ..... Chief Clerk  
Bernard Dean..... Deputy Chief Clerk

### Senate

#### Officers

Lt. Governor Brad Owen .....President  
Pam Roach .....President Pro Tempore  
Sharon Brown .....Vice President Pro Tempore  
Hunter G. Goodman .....Secretary  
Pablo G. Campos..... Deputy Secretary

#### Caucus Officers

##### Majority Coalition Caucus

Mark Schoesler ..... Majority Leader  
Linda Evans Parlette ..... Majority Caucus Chair  
Joe Fain ..... Majority Floor Leader  
Ann Rivers .....Majority Whip  
John Braun ..... Majority Caucus Deputy Leader  
Jan Angel.....Majority Caucus Vice Chair  
Jim Honeyford..... Majority Assistant Floor Leader  
Mark Miloscia ..... Majority Assistant Whip

##### Democratic Caucus

Sharon Nelson..... Democratic Leader  
Karen Fraser .....Democratic Caucus Chair  
Rosemary McAuliffe ....Democratic Vice Caucus Chair  
Andy Billig ..... Democratic Deputy Leader  
Christine Rolfes ..... Democratic Floor Leader  
Annette Cleveland ..... Democratic Asst. Floor Leader  
Cyrus Habib .....Democratic Whip  
Mark Mullet ..... Democratic Assistant Whip

## Legislative Members by District

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### District 1

Sen. Rosemary McAuliffe (D)  
Rep. Derek Stanford (D-1)  
Rep. Luis Moscoso (D-2)

### District 2

Sen. Randi Becker (R)  
Rep. Graham Hunt (R-1)\*  
Rep. Andrew Barkis (R-1)\*\*  
Rep. J.T. Wilcox (R-2)

### District 3

Sen. Andy Billig (D)  
Rep. Marcus Riccelli (D-1)  
Rep. Timm Ormsby (D-2)

### District 4

Sen. Mike Padden (R)  
Rep. Bob McCaslin (R-1)  
Rep. Matt Shea (R-2)

### District 5

Sen. Mark Mullet (D)  
Rep. Jay Rodne (R-1)  
Rep. Chad Magendanz (R-2)

### District 6

Sen. Michael Baumgartner (R)  
Rep. Kevin Parker (R-1)  
Rep. Jeff Holy (R-2)

### District 7

Sen. Brian Dansel (R)  
Rep. Shelly Short (R-1)  
Rep. Joel Kretz (R-2)

### District 8

Sen. Sharon Brown (R)  
Rep. Brad Klippert (R-1)  
Rep. Larry Haler (R-2)

### District 9

Sen. Mark Schoesler (R)  
Rep. Mary Dye (R-1)  
Rep. Joe Schmick (R-2)

### District 10

Sen. Barbara Bailey (R)  
Rep. Norma Smith (R-1)  
Rep. Dave Hayes (R-2)

### District 11

Sen. Bob Hasegawa (D)  
Rep. Zack Hudgins (D-1)  
Rep. Steve Bergquist (D-2)

### District 12

Sen. Linda Evans Parlette (R)  
Rep. Cary Condotta (R-1)  
Rep. Brad Hawkins (R-2)

### District 13

Sen. Judy Warnick (R)  
Rep. Tom Dent (R-1)  
Rep. Matt Manweller (R-2)

### District 14

Sen. Curtis King (R)  
Rep. Norm Johnson (R-1)  
Rep. Gina McCabe (R-2)

### District 15

Sen. Jim Honeyford (R)  
Rep. Bruce Chandler (R-1)  
Rep. David Taylor (R-2)

### District 16

Sen. Mike Hewitt (R)  
Rep. Maureen Walsh (R-1)  
Rep. Terry Nealey (R-2)

### District 17

Sen. Don Benton (R)  
Rep. Lynda Wilson (R-1)  
Rep. Paul Harris (R-2)

### District 18

Sen. Ann Rivers (R)  
Rep. Brandon Vick (R-1)  
Rep. Liz Pike (R-2)

### District 19

Sen. Dean Takko (D)  
Rep. JD Rossetti (D-1)  
Rep. Brian Blake (D-2)

### District 20

Sen. John Braun (R)  
Rep. Richard DeBolt (R-1)  
Rep. Ed Orcutt (R-2)

### District 21

Sen. Marko Liias (D)  
Rep. Strom Peterson (D-1)  
Rep. Lillian Ortiz-Self (D-2)

### District 22

Sen. Karen Fraser (D)  
Rep. Chris Reykdal (D-1)  
Rep. Sam Hunt (D-2)

### District 23

Sen. Christine Rolfes (D)  
Rep. Sherry Appleton (D-1)  
Rep. Drew Hansen (D-2)

### District 24

Sen. James Hargrove (D)  
Rep. Kevin Van De Wege (D-1)  
Rep. Steve Tharinger (D-2)

### District 25

Sen. Bruce Dammeier (R)  
Rep. Melanie Stambaugh (R-1)  
Rep. Hans Zeiger (R-2)

### District 26

Sen. Jan Angel (R)  
Rep. Jesse Young (R-1)  
Rep. Michelle Caldier (R-2)

### District 27

Sen. Jeannie Darneille (D)  
Rep. Laurie Jinkins (D-1)  
Rep. Jake Fey (D-2)

**District 28**

Sen. Steve O'Ban (R)  
Rep. Dick Muri (R-1)  
Rep. Christine Kilduff (D-2)

**District 29**

Sen. Steve Conway (D)  
Rep. David Sawyer (D-1)  
Rep. Steve Kirby (D-2)

**District 30**

Sen. Mark Miloscia (R)  
Rep. Linda Kochmar (R-1)  
Rep. Teri Hickel (D-2)

**District 31**

Sen. Pam Roach (R)  
Rep. Drew Stokesbary (R-1)  
Rep. Christopher Hurst (D-2)

**District 32**

Sen. Maralyn Chase (D)  
Rep. Cindy Ryu (D-1)  
Rep. Ruth Kagi (D-2)

**District 33**

Sen. Karen Keiser (D)  
Rep. Tina Orwall (D-1)  
Rep. Mia Gregerson (D-2)

**District 34**

Sen. Sharon Nelson (D)  
Rep. Eileen Cody (D-1)  
Rep. Joe Fitzgibbon (D-2)

**District 35**

Sen. Tim Sheldon (D)  
Rep. Dan Griffey (R-1)  
Rep. Drew MacEwen (R-2)

**District 36**

Sen. Reuven Carlyle (D)  
Rep. Noel Frame (D-1)  
Rep. Gael Tarleton (D-2)

**District 37**

Sen. Pramila Jayapal (D)  
Rep. Sharon Tomiko Santos (D-1)  
Rep. Eric Pettigrew (D-2)

**District 38**

Sen. John McCoy (D)  
Rep. June Robinson (D-1)  
Rep. Mike Sells (D-2)

**District 39**

Sen. Kirk Pearson (R)  
Rep. Dan Kristiansen (R-1)  
Rep. Elizabeth Scott (R-2)

**District 40**

Sen. Kevin Ranker (D)  
Rep. Kristine Lytton (D-1)  
Rep. Jeff Morris (D-2)

**District 41**

Sen. Steve Litzow (R)  
Rep. Tana Senn (D-1)  
Rep. Judy Clibborn (D-2)

**District 42**

Sen. Doug Ericksen (R)  
Rep. Luanne Van Werven (R-1)  
Rep. Vincent Buys (R-2)

**District 43**

Sen. Jamie Pedersen (D)  
Rep. Brady Walkinshaw (D-1)  
Rep. Frank Chopp (D-2)

**District 44**

Sen. Steve Hobbs (D)  
Rep. Hans Dunshee (D-1)  
Rep. Mark Harmsworth (R-2)

**District 45**

Sen. Andy Hill (R)  
Rep. Roger Goodman (D-1)  
Rep. Larry Springer (D-2)

**District 46**

Sen. David Frockt (D)  
Rep. Gerry Pollet (D-1)  
Rep. Jessyn Farrell (D-2)

**District 47**

Sen. Joe Fain (R)  
Rep. Mark Hargrove (R-1)  
Rep. Pat Sullivan (D-2)

**District 48**

Sen. Cyrus Habib (D)  
Rep. Patty Kuderer (D-1)  
Rep. Joan McBride (D-2)

**District 49**

Sen. Annette Cleveland (D)  
Rep. Sharon Wylie (D-1)  
Rep. Jim Moeller (D-2)

\*Resigned on February 2, 2016

\*\*Appointed on February 16, 2016

## Standing Committee Assignments

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### **Senate Accountability & Reform**

Mark Miloscia, *Chair*  
Mike Padden, *Vice Chair*  
Karen Fraser\*  
Brian Dansel  
Rosemary McAuliffe

### **Senate Agriculture, Water & Rural Economic Development**

Judy Warnick, *Chair*  
Brian Dansel, *Vice Chair*  
Dean Takko\*  
Steve Hobbs  
Jim Honeyford

### **Senate Commerce & Labor**

Michael Baumgartner, *Chair*  
John Braun, *Vice Chair*  
Bob Hasegawa\*  
Steve Conway  
Karen Keiser  
Curtis King  
Judy Warnick

### **Senate Early Learning & K-12 Education**

Steve Litzow, *Chair*  
Bruce Dammeier, *Vice Chair*  
Rosemary McAuliffe\*  
Andy Billig  
Joe Fain  
Andy Hill  
Mark Mullet  
Ann Rivers  
Christine Rolfes

### **Senate Energy, Environment & Telecommunications**

Doug Ericksen, *Chair*  
Tim Sheldon, *Vice Chair*  
John McCoy\*  
John Braun  
Sharon Brown  
Annette Cleveland  
Cyrus Habib  
Jim Honeyford  
Kevin Ranker

### **Senate Financial Institutions, Housing & Insurance**

Don Benton, *Chair*  
Jan Angel, *Vice Chair*  
Mark Mullet\*  
Joe Fain  
Steve Hobbs  
Steve Litzow  
Sharon Nelson  
Jamie Pedersen  
Pam Roach

### **Senate Government Operations & Security**

Pam Roach, *Chair*  
Don Benton, *Vice Chair*  
Kirk Pearson, *Vice Chair*  
Brian Dansel  
Cyrus Habib  
John McCoy  
Dean Takko

### **Senate Health Care**

Randi Becker, *Chair*  
Bruce Dammeier, *Vice Chair*  
Annette Cleveland\*  
Jan Angel  
Barbara Bailey  
Michael Baumgartner  
Sharon Brown  
Steve Conway  
David Frockt  
Pramila Jayapal  
Karen Keiser  
Linda Evans Parlette  
Ann Rivers

### **Senate Higher Education**

Barbara Bailey, *Chair*  
Michael Baumgartner, *Vice Chair*  
David Frockt\*  
Randi Becker  
Reuven Carlyle  
Marko Liias  
Mark Miloscia

### **Senate Human Services, Mental Health & Housing**

Steve O'Ban, *Chair*  
Mark Miloscia, *Vice Chair*  
Jeannie Darneille\*  
James Hargrove  
Mike Padden

### **Senate Law & Justice**

Mike Padden, *Chair*  
Steve O'Ban, *Vice Chair*  
Jamie Pedersen\*  
Jeannie Darneille  
David Frockt  
Kirk Pearson  
Pam Roach

## Standing Committee Assignments

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### **Senate Natural Resources & Parks**

Kirk Pearson, *Chair*  
Brian Dansel, *Vice Chair*  
Pramila Jayapal\*  
Maralyn Chase  
Karen Fraser  
Mike Hewitt  
Judy Warnick

### **Senate Rules**

Lt. Governor Brad Owen, *Chair*  
Pam Roach, *Vice Chair*  
Barbara Bailey  
Don Benton  
Andy Billig  
Maralyn Chase  
Bruce Dammeier  
Doug Ericksen  
Joe Fain  
Karen Fraser  
Bob Hasegawa  
Jim Honeyford  
Curtis King  
Mark Mullet  
Sharon Nelson  
Linda Evans Parlette  
Kirk Pearson  
Ann Rivers  
Christine Rolfes  
Mark Schoesler  
Tim Sheldon

### **Senate Trade & Economic Development**

Sharon Brown, *Chair*  
John Braun, *Vice Chair*  
Maralyn Chase\*  
Jan Angel  
Reuven Carlyle  
Doug Ericksen  
John McCoy

### **Senate Transportation**

Curtis King, *Chair*  
Don Benton, *Vice Chair*  
Joe Fain, *Budget Vice Chair*  
Steve Hobbs\*  
Marko Liias\*\*  
Michael Baumgartner  
Reuven Carlyle  
Annette Cleveland  
Doug Ericksen  
Pramila Jayapal  
Steve Litzow  
Mark Miloscia  
Ann Rivers  
Tim Sheldon  
Dean Takko

### **Senate Ways & Means**

Andy Hill, *Chair*  
John Braun, *Vice Chair*  
Bruce Dammeier, *Vice Chair*  
Jim Honeyford, *Capital Budget Vice Chair*  
James Hargrove\*  
Karen Keiser\*\**Capital Budget*  
Kevin Ranker\**Operating Budget*  
Barbara Bailey  
Randi Becker  
Andy Billig  
Sharon Brown  
Steve Conway  
Jeannie Darneille  
Bob Hasegawa  
Mike Hewitt  
Sharon Nelson  
Steve O'Ban  
Mike Padden  
Linda Evans Parlette  
Jamie Pedersen  
Christine Rolfes  
Mark Schoesler  
Judy Warnick

\*Ranking Member / \*\*Assistant Ranking Member



## Standing Committee Assignments

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### **House Agriculture & Natural Resources**

Brian Blake, *Chair*  
Brady Walkinshaw, *Vice Chair*  
Vincent Buys\*  
Tom Dent\*\*  
Bruce Chandler  
Christopher Hurst  
Joel Kretz  
Kristine Lytton  
Ed Orcutt  
Eric Pettigrew  
Joe Schmick  
Derek Stanford  
Kevin Van De Wege

### **House Appropriations**

Hans Dunshee, *Chair*  
Timm Ormsby, *Vice Chair*  
Bruce Chandler\*  
Kevin Parker\*\*  
J.T. Wilcox\*\*  
Vincent Buys  
Eileen Cody  
Cary Condotta  
Tom Dent  
Hans Dunshee  
Joe Fitzgibbon  
Larry Haler  
Drew Hansen  
Paul Harris  
Zack Hudgins  
Sam Hunt  
Laurie Jinkins  
Ruth Kagi  
Kristine Lytton  
Drew MacEwen  
Chad Magendanz  
Matt Manweller  
Eric Pettigrew  
June Robinson  
David Sawyer  
Joe Schmick  
Tana Senn  
Larry Springer

Drew Stokesbary  
Pat Sullivan  
David Taylor  
Steve Tharinger  
Luanne Van Werven  
Brady Walkinshaw

### **House Business & Financial Services**

Steve Kirby, *Chair*  
Derek Stanford, *Vice Chair*  
Brandon Vick\*  
Gina McCabe\*\*  
Andrew Barkis  
Brian Blake  
Mary Dye  
Christopher Hurst  
Linda Kochmar  
Cindy Ryu  
Sharon Santos

### **House Capital Budget**

Steve Tharinger, *Chair*  
Derek Stanford, *Vice Chair*  
Richard DeBolt\*  
Norma Smith\*\*  
Christine Kilduff  
Linda Kochmar  
Strom Peterson  
Marcus Riccelli  
Maureen Walsh

### **House Commerce & Gaming**

Christopher Hurst, *Chair*  
Sharon Wylie, *Vice Chair*  
Cary Condotta\*  
Jeff Holy\*\*  
Brian Blake  
Steve Kirby  
Elizabeth Scott  
Kevin Van De Wege  
Brandon Vick

### **House Community Development, Housing & Tribal Affairs**

Cindy Ryu, *Chair*  
June Robinson, *Vice Chair*  
Lynda Wilson\*  
Hans Zeiger\*\*  
Sherry Appleton  
Teri Hickel  
David Sawyer

### **House Early Learning & Human Services**

Ruth Kagi, *Chair*  
Tana Senn, *Vice Chair*  
Maureen Walsh\*  
Tom Dent\*\*  
Brad Hawkins  
Christine Kilduff  
Bob McCaslin  
Lillian Ortiz-Self  
David Sawyer  
Elizabeth Scott  
Brady Walkinshaw

### **House Education**

Sharon Santos, *Chair*  
Lillian Ortiz-Self, *Vice Chair*  
Chris Reykdal, *Vice Chair*  
Chad Magendanz\*  
Dick Muri\*\*  
Melanie Stambaugh\*\*  
Steve Bergquist  
Michelle Caldier  
Dan Griffey  
Mark Hargrove  
Paul Harris  
Dave Hayes  
Sam Hunt  
Christine Kilduff  
Brad Klippert  
Patty Kuderer  
Bob McCaslin  
Tina Orwall  
Gerry Pollet

\*Ranking Member / \*\*Assistant Ranking Member

## Standing Committee Assignments

JD Rossetti  
Larry Springer

### **House Environment**

Joe Fitzgibbon, *Chair*  
Strom Peterson, *Vice Chair*  
Matt Shea\*  
Shelly Short\*\*  
Mary Dye  
Jessyn Farrell  
Jake Fey  
Roger Goodman  
Joan McBride  
Liz Pike  
David Taylor

### **House Finance**

Kristine Lytton, *Chair*  
June Robinson, *Vice Chair*  
Terry Nealey\*  
Ed Orcutt\*\*  
Cary Condotta  
Noel Frame  
Matt Manweller  
Gerry Pollet  
Chris Reykdal  
Cindy Ryu  
Larry Springer  
Drew Stokesbary  
Brandon Vick  
J.T. Wilcox  
Sharon Wylie

### **House General Government & Information Technology**

Zack Hudgins, *Chair*  
Patty Kuderer, *Vice Chair*  
Drew MacEwen\*  
Michelle Caldier\*\*  
Norm Johnson  
Jeff Morris  
Tana Senn

### **House Health Care & Wellness**

Eileen Cody, *Chair*  
Marcus Riccelli, *Vice Chair*  
Joe Schmick\*  
Paul Harris\*\*  
Michelle Caldier  
Judy Clibborn  
Richard DeBolt  
Laurie Jinkins  
Norm Johnson  
Jim Moeller  
June Robinson  
Jay Rodne  
Shelly Short  
Steve Tharinger  
Kevin Van De Wege

### **House Higher Education**

Drew Hansen, *Chair*  
Gerry Pollet, *Vice Chair*  
Hans Zeiger\*  
Larry Haler\*\*  
Steve Bergquist  
Noel Frame  
Mark Hargrove  
Jeff Holy  
Chris Reykdal  
Mike Sells  
Melanie Stambaugh  
Gael Tarleton  
Luanne Van Werven

### **House Judiciary**

Laurie Jinkins, *Chair*  
Christine Kilduff, *Vice Chair*  
Jay Rodne\*  
Matt Shea\*\*  
Roger Goodman  
Larry Haler  
Drew Hansen  
Steve Kirby  
Brad Klippert  
Patty Kuderer  
Dick Muri  
Tina Orwall  
Drew Stokesbary

### **House Labor and Workplace Standards**

Mike Sells, *Chair*  
Mia Gregerson, *Vice Chair*  
Matt Manweller\*  
Gina McCabe\*\*  
Jim Moeller  
Timm Ormsby  
Norma Smith

### **House Local Government**

Sherry Appleton, *Chair*  
Mia Gregerson, *Vice Chair*  
David Taylor\*  
Dan Griffey\*\*  
Andrew Barkis  
Joe Fitzgibbon  
Joan McBride  
Strom Peterson  
Liz Pike

### **House Public Safety**

Roger Goodman, *Chair*  
Tina Orwall, *Vice Chair*  
Brad Klippert\*  
Dave Hayes\*\*  
Sherry Appleton  
Dan Griffey  
Luis Moscoso  
Eric Pettigrew  
Lynda Wilson

\*Ranking Member / \*\*Assistant Ranking Member

## Standing Committee Assignments

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### House Rules

Frank Chopp, *Chair*  
Steve Bergquist  
Jessyn Farrell  
Larry Haler  
Mark Harmsworth  
Teri Hickle  
Joel Kretz  
Dan Kristiansen  
Joan McBride  
Jim Moeller  
Tina Orwall  
Eric Pettigrew  
Chris Reykdal  
Marcus Riccelli  
Shelly Short  
Larry Springer  
Melanie Stambaugh  
Pat Sullivan  
Gael Tarleton  
Kevin Van De Wege  
J.T. Wilcox  
Jesse Young  
Hans Zeiger

### House State Government

Sam Hunt, *Chair*  
Steve Bergquist, *Vice Chair*  
Jeff Holy\*  
Luanne Van Werven\*\*  
Noel Frame  
Brad Hawkins  
Luis Moscoso

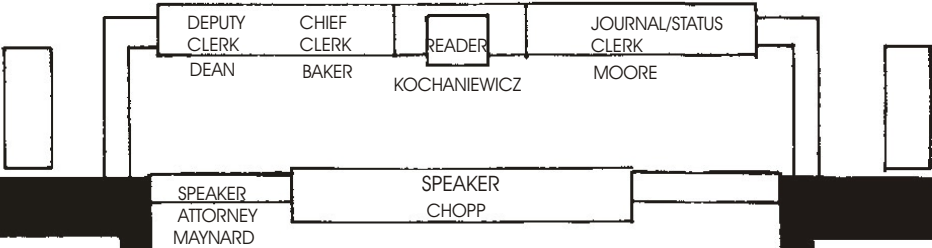
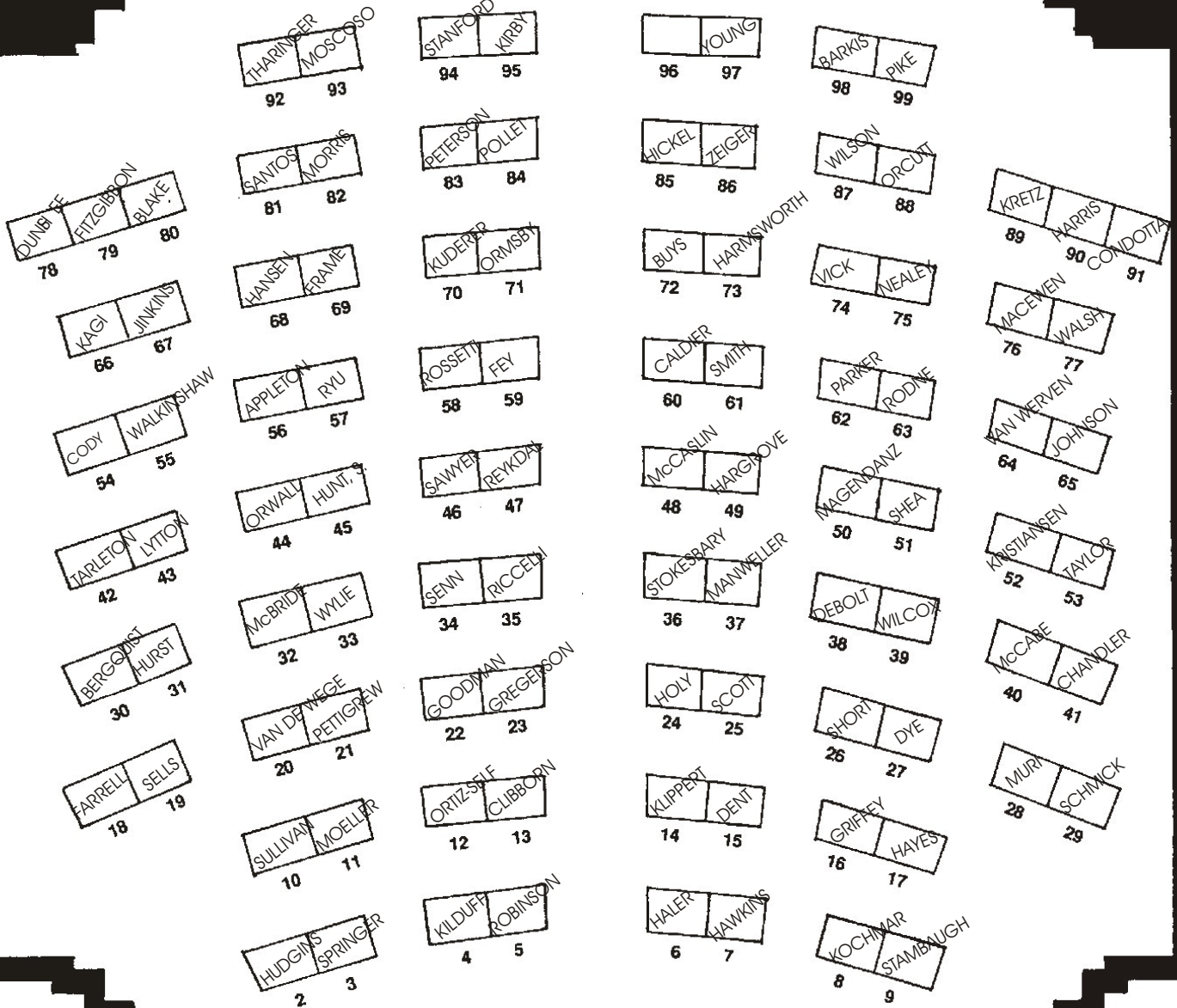
### House Technology & Economic Development

Jeff Morris, *Chair*  
Gael Tarleton, *Vice Chair*  
Norma Smith\*  
Richard DeBolt\*\*  
Jake Fey  
Mark Harmsworth  
Zack Hudgins  
Chad Magendanz  
Terry Nealey  
JD Rossetti  
Sharon Santos  
Sharon Wylie  
Jesse Young

### House Transportation

Judy Clibborn, *Chair*  
Jessyn Farrell, *Vice Chair*  
Jake Fey, *Vice Chair*  
Luis Moscoso, *Vice Chair*  
Ed Orcutt\*  
Mark Hargrove\*\*  
Mark Harmsworth\*\*  
Steve Bergquist  
Mia Gregerson  
Dave Hayes  
Teri Hickle  
Linda Kochmar  
Joan McBride  
Jim Moeller  
Jeff Morris  
Lillian Ortiz-Self  
Liz Pike  
Marcus Riccelli  
Jay Rodne  
JD Rossetti  
Mike Sells  
Matt Shea  
Melanie Stambaugh  
Gael Tarleton  
Jesse Young

# 2016 HOUSE SEATING



# Senate Seating

## 2016 Session

# = District

Hobbs 44	Hasegawa 11	Padden 4	O'Ban 28	Becker 2	Dammeier 25	Baumgartner 6	Honeyford 15
Chase 32	Carlyle 36	Darneille 27	Conway 29	King 14	Sheldon 35	Ericksen 42	
Keiser 33	Billig 3	Ranker 40	Rivers 18	Litzow 41	Hewitt 16		
Hargrove 24	Nelson 34	Rolfes 23	Fain 47	Schoesler 9	Hill 45		
Habib 48	Fraser 22	Lias 21	Parlette 12	Bailey 10	Benton 17		
Mullet 5	McCoy 38	Pedersen 43	Miloscia 30	Angel 26	Roach 31		
McAuliffe 1	Frockt 46	Cleveland 49	Pearson 39	Brown 8	Braun 20		
	Jayapal 37	Takko 19	Dansel 7	Warnick 13			

Srgnt.  
At Arms

Andy  
Staubitz

Audio  
Clerk

Kelsey  
Hood

Journal  
Clerk

Journal  
Clerk(s)

Reading  
Clerk

William  
Martin

Secretary of  
the Senate

Hunter G.  
Goodman

Deputy Secretary  
of the Senate

Pablo (Paul)  
G. Campos

Press  
Desk

Senate  
Counsel  
Keith  
Buchholz

President of the Senate  
Lieutenant Governor  
Brad Owen

Senate  
Counsel  
Jennie  
Gorrell