2014

SESSION LAWS

OF THE

STATE OF WASHINGTON

2014 REGULAR SESSION
SIXTY-THIRD LEGISLATURE
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Code Reviser

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WASHINGTON SESSION LAWS
GENERAL INFORMATION

1. EDITIONS AVALIABLE.

   (a) *General Information.* The session laws are printed in a permanent softbound edition containing the accumulation of all laws adopted in the legislative session. The edition contains a subject index and tables indicating Revised Code of Washington sections affected.

   (b) *Where and how obtained - price.* The permanent session laws may be ordered from the Statute Law Committee, Pritchard Building, P.O. Box 40552, Olympia, Washington 98504-0552. The edition costs $25.00 per set plus applicable state and local sales taxes and $7.00 shipping and handling. All orders must be accompanied by payment.

2. PRINTING STYLE - INDICATION OF NEW OR DELETED MATTER.

   The session laws are presented in the form in which they were enacted by the legislature. This style quickly and graphically portrays the current changes to existing law as follows:

   (a) In amendatory sections

      (i) underlined matter is new matter.

      (ii) deleted matter is ((~~lined out and bracketed between double parentheses~~)).

   (b) Complete new sections are prefaced by the words NEW SECTION.

3. PARTIAL VETOES.

   (a) Vetoed matter is ***printed in bold italics.***

   (b) Pertinent excerpts of the governor's explanation of partial vetoes are printed at the end of the chapter concerned.

4. EDITORIAL CORRECTIONS. Words and clauses inserted in the session laws under the authority of RCW 44.20.060 are enclosed in [brackets].

5. EFFECTIVE DATE OF LAWS.

   (a) The state Constitution provides that unless otherwise qualified, the laws of any session take effect ninety days after adjournment sine die. The Secretary of State has determined the effective date for the Laws of the 2014 regular session to be the first moment of June 12, 2014.

   (b) Laws that carry an emergency clause take effect immediately, or as otherwise specified, upon approval by the Governor.

   (c) Laws that prescribe an effective date take effect upon that date.

6. INDEX AND TABLES.

   A cumulative index and tables of all 2014 laws may be found at the back of the final volume.

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CHAPTER 148

[Substitute House Bill 1254]

PREVAILING WAGE FILINGS

AN ACT Relating to prevailing wage filings; and amending RCW 39.12.070.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 39.12.070 and 2008 c 285 s 2 are each amended to read as follows:

(1) The department of labor and industries may charge fees to awarding agencies on public works for the approval of statements of intent to pay prevailing wages and the certification of affidavits of wages paid. The department may also charge fees to persons or organizations requesting the arbitration of disputes under RCW 39.12.060. The amount of the fees shall be established by rules adopted by the department under the procedures in the administrative procedure act, chapter 34.05 RCW. Except as provided in subsection (3) of this section, the fees shall apply to all approvals, certifications, and arbitration requests made after the effective date of the rules. All fees shall be deposited in the public works administration account. The department may refuse to arbitrate for contractors, subcontractors, persons, or organizations which have not paid the proper fees. The department may, if necessary, request the attorney general to take legal action to collect delinquent fees.

(2) The department shall set the fees permitted by this section at a level that generates revenue that is as near as practicable to the amount of the appropriation to administer this chapter, including, but not limited to, the performance of adequate wage surveys, and to investigate and enforce all alleged violations of this chapter, including, but not limited to, incorrect statements of intent to pay prevailing wage, incorrect certificates of affidavits of wages paid, and wage claims, as provided for in this chapter and chapters 49.48 and 49.52 RCW. However, the fees charged for the approval of statements of intent to pay prevailing wages and the certification of affidavits of wages paid shall be forty dollars.

(3) If, at the time an individual or entity files an affidavit of wages paid, the individual or entity is exempt from the requirement to pay the prevailing rate of wage under RCW 39.12.020, the department of labor and industries may not charge a fee to certify the affidavit of wages paid.

Passed by the House January 24, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 149

[House Bill 1360]

GROWTH MANAGEMENT ACT—INDUSTRIAL LAND BANKS

AN ACT Relating to extending the deadline to designate one or more industrial land banks; and amending RCW 36.70A.367.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 36.70A.367 and 2007 c 433 s 1 are each amended to read as follows:

(1) In addition to the major industrial development allowed under RCW 36.70A.365, a county planning under RCW 36.70A.040 that meets the criteria in subsection (5) of this section may establish, in consultation with cities consistent with provisions of RCW 36.70A.210, a process for designating a bank of no more than two master planned locations for major industrial activity outside urban growth areas.

(2) A master planned location for major industrial developments may be approved through a two-step process: Designation of an industrial land bank area in the comprehensive plan; and subsequent approval of specific major industrial developments through a local master plan process described under subsection (3) of this section.

(a) The comprehensive plan must identify locations suited to major industrial development due to proximity to transportation or resource assets. The plan must identify the maximum size of the industrial land bank area and any limitations on major industrial developments based on local limiting factors, but does not need to specify a particular parcel or parcels of property or identify any specific use or user except as limited by this section. In selecting locations for the industrial land bank area, priority must be given to locations that are adjacent to, or in close proximity to, an urban growth area.

(b) The environmental review for amendment of the comprehensive plan must be at the programmatic level and, in addition to a threshold determination, must include:

(i) An inventory of developable land as provided in RCW 36.70A.365; and

(ii) An analysis of the availability of alternative sites within urban growth areas and the long-term annexation feasibility of sites outside of urban growth areas.

(c) Final approval of an industrial land bank area under this section must be by amendment to the comprehensive plan adopted under RCW 36.70A.070, and the amendment is exempt from the limitation of RCW 36.70A.130(2) and may be considered at any time. Approval of a specific major industrial development within the industrial land bank area requires no further amendment of the comprehensive plan.

(3) In concert with the designation of an industrial land bank area, a county shall also adopt development regulations for review and approval of specific major industrial developments through a master plan process. The regulations governing the master plan process shall ensure, at a minimum, that:

(a) Urban growth will not occur in adjacent nonurban areas;

(b) Development is consistent with the county's development regulations adopted for protection of critical areas;

(c) Required infrastructure is identified and provided concurrent with development. Such infrastructure, however, may be phased in with development;

(d) Transit-oriented site planning and demand management programs are specifically addressed as part of the master plan approval;

(e) Provision is made for addressing environmental protection, including air and water quality, as part of the master plan approval;

(f) The master plan approval includes a requirement that interlocal agreements between the county and service providers, including cities and special purpose districts providing facilities or services to the approved master plan, be in place at the time of master plan approval;

(g) A major industrial development is used primarily by industrial and manufacturing businesses, and that the gross floor area of all commercial and service buildings or facilities locating within the major industrial development does not exceed ten percent of the total gross floor area of buildings or facilities in the development. The intent of this provision for commercial or service use is to meet the needs of employees, clients, customers, vendors, and others having business at the industrial site, to attract and retain a quality workforce, and to further other public objectives, such as trip reduction. These uses may not be promoted to attract additional clientele from the surrounding area. Commercial and service businesses must be established concurrently with or subsequent to the industrial or manufacturing businesses;

(h) New infrastructure is provided for and/or applicable impact fees are paid to assure that adequate facilities are provided concurrently with the development. Infrastructure may be achieved in phases as development proceeds;

(i) Buffers are provided between the major industrial development and adjacent rural areas;

(j) Provision is made to mitigate adverse impacts on designated agricultural lands, forest lands, and mineral resource lands; and

(k) An open record public hearing is held before either the planning commission or hearing examiner with notice published at least thirty days before the hearing date and mailed to all property owners within one mile of the site.

(4) For the purposes of this section:

(a) "Major industrial development" means a master planned location suitable for manufacturing or industrial businesses that: (i) Requires a parcel of land so large that no suitable parcels are available within an urban growth area; (ii) is a natural resource-based industry requiring a location near agricultural land, forest land, or mineral resource land upon which it is dependent; or (iii) requires a location with characteristics such as proximity to transportation facilities or related industries such that there is no suitable location in an urban growth area. The major industrial development may not be for the purpose of retail commercial development or multitenant office parks.

(b) "Industrial land bank" means up to two master planned locations, each consisting of a parcel or parcels of contiguous land, sufficiently large so as not to be readily available within the urban growth area of a city, or otherwise meeting the criteria contained in (a) of this subsection, suitable for manufacturing, industrial, or commercial businesses and designated by the county through the comprehensive planning process specifically for major industrial use.

(5) This section and the termination provisions specified in subsection (6) of this section apply to a county that at the time the process is established under subsection (1) of this section:

(a) Has a population greater than two hundred fifty thousand and is part of a metropolitan area that includes a city in another state with a population greater than two hundred fifty thousand;

(b) Has a population greater than one hundred forty thousand and is adjacent to another country;

(c) Has a population greater than forty thousand but less than seventy-five thousand and has an average level of unemployment for the preceding three years that exceeds the average state unemployment for those years by twenty percent; and

(i) Is bordered by the Pacific Ocean;

(ii) Is located in the Interstate 5 or Interstate 90 corridor; or

(iii) Is bordered by Hood Canal;

(d) Is east of the Cascade divide; and

(i) Borders another state to the south; or

(ii) Is located wholly south of Interstate 90 and borders the Columbia river to the east;

(e) Has an average population density of less than one hundred persons per square mile as determined by the office of financial management, and is bordered by the Pacific Ocean and by Hood Canal; or

(f) Meets all of the following criteria:

(i) Has a population greater than forty thousand but fewer than eighty thousand;

(ii) Has an average level of unemployment for the preceding three years that exceeds the average state unemployment for those years by twenty percent; and

(iii) Is located in the Interstate 5 or Interstate 90 corridor.

(6) In order to identify and approve locations for industrial land banks, the county shall take action to designate one or more industrial land banks and adopt conforming regulations as provided by ((~~RCW 36.70A.367(2)~~)) subsection (2) of this section on or before the last date to complete that county's next periodic review under RCW 36.70A.130(4) that occurs prior to December 31, ((~~2014~~)) 2016. The authority to take action to designate a land bank area in the comprehensive plan expires if not acted upon by the county within the time frame provided in this section. Once a land bank area has been identified in the county's comprehensive plan, the authority of the county to process a master plan or site projects within an approved master plan does not expire.

(7) Any county seeking to designate an industrial land bank under this section must:

(a) Provide countywide notice, in conformity with RCW 36.70A.035, of the intent to designate an industrial land bank. Notice must be published in a newspaper or newspapers of general circulation reasonably likely to reach subscribers in all geographic areas of the county. Notice must be provided not less than thirty days prior to commencement of consideration by the county legislative body; and

(b) Make a written determination of the criteria and rationale used by the legislative body as the basis for siting an industrial land bank under this chapter.

(8) Any location included in an industrial land bank pursuant to section 2, chapter 289, Laws of 1998, section 1, chapter 402, Laws of 1997, and section 2, chapter 167, Laws of 1996 shall remain available for major industrial development according to this section as long as the requirements of this section continue to be satisfied.

Passed by the House February 12, 2014.

Passed by the Senate March 7, 2014.

Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 150

[Second Substitute House Bill 1709]

EDUCATION—INTERPRETER TRAINING PROGRAM—STUDY

AN ACT Relating to training for volunteer foreign language interpreters in K-12 public schools; adding a new section to chapter 28A.320 RCW; adding a new section to chapter 28A.300 RCW; creating new sections; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

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

(1) The number of foreign language speakers has substantially increased in Washington's public schools over the last decade. The office of the superintendent of public instruction reports that nine percent of the state's total student population was enrolled in the transitional bilingual instruction program as of May 2013, and more than two hundred different languages are spoken in students' homes.

(2) The office of the education ombuds reports an increased number of complaints from English language learner students and limited English proficient parents regarding schools' lack of provision of accurate education interpretation and the use of students as interpreters for their own families.

(3) There are no training programs in the state specifically for foreign language education interpreters. The lack of qualified individuals causes public schools to use untrained bilingual adults or students themselves as interpreters for parents in high-stakes situations where decisions about a student's academic future are being made.

(4) Communicating effectively with limited English proficient students and families presents a challenge for Washington public schools, and the inability to meet this challenge leads to inequities and increased gaps in student achievement, along with increased student dropouts.

***Sec. 1 was vetoed. See message at end of chapter.**

NEW SECTION. **Sec. 2.** (1) By February 1, 2015, the office of the education ombuds must submit to the education committees of the legislature a feasibility study for development of a state foreign language education interpreter training program designed to create a pool of trained interpreters for public schools, including volunteer interpreters.

(2) The study must include:

(a) An overview of current need for and availability of foreign language education interpreters in public schools, as well as current practices for providing these interpreters;

(b) An inventory of interpreter training programs in Washington and examples from other states;

(c) An examination of state and federal laws that apply to the provision of interpretation in public schools, including how laws pertaining to family and student privacy apply to interpreters, and including Title VI of the civil rights act of 1964 as it applies to national origin discrimination affecting limited English proficient parents and guardians; and

(d) An inventory of community resources for interpreter training, including for volunteer interpreters.

(3) As used in this section:

(a) "Interpreter" means a bilingual or multilingual individual who provides oral translation for others.

(b) "Foreign language education interpreter" means an individual who provides oral translation for limited English proficient students and parents in public schools.

NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.320 RCW to read as follows:

(1) Subject to funds appropriated for this specific purpose, by June 1, 2015, the Washington state school directors' association, with the office of the education ombuds and other interested parties, shall develop a model family language access policy and procedure for school districts.

(2) This section expires August 1, 2017.

NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.300 RCW to read as follows:

(1) The office of the superintendent of public instruction and the office of the education ombuds shall post information on the agency's web site regarding the phone interpretation vendors on contract with the state of Washington, including contact information.

(2) School districts are encouraged to use the phone interpretation services addressed in subsection (1) of this section to communicate with student's parents, legal guardians, and family members who have limited English proficiency.

NEW SECTION. **Sec. 5.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2014, in the omnibus appropriations act, this act is null and void.

Passed by the House March 10, 2014.

Passed by the Senate March 7, 2014.

Approved by the Governor March 31, 2014, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 31, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 1, Second Substitute House Bill No. 1709 entitled:

"AN ACT Relating to training for volunteer foreign language interpreters in K-12 public schools."

Section 1 is an intent section that discusses various experiences of experiences related to limited English proficient families and is not necessary to interpret or implement the substantive provisions of the bill.

For these reasons I have vetoed Section 1 of Second Substitute House Bill No. 1709.

With the exception of Section 1, Second Substitute House Bill No. 1709 is approved."

CHAPTER 151

[Substitute House Bill 1841]

PUBLIC WORKS CONTRACTING—ELECTRONIC COMPETITIVE BIDDING

AN ACT Relating to electronic competitive bidding for state public works contracting; and adding a new section to chapter 39.04 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 39.04 RCW to read as follows:

(1) Any state agency authorized to conduct public works contracting and competitive bidding under this chapter may do so electronically and may use or accept electronic signatures in these processes. Such signatures are deemed presumptively valid and enforceable.

(2) For purposes of this section:

(a) "Electronic signature" means a signature in electronic form attached to or logically associated with an electronic record.

(b) "State agency" means any state office or activity of the executive and judicial branches of state government, including state departments, offices, divisions, boards, commissions, institutions of higher education as defined in RCW 28B.10.016, and correctional and other types of institutions.

(3) The office of chief information officer, in coordination with the department of enterprise services and all state agencies with contracting authority under this chapter, must establish standards and policies for the electronic submittal of bids and electronic signatures in public works contracting and competitive bidding processes.

Passed by the House February 17, 2014.
Passed by the Senate March 5, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 152

[House Bill 2099]

TIMBER PURCHASE REPORTING—EXPIRATION DATE

AN ACT Relating to extending the expiration date for reporting requirements on timber purchases; amending RCW 84.33.088; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 84.33.088 and 2010 c 197 s 1 are each amended to read as follows:

(1) A purchaser of privately owned timber in an amount in excess of two hundred thousand board feet in a voluntary sale made in the ordinary course of business ((~~shall~~)) must, on or before the last day of the month following the purchase of the timber, report the particulars of the purchase to the department as required in subsection (2) of this section.

(2) The report required in subsection (1) of this section must contain all information relevant to the value of the timber purchased including, but not limited to, the following, as applicable: Purchaser's name, address, and contact information; seller's name, address, and contact information; sale date; termination date in sale agreement; total sale price; legal description of sale area,

sale name if applicable; forest practice application/harvest permit number if available; total acreage involved in the sale; estimated net volume of timber purchased by tree species and log grade; and description and value of property improvements. For the purposes of this subsection property improvements may include, but are not limited to: Road construction or road improvements, reforestation, land clearing, stock piling of rock, or any other agreed upon property improvement. A report may be submitted in any reasonable form or, at the purchaser's option, by submitting relevant excerpts of the timber sales contract. A purchaser may comply by submitting the information in the following form:

Purchaser's name, address, and contact information: . . . . . .
Seller's name, address, and contact information: . . . . . .
Sale date:. . . . . .
Termination date: . . . . . .
Total sale price:. . . . . .
Legal description of sale area: . . . . . .
Sale name (if applicable): . . . . . .
Forest practice application/Harvest permit
number (if available): . . . . . .
Total acreage involved:. . . . . .
Estimated net volume of timber purchased by tree species
and log grade: . . . . . .
Description and value of property improvements, such as road construction or road improvements, reforestation, land clearing, stock piling of rock, or any other agreed upon property improvement: . . . . . .

(3) A purchaser of privately owned timber involved in a purchase described in subsection (1) of this section, who fails to report a purchase as required, may be liable for a penalty of two hundred fifty dollars for each failure to report, as determined by the department.

(4) Privately purchased timber reports are confidential taxpayer information under RCW 82.32.330.

(5) This section expires July 1, ((~~2014~~)) 2018.

Passed by the House February 13, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 153

[Engrossed Substitute House Bill 2111]

REGIONAL TRANSIT AUTHORITIES—FARE ENFORCEMENT

AN ACT Relating to the enforcement of regional transit authority fares; and amending RCW 81.112.210.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 81.112.210 and 2009 c 279 s 5 are each amended to read as follows:

(1) An authority is authorized to establish, by resolution, a schedule of fines and penalties for civil infractions established in RCW 81.112.220. Fines established by ((~~a regional transit~~)) an authority shall not exceed those imposed for class 1 infractions under RCW 7.80.120.

(2)(a) ((~~A regional transit~~)) An authority may designate persons to monitor fare payment who are equivalent to and are authorized to exercise all the powers of an enforcement officer, defined in RCW 7.80.040. An authority is authorized to employ personnel to either monitor fare payment, or to contract for such services, or both.

(b) In addition to the specific powers granted to enforcement officers under RCW 7.80.050 and 7.80.060, persons designated to monitor fare payment also have the authority to take the following actions:

(i) Request proof of payment from passengers;

(ii) Request personal identification from a passenger who does not produce proof of payment when requested;

(iii)(A) Issue a ((~~citation conforming to the requirements established in RCW 7.80.070~~)) notice of infraction to passengers who do not produce proof of payment when requested.

(B) The notice of infraction form to be used for violations under this subsection must be approved by the administrative office of the courts and must not include vehicle information; and

(iv) Request that a passenger leave the ((~~regional transit~~)) authority facility when the passenger has not produced proof of payment after being asked to do so by a person designated to monitor fare payment.

(3) ((~~Regional transit~~)) Authorities shall keep records of citations in the manner prescribed by RCW 7.80.150. All civil infractions established by chapter 20, Laws of 1999 shall be heard and determined by a district or municipal court as provided in RCW 7.80.010 (1), (2), and (4).

Passed by the House March 10, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 154

[House Bill 2137]

COMMERCIAL MOTOR VEHICLES—MISCELLANEOUS

AN ACT Relating to provisions governing commercial motor vehicles; and amending RCW 46.37.140, 46.48.170, and 46.61.350.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.37.140 and 1977 ex.s. c 355 s 12 are each amended to read as follows:

((~~Whenever the load upon any vehicle extends to the rear four feet or more beyond the bed or body of such vehicle there shall be displayed at the extreme rear end of the load, at the times specified in RCW 46.37.020, two red lamps, visible from a distance of at least five hundred feet to the rear, two red reflectors visible at night from all distances within six hundred feet to one hundred feet to the rear when directly in front of lawful lower beams of headlamps, and located~~

~~so as to indicate maximum width, and on each side one red lamp, visible from a distance of at least five hundred feet to the side, located so as to indicate maximum overhang. There shall be displayed at all other times~~))

(1) On any vehicle having a load ((~~which~~)) that extends more than four inches beyond its sides or more than four feet beyond its rear, there must be displayed red or orange fluorescent warning flags, not less than ((~~twelve~~)) eighteen inches square, marking the extremities of such loads((~~, at each point where a lamp would otherwise be required by this section, under RCW 46.37.020~~)).

(2) Whenever the load upon any vehicle extends to the rear four feet or more beyond the bed or body of the vehicle, there must be displayed at the extreme rear end of the load at the times specified in RCW 46.37.020:

(a) Two red lamps, visible from a distance of at least five hundred feet to the rear;

(b) Two red reflectors, visible at night from all distances within six hundred feet to one hundred feet to the rear when directly in front of lawful lower beams of headlamps, and located so as to indicate maximum width; and

(c) A red lamp on each side, visible from a distance of at least five hundred feet to the side, and located so as to indicate maximum overhang.

Sec. 2. RCW 46.48.170 and 1988 c 81 s 19 are each amended to read as follows:

(1) The Washington state patrol acting by and through the chief of the Washington state patrol ((~~shall have~~)) has the authority to adopt and enforce the regulations promulgated by the United States department of transportation, ((~~Title~~)) 49 C.F.R. Parts 100 through 199, transportation of hazardous materials, as these regulations apply to motor carriers offering, accepting, storing, or transporting hazardous materials and to persons that inspect, certify, test, or repair cargo tank motor vehicles. "Motor carrier" means any person engaged in the transportation of passengers or property operating interstate and intrastate upon the public highways of this state, except ((~~farmers~~)) certain agricultural operations as outlined in 49 C.F.R. Sec. 173.5.

(2) The chief of the Washington state patrol ((~~shall~~)) may confer with the emergency management council under RCW 38.52.040 and may make rules and regulations pertaining thereto, sufficient to protect persons and property from unreasonable risk of harm or damage. The chief of the Washington state patrol ((~~shall~~)) may establish such additional rules not inconsistent with ((~~Title~~)) 49 C.F.R. Parts 100 through 199, transportation of hazardous materials, which for compelling reasons make necessary the reduction of risk associated with the transportation of hazardous materials.

(3) No such rules may lessen a standard of care; however, the chief of the Washington state patrol may, after conferring with the emergency management council, establish a rule imposing a more stringent standard of care. The chief of the Washington state patrol ((~~shall~~)) must appoint the necessary qualified personnel to carry out the provisions of ((~~RCW 46.48.170 through 46.48.190~~)) this chapter.

Sec. 3. RCW 46.61.350 and 2011 c 151 s 6 are each amended to read as follows:

(1)(a) The driver of any of the following vehicles must stop before the stop line, if present, and otherwise within fifty feet but not less than fifteen feet from the nearest rail at a railroad grade crossing unless exempt under subsection (3) of this section:

(i) A school bus or private carrier bus carrying any school child or other passenger;

(ii) A commercial motor vehicle transporting passengers;

(iii) A cargo tank, whether loaded or empty, used for transporting any hazardous material as defined in the hazardous materials regulations of the United States department of transportation in 49 C.F.R. Parts 107 through 180 as it existed on June 10, 2010, or such subsequent date as may be provided by the state patrol by rule, consistent with the purposes of this section. For the purposes of this section, a cargo tank is any commercial motor vehicle designed to transport any liquid or gaseous materials within a tank that is either permanently or temporarily attached to the vehicle or the chassis;

(iv) A cargo tank, whether loaded or empty, transporting a commodity under exemption in accordance with 49 C.F.R. Part 107, Subpart B as it existed on June 10, 2010, or such subsequent date as may be provided by the state patrol by rule, consistent with the purposes of this section;

(v) A cargo tank transporting a commodity that at the time of loading has a temperature above its flashpoint as determined by the United States department of transportation in 49 C.F.R. Sec. 173.120 as it existed on June 10, 2010, or such subsequent date as may be provided by the state patrol by rule, consistent with the purposes of this section; or

(vi) A commercial motor vehicle that is required to be marked or placarded with any one of the following classifications by the United States department of transportation in 49 C.F.R. Part 172 as it existed on June 10, 2010, or such subsequent date as may be provided by the state patrol by rule, consistent with the purposes of this section:

(A) Division 1.1, Division 1.2, Division 1.3, or Division 1.4;

(B) Division 2.1, Division 2.2, Division 2.2 oxygen, Division 2.3 poison gas, or Division 2.3 chlorine;

(C) Division 4.1 or Division 4.3;

(D) Division 5.1 or Division 5.2;

(E) Division 6.1 poison;

(F) Class 3 combustible liquid or Class 3 flammable;

(G) Class 7;

(H) Class 8.

(b) While stopped, the driver must listen and look in both directions along the track for any approaching train and for signals indicating the approach of a train. The driver may not proceed until he or she can do so safely.

(2) After stopping at a railroad grade crossing and upon proceeding when it is safe to do so, the driver must cross only in a gear that permits the vehicle to traverse the crossing without changing gears. The driver may not shift gears while crossing the track or tracks.

(3) This section does not apply at any railroad grade crossing where:

(a) Traffic is controlled by a police officer or flagger.

(b) A functioning traffic control signal is transmitting a green light.

(c) The tracks are used exclusively for a streetcar or industrial switching purposes.

(d) The utilities and transportation commission has approved the installation of an "exempt" sign in accordance with the procedures and standards under RCW 81.53.060.

(e) The crossing is abandoned and is marked with a sign indicating it is out-of-service.

(f) The ((~~state patrol~~)) utilities and transportation commission has((~~, by rule,~~))identified a crossing where stopping is not required under RCW 81.53.060.

(((~~g) The superintendent of public instruction has, by rule, identified a circumstance under which a school bus or private carrier bus carrying any school child or other passenger is not required to stop.~~))

(4) For the purpose of this section, "commercial motor vehicle" means: Any vehicle with a manufacturer's seating capacity for eight or more passengers, including the driver, that transports passengers for hire; any private carrier bus; any vehicle used to transport property that has a gross vehicle weight rating, gross combination weight rating, gross vehicle weight, or gross combination weight of 4,536 kg (10,001 pounds) or more; and any vehicle used in the transportation of hazardous materials as defined in RCW 46.25.010.

Passed by the House February 11, 2014.
Passed by the Senate March 5, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 155

[Engrossed Second Substitute House Bill 2207]

BASIC EDUCATION FUNDING—COUNTIES WITH FEDERAL FOREST LANDS

AN ACT Relating to eliminating the reduction in state basic education funding that occurs in counties with federal forest lands; amending RCW 28A.150.250 and 28A.520.020; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.150.250 and 2009 c 548 s 105 are each amended to read as follows:

(1) From those funds made available by the legislature for the current use of the common schools, the superintendent of public instruction shall distribute annually as provided in RCW 28A.510.250 to each school district of the state operating a basic education instructional program approved by the state board of education an amount based on the formulas provided in RCW 28A.150.260, 28A.150.390, and 28A.150.392 which, when combined with an appropriate portion of such locally available revenues, other than receipts from federal forest revenues distributed to school districts pursuant to RCW 28A.520.010 and 28A.520.020, as the superintendent of public instruction may deem appropriate for consideration in computing state equalization support, excluding excess property tax levies, will constitute a basic education allocation in dollars for each annual average full-time equivalent student enrolled. However, pursuant to RCW 28A.520.020, the superintendent may not offset basic education allocations with a district's federal forest revenues

received under chapter 28A.520 RCW if the school district has a poverty level of at least fifty-seven percent.

(2) The instructional program of basic education shall be considered to be fully funded by those amounts of dollars appropriated by the legislature pursuant to RCW 28A.150.260, 28A.150.390, and 28A.150.392 to fund those program requirements identified in RCW 28A.150.220 in accordance with the formula provided in RCW 28A.150.260 and those amounts of dollars appropriated by the legislature to fund the salary requirements of RCW 28A.150.410.

(3) If a school district's basic education program fails to meet the basic education requirements enumerated in RCW 28A.150.260 and 28A.150.220, the state board of education shall require the superintendent of public instruction to withhold state funds in whole or in part for the basic education allocation until program compliance is assured. However, the state board of education may waive this requirement in the event of substantial lack of classroom space.

***Sec. 1 was vetoed. See message at end of chapter.**

Sec. 2. RCW 28A.520.020 and 2011 c 278 s 1 are each amended to read as follows:

(1) There shall be a fund known as the federal forest revolving account. The state treasurer, who shall be custodian of the revolving account, shall deposit into the revolving account the funds for each county received by the state in accordance with Title 16, section 500, United States Code. The state treasurer shall distribute these moneys to the counties according to the determined proportional area. The county legislative authority shall expend fifty percent of the money for the benefit of the public roads and other public purposes as authorized by federal statute or public schools of such county and not otherwise. Disbursements by the counties of the remaining fifty percent of the money shall be as authorized by the superintendent of public instruction, or the superintendent's designee, and shall occur in the manner provided in subsection (2) of this section.

(2) No later than thirty days following receipt of the funds from the federal government, the superintendent of public instruction shall apportion moneys distributed to counties for schools to public school districts in the respective counties in proportion to the number of resident full-time equivalent students enrolled in each public school district to the number of resident full-time equivalent students enrolled in public schools in the county. In apportioning these funds, the superintendent of public instruction shall utilize the October enrollment count.

(3)(a) Except as provided in (b) of this subsection, if the amount received by any public school district pursuant to subsection (2) of this section is less than the basic education allocation to which the district would otherwise be entitled, the superintendent of public instruction shall apportion to the district, in the manner provided by RCW 28A.510.250, an amount which shall be the difference between the amount received pursuant to subsection (2) of this section and the basic education allocation to which the district would otherwise be entitled.

(b) If a school district has a poverty level of at least fifty-seven percent, the superintendent may not offset that district's basic education allocation by the

amount of those federal forest revenues, to the extent that such revenues do not exceed seventy thousand dollars. The superintendent may offset the district's basic education allocations by the portion of the federal forest revenues that exceeds seventy thousand dollars. For purposes of this section, poverty is measured by the percentage of students eligible for free and reduced-price lunch in the previous school year.

(4) All federal forest funds shall be expended in accordance with the requirements of Title 16, section 500, United States Code, as now existing or hereafter amended.

(5) The definition of resident student for purposes of this section shall be based on rules adopted by the superintendent of public instruction, which shall consider and address the impact of alternative learning experience students on federal forest funds distribution.

NEW SECTION. **Sec. 3.** This act takes effect September 1, 2014.

Passed by the House March 12, 2014.
Passed by the Senate March 13, 2014.
Approved by the Governor March 31, 2014, with the exception of certain items that were vetoed.
Filed in Office of Secretary of State March 31, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 1, Engrossed Second Substitute House Bill No. 2207 entitled:

"AN ACT Relating to eliminating the reduction in state basic education funding that occurs in counties with federal forest lands."

This legislation will allow high poverty school districts to retain up to $70,000 of their annual federal forest funding allocation rather than current practice of the offsetting the entire amount against state apportionment funding.

Section 1 prevents any offsetting of federal forest funding from occuring for high poverty districts. This is a technical error in direct conflict with the $70,000 annual limit established in Section 2 of this act.

For these reasons I have vetoed Section 1 of Engrossed Second Substitute House Bill No. 2207.

With the exception of Section 1, Engrossed Second Substitute House Bill No. 2207 is approved."

CHAPTER 156

[House Bill 2253]

TELECOMMUNICATIONS INSTALLATIONS

AN ACT Relating to telecommunications installations; amending RCW 19.28.400 and 19.28.191; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 19.28.400 and 2000 c 238 s 204 are each amended to read as follows:

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

(1) "Telecommunications backbone cabling systems" means a system that provides interconnections between telecommunications closets, equipment rooms, and entrance facilities in the telecommunications cabling system

structure. Backbone cabling consists of the backbone cables, intermediate and main cross-connects, mechanical terminations, and patch cords or jumpers used for backbone to backbone cross-connection. Backbone cabling also includes cabling between buildings.

(2) "Board" means the electrical board under RCW 19.28.311.

(3) "Department" means the department of labor and industries.

(4) "Director" means the director of the department or the director's designee.

(5) "Telecommunications horizontal cabling systems" means the portions of the telecommunications cabling system that extend((~~s [extend]~~)) from the work area telecommunications outlet or connector to the telecommunications closet. The horizontal cabling includes the horizontal cables, the telecommunications outlet or connector in the work area, the mechanical termination, and horizontal cross-connections located in the telecommunications closet.

(6) "Telecommunications network demarcation point" means the point or interconnection between the service provider's communications cabling, terminal equipment, and protective apparatus and the customer's premises telecommunications cabling system. The location of this point for regulated carriers is determined by federal and state regulations. The carrier should be contacted to determine the location policies in effect in the area.

(7) "Telecommunications scope of work" means the work of a telecommunications contractor. This includes the installation, maintenance, and testing of telecommunications systems, equipment, and associated hardware, pathway systems, and cable management systems, which excludes cable tray and conduit raceway systems. The scope also includes installation of open wiring systems of telecommunications cables, surface nonmetallic raceways designated and used exclusively for telecommunications, optical fiber innerduct raceway, underground raceways designated and used exclusively for telecommunications and installed for additions or extensions to existing telecommunications systems not to exceed fifty feet inside the building, and incidental short sections of circular or surface metal raceway, not to exceed ten feet, for access or protection of telecommunications cabling and installation of cable trays and ladder racks in telecommunications service entrance rooms, spaces, or closets.

(8) A "telecommunications structured cabling system" is the complete collective configuration of cabling and associated hardware at a given site and installed to perform specific telecommunications functions.

(9) "Telecommunications administrator" means a person designated by a telecommunications contractor to supervise the installation of telecommunications systems in accordance with rules adopted under this chapter.

(10) "Telecommunications closet" means a room for housing telecommunications equipment, cable terminations, and cross-connect wiring that serve that particular floor. The closet is the recognized transition point between the backbone and horizontal cabling systems.

(11) "Telecommunications contractor" means a person, firm, partnership, corporation, or other entity that advertises, offers to undertake, undertakes, submits a bid for, or does the work of installing or maintaining telecommunications systems.

(12) "Telecommunications service entrance room or space" means a room or space used as the building serving facility in which the joining of inter-building and intra-building backbone facilities takes place. The service entrance room may also house electronic equipment serving any telecommunications function.

(13) "Telecommunications systems" means structured cabling systems that begin at the demarcation point between the local service provider and the customer's premises structured cabling system.

(a) Telecommunications systems encompass all forms of information generation, processing, and transporting of signals conveyed electronically or optically within or between buildings, including voice, data, video, and audio.

(b) Telecommunications systems include structured cabling systems, compatible connecting hardware, telecommunications equipment, premises switching equipment providing operational power to the telecommunications device, infrared, fiber optic, radio-frequency, power distribution associated with telecommunications systems, and other limited-energy interconnections associated with telecommunications systems or appliances.

(c) Telecommunications systems do not include horizontal cabling used for fire protection signaling systems, intrusion alarms, access control systems, patient monitoring systems, energy management control systems, industrial and automation control systems, HVAC/refrigeration control systems, lighting or lighting control systems, and stand-alone amplified sound or public address systems.

(d) Telecommunications systems may interface with other building signal systems including security, alarms, and energy management at cross-connection junctions within telecommunications closets or at extended points of demarcation. Horizontal cabling for a telecommunications outlet, necessary to interface with any of these systems outside of a telecommunications closet, is the work of the telecommunications contractor. Telecommunications systems do not include the installation or termination of premises line voltage service, feeder, or branch circuit conductors or equipment.

(14) "Telecommunications worker" means a person primarily and regularly engaged in the installation and/or maintenance of telecommunications systems, equipment, and infrastructure as defined in this chapter.

(15) "Telecommunications workstation" means a building space where the occupant normally interacts with telecommunications equipment. The telecommunications outlet in the work area is the point at which end-user equipment plugs into the building telecommunications utility formed by the pathway, space, and building wiring system.

Sec. 2. RCW 19.28.191 and 2013 c 23 s 30 are each amended to read as follows:

(1) Upon receipt of the application, the department shall review the application and determine whether the applicant is eligible to take an examination for the master journey level electrician, journey level electrician, master specialty electrician, or specialty electrician certificate of competency.

(a) Before July 1, 2005, an applicant who possesses a valid journey level electrician certificate of competency in effect for the previous four years and a valid general administrator's certificate may apply for a master journey level electrician certificate of competency without examination.

(b) Before July 1, 2005, an applicant who possesses a valid specialty electrician certificate of competency, in the specialty applied for, for the previous two years and a valid specialty administrator's certificate, in the specialty applied for, may apply for a master specialty electrician certificate of competency without examination.

(c) Before December 1, 2003, the following persons may obtain an equipment repair specialty electrician certificate of competency without examination:

(i) A person who has successfully completed an apprenticeship program approved under chapter 49.04 RCW for the machinist trade; and

(ii) A person who provides evidence in a form prescribed by the department affirming that: (A) He or she was employed as of April 1, 2003, by a factory-authorized equipment dealer or service company; and (B) he or she has worked in equipment repair for a minimum of four thousand hours.

(d) To be eligible to take the examination for a master journey level electrician certificate of competency, the applicant must have possessed a valid journey level electrician certificate of competency for four years.

(e) To be eligible to take the examination for a master specialty electrician certificate of competency, the applicant must have possessed a valid specialty electrician certificate of competency, in the specialty applied for, for two years.

(f) To be eligible to take the examination for a journey level certificate of competency, the applicant must have:

(i) Worked in the electrical construction trade for a minimum of eight thousand hours, of which four thousand hours shall be in industrial or commercial electrical installation under the supervision of a master journey level electrician or journey level electrician and not more than a total of four thousand hours in all specialties under the supervision of a master journey level electrician, journey level electrician, master specialty electrician working in that electrician's specialty, or specialty electrician working in that electrician's specialty. Specialty electricians with less than a four thousand hour work experience requirement cannot credit the time required to obtain that specialty towards qualifying to become a journey level electrician; or

(ii) Successfully completed an apprenticeship program approved under chapter 49.04 RCW for the electrical construction trade.

(g)(i) To be eligible to take the examination for a specialty electrician certificate of competency, the applicant must have:

((~~(i)~~)) (A) Worked in the residential (as specified in WAC 296-46B-920(2)(a)), pump and irrigation (as specified in WAC 296-46B-920(2)(b)), sign (as specified in WAC 296-46B-920(2)(d)), limited energy (as specified in WAC 296-46B-920(2)(e)), nonresidential maintenance (as specified in WAC 296-46B-920(2)(g)), or other new nonresidential specialties as determined by the department in rule under the supervision of a master journey level electrician, journey level electrician, master specialty electrician working in that electrician's specialty, or specialty electrician working in that electrician's specialty for a minimum of four thousand hours;

((~~(ii)~~)) (B) Worked in the appliance repair specialty as determined by the department in rule, restricted nonresidential maintenance as determined by the department in rule, the equipment repair specialty as determined by the department in rule, the pump and irrigation specialty other than as defined by

(g)(i)(A) of this subsection or domestic pump specialty as determined by the department in rule, or a specialty other than the designated specialties in (g)(i)(A) of this subsection for a minimum of the initial ninety days, or longer if set by rule by the department. The restricted nonresidential maintenance specialty is limited to a maximum of 277 volts and 20 amperes for lighting branch circuits and/or a maximum of 250 volts and 60 amperes for other circuits, but excludes the replacement or repair of circuit breakers. The initial period must be spent under one hundred percent supervision of a master journey level electrician, journey level electrician, master specialty electrician working in that electrician's specialty, or specialty electrician working in that electrician's specialty. After this initial period, a person may take the specialty examination. If the person passes the examination, the person may work unsupervised for the balance of the minimum hours required for certification. A person may not be certified as a specialty electrician in the appliance repair specialty or in a specialty other than the designated ((~~specialities~~)) specialties in (g)(i)(A) of this subsection, however, until the person has worked a minimum of two thousand hours in that specialty, or longer if set by rule by the department; or

((~~(iii)~~)) (C) Successfully completed an approved apprenticeship program under chapter 49.04 RCW for the applicant's specialty in the electrical construction trade((~~; or~~)).

((~~(iv)~~)) (ii) In meeting the training requirements for the pump and irrigation or domestic pump specialties, the individual shall be allowed to obtain the experience required by this section at the same time the individual is meeting the experience required by RCW 18.106.040(1)(c). After meeting the training requirements provided in this section, the individual may take the examination and upon passing the examination, meeting additional training requirements as may still be required for those seeking a pump and irrigation, or a domestic pump specialty certificate as defined by rule, and paying the applicable fees, the individual must be issued the appropriate certificate. The department may include an examination for specialty plumbing certificate defined in RCW 18.106.010(10)(c) with the examination required by this section. The department, by rule and in consultation with the electrical board, may establish additional equivalent ways to gain the experience requirements required by this subsection. Individuals who are able to provide evidence to the department, prior to January 1, 2007, that they have been employed as a pump installer in the pump and irrigation or domestic pump business by an appropriately licensed electrical contractor, registered general contractor defined by chapter 18.27 RCW, or appropriate general specialty contractor defined by chapter 18.27 RCW for not less than eight thousand hours in the most recent six calendar years shall be issued the appropriate certificate by the department upon receiving such documentation and applicable fees. The department shall establish a single document for those who have received both an electrical specialty certification as defined by this subsection and have also met the certification requirements for the specialty plumber as defined by RCW 18.106.010(10)(c), showing that the individual has received both certifications. No other experience or training requirements may be imposed.

(iii) Before July 1, 2015, an applicant possessing an electrical training certificate issued by the department is eligible to apply one hour of every two hours of unsupervised telecommunications system installation work experience

toward eligibility for examination for a limited energy system certificate of competency (as specified in WAC 296-46B-920(2)(e)), if:

(A) The telecommunications work experience was obtained while employed by a contractor licensed under this chapter as a general electrical contractor (as specified in WAC 296-46B-920(1)) or limited energy system specialty contractor (as specified in WAC 296-46B-920(2)(e)); and

(B) Evidence of the telecommunications work experience is submitted in the form of an affidavit prescribed by the department.

(h) Any applicant for a journey level electrician certificate of competency who has successfully completed a two-year program in the electrical construction trade at public community or technical colleges, or not-for-profit nationally accredited technical or trade schools licensed by the workforce training and education coordinating board under chapter 28C.10 RCW, may substitute up to two years of the technical or trade school program for two years of work experience under a master journey level electrician or journey level electrician. The applicant shall obtain the additional two years of work experience required in industrial or commercial electrical installation prior to the beginning, or after the completion, of the technical school program. Any applicant who has received training in the electrical construction trade in the armed service of the United States may be eligible to apply armed service work experience towards qualification to take the examination for the journey level electrician certificate of competency.

(i) An applicant for a specialty electrician certificate of competency who, after January 1, 2000, has successfully completed a two-year program in the electrical construction trade at a public community or technical college, or a not-for-profit nationally accredited technical or trade school licensed by the workforce training and education coordinating board under chapter 28C.10 RCW, may substitute up to one year of the technical or trade school program for one year of work experience under a master journey level electrician, journey level electrician, master specialty electrician working in that electrician's specialty, or specialty electrician working in that electrician's specialty. Any applicant who has received training in the electrical construction trade in the armed services of the United States may be eligible to apply armed service work experience towards qualification to take the examination for an appropriate specialty electrician certificate of competency.

(j) The department must determine whether hours of training and experience in the armed services or school program are in the electrical construction trade and appropriate as a substitute for hours of work experience. The department must use the following criteria for evaluating the equivalence of classroom electrical training programs and work in the electrical construction trade:

(i) A two-year electrical training program must consist of three thousand or more hours.

(ii) In a two-year electrical training program, a minimum of two thousand four hundred hours of student/instructor contact time must be technical electrical instruction directly related to the scope of work of the electrical specialty. Student/instructor contact time includes lecture and in-school lab.

(iii) The department may not allow credit for a program that accepts more than one thousand hours transferred from another school's program.

(iv) Electrical specialty training school programs of less than two years will have all of the above student/instructor contact time hours proportionately reduced. Such programs may not apply to more than fifty percent of the work experience required to attain certification.

(v) Electrical training programs of less than two years may not be credited towards qualification for journey level electrician unless the training program is used to gain qualification for a four thousand hour electrical specialty.

(k) No other requirement for eligibility may be imposed.

(2) The department shall establish reasonable rules for the examinations to be given applicants for certificates of competency. In establishing the rules, the department shall consult with the board. Upon determination that the applicant is eligible to take the examination, the department shall so notify the applicant, indicating the time and place for taking the examination.

(3) No noncertified individual may work unsupervised more than one year beyond the date when the trainee would be eligible to test for a certificate of competency if working on a full-time basis after original application for the trainee certificate. For the purposes of this section, "full-time basis" means two thousand hours.

NEW SECTION. **Sec. 3.** Section 1 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House March 10, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 157

[House Bill 2276]

EDUCATIONAL SERVICE DISTRICTS—EDUCATION PROGRAMS—
RESIDENTIAL SCHOOLS AND DETENTION FACILITIES

AN ACT Relating to the operation by educational service districts of educational programs for residents of residential schools; amending RCW 28A.190.010, 28A.190.020, 28A.190.060, and 13.04.145; and adding a new section to chapter 28A.190 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.190 RCW to read as follows:

(1) For the purposes of this chapter, the term "school district" includes any educational service district that has entered into an agreement to provide a program of education for residential school residents or detention facility residents on behalf of the school district as a cooperative service program pursuant to RCW 28A.310.180.

(2) The provisions of RCW 13.04.145 apply throughout this chapter.

Sec. 2. RCW 28A.190.010 and 1996 c 84 s 1 are each amended to read as follows:

A program of education shall be provided for by the department of social and health services and the several school districts of the state for common

school age persons who have been admitted to facilities staffed and maintained or contracted pursuant to RCW 13.40.320 by the department of social and health services for the education and treatment of juveniles who have been diverted or who have been found to have committed a juvenile offense. The division of duties, authority, and liabilities of the department of social and health services and the several school districts of the state respecting the educational programs shall be the same in all respects as set forth in ((~~RCW 28A.190.030 through 28A.190.060~~)) this chapter respecting programs of education for state residential school residents. For the purposes of this section, the term "residential school" or "schools" as used in ((~~RCW 28A.190.030 through 28A.190.060~~)) this chapter shall be construed to mean a facility staffed and maintained by the department of social and health services or a program established under RCW 13.40.320, for the education and treatment of juvenile offenders on probation or parole. Nothing in this section shall prohibit a school district from utilizing the services of an educational service district subject to RCW 28A.310.180.

Sec. 3. RCW 28A.190.020 and 1990 c 33 s 171 are each amended to read as follows:

The term "residential school" as used in this chapter and RCW ((~~28A.190.020 through 28A.190.060,~~)) 72.01.200, 72.05.010, and 72.05.130((~~, each as now or hereafter amended, shall~~)) means Green Hill school, Maple Lane school, Naselle Youth Camp, Cedar Creek Youth Camp, Mission Creek Youth Camp, Echo Glen, Lakeland Village, Rainier school, Yakima Valley school, Interlake school, Fircrest school, Francis Haddon Morgan Center, the Child Study and Treatment Center and Secondary School of Western State Hospital, and such other schools, camps, and centers as are now or hereafter established by the department of social and health services for the diagnosis, confinement and rehabilitation of juveniles committed by the courts or for the care and treatment of persons who are exceptional in their needs by reason of mental and/or physical deficiency: PROVIDED, That the term shall not include the state schools for the deaf and blind or adult correctional institutions.

Sec. 4. RCW 28A.190.060 and 1990 c 33 s 175 are each amended to read as follows:

The department of social and health services shall provide written notice on or before April 15th of each school year to the superintendent of each school district conducting a program of education pursuant to ((~~RCW 28A.190.030 through 28A.190.050~~)) this chapter of any foreseeable residential school closure, reduction in the number of residents, or any other cause for a reduction in the school district's staff for the next school year. In the event the department of social and health services fails to provide notice as prescribed by this section, the department shall be liable and responsible for the payment of the salary and employment related costs for the next school year of each school district employee whose contract the school district would have nonrenewed but for the failure of the department to provide notice.

Sec. 5. RCW 13.04.145 and 1990 c 33 s 551 are each amended to read as follows:

A program of education shall be provided for by the several counties and school districts of the state for common school age persons confined in each of the detention facilities staffed and maintained by the several counties of the state

under this chapter and chapters 13.16 and 13.20 RCW. The division of duties, authority, and liabilities of the several counties and school districts of the state respecting the educational programs is the same in all respects as set forth in chapter 28A.190 RCW ((~~28A.190.030 through 28A.190.060~~)) respecting programs of education for state residential school residents. For the purposes of this section, the terms "department of social and health services," "residential school" or "schools," and "superintendent or chief administrator of a residential school" as used in chapter 28A.190 RCW ((~~28A.190.030 through 28A.190.060~~)) shall be respectively construed to mean "the several counties of the state," "detention facilities," and "the administrator of juvenile court detention services." Nothing in this section shall prohibit a school district from utilizing the services of an educational service district subject to RCW 28A.310.180.

Passed by the House March 10, 2014.
Passed by the Senate March 4, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 158

[House Bill 2398]

COMMUNITY COLLEGES—HONORARY BACHELOR OF APPLIED SCIENCE DEGREES

AN ACT Relating to the authority of community colleges to confer honorary bachelor of applied science degrees; and amending RCW 28B.50.140.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28B.50.140 and 2012 c 229 s 537 are each amended to read as follows:

Each board of trustees:

(1) Shall operate all existing community and technical colleges in its district;

(2) Shall create comprehensive programs of community and technical college education and training and maintain an open-door policy in accordance with the provisions of RCW 28B.50.090(3);

(3) Shall employ for a period to be fixed by the board a college president for each community and technical college and, may appoint a president for the district, and fix their duties and compensation, which may include elements other than salary. Compensation under this subsection shall not affect but may supplement retirement, health care, and other benefits that are otherwise applicable to the presidents as state employees. The board shall also employ for a period to be fixed by the board members of the faculty and such other administrative officers and other employees as may be necessary or appropriate and fix their salaries and duties. Compensation and salary increases under this subsection shall not exceed the amount or percentage established for those purposes in the state appropriations act by the legislature as allocated to the board of trustees by the state board for community and technical colleges. The state board for community and technical colleges shall adopt rules defining the permissible elements of compensation under this subsection;

(4) May establish, in accordance with RCW 28B.77.080, new facilities as community needs and interests demand. However, the authority of boards of

trustees to purchase or lease major off-campus facilities shall be subject to the approval of the student achievement council pursuant to RCW 28B.77.080;

(5) May establish or lease, operate, equip and maintain dormitories, food service facilities, bookstores and other self-supporting facilities connected with the operation of the community and technical college;

(6) May, with the approval of the college board, borrow money and issue and sell revenue bonds or other evidences of indebtedness for the construction, reconstruction, erection, equipping with permanent fixtures, demolition and major alteration of buildings or other capital assets, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances, for dormitories, food service facilities, and other self-supporting facilities connected with the operation of the community and technical college in accordance with the provisions of RCW 28B.10.300 through 28B.10.330 where applicable;

(7) May establish fees and charges for the facilities authorized hereunder, including reasonable rules and regulations for the government thereof, not inconsistent with the rules of the college board; each board of trustees operating a community and technical college may enter into agreements, subject to rules of the college board, with owners of facilities to be used for housing regarding the management, operation, and government of such facilities, and any board entering into such an agreement may:

(a) Make rules for the government, management and operation of such housing facilities deemed necessary or advisable; and

(b) Employ necessary employees to govern, manage and operate the same;

(8) May receive such gifts, grants, conveyances, devises and bequests of real or personal property from private sources, as may be made from time to time, in trust or otherwise, whenever the terms and conditions thereof will aid in carrying out the community and technical college programs as specified by law and the rules of the state college board; sell, lease or exchange, invest or expend the same or the proceeds, rents, profits and income thereof according to the terms and conditions thereof; and adopt rules to govern the receipt and expenditure of the proceeds, rents, profits and income thereof;

(9) May establish and maintain night schools whenever in the discretion of the board of trustees it is deemed advisable, and authorize classrooms and other facilities to be used for summer or night schools, or for public meetings and for any other uses consistent with the use of such classrooms or facilities for community and technical college purposes;

(10) May make rules for pedestrian and vehicular traffic on property owned, operated, or maintained by the district;

(11) Shall prescribe, with the assistance of the faculty, the course of study in the various departments of the community and technical college or colleges under its control, and publish such catalogues and bulletins as may become necessary;

(12) May grant to every student, upon graduation or completion of a course of study, a suitable diploma, degree, or certificate under the rules of the state board for community and technical colleges that are appropriate to their mission. The purposes of these diplomas, certificates, and degrees are to lead individuals directly to employment in a specific occupation or prepare individuals for a bachelor's degree or beyond. Technical colleges may only offer transfer degrees that prepare students for bachelor's degrees in professional fields, subject to rules

adopted by the college board. In adopting rules, the college board, where possible, shall create consistency between community and technical colleges and may address issues related to tuition and fee rates; tuition waivers; enrollment counting, including the use of credits instead of clock hours; degree granting authority; or any other rules necessary to offer the associate degrees that prepare students for transfer to bachelor's degrees in professional areas. Only colleges under RCW 28B.50.810 may award baccalaureate degrees. The board, upon recommendation of the faculty, may also confer honorary associate of arts degrees, or if it is authorized to award baccalaureate degrees may confer honorary bachelor of applied science degrees, upon persons other than graduates of the community college, in recognition of their learning or devotion to education, literature, art, or science. No degree may be conferred in consideration of the payment of money or the donation of any kind of property;

(13) Shall enforce the rules prescribed by the state board for community and technical colleges for the government of community and technical colleges, students and teachers, and adopt such rules and perform all other acts not inconsistent with law or rules of the state board for community and technical colleges as the board of trustees may in its discretion deem necessary or appropriate to the administration of college districts: PROVIDED, That such rules shall include, but not be limited to, rules relating to housing, scholarships, conduct at the various community and technical college facilities, and discipline: PROVIDED, FURTHER, That the board of trustees may suspend or expel from community and technical colleges students who refuse to obey any of the duly adopted rules;

(14) May, by written order filed in its office, delegate to the president or district president any of the powers and duties vested in or imposed upon it by this chapter. Such delegated powers and duties may be exercised in the name of the district board;

(15) May perform such other activities consistent with this chapter and not in conflict with the directives of the college board;

(16) Notwithstanding any other provision of law, may offer educational services on a contractual basis other than the tuition and fee basis set forth in chapter 28B.15 RCW for a special fee to private or governmental entities, consistent with rules adopted by the state board for community and technical colleges: PROVIDED, That the whole of such special fee shall go to the college district and be not less than the full instructional costs of such services including any salary increases authorized by the legislature for community and technical college employees during the term of the agreement: PROVIDED FURTHER, That enrollments generated hereunder shall not be counted toward the official enrollment level of the college district for state funding purposes;

(17) Notwithstanding any other provision of law, may offer educational services on a contractual basis, charging tuition and fees as set forth in chapter 28B.15 RCW, counting such enrollments for state funding purposes, and may additionally charge a special supplemental fee when necessary to cover the full instructional costs of such services: PROVIDED, That such contracts shall be subject to review by the state board for community and technical colleges and to such rules as the state board may adopt for that purpose in order to assure that the sum of the supplemental fee and the normal state funding shall not exceed the projected total cost of offering the educational service: PROVIDED

FURTHER, That enrollments generated by courses offered on the basis of contracts requiring payment of a share of the normal costs of the course will be discounted to the percentage provided by the college;

(18) Shall be authorized to pay dues to any association of trustees that may be formed by the various boards of trustees; such association may expend any or all of such funds to submit biennially, or more often if necessary, to the governor and to the legislature, the recommendations of the association regarding changes which would affect the efficiency of such association;

(19) May participate in higher education centers and consortia that involve any four-year public or independent college or university in accordance with RCW 28B.77.080;

(20) Shall perform any other duties and responsibilities imposed by law or rule of the state board; and

(21) May confer honorary associate of arts degrees upon persons who request an honorary degree if they were students at the college in 1942 and did not graduate because they were ordered into an internment camp. The honorary degree may also be requested by a representative of deceased persons who meet these requirements. For the purposes of this subsection, "internment camp" means a relocation center to which persons were ordered evacuated by Presidential Executive Order 9066, signed on February 19, 1942.

Passed by the House February 11, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 159

[Substitute House Bill 2492]

CIVIL LIABILITY—IMMUNITY—EMERGENCY HEALTH CARE PROVIDERS

AN ACT Relating to liability of health care providers responding to an emergency; and adding a new section to chapter 4.24 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 4.24 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, any health care provider credentialing or granting practice privileges to other health care providers to deliver health care in response to an emergency is immune from civil liability arising out of such credentialing or granting of practice privileges if: (a) The health care provider so credentialed or granted practice privileges was responding to an emergency; and (b) the procedures utilized for credentialing and granting practice privileges were substantially consistent with the standards for granting emergency practice privileges adopted by the joint commission on the accreditation of health care organizations.

(2) This section does not apply to any acts or omissions constituting gross negligence or willful or wanton misconduct.

(3) For purposes of this section:

(a) "Ambulatory surgical facility" has the same meaning as provided in RCW 70.230.010.

(b) "Clinic" means a place for treatment of patients on an outpatient basis by a health care provider.

(c) "Credentialing" means the collection, verification, and assessment of whether a health care provider meets relevant licensing, education, and training requirements.

(d) "Emergency" means an event or set of circumstances for which the governor has proclaimed a state of emergency pursuant to RCW 43.06.010.

(e) "Health care provider" means:

(i) A member of a profession identified in RCW 7.70.020(1);

(ii) An employee or agent of a member of such a profession acting in the course and scope of his or her employment;

(iii) An entity, whether or not incorporated, facility, or institution employing, credentialing, or providing practice privileges to one or more persons described in (e)(i) of this subsection including, but not limited to, a hospital, ambulatory surgical facility, clinic, health maintenance organization, or nursing home, or an officer, director, employee, or agent thereof acting in the course and scope of his or her employment;

(iv) A pharmacist or pharmacy as defined in RCW 18.64.011; or

(v) In the event any person identified in (e)(i) through (iv) of this subsection is deceased, his or her estate or personal representative.

(f) "Health maintenance organization" has the same meaning as provided in RCW 48.46.020.

(g) "Hospital" has the same meaning as provided in RCW 70.41.020.

(h) "Nursing home" has the same meaning as provided in RCW 18.51.010.

Passed by the House February 13, 2014.
Passed by the Senate March 6, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 160

[Engrossed Substitute House Bill 2519]

CHILD WELFARE SYSTEM—ASSESSMENT—EARLY LEARNING SERVICES

AN ACT Relating to connecting children involved in the child welfare system to quality early care and education programming; amending RCW 43.215.405 and 43.215.405; adding a new section to chapter 26.44 RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 26.44 RCW to read as follows:

(1) The family assessment response worker must assess for child safety and child well-being when collaborating with a family to determine the need for child care, preschool, or home visiting services and, as appropriate, the family assessment response worker must refer children to preschool programs that are enrolled in the early achievers program and rate at a level 3, 4, or 5 unless:

(a) The family lives in an area with no local preschool programs that rate at a level 3, 4, or 5 in the early achievers program;

(b) The local preschool programs that rate at a level 3, 4, or 5 in the early achievers program are not able to meet the needs of the child; or

(c) The child is attending a preschool program prior to participating in family assessment response and the parent or caregiver does not want the child to change preschool programs.

(2) The family assessment response worker may make child care referrals for nonschool-aged children to licensed child care programs that rate at a level 3, 4, or 5 in the early achievers program described in RCW 43.215.100 unless:

(a) The family lives in an area with no local programs that rate at level 3, 4, or 5 in the early achievers program;

(b) The local child care programs that rate at a level 3, 4, or 5 in the early achievers program are not able to meet the needs of the child; or

(c) The child is attending a child care program prior to participating in family assessment response and the parent or caregiver does not want the child to change child care programs.

(3) The family assessment response worker shall, when appropriate, provide referrals to high quality child care and early learning programs.

(4) The family assessment response worker shall, when appropriate, provide referrals to state and federally subsidized programs such as, but not limited to, licensed child care programs that receive state subsidy pursuant to RCW 43.215.135; early childhood education and assistance programs; head start programs; and early head start programs.

(5) Prior to closing the family assessment response case, the family assessment response worker must, when appropriate, discuss child care and early learning services with the child's parent or caregiver.

If the family plans to use child care or early learning services, the family assessment response worker must work with the family to facilitate enrollment.

NEW SECTION. **Sec. 2.** No later than December 31, 2014, the department of social and health services and the department of early learning shall jointly develop recommendations on methods by which the department of social and health services and the department of early learning can better partner to ensure children involved in the child welfare system have access to early learning services and developmentally appropriate child care services and report these recommendations to the governor and appropriate legislative committees.

Sec. 3. RCW 43.215.405 and 2013 2nd sp.s. c 16 s 4 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 43.215.400 through ((~~43.215.450, 43.215.455, 43.215.456,~~)) 43.215.457((~~,~~)) and 43.215.900 through 43.215.903.

(1) "Advisory committee" means the advisory committee under RCW 43.215.420.

(2) "Approved programs" means those state-supported education and special assistance programs which are recognized by the department as meeting the minimum program rules adopted by the department to qualify under RCW 43.215.400 through 43.215.450 and 43.215.900 through 43.215.903 and are designated as eligible for funding by the department under RCW 43.215.430 and 43.215.440.

(3) "Comprehensive" means an assistance program that focuses on the needs of the child and includes education, health, and family support services.

(4) "Department" means the department of early learning.

(5)(a) "Eligible child" means a child not eligible for kindergarten whose family income is at or below one hundred ten percent of the federal poverty level, as published annually by the federal department of health and human services, and includes a child whose family is eligible for public assistance, and who is not a participant in a federal or state program providing comprehensive services; a child eligible for special education due to disability under RCW 28A.155.020; and may include children who are eligible under rules adopted by the department if the number of such children equals not more than ten percent of the total enrollment in the early childhood program. Priority for enrollment shall be given to children from families with the lowest income, children in foster care, or to eligible children from families with multiple needs.

(b) Subject to the availability of appropriations specifically for this purpose, the department may include as an eligible child, a child who is not otherwise receiving services under (a) of this subsection, but is receiving child protective services under RCW 26.44.020(3), or family assessment response services under RCW 26.44.260. If included as an eligible child, these children shall receive priority services under (a) of this subsection.

(6) "Family support services" means providing opportunities for parents to:

(a) Actively participate in their child's early childhood program;

(b) Increase their knowledge of child development and parenting skills;

(c) Further their education and training;

(d) Increase their ability to use needed services in the community;

(e) Increase their self-reliance.

Sec. 4. RCW 43.215.405 and 2014 c . . . s 3 (section 3 of this act) are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 43.215.400 through 43.215.457 and 43.215.900 through 43.215.903.

(1) "Advisory committee" means the advisory committee under RCW 43.215.420.

(2) "Approved programs" means those state-supported education and special assistance programs which are recognized by the department as meeting the minimum program rules adopted by the department to qualify under RCW 43.215.400 through 43.215.450 and 43.215.900 through 43.215.903 and are designated as eligible for funding by the department under RCW 43.215.430 and 43.215.440.

(3) "Comprehensive" means an assistance program that focuses on the needs of the child and includes education, health, and family support services.

(4) "Department" means the department of early learning.

(5)((~~(a)~~)) "Eligible child" means a child not eligible for kindergarten whose family income is at or below one hundred ten percent of the federal poverty level, as published annually by the federal department of health and human services, and includes a child whose family is eligible for public assistance, and who is not a participant in a federal or state program providing comprehensive services; a child eligible for special education due to disability under RCW 28A.155.020; and may include children who are eligible under rules adopted by the department if the number of such children equals not more than ten percent of the total enrollment in the early childhood program. Priority for enrollment

shall be given to children from families with the lowest income, children in foster care, or to eligible children from families with multiple needs.

(((~~(b) Subject to the availability of appropriations specifically for this purpose, the department may include as an eligible child, a child who is not otherwise receiving services under (a) of this subsection, but is receiving child protective services under RCW 26.44.020(3), or family assessment response services under RCW 26.44.260. If included as an eligible child, these children shall receive priority services under (a) of this subsection.~~))

(6) "Family support services" means providing opportunities for parents to:

(a) Actively participate in their child's early childhood program;

(b) Increase their knowledge of child development and parenting skills;

(c) Further their education and training;

(d) Increase their ability to use needed services in the community;

(e) Increase their self-reliance.

NEW SECTION. **Sec. 5.** Section 4 of this act takes effect June 30, 2018.

Passed by the House March 11, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 161

[House Bill 2575]

TEACHER ASSIGNMENT DATA COLLECTION

AN ACT Relating to teacher assignment data collection; and amending RCW 28A.320.175.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.320.175 and 2007 c 401 s 4 are each amended to read as follows:

(1) No later than the beginning of the 2008-09 school year and thereafter, each school district shall collect and electronically submit to the office of the superintendent of public instruction, in a format and according to a schedule prescribed by the office, the following data for each class or course offered in each school:

(((~~(1)~~))) (a) The certification number or other unique identifier associated with the teacher's certificate for each teacher assigned to teach the class or course, including reassignments that may occur during the school year; and

(((~~(2)~~))) (b) The statewide student identifier for each student enrolled in or being provided services through the class or course.

(2) No later than the beginning of the 2014-15 school year, the data under subsection (1) of this section must also include dates of teacher assignments and reassignments.

Passed by the House February 11, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 162

[Substitute House Bill 2613]

HIGHER EDUCATION—EFFICIENCIES

AN ACT Relating to creating efficiencies for institutions of higher education; and amending RCW 28B.15.102, 42.16.010, 44.28.816, and 43.88.110.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28B.15.102 and 2013 c 23 s 53 are each amended to read as follows:

(1) Beginning with the 2011-12 academic year, any four-year institution of higher education that increases tuition beyond levels assumed in the omnibus appropriations act is subject to the financial aid requirements included in this section and shall remain subject to these requirements through the 2018-19 academic year.

(2) Beginning July 1, 2011, each four-year institution of higher education that raises tuition beyond levels assumed in the omnibus appropriations act shall, in a manner consistent with the goal of enhancing the quality of and access to their institutions, provide financial aid to offset full-time tuition fees for resident undergraduate students as follows:

(a) Subtract from the full-time tuition fees an amount that is equal to the maximum amount of a state need grant award that would be given to an eligible student with a family income at or below fifty percent of the state's median family income as determined by the student achievement council; and

(b) Offset the remainder as follows:

(i) Students with demonstrated need whose family incomes are at or below fifty percent of the state's median family income shall receive financial aid equal to one hundred percent of the remainder if an institution's full-time tuition fees for resident undergraduate students is five percent or greater of the state's median family income for a family of four as provided by the student achievement council;

(ii) Students with demonstrated need whose family incomes are greater than fifty percent and no more than seventy percent of the state's median family income shall receive financial aid equal to seventy-five percent of the remainder if an institution's full-time tuition fees for resident undergraduate students is ten percent or greater of the state's median family income for a family of four as provided by the student achievement council;

(iii) Students with demonstrated need whose family incomes exceed seventy percent and are less than one hundred percent of the state's median family income shall receive financial aid equal to fifty percent of the remainder if an institution's full-time tuition fees for resident undergraduate students is fifteen percent or greater of the state's median family income for a family of four as provided by the student achievement council; and

(iv) Students with demonstrated need whose family incomes are at or exceed one hundred percent and are no more than one hundred twenty-five percent of the state's median family income shall receive financial aid equal to twenty-five percent of the remainder if an institution's full-time tuition fees for resident undergraduate students is twenty percent or greater of the state's median family income for a family of four as provided by the student achievement council.

(3) The financial aid required in subsection (2) of this section shall:

(a) Be reduced by the amount of other financial aid awards, not including the state need grant;

(b) Be prorated based on credit load; and

(c) Only be provided to students up to demonstrated need.

(4) Financial aid sources and methods may be:

(a) Tuition revenue or locally held funds;

(b) Tuition waivers created by a four-year institution of higher education for the specific purpose of serving low and middle-income students; or

(c) Local financial aid programs.

(5) Use of tuition waivers as specified in subsection (4)(b) of this section shall not be included in determining total state tuition waiver authority as defined in RCW 28B.15.910.

(6) By ((~~August 15, 2012, and August 15th~~)) December 31st every year ((~~thereafter~~)), four-year institutions of higher education that increase tuition beyond levels assumed in the omnibus appropriations act after January 1, 2011, shall report to the governor and relevant committees of the legislature on the effectiveness of the various sources and methods of financial aid in mitigating tuition increases. A key purpose of these reports is to provide information regarding the results of the decision to grant tuition-setting authority to the four-year institutions of higher education and whether tuition setting authority should continue to be granted to the institutions or revert back to the legislature after consideration of the impacts on students, including educational access, affordability, and quality. These reports shall include:

(a) The amount of ((~~additional~~)) financial aid provided to middle-income and low-income resident students with demonstrated need in the aggregate and per student;

(b) An itemization of the sources and methods of financial aid provided by the four-year institution of higher education in the aggregate and per student for resident undergraduate students;

(c) An analysis of the combined impact of federal tuition tax credits and financial aid provided by the institution of higher education on the net cost to students and their families resulting from tuition increases;

(d) In cases where tuition increases are greater than those assumed in the omnibus appropriations act at any four-year institution of higher education, the institution must include an explanation in its report of why this increase was necessary and how the institution will mitigate the effects of the increase. The institution must include in this section of its report a plan and specific timelines; and

(e) An analysis of changes in resident student enrollment patterns, participation rates, graduation rates, and debt load, by race and ethnicity, gender, state and county of origin, age, and socioeconomic status, and a plan to mitigate effects of reduced diversity due to tuition increases. This analysis shall include disaggregated data for resident students in the following income brackets:

(i) Up to seventy percent of the median family income;

(ii) Between seventy-one percent and one hundred twenty-five percent of the median family income; and

(iii) Above one hundred twenty-five percent of the median family income.

(7) Beginning in the 2012-13 academic year, the University of Washington shall enroll during each academic year at least the same number of resident first-year undergraduate students at the Seattle campus, as defined in RCW 28B.15.012, as enrolled during the 2009-10 academic year. This requirement shall not apply to nonresident undergraduate and graduate and professional students.

Sec. 2. RCW 42.16.010 and 2011 1st sp.s. c 43 s 446 are each amended to read as follows:

(1) Except as provided otherwise in subsections (2) and (3) of this section, all state officers and employees shall be paid for services rendered from the first day of the month through the fifteenth day of the month and for services rendered from the sixteenth day of the month through the last calendar day of the month. Paydates for these two pay periods shall be established by the director of financial management through the administrative hearing process and the official paydates shall be established six months prior to the beginning of each subsequent calendar year. Under no circumstance shall the paydate be established more than ten days after the pay period in which the wages are earned except when the designated paydate falls on Sunday, in which case the paydate shall not be later than the following Monday. Payment shall be deemed to have been made by the established paydates if: (a) The salary warrant is available at the geographic work location at which the warrant is normally available to the employee; or (b) the salary has been electronically transferred into the employee's account at the employee's designated financial institution; or (c) the salary warrants are mailed at least two days before the established paydate for those employees engaged in work in remote or varying locations from the geographic location at which the payroll is prepared, provided that the employee has requested payment by mail.

The office of financial management shall develop the necessary policies and operating procedures to assure that all remuneration for services rendered including basic salary, shift differential, standby pay, overtime, penalty pay, salary due based on contractual agreements, and special pay provisions, as provided for by law, agency policy or rule, or contract, shall be available to the employee on the designated paydate. Overtime, penalty pay, and special pay provisions may be paid by the next following paydate if the postponement of payment is attributable to: The employee's not making a timely or accurate report of the facts which are the basis for the payment, or the employer's lack of reasonable opportunity to verify the claim.

Compensable benefits payable because of separation from state service shall be paid with the earnings for the final period worked unless the employee separating has not provided the agency with the proper notification of intent to terminate.

One-half of the employee's basic monthly salary shall be paid in each pay period. Employees paid on an hourly basis or employees who work less than a full pay period shall be paid for actual salary earned.

(2) Subsection (1) of this section shall not apply in instances where it would conflict with contractual rights or, with the approval of the office of financial management, to short-term, intermittent, noncareer state employees, to student employees of institutions of higher education, to national or state guard members

participating in state active duty, and to liquor control agency managers who are paid a percentage of monthly liquor sales.

(3) When a national or state guard member is called to participate in state active duty, the paydate shall be no more than seven days following completion of duty or the end of the pay period, whichever is first. When the seventh day falls on Sunday, the paydate shall not be later than the following Monday. This subsection shall apply only to the pay a national or state guard member receives from the military department for state active duty.

(4) Notwithstanding subsections (1) and (2) of this section, a bargained contract at an institution of higher education may include a provision for paying part-time academic employees on a pay schedule that coincides with all the paydays used for full-time academic employees.

(5)(a) Notwithstanding subsections (1), (2), and (4) of this section, an institution of higher education as defined in RCW 28B.10.016 may pay its employees for services rendered biweekly, in pay periods consisting of two consecutive seven calendar-day weeks. The paydate for each pay period shall be seven calendar days after the end of the pay period. Under no circumstance may the paydate be established more than seven days after the pay period in which the wages are earned except that when the designated paydate falls on a holiday, the paydate shall not be later than the following Monday.

(b) Employees on a biweekly payroll cycle under this subsection (5) who are paid a salary may receive a prorated amount of their annualized salary each pay period. The prorated amount must be proportional to the number of pay periods worked in the calendar year. Employees on a biweekly payroll cycle under this subsection (5) who are paid hourly, or who work less than a full pay period may be paid the actual salary amount earned during the pay period.

(c) Each institution that adopts a biweekly pay schedule under this subsection (5) must establish, publish, and notify the director of the office of financial management of the official paydates six months before the beginning of each subsequent calendar year.

(6) Notwithstanding subsections (1), (2), and (4) of this section, academic employees at institutions of higher education as defined in RCW 28B.10.016 whose employment appointments are less than twelve months may have their salaries prorated in such a way that coincides with the paydays used for full-time employees.

Sec. 3. RCW 44.28.816 and 2011 1st sp.s. c 10 s 31 are each amended to read as follows:

(1) During calendar year 2018, the joint committee shall complete a systemic performance audit of the tuition-setting authority in RCW 28B.15.067 granted to the governing boards of the state universities, regional universities, and The Evergreen State College. The audit must include a separate analysis of both the authority granted in RCW 28B.15.067(3) and the authority in RCW 28B.15.067(4). The purpose of the audit is to evaluate the impact of institutional tuition-setting authority on student access, affordability, and ((~~institutional quality~~)) completion.

(2) The audit must include an evaluation of the following outcomes for each four-year institution of higher education:

(a) Changes in undergraduate enrollment, retention, and graduation by race and ethnicity, gender, state and county of origin, age, and socioeconomic status;

(b) The impact on student transferability, particularly from Washington community and technical colleges;

(c) Changes in time and credits to degree;

(d) Changes in the number and availability of online programs and undergraduate enrollments in the programs;

(e) Changes in enrollments in the running start and other dual enrollment programs;

(f) Impacts on funding levels for state student financial aid programs;

(g) Any changes in the percent of students who apply for student financial aid using the free application for federal student aid (FAFSA);

(h) Any changes in the percent of students who apply for available tax credits;

(i) Information on the use of building fee revenue by fiscal or academic year; and

(j) Undergraduate tuition and fee rates compared to undergraduate tuition and fee rates at similar institutions in the global challenge states.

(3) The audit must include recommendations on whether to continue tuition-setting authority beyond the 2018-19 academic year.

(4) In conducting the audit, the auditor shall solicit input from key higher education stakeholders, including but not limited to students and their families, faculty, and staff. To the maximum extent possible, data for the University of Washington and Washington State University shall be disaggregated by branch campus.

(5) The auditor shall report findings and recommendations to the appropriate committees of the legislature by December 15, 2018.

(6) This section expires December 31, 2018.

Sec. 4. RCW 43.88.110 and 2009 c 518 s 3 are each amended to read as follows:

This section sets forth the expenditure programs and the allotment and reserve procedures to be followed by the executive branch for public funds.

(1) Allotments of an appropriation for any fiscal period shall conform to the terms, limits, or conditions of the appropriation.

(2) The director of financial management shall provide all agencies with a complete set of operating and capital instructions for preparing a statement of proposed expenditures at least thirty days before the beginning of a fiscal period. The set of instructions need not include specific appropriation amounts for the agency.

(3) Within forty-five days after the beginning of the fiscal period or within forty-five days after the governor signs the omnibus biennial appropriations act, whichever is later, all agencies shall submit to the governor a statement of proposed expenditures at such times and in such form as may be required by the governor.

(4) The office of financial management shall develop a method for monitoring capital appropriations and expenditures that will capture at least the following elements:

(a) Appropriations made for capital projects including transportation projects;

(b) Estimates of total project costs including past, current, ensuing, and future biennial costs;

(c) Comparisons of actual costs to estimated costs;

(d) Comparisons of estimated construction start and completion dates with actual dates;

(e) Documentation of fund shifts between projects.

This data may be incorporated into the existing accounting system or into a separate project management system, as deemed appropriate by the office of financial management.

(5) The office of financial management, prior to approving allotments for major capital construction projects valued over five million dollars, with the exception of projects at institutions of higher education as defined in RCW 28B.10.016, which may be valued up to ten million dollars, shall institute procedures for reviewing such projects at the predesign stage that will reduce long-term costs and increase facility efficiency. The procedures shall include, but not be limited to, the following elements:

(a) Evaluation of facility program requirements and consistency with long-range plans;

(b) Utilization of a system of cost, quality, and performance standards to compare major capital construction projects; and

(c) A requirement to incorporate value-engineering analysis and constructability review into the project schedule.

(6) No expenditure may be incurred or obligation entered into for such major capital construction projects including, without exception, land acquisition, site development, predesign, design, construction, and equipment acquisition and installation, until the allotment of the funds to be expended has been approved by the office of financial management. This limitation does not prohibit the continuation of expenditures and obligations into the succeeding biennium for projects for which allotments have been approved in the immediate prior biennium.

(7) If at any time during the fiscal period the governor projects a cash deficit in a particular fund or account as defined by RCW 43.88.050, the governor shall make across-the-board reductions in allotments for that particular fund or account so as to prevent a cash deficit, unless the legislature has directed the liquidation of the cash deficit over one or more fiscal periods. Except for the legislative and judicial branches and other agencies headed by elective officials, the governor shall review the statement of proposed operating expenditures for reasonableness and conformance with legislative intent. The governor may request corrections of proposed allotments submitted by the legislative and judicial branches and agencies headed by elective officials if those proposed allotments contain significant technical errors. Once the governor approves the proposed allotments, further revisions may at the request of the office of financial management or upon the agency's initiative be made on a quarterly basis and must be accompanied by an explanation of the reasons for significant changes. However, changes in appropriation level authorized by the legislature, changes required by across-the-board reductions mandated by the governor, changes caused by executive increases to spending authority, and changes caused by executive decreases to spending authority for failure to comply with the provisions of chapter 36.70A RCW may require additional revisions. Revisions shall not be made retroactively. However, the governor may assign to a reserve status any portion of an agency appropriation withheld as part of

across-the-board reductions made by the governor and any portion of an agency appropriation conditioned on a contingent event by the appropriations act. The governor may remove these amounts from reserve status if the across-the-board reductions are subsequently modified or if the contingent event occurs. The director of financial management shall enter approved statements of proposed expenditures into the state budgeting, accounting, and reporting system within forty-five days after receipt of the proposed statements from the agencies. If an agency or the director of financial management is unable to meet these requirements, the director of financial management shall provide a timely explanation in writing to the legislative fiscal committees.

(8) It is expressly provided that all agencies shall be required to maintain accounting records and to report thereon in the manner prescribed in this chapter and under the regulations issued pursuant to this chapter. Within ninety days of the end of the fiscal year, all agencies shall submit to the director of financial management their final adjustments to close their books for the fiscal year. Prior to submitting fiscal data, written or oral, to committees of the legislature, it is the responsibility of the agency submitting the data to reconcile it with the budget and accounting data reported by the agency to the director of financial management.

(9) The director of financial management may exempt certain public funds from the allotment controls established under this chapter if it is not practical or necessary to allot the funds. Allotment control exemptions expire at the end of the fiscal biennium for which they are granted. The director of financial management shall report any exemptions granted under this subsection to the legislative fiscal committees.

Passed by the House February 14, 2014.
Passed by the Senate March 11, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 163

[Second Substitute House Bill 2616]

DEPENDENCY PROCEEDINGS—PARENTS WITH DEVELOPMENTAL DISABILITIES

AN ACT Relating to parents with developmental disabilities involved in dependency proceedings; reenacting and amending RCW 13.34.136; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** The legislature intends to assure that for parents with developmental disabilities, the department of social and health services takes into consideration the parent's disability when offering services to correct parental deficiencies. To do so, the legislature finds that the department must contact the developmental disabilities administration.

Sec. 2. RCW 13.34.136 and 2013 c 316 s 2, 2013 c 254 s 2, and 2013 c 173 s 2 are each reenacted and amended to read as follows:

(1) Whenever a child is ordered removed from the home, a permanency plan shall be developed no later than sixty days from the time the supervising agency assumes responsibility for providing services, including placing the child, or at the time of a hearing under RCW 13.34.130, whichever occurs first. The

permanency planning process continues until a permanency planning goal is achieved or dependency is dismissed. The planning process shall include reasonable efforts to return the child to the parent's home.

(2) The agency supervising the dependency shall submit a written permanency plan to all parties and the court not less than fourteen days prior to the scheduled hearing. Responsive reports of parties not in agreement with the department's or supervising agency's proposed permanency plan must be provided to the department or supervising agency, all other parties, and the court at least seven days prior to the hearing.

The permanency plan shall include:

(a) A permanency plan of care that shall identify one of the following outcomes as a primary goal and may identify additional outcomes as alternative goals: Return of the child to the home of the child's parent, guardian, or legal custodian; adoption, including a tribal customary adoption as defined in RCW 13.38.040; guardianship; permanent legal custody; long-term relative or foster care, until the child is age eighteen, with a written agreement between the parties and the care provider; successful completion of a responsible living skills program; or independent living, if appropriate and if the child is age sixteen or older. The department or supervising agency shall not discharge a child to an independent living situation before the child is eighteen years of age unless the child becomes emancipated pursuant to chapter 13.64 RCW;

(b) Unless the court has ordered, pursuant to RCW 13.34.130(8), that a termination petition be filed, a specific plan as to where the child will be placed, what steps will be taken to return the child home, what steps the supervising agency or the department will take to promote existing appropriate sibling relationships and/or facilitate placement together or contact in accordance with the best interests of each child, and what actions the department or supervising agency will take to maintain parent-child ties. All aspects of the plan shall include the goal of achieving permanence for the child.

(i) The department's or supervising agency's plan shall specify what services the parents will be offered to enable them to resume custody, what requirements the parents must meet to resume custody, and a time limit for each service plan and parental requirement.

(A) If the parent is incarcerated, the plan must address how the parent will participate in the case conference and permanency planning meetings and, where possible, must include treatment that reflects the resources available at the facility where the parent is confined. The plan must provide for visitation opportunities, unless visitation is not in the best interests of the child.

(B) If a parent has a developmental disability according to the definition provided in RCW 71A.10.020, and that individual is eligible for services provided by the developmental disabilities administration, the department shall make reasonable efforts to consult with the developmental disabilities administration to create an appropriate plan for services. For individuals who meet the definition of developmental disability provided in RCW 71A.10.020 and who are eligible for services through the developmental disabilities administration, the plan for services must be tailored to correct the parental deficiency taking into consideration the parent's disability and the department shall also determine an appropriate method to offer those services based on the parent's disability.

(ii)(A) Visitation is the right of the family, including the child and the parent, in cases in which visitation is in the best interest of the child. Early, consistent, and frequent visitation is crucial for maintaining parent-child relationships and making it possible for parents and children to safely reunify. The supervising agency or department shall encourage the maximum parent and child and sibling contact possible, when it is in the best interest of the child, including regular visitation and participation by the parents in the care of the child while the child is in placement.

(B) Visitation shall not be limited as a sanction for a parent's failure to comply with court orders or services where the health, safety, or welfare of the child is not at risk as a result of the visitation.

(C) Visitation may be limited or denied only if the court determines that such limitation or denial is necessary to protect the child's health, safety, or welfare. When a parent or sibling has been identified as a suspect in an active criminal investigation for a violent crime that, if the allegations are true, would impact the safety of the child, the department shall make a concerted effort to consult with the assigned law enforcement officer in the criminal case before recommending any changes in parent/child or child/sibling contact. In the event that the law enforcement officer has information pertaining to the criminal case that may have serious implications for child safety or well-being, the law enforcement officer shall provide this information to the department during the consultation. The department may only use the information provided by law enforcement during the consultation to inform family visitation plans and may not share or otherwise distribute the information to any person or entity. Any information provided to the department by law enforcement during the consultation is considered investigative information and is exempt from public inspection pursuant to RCW 42.56.240. The results of the consultation shall be communicated to the court.

(D) The court and the department or supervising agency should rely upon community resources, relatives, foster parents, and other appropriate persons to provide transportation and supervision for visitation to the extent that such resources are available, and appropriate, and the child's safety would not be compromised.

(iii)(A) The department, court, or caregiver in the out-of-home placement may not limit visitation or contact between a child and sibling as a sanction for a child's behavior or as an incentive to the child to change his or her behavior.

(B) Any exceptions, limitation, or denial of contacts or visitation must be approved by the supervisor of the department caseworker and documented. The child, parent, department, guardian ad litem, or court-appointed special advocate may challenge the denial of visits in court.

(iv) A child shall be placed as close to the child's home as possible, preferably in the child's own neighborhood, unless the court finds that placement at a greater distance is necessary to promote the child's or parents' well-being.

(v) The plan shall state whether both in-state and, where appropriate, out-of-state placement options have been considered by the department or supervising agency.

(vi) Unless it is not in the best interests of the child, whenever practical, the plan should ensure the child remains enrolled in the school the child was attending at the time the child entered foster care.

(vii) The supervising agency or department shall provide all reasonable services that are available within the department or supervising agency, or within the community, or those services which the department has existing contracts to purchase. It shall report to the court if it is unable to provide such services; and

(c) If the court has ordered, pursuant to RCW 13.34.130(8), that a termination petition be filed, a specific plan as to where the child will be placed, what steps will be taken to achieve permanency for the child, services to be offered or provided to the child, and, if visitation would be in the best interests of the child, a recommendation to the court regarding visitation between parent and child pending a fact-finding hearing on the termination petition. The department or supervising agency shall not be required to develop a plan of services for the parents or provide services to the parents if the court orders a termination petition be filed. However, reasonable efforts to ensure visitation and contact between siblings shall be made unless there is reasonable cause to believe the best interests of the child or siblings would be jeopardized.

(3) Permanency planning goals should be achieved at the earliest possible date. If the child has been in out-of-home care for fifteen of the most recent twenty-two months, and the court has not made a good cause exception, the court shall require the department or supervising agency to file a petition seeking termination of parental rights in accordance with RCW 13.34.145((~~(3)~~))(4)(b)(vi). In cases where parental rights have been terminated, the child is legally free for adoption, and adoption has been identified as the primary permanency planning goal, it shall be a goal to complete the adoption within six months following entry of the termination order.

(4) If the court determines that the continuation of reasonable efforts to prevent or eliminate the need to remove the child from his or her home or to safely return the child home should not be part of the permanency plan of care for the child, reasonable efforts shall be made to place the child in a timely manner and to complete whatever steps are necessary to finalize the permanent placement of the child.

(5) The identified outcomes and goals of the permanency plan may change over time based upon the circumstances of the particular case.

(6) The court shall consider the child's relationships with the child's siblings in accordance with RCW 13.34.130(6). Whenever the permanency plan for a child is adoption, the court shall encourage the prospective adoptive parents, birth parents, foster parents, kinship caregivers, and the department or other supervising agency to seriously consider the long-term benefits to the child adoptee and his or her siblings of providing for and facilitating continuing postadoption contact between the siblings. To the extent that it is feasible, and when it is in the best interests of the child adoptee and his or her siblings, contact between the siblings should be frequent and of a similar nature as that which existed prior to the adoption. If the child adoptee or his or her siblings are represented by an attorney or guardian ad litem in a proceeding under this chapter or in any other child custody proceeding, the court shall inquire of each attorney and guardian ad litem regarding the potential benefits of continuing contact between the siblings and the potential detriments of severing contact. This section does not require the department of social and health services or other supervising agency to agree to any specific provisions in an open adoption agreement and does not create a new obligation for the department to provide

supervision or transportation for visits between siblings separated by adoption from foster care.

(7) For purposes related to permanency planning:

(a) "Guardianship" means a dependency guardianship or a legal guardianship pursuant to chapter 11.88 RCW or equivalent laws of another state or a federally recognized Indian tribe.

(b) "Permanent custody order" means a custody order entered pursuant to chapter 26.10 RCW.

(c) "Permanent legal custody" means legal custody pursuant to chapter 26.10 RCW or equivalent laws of another state or a federally recognized Indian tribe.

Passed by the House March 11, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor March 31, 2014.
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CHAPTER 164

[House Bill 2723]

FORECLOSURES

AN ACT Relating to foreclosures; amending RCW 61.24.031, 61.24.163, 61.24.165, and 61.24.172; and reenacting and amending RCW 61.24.005.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 61.24.005 and 2011 c 364 s 3 and 2011 c 58 s 3 are each reenacted and amended to read as follows:

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

(1) "Affiliate of beneficiary" means any entity which controls, is controlled by, or is under common control with a beneficiary.

(2) "Beneficiary" means the holder of the instrument or document evidencing the obligations secured by the deed of trust, excluding persons holding the same as security for a different obligation.

(3) "Borrower" means a person or a general partner in a partnership, including a joint venture, that is liable for all or part of the obligations secured by the deed of trust under the instrument or other document that is the principal evidence of such obligations, or the person's successors if they are liable for those obligations under a written agreement with the beneficiary.

(4) "Commercial loan" means a loan that is not made primarily for personal, family, or household purposes.

(5) "Department" means the department of commerce or its designee.

(6) "Fair value" means the value of the property encumbered by a deed of trust that is sold pursuant to a trustee's sale. This value shall be determined by the court or other appropriate adjudicator by reference to the most probable price, as of the date of the trustee's sale, which would be paid in cash or other immediately available funds, after deduction of prior liens and encumbrances with interest to the date of the trustee's sale, for which the property would sell on such date after reasonable exposure in the market under conditions requisite to a

fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under duress.

(7) "Grantor" means a person, or its successors, who executes a deed of trust to encumber the person's interest in property as security for the performance of all or part of the borrower's obligations.

(8) "Guarantor" means any person and its successors who is not a borrower and who guarantees any of the obligations secured by a deed of trust in any written agreement other than the deed of trust.

(9) "Housing counselor" means a housing counselor that has been approved by the United States department of housing and urban development or approved by the Washington state housing finance commission.

(10) "Owner-occupied" means property that is the principal residence of the borrower.

(11) "Person" means any natural person, or legal or governmental entity.

(12) "Record" and "recorded" includes the appropriate registration proceedings, in the instance of registered land.

(13) "Residential real property" means property consisting solely of a single-family residence, a residential condominium unit, or a residential cooperative unit. For the purposes of the application of RCW 61.24.163, owner-occupied residential real property includes residential real property of up to four units.

(14) "Senior beneficiary" means the beneficiary of a deed of trust that has priority over any other deeds of trust encumbering the same residential real property.

(15) "Tenant-occupied property" means property consisting solely of residential real property that is the principal residence of a tenant subject to chapter 59.18 RCW or other building with four or fewer residential units that is the principal residence of a tenant subject to chapter 59.18 RCW.

(16) "Trustee" means the person designated as the trustee in the deed of trust or appointed under RCW 61.24.010(2).

(17) "Trustee's sale" means a nonjudicial sale under a deed of trust undertaken pursuant to this chapter.

Sec. 2. RCW 61.24.031 and 2012 c 185 s 4 are each amended to read as follows:

(1)(a) A trustee, beneficiary, or authorized agent may not issue a notice of default under RCW 61.24.030(8) until: (i) Thirty days after satisfying the due diligence requirements as described in subsection (5) of this section and the borrower has not responded; or (ii) if the borrower responds to the initial contact, ninety days after the initial contact with the borrower was initiated.

(b) A beneficiary or authorized agent shall make initial contact with the borrower by letter to provide the borrower with information required under (c) of this subsection and by telephone as required under subsection (5) of this section. The letter required under this subsection must be mailed in accordance with subsection (5)(a) of this section and must include the information described in (c) of this subsection and subsection (5)(e)(i) through (iv) of this section.

(c) The letter required under this subsection, developed by the department pursuant to RCW 61.24.033, at a minimum shall include:

(i) A paragraph printed in no less than twelve-point font and bolded that reads:

"You must respond within thirty days of the date of this letter. IF YOU DO NOT RESPOND within thirty days, a notice of default may be issued and you may lose your home in foreclosure.

IF YOU DO RESPOND within thirty days of the date of this letter, you will have an additional sixty days to meet with your lender before a notice of default may be issued.

You should contact a housing counselor or attorney as soon as possible. Failure to contact a housing counselor or attorney may result in your losing certain opportunities, such as meeting with your lender or participating in mediation in front of a neutral third party. A housing counselor or attorney can help you work with your lender to avoid foreclosure.

If you filed bankruptcy or have been discharged in bankruptcy, this communication is not intended as an attempt to collect a debt from you personally, but is notice of enforcement of the deed of trust lien against the property. If you wish to avoid foreclosure and keep your property, this notice sets forth your rights and options.";

(ii) The toll-free telephone number from the United States department of housing and urban development to find a department-approved housing counseling agency, the toll-free numbers for the statewide foreclosure hotline recommended by the housing finance commission, and the statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys;

(iii) A paragraph stating that a housing counselor may be available at little or no cost to the borrower and that whether or not the borrower contacts a housing counselor or attorney, the borrower has the right to request a meeting with the beneficiary; and

(iv) A paragraph explaining how the borrower may respond to the letter and stating that after responding the borrower will have an opportunity to meet with his or her beneficiary in an attempt to resolve and try to work out an alternative to the foreclosure and that, after ninety days from the date of the letter, a notice of default may be issued, which starts the foreclosure process.

(d) If the beneficiary has exercised due diligence as required under subsection (5) of this section and the borrower does not respond by contacting the beneficiary within thirty days of the initial contact, the notice of default may be issued. "Initial contact" with the borrower is considered made three days after the date the letter required in (b) of this subsection is sent.

(e) If a meeting is requested by the borrower or the borrower's housing counselor or attorney, the beneficiary or authorized agent shall schedule the meeting to occur before the notice of default is issued. An assessment of the borrower's financial ability to modify or restructure the loan obligation and a discussion of options must occur during the meeting scheduled for that purpose.

(f) The meeting scheduled to assess the borrower's financial ability to modify or restructure the loan obligation and discuss options to avoid foreclosure may be held telephonically, unless the borrower or borrower's representative requests in writing that a meeting be held in person. The written request for an in-person meeting must be made within thirty days of the initial contact with the borrower. If the meeting is requested to be held in person, the meeting must be held in the county where the ((~~borrower resides~~)) property is located unless the parties agree otherwise. A person who is authorized to agree to a resolution, including modifying or restructuring the loan obligation or other

alternative resolution to foreclosure on behalf of the beneficiary, must be present either in person or on the telephone or videoconference during the meeting.

(2) A notice of default issued under RCW 61.24.030(8) must include a declaration, as provided in subsection (9) of this section, from the beneficiary or authorized agent that it has contacted the borrower as provided in subsection (1) of this section, it has tried with due diligence to contact the borrower under subsection (5) of this section, or the borrower has surrendered the property to the trustee, beneficiary, or authorized agent. Unless the trustee has violated his or her duty under RCW 61.24.010(4), the trustee is entitled to rely on the declaration as evidence that the requirements of this section have been satisfied, and the trustee is not liable for the beneficiary's or its authorized agent's failure to comply with the requirements of this section.

(3) If, after the initial contact under subsection (1) of this section, a borrower has designated a housing counseling agency, housing counselor, or attorney to discuss with the beneficiary or authorized agent, on the borrower's behalf, options for the borrower to avoid foreclosure, the borrower shall inform the beneficiary or authorized agent and provide the contact information to the beneficiary or authorized agent. The beneficiary or authorized agent shall contact the designated representative for the borrower to meet.

(4) The beneficiary or authorized agent and the borrower or the borrower's representative shall attempt to reach a resolution for the borrower within the ninety days from the time the initial contact is sent and the notice of default is issued. A resolution may include, but is not limited to, a loan modification, an agreement to conduct a short sale, or a deed in lieu of foreclosure transaction, or some other workout plan. Any modification or workout plan offered at the meeting with the borrower's designated representative by the beneficiary or authorized agent is subject to approval by the borrower.

(5) A notice of default may be issued under RCW 61.24.030(8) if a beneficiary or authorized agent has initiated contact with the borrower as required under subsection (1)(b) of this section and the failure to meet with the borrower occurred despite the due diligence of the beneficiary or authorized agent. Due diligence requires the following:

(a) A beneficiary or authorized agent shall first attempt to contact a borrower by sending ((~~a~~)), by both first-class and either registered or certified mail, return receipt requested, a letter to the address in the beneficiary's records for sending account statements to the borrower and to the address of the property encumbered by the deed of trust. The letter must be the letter described in subsection (1)(c) of this section.

(b)(i) After the letter has been sent, the beneficiary or authorized agent shall attempt to contact the borrower by telephone at least three times at different hours and on different days. Telephone calls must be made to the primary and secondary telephone numbers on file with the beneficiary or authorized agent.

(ii) A beneficiary or authorized agent may attempt to contact a borrower using an automated system to dial borrowers if the telephone call, when answered, is connected to a live representative of the beneficiary or authorized agent.

(iii) A beneficiary or authorized agent satisfies the telephone contact requirements of this subsection (5)(b) if the beneficiary or authorized agent determines, after attempting contact under this subsection (5)(b), that the

borrower's primary telephone number and secondary telephone number or numbers on file, if any, have been disconnected or are not good contact numbers for the borrower.

(iv) The telephonic contact under this subsection (5)(b) does not constitute the meeting under subsection (1)(f) of this section.

(c) If the borrower does not respond within fourteen days after the telephone call requirements of (b) of this subsection have been satisfied, the beneficiary or authorized agent shall send a certified letter, with return receipt requested, to the borrower at the address in the beneficiary's records for sending account statements to the borrower and to the address of the property encumbered by the deed of trust. The letter must include the information described in (e)(i) through (iv) of this subsection. The letter must also include a paragraph stating: "Your failure to contact a housing counselor or attorney may result in your losing certain opportunities, such as meeting with your lender or participating in mediation in front of a neutral third party."

(d) The beneficiary or authorized agent shall provide a means for the borrower to contact the beneficiary or authorized agent in a timely manner, including a toll-free telephone number or charge-free equivalent that will provide access to a live representative during business hours for the purpose of initiating and scheduling the meeting under subsection (1)(f) of this section.

(e) The beneficiary or authorized agent shall post a link on the home page of the beneficiary's or authorized agent's internet web site, if any, to the following information:

(i) Options that may be available to borrowers who are unable to afford their mortgage payments and who wish to avoid foreclosure, and instructions to borrowers advising them on steps to take to explore those options;

(ii) A list of financial documents borrowers should collect and be prepared to present to the beneficiary or authorized agent when discussing options for avoiding foreclosure;

(iii) A toll-free telephone number or charge-free equivalent for borrowers who wish to discuss options for avoiding foreclosure with their beneficiary or authorized agent; and

(iv) The toll-free telephone number or charge-free equivalent made available by the department to find a department-approved housing counseling agency.

(6) Subsections (1) and (5) of this section do not apply if the borrower has surrendered the property as evidenced by either a letter confirming the surrender or delivery of the keys to the property to the trustee, beneficiary, or authorized agent.

(7)(a) This section applies only to deeds of trust that are recorded against owner-occupied residential real property. This section does not apply to deeds of trust: (i) Securing a commercial loan; (ii) securing obligations of a grantor who is not the borrower or a guarantor; or (iii) securing a purchaser's obligations under a seller-financed sale.

(b) This section does not apply to association beneficiaries subject to chapter 64.32, 64.34, or 64.38 RCW.

(8) As used in this section:

(a) "Department" means the United States department of housing and urban development.

(b) "Seller-financed sale" means a residential real property transaction where the seller finances all or part of the purchase price, and that financed amount is secured by a deed of trust against the subject residential real property.

(9) The form of declaration to be provided by the beneficiary or authorized agent as required under subsection (2) of this section must be in substantially the following form:

"FORECLOSURE LOSS MITIGATION FORM

Please select applicable option(s) below.

The undersigned beneficiary or authorized agent for the beneficiary hereby represents and declares under the penalty of perjury that [check the applicable box and fill in any blanks so that the beneficiary, authorized agent, or trustee can insert, on the beneficiary's behalf, the applicable declaration in the notice of default required under chapter 61.24 RCW]:

(1) [ ] The beneficiary or beneficiary's authorized agent has contacted the borrower under, and has complied with, RCW 61.24.031 (contact provision to "assess the borrower's financial ability to pay the debt secured by the deed of trust and explore options for the borrower to avoid foreclosure") and the borrower responded but did not request a meeting.

(2) [ ] The beneficiary or beneficiary's authorized agent has contacted the borrower as required under RCW 61.24.031 and the borrower or the borrower's designated representative requested a meeting. A meeting was held on (insert date, time, and location/telephonic here) in compliance with RCW 61.24.031.

(3) [ ] The beneficiary or beneficiary's authorized agent has contacted the borrower as required in RCW 61.24.031 and the borrower or the borrower's designated representative requested a meeting. A meeting was scheduled for (insert date, time, and location/telephonic here) and neither the borrower nor the borrower's designated representative appeared.

(4) [ ] The beneficiary or beneficiary's authorized agent has exercised due diligence to contact the borrower as required in RCW 61.24.031(5) and the borrower did not respond.

((~~(4)~~)) (5) [ ] The borrower has surrendered the secured property as evidenced by either a letter confirming the surrender or by delivery of the keys to the secured property to the beneficiary, the beneficiary's authorized agent or to the trustee.

Additional Optional Explanatory Comments:

.....

....."

Sec. 3. RCW 61.24.163 and 2012 c 185 s 6 are each amended to read as follows:

(1) The foreclosure mediation program established in this section applies only to borrowers who have been referred to mediation by a housing counselor or attorney. The referral to mediation may be made any time after a notice of default has been issued but no later than twenty days after the date a notice of sale has been recorded. If the borrower has failed to elect to mediate within the applicable time frame, the borrower and the beneficiary may, but are under no duty to, agree in writing to enter the foreclosure mediation program. The

mediation program under this section is not governed by chapter 7.07 RCW and does not preclude mediation required by a court or other provision of law.

(2) A housing counselor or attorney referring a borrower to mediation shall send a notice to the borrower and the department, stating that mediation is appropriate.

(3) Within ten days of receiving the notice, the department shall:

(a) Send a notice to the beneficiary, the borrower, the housing counselor or attorney who referred the borrower, and the trustee stating that the parties have been referred to mediation. The notice must include the statements and list of documents and information described in subsections (4) and (5) of this section and a statement explaining each party's responsibility to pay the mediator's fee; and

(b) Select a mediator and notify the parties of the selection.

(4) Within twenty-three days of the department's notice that the parties have been referred to mediation, the borrower shall transmit the documents required for mediation to the mediator and the beneficiary. The required documents include an initial Making Home Affordable Application (HAMP) package or such other equivalent homeowner financial information worksheet as required by the department. In the event the department is required to create a worksheet, the worksheet must include, at a minimum, the following information:

(a) The borrower's current and future income;

(b) Debts and obligations;

(c) Assets;

(d) Expenses;

(e) Tax returns for the previous two years;

(f) Hardship information;

(g) Other applicable information commonly required by any applicable federal mortgage relief program.

(5) Within twenty days of the beneficiary's receipt of the borrower's documents, the beneficiary shall transmit the documents required for mediation to the mediator and the borrower. The required documents include:

(a) An accurate statement containing the balance of the loan within thirty days of the date on which the beneficiary's documents are due to the parties;

(b) Copies of the note and deed of trust;

(c) Proof that the entity claiming to be the beneficiary is the owner of any promissory note or obligation secured by the deed of trust. Sufficient proof may be a copy of the declaration described in RCW 61.24.030(7)(a);

(d) The best estimate of any arrearage and an itemized statement of the arrearages;

(e) An itemized list of the best estimate of fees and charges outstanding;

(f) The payment history and schedule for the preceding twelve months, or since default, whichever is longer, including a breakdown of all fees and charges claimed;

(g) All borrower-related and mortgage-related input data used in any net present values analysis. If no net present values analysis is required by the applicable federal mortgage relief program, then the input data required under the federal deposit insurance corporation and published in the federal deposit insurance corporation loan modification program guide, or if that calculation

becomes unavailable, substantially similar input data as determined by the department;

(h) An explanation regarding any denial for a loan modification, forbearance, or other alternative to foreclosure in sufficient detail for a reasonable person to understand why the decision was made;

(i) Appraisal or other broker price opinion most recently relied upon by the beneficiary not more than ninety days old at the time of the scheduled mediation; and

(j) The portion or excerpt of the pooling and servicing agreement or other investor restriction that prohibits the beneficiary from implementing a modification, if the beneficiary claims it cannot implement a modification due ((~~solely~~)) to limitations in a pooling and servicing agreement or other investor restriction, and documentation or a statement detailing the efforts of the beneficiary to obtain a waiver of the pooling and servicing agreement or other investor restriction provisions.

(6) Within seventy days of receiving the referral from the department, the mediator shall convene a mediation session in the county where the ((~~borrower resides~~)) property is located, unless the parties agree on another location. The parties may agree to extend the time in which to schedule the mediation session. If the parties agree to extend the time, the beneficiary shall notify the trustee of the extension and the date the mediator is expected to issue the mediator's certification.

(7)(a) The mediator may schedule phone conferences, consultations with the parties individually, and other communications to ensure that the parties have all the necessary information and documents to engage in a productive mediation.

(b) The mediator must send written notice of the time, date, and location of the mediation session to the borrower, the beneficiary, and the department at least thirty days prior to the mediation session. At a minimum, the notice must contain:

(i) A statement that the borrower may be represented in the mediation session by an attorney or other advocate;

(ii) A statement that a person with authority to agree to a resolution, including a proposed settlement, loan modification, or dismissal or continuation of the foreclosure proceeding, must be present either in person or on the telephone or videoconference during the mediation session; and

(iii) A statement that the parties have a duty to mediate in good faith and that failure to mediate in good faith may impair the beneficiary's ability to foreclose on the property or the borrower's ability to modify the loan or take advantage of other alternatives to foreclosure.

(8)(a) The borrower, the beneficiary or authorized agent, and the mediator must meet in person for the mediation session. However, a person with authority to agree to a resolution on behalf of the beneficiary may be present over the telephone or videoconference during the mediation session.

(b) After the mediation session commences, the mediator may continue the mediation session once, and any further continuances must be with the consent of the parties.

(9) The participants in mediation must address the issues of foreclosure that may enable the borrower and the beneficiary to reach a resolution, including but not limited to reinstatement, modification of the loan, restructuring of the debt,

or some other workout plan. To assist the parties in addressing issues of foreclosure, the mediator may require the participants to consider the following:

(a) The borrower's current and future economic circumstances, including the borrower's current and future income, debts, and obligations for the previous sixty days or greater time period as determined by the mediator;

(b) The net present value of receiving payments pursuant to a modified mortgage loan as compared to the anticipated net recovery following foreclosure;

(c) Any affordable loan modification calculation and net present value calculation when required under any federal mortgage relief program, including the home affordable modification program (HAMP) as applicable to government-sponsored enterprise and nongovernment-sponsored enterprise loans and any HAMP-related modification program applicable to loans insured by the federal housing administration, the veterans administration, and the rural housing service. If such a calculation is not provided or required, then the beneficiary must provide the net present value data inputs established by the federal deposit insurance corporation and published in the federal deposit insurance corporation loan modification program guide or other net present value data inputs as designated by the department. The mediator may run the calculation in order for a productive mediation to occur and to comply with the mediator certification requirement; and

(d) Any other loss mitigation guidelines to loans insured by the federal housing administration, the veterans administration, and the rural housing service, if applicable.

(10) A violation of the duty to mediate in good faith as required under this section may include:

(a) Failure to timely participate in mediation without good cause;

(b) Failure of the borrower or the beneficiary to provide the documentation required before mediation or pursuant to the mediator's instructions;

(c) Failure of a party to designate representatives with adequate authority to fully settle, compromise, or otherwise reach resolution with the borrower in mediation; and

(d) A request by a beneficiary that the borrower waive future claims he or she may have in connection with the deed of trust, as a condition of agreeing to a modification, except for rescission claims under the federal truth in lending act. Nothing in this section precludes a beneficiary from requesting that a borrower dismiss with prejudice any pending claims against the beneficiary, its agents, loan servicer, or trustee, arising from the underlying deed of trust, as a condition of modification.

(11) If the mediator reasonably believes a borrower will not attend a mediation session based on the borrower's conduct, such as the lack of response to the mediator's communications, the mediator may cancel a scheduled mediation session and send a written cancellation to the department and the trustee and send copies to the parties. The beneficiary may proceed with the foreclosure after receipt of the mediator's written confirmation of cancellation.

(12) Within seven business days after the conclusion of the mediation session, the mediator must send a written certification to the department and the trustee and send copies to the parties of:

(a) The date, time, and location of the mediation session;

(b) The names of all persons attending in person and by telephone or videoconference, at the mediation session;

(c) Whether a resolution was reached by the parties, including whether the default was cured by reinstatement, modification, or restructuring of the debt, or some other alternative to foreclosure was agreed upon by the parties;

(d) Whether the parties participated in the mediation in good faith; and

(e) If a written agreement was not reached, a description of any net present value test used, along with a copy of the inputs, including the result of any net present value test expressed in a dollar amount.

(13) If the parties are unable to reach an agreement, the beneficiary may proceed with the foreclosure after receipt of the mediator's written certification.

(14)(a) The mediator's certification that the beneficiary failed to act in good faith in mediation constitutes a defense to the nonjudicial foreclosure action that was the basis for initiating the mediation. In any action to enjoin the foreclosure, the beneficiary is entitled to rebut the allegation that it failed to act in good faith.

(b) The mediator's certification that the beneficiary failed to act in good faith during mediation does not constitute a defense to a judicial foreclosure or a future nonjudicial foreclosure action if a modification of the loan is agreed upon and the borrower subsequently defaults.

(c) If an affordable loan modification is not offered in the mediation or a written agreement was not reached and the mediator's certification shows that the net present value of the modified loan exceeds the anticipated net recovery at foreclosure, that showing in the certification constitutes a basis for the borrower to enjoin the foreclosure.

(15) The mediator's certification that the borrower failed to act in good faith in mediation authorizes the beneficiary to proceed with the foreclosure.

(16)(a) If a borrower has been referred to mediation before a notice of trustee sale has been recorded, a trustee may not record the notice of sale until the trustee receives the mediator's certification stating that the mediation has been completed. If the trustee does not receive the mediator's certification, the trustee may record the notice of sale after ten days from the date the certification to the trustee was due. If, after a notice of sale is recorded under this subsection (16)(a), the mediator subsequently issues a certification finding that the beneficiary violated the duty of good faith, the certification constitutes a basis for the borrower to enjoin the foreclosure.

(b) If a borrower has been referred to mediation after the notice of sale was recorded, the sale may not occur until the trustee receives the mediator's certification stating that the mediation has been completed.

(17) A mediator may charge reasonable fees as authorized by this subsection ((~~and~~)) or as authorized by the department. Unless the fee is waived ((~~or~~)), the parties agree otherwise, or the department otherwise authorizes, a foreclosure mediator's fee may not exceed four hundred dollars for preparing, scheduling, and conducting a mediation session lasting between one hour and three hours. For a mediation session exceeding three hours, the foreclosure mediator may charge a reasonable fee, as authorized by the department. The mediator must provide an estimated fee before the mediation, and payment of the mediator's fee must be divided equally between the beneficiary and the borrower. The beneficiary and the borrower must tender the loan mediator's fee

within thirty calendar days from receipt of the department's letter referring the parties to mediation or pursuant to the mediator's instructions.

(18) Beginning December 1, 2012, and every year thereafter, the department shall report annually to the legislature on:

(a) The performance of the program, including the numbers of borrowers who are referred to mediation by a housing counselor or attorney;

(b) The results of the mediation program, including the number of mediations requested by housing counselors and attorneys, the number of certifications of good faith issued, the number of borrowers and beneficiaries who failed to mediate in good faith, and the reasons for the failure to mediate in good faith, if known, the numbers of loans restructured or modified, the change in the borrower's monthly payment for principal and interest and the number of principal write-downs and interest rate reductions, and, to the extent practical, the number of borrowers who report a default within a year of restructuring or modification;

(c) The information received by housing counselors regarding outcomes of foreclosures; and

(d) Any recommendations for changes to the statutes regarding the mediation program.

Sec. 4. RCW 61.24.165 and 2011 c 58 s 8 are each amended to read as follows:

(1) RCW 61.24.163 applies only to deeds of trust that are recorded against owner-occupied residential real property of up to four units. The property must have been owner-occupied as of the date ((~~of~~)) the initial contact under RCW 61.24.031 was made.

(2) A borrower under a deed of trust on owner-occupied residential real property who has received a notice of default on or before July 22, 2011, may be referred to mediation under RCW 61.24.163 by a housing counselor or attorney.

(3) RCW 61.24.163 does not apply to deeds of trust:

(a) Securing a commercial loan;

(b) Securing obligations of a grantor who is not the borrower or a guarantor; or

(c) Securing a purchaser's obligations under a seller-financed sale.

(4) RCW 61.24.163 does not apply to association beneficiaries subject to chapter 64.32, 64.34, or 64.38 RCW.

(5) For purposes of referral and mediation under RCW 61.24.163, a person may be referred to mediation if the borrower is deceased and the person is a successor in interest of the deceased borrower who occupies the property as his or her primary residence. The referring counselor or attorney must determine a person's eligibility under this section and indicate the grounds for eligibility on the referral to mediation submitted to the department. For the purposes of mediation under RCW 61.24.163, the person must be treated as a "borrower." This subsection does not impose an affirmative duty on the beneficiary to accept an assumption of the loan.

(6) For purposes of referral and mediation under RCW 61.24.163, a person may be referred to mediation if the person has been awarded title to the property in a proceeding for dissolution or legal separation. The referring counselor or attorney must determine the person's eligibility under this section and indicate the grounds for eligibility on the referral to mediation submitted to the

department. For the purposes of mediation under RCW 61.24.163, the person must be treated as a "borrower." This subsection does not impose an affirmative duty on the beneficiary to accept an assumption of the loan.

Sec. 5. RCW 61.24.172 and 2012 c 185 s 12 are each amended to read as follows:

The foreclosure fairness account is created in the custody of the state treasurer. All receipts received under RCW 61.24.174 must be deposited into the account. Only the director of the department of commerce or the director's designee may authorize expenditures from the account. Funding to agencies and organizations under this section must be provided by the department through an interagency agreement or other applicable contract instrument. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. Expenditures from the account must be used as follows: (1) No less than seventy-((~~six~~)) one percent must be used for the purposes of providing housing counseling activities to benefit borrowers, except that this amount may be less than seventy-((~~six~~)) one percent only if necessary to meet the funding level specified for the office of the attorney general under subsection (2) of this section and the department under subsection (4) of this section; (2) up to six percent, or six hundred fifty-five thousand dollars per biennium, whichever amount is greater, to the office of the attorney general to be used by the consumer protection division to enforce this chapter; (3) up to two percent to the office of civil legal aid to be used for the purpose of contracting with qualified legal aid programs for legal representation of homeowners in matters relating to foreclosure. Funds provided under this subsection (3) must be used to supplement, not supplant, other federal, state, and local funds; (4) up to ((~~thirteen~~)) eighteen percent, or ((~~five hundred ninety~~)) one million four hundred thousand dollars per biennium, whichever amount is greater, to the department to be used for implementation and operation of the foreclosure fairness act; and (5) up to three percent to the department of financial institutions to conduct homeowner prepurchase and postpurchase outreach and education programs as defined in RCW 43.320.150.

The department shall enter into interagency agreements to contract with the Washington state housing finance commission and other appropriate entities to implement the foreclosure fairness act.

Passed by the House February 13, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 165

[Substitute House Bill 2724]

PUBLIC RECORDS—EXEMPTION—ARCHAEOLOGICAL RESOURCES AND TRADITIONAL CULTURAL PLACES

AN ACT Relating to the exemption of information concerning archaeological resources and traditional cultural places from public disclosure; and amending RCW 42.56.300.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 42.56.300 and 2006 c 86 s 1 are each amended to read as follows:

(1) Records, maps, or other information identifying the location of archaeological sites in order to avoid the looting or depredation of such sites are exempt from disclosure under this chapter.

(2) Records, maps, and other information, acquired during watershed analysis pursuant to the forests and fish report under RCW 76.09.370, that identify the location of archaeological sites, historic sites, artifacts, or the sites of traditional religious, ceremonial, or social uses and activities of affected Indian tribes, are exempt from disclosure under this chapter in order to prevent the looting or depredation of such sites.

(3) Any site form, report, specific fields and tables relating to site form data within a database, or geographic information systems spatial layer obtained by any state agency or local government, or shared between any state agency, local government, or tribal government, is exempt from disclosure under this chapter, if the material is related to:

(a) An archaeological site as defined in RCW 27.53.030;

(b) Historical archaeological resources as defined in RCW 27.53.030; or

(c) Traditional cultural places.

(4) The local government or agency shall respond to requests from the owner of the real property for public records exempt under subsection (1), (2), or (3) of this section by providing information to the requestor on how to contact the department of archaeology and historic preservation to obtain available locality information on archaeological and cultural resources.

Passed by the House March 10, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 166

[Engrossed Substitute House Bill 2746]

MEDICAID PERSONAL CARE SERVICES—REFINANCE—
COMMUNITY FIRST CHOICE OPTION

AN ACT Relating to refinancing of medicaid personal care services for individuals with developmental disabilities and individuals with long-term care needs through the community first choice option; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** (1) The legislature finds that the July 31, 2013, state auditor's report on developmental disabilities in Washington indicates that fifteen thousand individuals with developmental disabilities who meet the financial and physical eligibility requirements do not currently receive any services from the state. For that reason, the legislature finds that it is necessary to take action that will increase the number of eligible individuals who may access personal care services.

(2) The legislature finds that by 2030, nearly twenty percent or one out of five people in our state will be age sixty-five or older and our state is not prepared for the growing demand for long-term services and supports.

Washington must plan for the future long-term services and supports needs of its residents by utilizing alternative long-term care financing options.

(3) The legislature further finds that personal care services allow individuals with significant care needs to live in their own homes and communities. By utilizing the community first choice option, an enhanced federal matching percentage would increase the funding available for these services. Further, the community first choice option may increase the self-sufficiency of clients by emphasizing the acquisition, maintenance, and enhancement of skills to complete health-related tasks. For these reasons, the legislature finds that the department of social and health services must refinance personal care services through the community first choice option.

NEW SECTION. **Sec. 2.** (1) The department of social and health services shall refinance medicaid personal care services under the community first choice option. Beginning July 1, 2014, the department shall seek stakeholder input on program and system design prior to the submission of a proposal to the center for medicaid and medicare services. The community first choice option shall be designed in such a way to meet the federal minimum maintenance of effort requirements and all service requirements as specified in federal rule. Optional services may also be included in the benefit package. In the first full year of implementation, the increase in per capita cost of services directly resulting from meeting the federal requirements of the community first choice option, as well as the cost of new optional services, shall not exceed a three percent increase over the per capita costs of personal care services in the fiscal year prior to full implementation of the community first choice option. The three percent limit on new expenditures shall not apply to cost increases that are not the result of implementing the community first choice option, including case load growth, case mix changes, inflation, vendor rate changes, expenditures necessary to meet state and federal law requirements, and any adjustments made pursuant to collective bargaining. The community first choice option must be fully implemented no later than August 30, 2015.

(2) The department shall use general fund—state savings from the refinance in this section to offset additional caseload, per capita cost increases, and staff resources necessary to implement the community first choice option. Any remaining general fund—state savings from the refinance shall be reserved for potential investments in home and community based services for individuals with developmental disabilities or individuals with long-term care needs, including investments recommended by the joint legislative executive committee on aging and disability and the development and implementation council that the department must convene prior to submitting the proposed community first choice option to the centers for medicare and medicaid services. At a minimum, the final report to the legislature from the joint legislative executive committee on aging and disability must explore the cost and benefit of rate enhancements for providers of long-term services and supports, restoration of hours for in-home clients, additional investment in the family caregiver support program, and additional investment in the individual and family services program or other medicaid services to support individuals with developmental disabilities.

Passed by the House March 13, 2014.
Passed by the Senate March 13, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 167

[Senate Bill 5141]

MOTORCYCLES—STOPPING AND PROCEEDING THROUGH TRAFFIC CONTROL SIGNALS

AN ACT Relating to allowing motorcycles to stop and proceed through traffic control signals under certain conditions; and adding a new section to chapter 46.61 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 46.61 RCW to read as follows:

Notwithstanding any provision of law to the contrary, the operator of a street legal motorcycle approaching an intersection, including a left turn intersection, that is controlled by a triggered traffic control signal using a vehicle detection device that is inoperative due to the size of the street legal motorcycle shall come to a full and complete stop at the intersection. If the traffic control signal, including the left turn signal, as appropriate, fails to operate after one cycle of the traffic signal, the operator may, after exercising due care, proceed directly through the intersection or proceed to turn left, as appropriate. It is not a defense to a violation of RCW 46.61.050 that the driver of a motorcycle proceeded under the belief that a traffic control signal used a vehicle detection device or was inoperative due to the size of the motorcycle when the signal did not use a vehicle detection device or that any such device was not in fact inoperative due to the size of the motorcycle.

Passed by the Senate February 10, 2014.
Passed by the House March 10, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 168

[Substitute Senate Bill 5173]

STATE EMPLOYEES—UNPAID HOLIDAYS

AN ACT Relating to the respecting holidays of faith and conscience act; amending RCW 1.16.050 and 28A.225.010; adding a new section to chapter 43.41 RCW; adding a new section to chapter 28B.10 RCW; and adding a new section to chapter 28C.18 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 1.16.050 and 2013 c 5 s 1 are each amended to read as follows:

The following are legal holidays: Sunday; the first day of January, commonly called New Year's Day; the third Monday of January, being celebrated as the anniversary of the birth of Martin Luther King, Jr.; the third Monday of February to be known as Presidents' Day and to be celebrated as the anniversary of the births of Abraham Lincoln and George Washington; the last

Monday of May, commonly known as Memorial Day; the fourth day of July, being the anniversary of the Declaration of Independence; the first Monday in September, to be known as Labor Day; the eleventh day of November, to be known as Veterans' Day; the fourth Thursday in November, to be known as Thanksgiving Day; the day immediately following Thanksgiving Day; and the twenty-fifth day of December, commonly called Christmas Day.

Employees of the state and its political subdivisions, except employees of school districts and except those nonclassified employees of institutions of higher education who hold appointments or are employed under contracts to perform services for periods of less than twelve consecutive months, shall be entitled to one paid holiday per calendar year in addition to those specified in this section. Each employee of the state or its political subdivisions may select the day on which the employee desires to take the additional holiday provided for herein after consultation with the employer pursuant to guidelines to be promulgated by rule of the appropriate personnel authority, or in the case of local government by ordinance or resolution of the legislative authority.

Employees of the state and its political subdivisions, including employees of school districts and those nonclassified employees of institutions of higher education who hold appointments or are employed under contracts to perform services for periods of less than twelve consecutive months, are entitled to two unpaid holidays per calendar year for a reason of faith or conscience or an organized activity conducted under the auspices of a religious denomination, church, or religious organization. This includes employees of public institutions of higher education, including community colleges, technical colleges, and workforce training programs. The employee may select the days on which the employee desires to take the two unpaid holidays after consultation with the employer pursuant to guidelines to be promulgated by rule of the appropriate personnel authority, or in the case of local government by ordinance or resolution of the legislative authority. If an employee prefers to take the two unpaid holidays on specific days for a reason of faith or conscience, or an organized activity conducted under the auspices of a religious denomination, church, or religious organization, the employer must allow the employee to do so unless the employee's absence would impose an undue hardship on the employer or the employee is necessary to maintain public safety. Undue hardship shall have the meaning established in rule by the office of financial management under section 2 of this act.

If any of the above specified state legal holidays are also federal legal holidays but observed on different dates, only the state legal holidays shall be recognized as a paid legal holiday for employees of the state and its political subdivisions except that for port districts and the law enforcement and public transit employees of municipal corporations, either the federal or the state legal holiday, but in no case both, may be recognized as a paid legal holiday for employees.

Whenever any legal holiday, other than Sunday, falls upon a Sunday, the following Monday shall be the legal holiday.

Whenever any legal holiday falls upon a Saturday, the preceding Friday shall be the legal holiday.

Nothing in this section shall be construed to have the effect of adding or deleting the number of paid holidays provided for in an agreement between

employees and employers of political subdivisions of the state or as established by ordinance or resolution of the local government legislative authority.

The legislature declares that the thirteenth day of January shall be recognized as Korean-American day but shall not be considered a legal holiday for any purposes.

The legislature declares that the twelfth day of October shall be recognized as Columbus day but shall not be considered a legal holiday for any purposes.

The legislature declares that the ninth day of April shall be recognized as former prisoner of war recognition day but shall not be considered a legal holiday for any purposes.

The legislature declares that the twenty-sixth day of January shall be recognized as Washington army and air national guard day but shall not be considered a legal holiday for any purposes.

The legislature declares that the seventh day of August shall be recognized as purple heart recipient recognition day but shall not be considered a legal holiday for any purposes.

The legislature declares that the second Sunday in October be recognized as Washington state children's day but shall not be considered a legal holiday for any purposes.

The legislature declares that the sixteenth day of April shall be recognized as Mother Joseph day and the fourth day of September as Marcus Whitman day, but neither shall be considered legal holidays for any purpose.

The legislature declares that the seventh day of December be recognized as Pearl Harbor remembrance day but shall not be considered a legal holiday for any purpose.

The legislature declares that the twenty-seventh day of July be recognized as national Korean war veterans armistice day but shall not be considered a legal holiday for any purpose.

The legislature declares that the nineteenth day of February be recognized as civil liberties day of remembrance but shall not be considered a legal holiday for any purpose.

The legislature declares that the nineteenth day of June be recognized as Juneteenth, a day of remembrance for the day the slaves learned of their freedom, but shall not be considered a legal holiday for any purpose.

The legislature declares that the thirtieth day of March be recognized as welcome home Vietnam veterans day but shall not be considered a legal holiday for any purpose.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.41 RCW to read as follows:

The director of the office of financial management shall by rule establish a definition of "undue hardship" for the purposes of RCW 1.16.050.

Sec. 3. RCW 28A.225.010 and 1998 c 244 s 14 are each amended to read as follows:

(1) All parents in this state of any child eight years of age and under eighteen years of age shall cause such child to attend the public school of the district in which the child resides and such child shall have the responsibility to and therefore shall attend for the full time when such school may be in session unless:

(a) The child is attending an approved private school for the same time or is enrolled in an extension program as provided in RCW 28A.195.010(4);

(b) The child is receiving home-based instruction as provided in subsection (4) of this section;

(c) The child is attending an education center as provided in chapter 28A.205 RCW;

(d) The school district superintendent of the district in which the child resides shall have excused such child from attendance because the child is physically or mentally unable to attend school, is attending a residential school operated by the department of social and health services, is incarcerated in an adult correctional facility, or has been temporarily excused upon the request of his or her parents for purposes agreed upon by the school authorities and the parent: PROVIDED, That such excused absences shall not be permitted if deemed to cause a serious adverse effect upon the student's educational progress: PROVIDED FURTHER, That students excused for such temporary absences may be claimed as full-time equivalent students to the extent they would otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260 and shall not affect school district compliance with the provisions of RCW 28A.150.220; ((~~or~~))

(e) The child is excused from school subject to approval by the student's parent for a reason of faith or conscience, or an organized activity conducted under the auspices of a religious denomination, church, or religious organization, for up to two days per school year without any penalty. Such absences may not mandate school closures. Students excused for such temporary absences may be claimed as full-time equivalent students to the extent they would otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260 and may not affect school district compliance with the provisions of RCW 28A.150.220; or

(f) The child is sixteen years of age or older and:

(i) The child is regularly and lawfully employed and either the parent agrees that the child should not be required to attend school or the child is emancipated in accordance with chapter 13.64 RCW;

(ii) The child has already met graduation requirements in accordance with state board of education rules and regulations; or

(iii) The child has received a certificate of educational competence under rules and regulations established by the state board of education under RCW 28A.305.190.

(2) A parent for the purpose of this chapter means a parent, guardian, or person having legal custody of a child.

(3) An approved private school for the purposes of this chapter and chapter 28A.200 RCW shall be one approved under regulations established by the state board of education pursuant to RCW 28A.305.130.

(4) For the purposes of this chapter and chapter 28A.200 RCW, instruction shall be home-based if it consists of planned and supervised instructional and related educational activities, including a curriculum and instruction in the basic skills of occupational education, science, mathematics, language, social studies, history, health, reading, writing, spelling, and the development of an appreciation of art and music, provided for a number of hours equivalent to the

total annual program hours per grade level established for approved private schools under RCW 28A.195.010 and 28A.195.040 and if such activities are:

(a) Provided by a parent who is instructing his or her child only and are supervised by a certificated person. A certificated person for purposes of this chapter and chapter 28A.200 RCW shall be a person certified under chapter 28A.410 RCW. For purposes of this section, "supervised by a certificated person" means: The planning by the certificated person and the parent of objectives consistent with this subsection; a minimum each month of an average of one contact hour per week with the child being supervised by the certificated person; and evaluation of such child's progress by the certificated person. The number of children supervised by the certificated person shall not exceed thirty for purposes of this subsection; or

(b) Provided by a parent who is instructing his or her child only and who has either earned forty-five college level quarter credit hours or its equivalent in semester hours or has completed a course in home-based instruction at a postsecondary institution or a vocational-technical institute; or

(c) Provided by a parent who is deemed sufficiently qualified to provide home-based instruction by the superintendent of the local school district in which the child resides.

(5) The legislature recognizes that home-based instruction is less structured and more experiential than the instruction normally provided in a classroom setting. Therefore, the provisions of subsection (4) of this section relating to the nature and quantity of instructional and related educational activities shall be liberally construed.

NEW SECTION. **Sec. 4.** A new section is added to chapter 28B.10 RCW to read as follows:

Institutions of higher education must develop policies to accommodate student absences for up to two days per academic year, to allow students to take holidays for reasons of faith or conscience or for organized activities conducted under the auspices of a religious denomination, church, or religious organization, so that students' grades are not adversely impacted by the absences.

NEW SECTION. **Sec. 5.** A new section is added to chapter 28C.18 RCW to read as follows:

State-funded workforce training programs must develop policies to accommodate student absences for up to two days per academic year, to allow students to take holidays for reasons of faith or conscience or for organized activities conducted under the auspices of a religious denomination, church, or religious organization, so that students' grades are not adversely impacted by the absences.

Passed by the Senate March 11, 2014.

Passed by the House March 6, 2014.

Approved by the Governor March 31, 2014.

Filed in Office of Secretary of State March 31, 2014.

CHAPTER 169

[Senate Bill 5981]

MASON COUNTY—SUPERIOR COURT JUDGES

AN ACT Relating to increasing the number of superior court judges in Mason county; amending RCW 2.08.065; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 2.08.065 and 2007 c 95 s 1 are each amended to read as follows:

There shall be in the county of Grant, three judges of the superior court; in the county of Okanogan, two judges of the superior court; in the county of Mason, ((~~two~~)) three judges of the superior court; in the county of Thurston, eight judges of the superior court; in the counties of Pacific and Wahkiakum jointly, one judge of the superior court; in the counties of Ferry, Pend Oreille, and Stevens jointly, two judges of the superior court; in the county of San Juan, one judge of the superior court; and in the county of Island, two judges of the superior court.

NEW SECTION. **Sec. 2.** The additional judicial position created by section 1 of this act in Mason county becomes effective only if the county, through its duly constituted legislative authority, documents its approval of the additional position and its agreement that it will pay out of county funds, without reimbursement from the state, the expenses of the additional judicial position as provided by statute.

Passed by the Senate February 12, 2014.
Passed by the House March 13, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 170

[Senate Bill 6141]

UTILITIES AND TRANSPORTATION COMMISSION—PUBLIC RECORDS—EXEMPTION

AN ACT Relating to confidentiality of certain records filed with the utilities and transportation commission or the attorney general; amending RCW 42.56.330; and adding a new section to chapter 81.77 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 81.77 RCW to read as follows:

Records, subject to chapter 42.56 RCW, filed with the commission or the attorney general from any person that contain valuable commercial information, including trade secrets or confidential marketing, cost, or financial information, or customer-specific usage information, are not subject to inspection or copying under chapter 42.56 RCW: (1) Until notice to the person or persons directly affected has been given; and (2) if, within ten days of the notice, the person has obtained a superior court order protecting the records as confidential. The court must determine that the records are confidential and not subject to inspection and copying if disclosure is likely to result in private loss, including an unfair competitive disadvantage, and is not necessary for further public review and comment on the appropriate allocation of costs and revenues. When providing

information to the commission or the attorney general, a person shall designate which records or portions of records contain valuable commercial information. Nothing in this section prevents the use of protective orders by the commission governing disclosure of proprietary or confidential information in contested proceedings.

Sec. 2. RCW 42.56.330 and 2012 c 68 s 4 are each amended to read as follows:

The following information relating to public utilities and transportation is exempt from disclosure under this chapter:

(1) Records filed with the utilities and transportation commission or attorney general under RCW 80.04.095 or section 1 of this act that a court has determined are confidential under RCW 80.04.095 or section 1 of this act;

(2) The residential addresses and residential telephone numbers of the customers of a public utility contained in the records or lists held by the public utility of which they are customers, except that this information may be released to the division of child support or the agency or firm providing child support enforcement for another state under Title IV-D of the federal social security act, for the establishment, enforcement, or modification of a support order;

(3) The names, residential addresses, residential telephone numbers, and other individually identifiable records held by an agency in relation to a vanpool, carpool, or other ride-sharing program or service; however, these records may be disclosed to other persons who apply for ride-matching services and who need that information in order to identify potential riders or drivers with whom to share rides;

(4) The personally identifying information of current or former participants or applicants in a paratransit or other transit service operated for the benefit of persons with disabilities or elderly persons;

(5) The personally identifying information of persons who acquire and use transit passes or other fare payment media including, but not limited to, stored value smart cards and magnetic strip cards, except that an agency may disclose personally identifying information to a person, employer, educational institution, or other entity that is responsible, in whole or in part, for payment of the cost of acquiring or using a transit pass or other fare payment media for the purpose of preventing fraud, or to the news media when reporting on public transportation or public safety. As used in this subsection, "personally identifying information" includes acquisition or use information pertaining to a specific, individual transit pass or fare payment media.

(a) Information regarding the acquisition or use of transit passes or fare payment media may be disclosed in aggregate form if the data does not contain any personally identifying information.

(b) Personally identifying information may be released to law enforcement agencies if the request is accompanied by a court order;

(6) Any information obtained by governmental agencies that is collected by the use of a motor carrier intelligent transportation system or any comparable information equipment attached to a truck, tractor, or trailer; however, the information may be given to other governmental agencies or the owners of the truck, tractor, or trailer from which the information is obtained. As used in this subsection, "motor carrier" has the same definition as provided in RCW 81.80.010;

(7) The personally identifying information of persons who acquire and use transponders or other technology to facilitate payment of tolls. This information may be disclosed in aggregate form as long as the data does not contain any personally identifying information. For these purposes aggregate data may include the census tract of the account holder as long as any individual personally identifying information is not released. Personally identifying information may be released to law enforcement agencies only for toll enforcement purposes. Personally identifying information may be released to law enforcement agencies for other purposes only if the request is accompanied by a court order; and

(8) The personally identifying information of persons who acquire and use a driver's license or identicard that includes a radio frequency identification chip or similar technology to facilitate border crossing. This information may be disclosed in aggregate form as long as the data does not contain any personally identifying information. Personally identifying information may be released to law enforcement agencies only for United States customs and border protection enforcement purposes. Personally identifying information may be released to law enforcement agencies for other purposes only if the request is accompanied by a court order.

Passed by the Senate March 11, 2014.
Passed by the House March 5, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 171

[Engrossed Substitute Senate Bill 6242]

K-12 EDUCATION—180-DAY REQUIREMENT—WAIVERS

AN ACT Relating to waivers from the one hundred eighty-day school year requirement; amending RCW 28A.305.141; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.305.141 and 2009 c 543 s 2 are each amended to read as follows:

(1) In addition to waivers authorized under RCW 28A.305.140 and 28A.655.180, the state board of education may grant waivers from the requirement for a one hundred eighty-day school year under RCW 28A.150.220 ((~~and 28A.150.250~~)) to school districts that propose to operate one or more schools on a flexible calendar for purposes of economy and efficiency as provided in this section. The requirement under RCW 28A.150.220 that school districts offer ((~~an annual average instructional hour offering of at least one thousand~~)) minimum instructional hours shall not be waived.

(2) A school district seeking a waiver under this section must submit an application that includes:

(a) A proposed calendar for the school day and school year that demonstrates how the instructional hour requirement will be maintained;

(b) An explanation and estimate of the economies and efficiencies to be gained from compressing the instructional hours into fewer than one hundred eighty days;

(c) An explanation of how monetary savings from the proposal will be redirected to support student learning;

(d) A summary of comments received at one or more public hearings on the proposal and how concerns will be addressed;

(e) An explanation of the impact on students who rely upon free and reduced-price school child nutrition services and the impact on the ability of the child nutrition program to operate an economically independent program;

(f) An explanation of the impact on employees in education support positions and the ability to recruit and retain employees in education support positions;

(g) An explanation of the impact on students whose parents work during the missed school day; and

(h) Other information that the state board of education may request to assure that the proposed flexible calendar will not adversely affect student learning.

(3) The state board of education shall adopt criteria to evaluate waiver requests. No more than five districts may be granted waivers. Waivers may be granted for up to three years. After each school year, the state board of education shall analyze empirical evidence to determine whether the reduction is affecting student learning. If the state board of education determines that student learning is adversely affected, the school district shall discontinue the flexible calendar as soon as possible but not later than the beginning of the next school year after the determination has been made. All waivers expire August 31, ((~~2014~~)) 2017.

(a) Two of the five waivers granted under this subsection shall be granted to school districts with student populations of less than one hundred fifty students.

(b) Three of the five waivers granted under this subsection shall be granted to school districts with student populations of between one hundred fifty-one and five hundred students.

(4) ((~~The state board of education shall examine the waivers granted under this section and make a recommendation to the education committees of the legislature by December 15, 2013, regarding whether the waiver program should be continued, modified, or allowed to terminate. This recommendation should focus on whether the program resulted in improved student learning as demonstrated by empirical evidence. Such evidence includes, but is not limited to: Improved scores on the Washington assessment of student learning, results of the dynamic indicators of basic early literacy skills, student grades, and attendance.~~

~~(5)~~)) This section expires August 31, ((~~2014~~)) 2017.

Passed by the Senate March 10, 2014.
Passed by the House March 6, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 172

[Senate Bill 6328]

STATE EMPLOYEES—DEFERRED COMPENSATION PLANS

AN ACT Relating to deferred compensation plans; and amending RCW 41.50.770.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 41.50.770 and 2010 1st sp.s. c 7 s 29 are each amended to read as follows:

(1) "Employee" as used in this section and RCW 41.50.780 includes all full-time, part-time, and career seasonal employees of the state, a county, a municipality, or other political subdivision of the state, whether or not covered by civil service; elected and appointed officials of the executive branch of the government, including full-time members of boards, commissions, or committees; justices of the supreme court and judges of the court of appeals and of the superior and district courts; and members of the state legislature or of the legislative authority of any county, city, or town.

(2) The state, through the department, and any county, municipality, or other political subdivision of the state acting through its principal supervising official or governing body is authorized to contract with an employee to defer a portion of that employee's income, which deferred portion shall in no event exceed the amount allowable under 26 U.S.C. Sec. 457, and deposit or invest such deferred portion in a credit union, savings and loan association, bank, or mutual savings bank or purchase life insurance, shares of an investment company, individual securities, or fixed and/or variable annuity contracts from any insurance company or any investment company licensed to contract business in this state.

(3) Employees participating in the state deferred compensation plan administered by the department shall self-direct the investment of the deferred portion of their income through the selection of investment options as set forth in subsection (4) of this section.

(4) The department can provide such plans as it deems are in the interests of state employees. In addition to the types of investments described in this section, the state investment board, with respect to the state deferred compensation plan, shall invest the deferred portion of an employee's income, without limitation as to amount, in accordance with RCW 43.84.150, 43.33A.140, and 41.50.780, and pursuant to investment policy established by the state investment board for the state deferred compensation plans. The state investment board, after consultation with the director regarding any recommendations made pursuant to RCW 41.50.088(2), shall provide a set of options for participants to choose from for investment of the deferred portion of their income. Any income deferred under such a plan shall continue to be included as regular compensation, for the purpose of computing the state or local retirement and pension benefits earned by any employee.

(5) Coverage of an employee under a deferred compensation plan under this section shall not render such employee ineligible for simultaneous membership and participation in any pension system for public employees.

Passed by the Senate February 18, 2014.

Passed by the House March 7, 2014.

Approved by the Governor March 31, 2014.

Filed in Office of Secretary of State March 31, 2014.

CHAPTER 173

[Engrossed Senate Bill 6501]

USED OIL RECYCLING

AN ACT Relating to used oil recycling; amending RCW 70.95I.020 and 70.95I.030; and adding a new section to chapter 43.21A RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70.95I.020 and 1991 c 319 s 303 are each amended to read as follows:

(1) Each local government and its local hazardous waste plan under RCW 70.105.220 is required to include a used oil recycling element. This element shall include:

(a) A plan to reach the local goals for household used oil recycling established by the local government and the department under RCW 70.95I.030. The plan shall, to the maximum extent possible, incorporate voluntary agreements with the private sector and state agencies to provide sites for the collection of used oil. Where provided, the plan shall also incorporate residential collection of used oil;

(b) A plan for enforcing the sign and container ordinances required by RCW 70.95I.040;

(c) A plan for public education on used oil recycling; ((~~and~~))

(d) A plan for addressing best management practices as provided for under RCW 70.95I.030; and

(e) An estimate of funding needed to implement the requirements of this chapter. This estimate shall include a budget reserve for disposal of contaminated oil detected at any public used oil collection site administered by the local government.

(2) By July 1, 1993, each local government or combination of contiguous local governments shall submit its used oil recycling element to the department. The department shall approve or disapprove the used oil recycling element by January 1, 1994, or within ninety days of submission, whichever is later. The department shall approve or disapprove the used oil recycling element if it determines that the element is consistent with this chapter and the guidelines developed by the department under RCW 70.95I.030.

(3) Each local government, or combination of contiguous local governments, shall submit an annual statement to the department describing the number of used oil collection sites and the quantity of household used oil recycled for the jurisdiction during the previous calendar year. The first statement shall be due April 1, 1994. Subsequent statements shall be due April 1st of each year.

(4) Nothing in this section shall be construed to require a city or county to construct or operate a public used oil collection site.

Sec. 2. RCW 70.95I.030 and 1991 c 319 s 304 are each amended to read as follows:

(1) ((~~By July 1, 1992,~~)) The department shall, in consultation with local governments, ((~~prepare~~)) maintain guidelines for the used oil recycling elements required by RCW 70.95I.020 and, by July 1, 2015, shall develop best management practices for preventing and managing polychlorinated biphenyl contamination at public used oil collection sites.

(a) The guidelines shall:

((~~(a)~~)) (i) Require development of local collection and rerefining goals for household used oil for each entity preparing a used oil recycling element under RCW 70.95I.020;

((~~(b)~~)) (ii) Require local government to recommend the number of used oil collection sites needed to meet the local goals. The department shall establish criteria regarding minimum levels of used oil collection sites;

((~~(c)~~)) (iii) Require local government to identify locations suitable as public used oil collection sites as described under RCW 70.95I.020(1)(a).

(b) The best management practices for preventing and managing polychlorinated biphenyl contamination at public used oil collection sites must include, at a minimum:

(i) Tank testing requirements;

(ii) Contaminated tank labeling and security measures;

(iii) Contaminated tank cleanup standards;

(iv) Proper contaminated used oil disposal as required under chapter 70.105 RCW and 40 C.F.R. Part 761;

(v) Spill control measures; and

(vi) Model contract language for contracts with used oil collection vendors.

(2) The department may waive all or part of the specific requirements of RCW 70.95I.020 if a local government demonstrates to the satisfaction of the department that the objectives of this chapter have been met.

(3) The department may prepare and implement a used oil recycling plan for any local government failing to complete the used oil recycling element of the plan.

(4) The department shall develop statewide collection and rerefining goals for household used oil for each calendar year beginning with calendar year 1994. Goals shall be based on the estimated statewide collection and rerefining rate for calendar year 1993, and shall increase each year until calendar year 1996, when the rate shall be eighty percent.

(5) By July 1, ((~~1993~~)) 2015, the department shall ((~~prepare~~)) update the guidelines establishing statewide equipment and operating standards for public used oil collection sites. The updated guidelines must include the best management practices for prevention and management of contaminated used oil developed pursuant to subsection (1) of this section and a process for how to petition the legislature for relief of extraordinary costs incurred with the management and disposal of contaminated used oil. In addition, the standards shall:

(a) Allow the use of used oil collection igloos and other types of portable used oil collection tanks;

(b) Prohibit the disposal of nonhousehold-generated used oil;

(c) Limit the amount of used oil deposited to five gallons per household per day;

(d) Ensure adequate protection against leaks and spills; and

(e) Include other requirements deemed appropriate by the department.

NEW SECTION. **Sec. 3.** A new section is added to chapter 43.21A RCW to read as follows:

(1) Cities and counties may submit a petition to the department for reimbursement of extraordinary costs associated with managing unforeseen

consequences of used oil contaminated with polychlorinated biphenyl and compliance with United States environmental protection agency enforcement orders and enforcement-related agreements.

(2) The department, in consultation with city and county moderate risk waste coordinators, the United States environmental protection agency, and other stakeholders, must process and prioritize city and county petitions that meet the following conditions:

(a) The petitioning city or county has followed and met:

(i) The updated best management practices guidelines for the collection and management of used oil; and

(ii) The best management practices for preventing and managing polychlorinated biphenyl contamination, as required under RCW 70.95I.030; and

(b) The department has determined that:

(i) The costs to the petitioning city or county for disposal of the contaminated oil or for compliance with United States environmental protection agency enforcement orders or enforcement related agreements are extraordinary; and

(ii) The city or county could not reasonably accommodate or anticipate the extraordinary costs in their normal budget processes by following and meeting the best management practices for oil contaminated with polychlorinated biphenyl.

(3) Before January 1st of each year, the department must develop and submit to the appropriate fiscal committees of the senate and house of representatives a prioritized list of submitted petitions that the department recommends for funding by the legislature. It is the intent of the legislature that if funded, the reimbursement of extraordinary city or county costs associated with polychlorinated biphenyl management and compliance activities come from the model toxics control accounts.

Passed by the Senate March 10, 2014.
Passed by the House March 5, 2014.
Approved by the Governor March 31, 2014.
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CHAPTER 174

[Engrossed Second Substitute Senate Bill 6518]

INNOVATE WASHINGTON—TERMINATION

AN ACT Relating to terminating the operations of innovate Washington and transferring property from innovate Washington to Washington State University and the department of commerce; amending RCW 28B.50.902, 28B.155.010, 42.30.110, 42.56.270, 43.333.030, 43.333.040, 43.333.050, 70.210.020, 70.210.030, 70.210.040, 70.210.050, and 70.210.060; amending 2012 c 63 s 1 (uncodified); adding new sections to chapter 43.333 RCW; adding a new section to chapter 70.210 RCW; creating new sections; repealing RCW 41.06.0711, 43.333.010, 43.333.020, 43.333.800, 43.333.900, and 43.333.901; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** The legislature intends to dissolve the operations of innovate Washington and transfer the innovate Washington facilities to Washington State University.

Sec. 2. RCW 28B.50.902 and 2011 1st sp.s. c 14 s 6 are each amended to read as follows:

(1) The college board, in consultation with business, industry, labor, the workforce training and education coordinating board, the department of commerce, the employment security department, and community and technical colleges, shall designate centers of excellence and allocate funds to existing and new centers of excellence based on a competitive basis.

(2) Eligible applicants for the program established under this section include community and technical colleges. Priority shall be given to applicants that have an established education and training program serving the targeted industry and that have in their home district or region an industry cluster with the same targeted industry at its core.

(3) It is the role of centers of excellence to employ strategies to:

(a) Create educational efficiencies;

(b) Build a diverse, competitive workforce for strategic industries;

(c) Maintain an institutional reputation for innovation and responsiveness;

(d) Develop innovative curriculum and means of delivering education and training;

(e) Act as brokers of information and resources related to community and technical college education and training and assistance available for firms in a targeted industry((~~, including working with innovate Washington to develop methods to identify businesses within a targeted industry that could benefit from the services offered by innovate Washington under chapter 43.333 RCW~~)); and

(f) Serve as partners with workforce development councils, associate development organizations, and other workforce and economic development organizations.

(4) Examples of strategies under subsection (3) of this section include but are not limited to: Sharing curriculum and other instructional resources, to ensure cost savings to the system; delivering collaborative certificate and degree programs; and holding statewide summits, seminars, conferences, and workshops on industry trends and best practices in community and technical college education and training.

Sec. 3. RCW 28B.155.010 and 2012 c 242 s 1 are each amended to read as follows:

(1) The joint center for aerospace technology innovation is created to:

(a) Pursue joint industry-university research in computing, manufacturing efficiency, materials/structures innovation, and other new technologies that can be used in aerospace firms;

(b) Enhance the education of students in the engineering departments of the University of Washington, Washington State University, and other participating institutions through industry-focused research; and

(c) Work directly with existing small, medium-sized, and large aerospace firms and aerospace industry associations to identify research needs and opportunities to transfer off-the-shelf technologies that would benefit such firms.

(2) The center shall be operated and administered as a multi-institutional education and research center, conducting research and development programs in various locations within Washington under the joint authority of the University of Washington and Washington State University. The initial administrative offices of the center shall be west of the crest of the Cascade

mountains. In order to meet aerospace industry needs, the facilities and resources of the center must be made available to all four-year institutions of higher education as defined in RCW 28B.10.016. Resources include, but are not limited to, internships, on-the-job training, and research opportunities for undergraduate and graduate students and faculty.

(3) The powers of the center are vested in and shall be exercised by a board of directors. The board shall consist of nine members appointed by the governor. The governor shall appoint a nonvoting chair. Of the eight voting members, one member shall represent small aerospace firms, one member shall represent medium-sized firms, one member shall represent large aerospace firms, one member shall represent labor, two members shall represent aerospace industry associations, and two members shall represent higher education. The terms of the initial members shall be staggered.

(4) The board shall hire an executive director. The executive director shall hire such staff as the board deems necessary to operate the center. Staff support may be provided from among the cooperating institutions through cooperative agreements to the extent funds are available. The executive director may enter into cooperative agreements for programs and research with public and private organizations including state and nonstate agencies consistent with policies of the participating institutions.

(5) The board must:

(a) Work with aerospace industry associations and aerospace firms of all sizes to identify the research areas that will benefit the intermediate and long-term economic vitality of the Washington aerospace industry;

(b) Identify entrepreneurial researchers to join or lead research teams in the research areas specified in (a) of this subsection and the steps the University of Washington and Washington State University will take to recruit such researchers;

(c) Assist firms to integrate existing technologies into their operations and align the activities of the center with those of impact Washington ((~~and innovate Washington~~)) to enhance services available to aerospace firms;

(d) Develop internships, on-the-job training, research, and other opportunities and ensure that all undergraduate and graduate students enrolled in an aerospace engineering curriculum have direct experience with aerospace firms;

(e) Assist researchers and firms in safeguarding intellectual property while advancing industry innovation;

(f) Develop and strengthen university-industry relationships through promotion of faculty collaboration with industry, and sponsor((~~, in collaboration with innovate Washington,~~)) at least one annual symposium focusing on aerospace research in the state of Washington;

(g) Encourage a full range of projects from small research projects that meet the specific needs of a smaller company to large scale, multipartner projects;

(h) Develop nonstate support of the center's research activities through leveraging dollars from federal and private for-profit and nonprofit sources;

(i) Leverage its financial impact through joint support arrangements on a project-by-project basis as appropriate;

(j) Establish mechanisms for soliciting and evaluating proposals and for making awards and reporting on technological progress, financial leverage, and other measures of impact;

(k) By June 30, 2013, develop an operating plan that includes the specific processes, methods, or mechanisms the center will use to accomplish each of its duties as set out in this subsection; and

(l) Report biennially to the legislature and the governor about the impact of the center's work on the state's economy and the aerospace sector, with projections of future impact, providing indicators of its impact, and outlining ideas for enhancing benefits to the state. The report must be coordinated with the governor's office, the Washington economic development commission, and the department of commerce((~~, and innovate Washington~~)).

Sec. 4. RCW 42.30.110 and 2011 1st sp.s. c 14 s 14 are each amended to read as follows:

(1) Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting:

(a) To consider matters affecting national security;

(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price;

(c) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. However, final action selling or leasing public property shall be taken in a meeting open to the public;

(d) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;

(e) To consider, in the case of an export trading company, financial and commercial information supplied by private persons to the export trading company;

(f) To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge;

(g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;

(h) To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public;

(i) To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body,

or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

This subsection (1)(i) does not permit a governing body to hold an executive session solely because an attorney representing the agency is present. For purposes of this subsection (1)(i), "potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning:

(i) Litigation that has been specifically threatened to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party;

(ii) Litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity; or

(iii) Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency;

(j) To consider, in the case of the state library commission or its advisory bodies, western library network prices, products, equipment, and services, when such discussion would be likely to adversely affect the network's ability to conduct business in a competitive economic climate. However, final action on these matters shall be taken in a meeting open to the public;

(k) To consider, in the case of the state investment board, financial and commercial information when the information relates to the investment of public trust or retirement funds and when public knowledge regarding the discussion would result in loss to such funds or in private loss to the providers of this information;

(l) To consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026;

(m) To consider in the case of the life sciences discovery fund authority, the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information;

(n) To consider in the case of a health sciences and services authority, the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information((;

~~(o) To consider in the case of innovate Washington, the substance of grant or loan applications and grant or loan awards if public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information~~)).

(2) Before convening in executive session, the presiding officer of a governing body shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.

Sec. 5. RCW 42.56.270 and 2013 c 305 s 14 are each amended to read as follows:

The following financial, commercial, and proprietary information is exempt from disclosure under this chapter:

(1) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss;

(2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070;

(3) Financial and commercial information and records supplied by private persons pertaining to export services provided under chapters 43.163 and 53.31 RCW, and by persons pertaining to export projects under RCW 43.23.035;

(4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.325, 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency;

(5) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW;

(6) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information;

(7) Financial and valuable trade information under RCW 51.36.120;

(8) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW;

(9) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010;

(10)(a) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a horse racing license submitted pursuant to RCW 67.16.260(1)(b), liquor license, gambling license, or lottery retail license;

(b) Internal control documents, independent auditors' reports and financial statements, and supporting documents: (i) Of house-banked social card game licensees required by the gambling commission pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes with an approved tribal/state compact for class III gaming;

(11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011;

(12)(a) When supplied to and in the records of the department of commerce:

(i) Financial and proprietary information collected from any person and provided to the department of commerce pursuant to RCW 43.330.050(8); and

(ii) Financial or proprietary information collected from any person and provided to the department of commerce or the office of the governor in connection with the siting, recruitment, expansion, retention, or relocation of that person's business and until a siting decision is made, identifying information of any person supplying information under this subsection and the locations being considered for siting, relocation, or expansion of a business;

(b) When developed by the department of commerce based on information as described in (a)(i) of this subsection, any work product is not exempt from disclosure;

(c) For the purposes of this subsection, "siting decision" means the decision to acquire or not to acquire a site;

(d) If there is no written contact for a period of sixty days to the department of commerce from a person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter;

(13) Financial and proprietary information submitted to or obtained by the department of ecology or the authority created under chapter 70.95N RCW to implement chapter 70.95N RCW;

(14) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under chapter 43.350 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information;

(15) Financial and commercial information provided as evidence to the department of licensing as required by RCW 19.112.110 or 19.112.120, except information disclosed in aggregate form that does not permit the identification of information related to individual fuel licensees;

(16) Any production records, mineral assessments, and trade secrets submitted by a permit holder, mine operator, or landowner to the department of natural resources under RCW 78.44.085;

(17)(a) Farm plans developed by conservation districts, unless permission to release the farm plan is granted by the landowner or operator who requested the plan, or the farm plan is used for the application or issuance of a permit;

(b) Farm plans developed under chapter 90.48 RCW and not under the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to RCW 42.56.610 and 90.64.190;

(18) Financial, commercial, operations, and technical and research information and data submitted to or obtained by a health sciences and services authority in applications for, or delivery of, grants under RCW 35.104.010 through 35.104.060, to the extent that such information, if revealed, would reasonably be expected to result in private loss to providers of this information;

(19) Information gathered under chapter 19.85 RCW or RCW 34.05.328 that can be identified to a particular business;

(20) Financial and commercial information submitted to or obtained by the University of Washington, other than information the university is required to disclose under RCW 28B.20.150, when the information relates to investments in

private funds, to the extent that such information, if revealed, would reasonably be expected to result in loss to the University of Washington consolidated endowment fund or to result in private loss to the providers of this information; and

(21) ((~~Financial, commercial, operations, and technical and research information and data submitted to or obtained by innovate Washington in applications for, or delivery of, grants and loans under chapter 43.333 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information; and~~

~~(22)~~)) Market share data submitted by a manufacturer under RCW 70.95N.190(4).

Sec. 6. 2012 c 63 s 1 (uncodified) is amended to read as follows:

The legislature finds that Washington is becoming a leader in the development and commercialization of aviation biofuels due to its strong tradition of market innovation, a concentrated demand for sustainable aviation fuels, leading expertise and research capacity, an established aviation manufacturing sector, and the availability of a diverse range of feedstocks for the production of biofuels. The legislature also finds that the development of aviation biofuels has the potential to reduce dependence on foreign sources of fossil fuels, reduce greenhouse gas emissions, and promote economic development and jobs in Washington. The legislature intends to support the development of commercial-scale aviation biofuels production facilities in Washington by facilitating and streamlining the permitting process for new facilities and the expansion of existing facilities and by providing access to low-cost financing through the issuance of revenue bonds.

The legislature finds that the 2012 Washington state energy strategy calls for a targeted, strategic policy focus on sustainable aviation biofuels to encourage the realization of Washington's potential. The legislature also finds that a regional stakeholder effort to explore the opportunities and challenges surrounding the production of sustainable aviation fuels, known as sustainable aviation biofuels northwest, urged policymakers in the Northwest to develop supportive public policies that will jump start the industry, attract investment, and accelerate industry growth. In order to provide focus and develop policy recommendations to support the sustainable aviation biofuels sector in Washington, the legislature intends to establish a sustainable aviation biofuels work group. ((~~Additionally, the legislature intends Innovate Washington, designated in 2011 as the lead agency for coordinating clean energy-related initiatives targeted at growing the clean energy sector, to convene the appropriate stakeholders and facilitate the opportunity for the state to realize the full economic growth impact to the state's economy.~~))

NEW SECTION. **Sec. 7.** (1) The office of alternative energy at Washington State University shall convene a sustainable aviation biofuels work group.

(2) The purpose of the work group is to:

(a) Further the development of sustainable aviation fuel as a productive industry in Washington, using as a foundation the regional assessment prepared by the collaborative known as the sustainable aviation fuels northwest;

(b) Facilitate communication and coordination among aviation biofuels stakeholders;

(c) Provide a forum for discussion and problem solving regarding potential and current barriers related to technology development, production, distribution, supply chain development, and commercialization of aviation biofuels; and

(d) Provide recommendations to the legislature on potential legislation that will facilitate the technology development, production, distribution, and commercialization of aviation biofuels.

(3) The office of alternative energy at Washington State University, in consultation with the legislative members, shall designate work group members that represent sectors involved in sustainable aviation biofuels research, development, production, and utilization. The work group shall include but not be limited to representatives from the following:

(a) The Washington state senate;

(b) The Washington state house of representatives;

(c) An agriculture advocacy organization;

(d) An airline operator;

(e) An airplane manufacturer;

(f) An airport operator located in western Washington and an airport operator located in eastern Washington;

(g) Biofuels feedstock producers;

(h) Two biofuels producers;

(i) The department of agriculture;

(j) The department of commerce;

(k) The department of natural resources;

(l) A sustainable energy advocacy organization;

(m) The United States department of defense;

(n) The University of Washington;

(o) Washington State University; and

(p) The Pacific Northwest national laboratory.

(4) The work group shall choose its chair from among its membership.

(5) The work group may not meet more than twice a year.

(6) The work group shall provide an update of its findings and recommendations to the governor and the appropriate committees of the legislature by December 1st of each even year through 2016.

(7) This section expires June 30, 2017.

NEW SECTION. **Sec. 8.** A new section is added to chapter 43.333 RCW to read as follows:

(1) The innovate Washington program is created in the department to support business growth in the state's innovation and technology sectors and facilitate statewide technology transfer and commercialization activities, for the purpose of increasing the state's economic vitality.

(2) The innovate Washington program shall:

(a) Support businesses in securing federal and private funds to support product research and commercialization, developing and integrating technology in new or enhanced products and services, and launching those products and services in sustainable businesses in the state;

(b) Establish public-private partnerships and programmatic activities that increase the competitiveness of state industries;

(c) Work with utilities, district energy providers, the utilities and transportation commission, and the state energy office to improve the alignment of investments in clean energy technologies with existing state policies;

(d) Administer technology and innovation grant and loan programs including bridge funding programs for the state's technology sector;

(e) Work with impact Washington to ensure that customers have ready access to each other's services;

(f) Develop and strengthen academic-industry relationships through research and assistance that is primarily of interest to existing small and medium-sized Washington-based companies; and

(g) Reach out to firms operating in the state's innovation partnership zones.

(3) The innovate Washington program terminates June 30, 2015. Until that time, any services provided by the program may be delivered by the department directly or through a contract with a 501(c)(3) nonprofit organization with a principal office located in Washington with experience facilitating interaction between the state's higher education institutions and the state's technology-based companies on technology transfer activities.

(4) The department must establish performance metrics for the innovate Washington program. The department must report the outcomes of the program against those metrics to the governor and the economic development committees of the legislature on December 1, 2014.

NEW SECTION. **Sec. 9.** A new section is added to chapter 43.333 RCW to read as follows:

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

(1) "Department" means the department of commerce.

(2) "Innovate Washington program" or "program" means the program created in section 205 of this act.

Sec. 10. RCW 43.333.030 and 2011 1st sp.s. c 14 s 4 are each amended to read as follows:

(1) The investing in innovation account is created in the custody of the state treasurer to receive state and federal funds, grants, private gifts, or contributions to further the purpose of ((~~innovate Washington~~)) growing the technology and innovation-based sectors of the state and supporting the commercialization of intellectual property and the manufacturing of innovative products in the state.

(2) Expenditures from the account may be used only for the purposes of the investing in innovation programs established in chapter 70.210 RCW and any other purpose consistent with the innovate Washington program established in this chapter.

(3) Only the ((~~executive~~)) director of ((~~innovate Washington~~)) commerce or the ((~~executive~~)) director's designee may authorize expenditures from the account. Funds may only be used for the department of commerce to provide directly or through contract services consistent with the purposes described in subsection (2) of this section. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

Sec. 11. RCW 43.333.040 and 2011 1st sp.s. c 14 s 3 are each amended to read as follows:

(1) To increase participation by Washington state small business innovators in federal small business research programs, the innovate Washington program shall provide ((~~or contract for the provision of~~)) a small business innovation assistance program. The assistance program must include a proposal review process and must train and assist Washington small business innovators to win awards from federal small business research programs. The assistance program must collaborate with small business development centers((~~, entrepreneur-in-residence programs,~~)) and other appropriate sources of technical assistance to ensure that small business innovators also receive the planning, counseling, and support services necessary to expand their businesses and protect their intellectual property.

(2) ((~~In operating the program,~~)) The innovate Washington program must give priority to first-time applicants to the federal small business research programs, new businesses, and firms with fewer than ten employees, and may charge a fee for its services.

(3) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Federal small business research programs" means the programs, operating pursuant to the small business innovation development act of 1982, P.L. 97-219, and the small business technology transfer act of 1992, P.L. 102-564, title II, that provide funds to small businesses to conduct research having commercial application.

(b) "Small business" means a corporation, partnership, sole proprietorship, or individual, operating a business for profit, with two hundred fifty employees or fewer, including employees employed in a subsidiary or affiliated corporation, that otherwise meets the requirements of federal small business research programs.

Sec. 12. RCW 43.333.050 and 2011 1st sp.s. c 14 s 13 are each amended to read as follows:

(1) The innovate Washington program shall administer the investing in innovation program.

(2) Not more than one percent of the available funds from the investing in innovation account may be used for administrative costs of the program.

Sec. 13. RCW 70.210.020 and 2011 1st sp.s. c 14 s 8 are each amended to read as follows:

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

(1) ((~~"Board" means the innovate Washington board of directors.~~

~~(3) [(2)] "Innovate Washington" means the agency created in RCW 43.333.010.~~)) "Department" means the department of commerce.

(2) "Innovate Washington program" means the program established at the department of commerce under chapter 43.333 RCW.

Sec. 14. RCW 70.210.030 and 2011 1st sp.s. c 14 s 9 are each amended to read as follows:

(1) The investing in innovation program is established.

(2) The innovate Washington program shall periodically make strategic assessments of the types of investments in research, technology, and industrial development in this state that would likely create new products, jobs, and

business opportunities and produce the most beneficial long-term improvements to the lives and health of the citizens of the state. The assessments shall be available to the public and shall be used to guide decisions on awarding funds under this chapter.

Sec. 15. RCW 70.210.040 and 2011 1st sp.s. c 14 s 10 are each amended to read as follows:

The ((~~board~~)) innovate Washington program shall:

(1) Develop criteria for the awarding of loans or grants to qualifying universities, institutions, businesses, or individuals;

(2) Make decisions regarding distribution of funds;

(3) In making funding decisions and to the extent that economic impact is not diminished, provide priority to enterprises that:

(a) Were created through, and have existing intellectual property agreements in place with, public and private research institutions in the state; and

(b) Intend to produce new products or services, develop or expand facilities, or manufacture in the state; and

(4) Specify in contracts awarding funds that recipients must utilize funding received to support operations in the state of Washington and must subsequently report on the impact of their research, development, and any subsequent production activities within Washington for a period of ten years following the award of funds, and that a failure to comply with this requirement will obligate the recipient to return the amount of the award plus interest as determined by the ((~~board~~)) department.

Sec. 16. RCW 70.210.050 and 2011 1st sp.s. c 14 s 11 are each amended to read as follows:

(1) The ((~~board~~)) innovate Washington program may accept grant and loan proposals and establish a competitive process for the awarding of grants and loans.

(2) The ((~~board~~)) innovate Washington program shall establish a peer review committee to include ((~~board members,~~)) scientists, engineers, and individuals with specific recognized expertise. The peer review committee shall provide to the ((~~board~~)) innovate Washington program an independent peer review of all proposals determined to be competitive for a loan or grant award that are submitted to the ((~~board~~)) innovate Washington program.

(3) In the awarding of grants and loans, priority shall be given to proposals that leverage additional private and public funding resources.

(((~~(4) Innovate Washington may not be a direct recipient of funding under this chapter.~~)))

Sec. 17. RCW 70.210.060 and 2011 1st sp.s. c 14 s 12 are each amended to read as follows:

The ((~~board~~)) department shall establish performance benchmarks against which the program will be evaluated. The program shall be reviewed periodically by the ((~~board~~)) department. The ((~~board~~)) department shall report annually to the appropriate standing committees of the legislature on loans made and grants awarded and as appropriate on program reviews conducted by the ((~~board~~)) department.

NEW SECTION. **Sec. 18.** The following acts or parts of acts are each repealed:

(1) RCW 41.06.0711 (Innovate Washington—Certain personnel exempted from chapter) and 2011 1st sp.s. c 14 s 5;

(2) RCW 43.333.010 (Innovate Washington—Created—Mission—Transfer of administrative responsibilities for facilities located at the Washington technology center and Spokane intercollegiate research and technology institute—Five-year business plan requirements) and 2011 1st sp.s. c 14 s 1;

(3) RCW 43.333.020 (Board of directors—Composition—Meetings—Duties) and 2011 1st sp.s. c 14 s 2;

(4) RCW 43.333.800 (Sustainable aviation biofuels work group) and 2012 c 63 s 4;

(5) RCW 43.333.900 (Transfer of powers, duties, and functions of Spokane intercollegiate research and technology institute and Washington technology center) and 2011 1st sp.s. c 14 s 17; and

(6) RCW 43.333.901 (Effective date—2011 1st sp.s. c 14) and 2011 1st sp.s. c 14 s 21.

NEW SECTION. **Sec. 19.** A new section is added to chapter 43.333 RCW to read as follows:

(1) Innovate Washington is hereby abolished and its mission, powers, duties, and functions are hereby transferred to the department of commerce.

(2)(a) Except as provided in (c) of this subsection, all property of innovate Washington shall be assigned and transferred to the department of commerce. Except as provided in (c) of this subsection, all reports, documents, surveys, books, records, files, papers, and written material, regardless of physical form or characteristics, in the possession of innovate Washington shall be delivered to the department of commerce. Except as provided in (c) of this subsection, all cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by innovate Washington shall be made available to the department of commerce. Except as provided in (b) and (c) of this subsection, all funds, credits, and other assets, tangible or intangible, held by innovate Washington shall be assigned and transferred to the department of commerce.

(b) The department of commerce shall honor any donor-imposed condition on the transfer of assets to innovate Washington, consistent with chapter 14, Laws of 2011 1st sp. sess., returning any unused funds or other assets to the grantor or the grantor's successor in interest, if return of such funds or other assets is required in the grant or other instrument by which the asset was conveyed to innovate Washington. Any donated assets, the use of which is limited by a donor-imposed restriction, shall be used only for the purposes specified in the granting instrument, and where the instrument restricts the use of such funds or other assets for the purposes of innovate Washington, they shall be used by the department of commerce only for the purpose of growing the innovation-based economic sectors of the state and responding to the technology transfer needs of existing businesses in the state.

(c)(i) All real property of innovate Washington is assigned and transferred to Washington State University, including all real estate, buildings, and facilities located at 665 North Riverpoint Boulevard in Spokane, Washington and any associated tenant leases and building obligations. All cabinets, furniture, office equipment, motor vehicles, and other tangible property associated with the facilities located at 665 North Riverpoint Boulevard in Spokane, Washington are assigned and transferred to Washington State University. The master lease for

the Spokane Technology Center Building located at 120 North Pine Street in Spokane, Washington is assigned and transferred to Washington State University. The department of commerce shall coordinate with the department of enterprise services in assigning and transferring the master lease. Washington State University shall explore terminating the master lease on the Spokane Technology Center and acquiring the property for reintegration into the campus, if in the best interests of the university.

(ii) In operating the 665 North Riverpoint Boulevard building and the Spokane Technology Center building, Washington State University may offer rental space to public, private, or private nonprofit entities that provided services to innovate Washington in the Spokane Technology Center building, and not in the 665 North Riverpoint Boulevard building, and only at a gross per square foot rate equal to or greater than the rate charged to Washington State University as subleasees prior to the effective date of this act.

(d) If any question arises as to the transfer of any asset used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

NEW SECTION. **Sec. 20.** A new section is added to chapter 43.333 RCW to read as follows:

This chapter expires June 30, 2015.

NEW SECTION. **Sec. 21.** A new section is added to chapter 70.210 RCW to read as follows:

This chapter expires June 30, 2015.

Passed by the Senate March 13, 2014.
Passed by the House March 12, 2014.
Approved by the Governor March 31, 2014.
Filed in Office of Secretary of State March 31, 2014.

CHAPTER 175

[Second Substitute House Bill 1651]

JUVENILE RECORDS

AN ACT Relating to access to juvenile records; amending RCW 13.50.010, 13.50.050, 13.40.127, 13.40.190, and 13.50.100; adding new sections to chapter 13.50 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

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

(1) The primary goal of the Washington state juvenile justice system is the rehabilitation and reintegration of former juvenile offenders. The public has a compelling interest in the rehabilitation of former juvenile offenders and their successful reintegration into society as active, law-abiding, and contributing

members of their communities. When juvenile court records are publicly available, former juvenile offenders face substantial barriers to reintegration, as they are denied housing, employment, and education opportunities on the basis of these records.

(2) The legislature declares it is the policy of the state of Washington that the interest in juvenile rehabilitation and reintegration constitutes compelling circumstances that outweigh the public interest in continued availability of juvenile court records. The legislature intends that juvenile court proceedings be openly administered but, except in limited circumstances, the records of these proceedings be closed when the juvenile has reached the age of eighteen and completed the terms of disposition.

Sec. 2. RCW 13.50.010 and 2013 c 23 s 6 are each amended to read as follows:

(1) For purposes of this chapter:

(a) "Juvenile justice or care agency" means any of the following: Police, diversion units, court, prosecuting attorney, defense attorney, detention center, attorney general, the legislative children's oversight committee, the office of the family and children's ombuds, the department of social and health services and its contracting agencies, schools; persons or public or private agencies having children committed to their custody; and any placement oversight committee created under RCW 72.05.415;

(b) "Official juvenile court file" means the legal file of the juvenile court containing the petition or information, motions, memorandums, briefs, findings of the court, and court orders;

(c) "Records" means the official juvenile court file, the social file, and records of any other juvenile justice or care agency in the case;

(d) "Social file" means the juvenile court file containing the records and reports of the probation counselor.

(2) Each petition or information filed with the court may include only one juvenile and each petition or information shall be filed under a separate docket number. The social file shall be filed separately from the official juvenile court file.

(3) It is the duty of any juvenile justice or care agency to maintain accurate records. To this end:

(a) The agency may never knowingly record inaccurate information. Any information in records maintained by the department of social and health services relating to a petition filed pursuant to chapter 13.34 RCW that is found by the court to be false or inaccurate shall be corrected or expunged from such records by the agency;

(b) An agency shall take reasonable steps to assure the security of its records and prevent tampering with them; and

(c) An agency shall make reasonable efforts to insure the completeness of its records, including action taken by other agencies with respect to matters in its files.

(4) Each juvenile justice or care agency shall implement procedures consistent with the provisions of this chapter to facilitate inquiries concerning records.

(5) Any person who has reasonable cause to believe information concerning that person is included in the records of a juvenile justice or care agency and

who has been denied access to those records by the agency may make a motion to the court for an order authorizing that person to inspect the juvenile justice or care agency record concerning that person. The court shall grant the motion to examine records unless it finds that in the interests of justice or in the best interests of the juvenile the records or parts of them should remain confidential.

(6) A juvenile, or his or her parents, or any person who has reasonable cause to believe information concerning that person is included in the records of a juvenile justice or care agency may make a motion to the court challenging the accuracy of any information concerning the moving party in the record or challenging the continued possession of the record by the agency. If the court grants the motion, it shall order the record or information to be corrected or destroyed.

(7) The person making a motion under subsection (5) or (6) of this section shall give reasonable notice of the motion to all parties to the original action and to any agency whose records will be affected by the motion.

(8) The court may permit inspection of records by, or release of information to, any clinic, hospital, or agency which has the subject person under care or treatment. The court may also permit inspection by or release to individuals or agencies, including juvenile justice advisory committees of county law and justice councils, engaged in legitimate research for educational, scientific, or public purposes. ((~~The court shall release to the caseload forecast council records needed for its research and data-gathering functions. Access to records or information for research purposes shall be permitted only if the anonymity of all persons mentioned in the records or information will be preserved.~~)) Each person granted permission to inspect juvenile justice or care agency records for research purposes shall present a notarized statement to the court stating that the names of juveniles and parents will remain confidential.

(9) The court shall release to the caseload forecast council the records needed for its research and data-gathering functions. Access to caseload forecast data may be permitted by the council for research purposes only if the anonymity of all persons mentioned in the records or information will be preserved.

(10) Juvenile detention facilities shall release records to the caseload forecast council upon request. The commission shall not disclose the names of any juveniles or parents mentioned in the records without the named individual's written permission.

((~~(10)~~)) (11) Requirements in this chapter relating to the court's authority to compel disclosure shall not apply to the legislative children's oversight committee or the office of the family and children's ombuds.

((~~(11)~~)) (12) For the purpose of research only, the administrative office of the courts shall maintain an electronic research copy of all records in the judicial information system related to juveniles. Access to the research copy is restricted to the Washington state center for court research. The Washington state center for court research shall maintain the confidentiality of all confidential records and shall preserve the anonymity of all persons identified in the research copy. The research copy may not be subject to any records retention schedule and must include records destroyed or removed from the judicial information system pursuant to ((~~RCW 13.50.050 (17) and (18)~~)) section 5 of this act and RCW 13.50.100(3).

(((~~(12)~~))) (13) The court shall release to the Washington state office of public defense records needed to implement the agency's oversight, technical assistance, and other functions as required by RCW 2.70.020. Access to the records used as a basis for oversight, technical assistance, or other agency functions is restricted to the Washington state office of public defense. The Washington state office of public defense shall maintain the confidentiality of all confidential information included in the records.

Sec. 3. RCW 13.50.050 and 2012 c 177 s 2 are each amended to read as follows:

(1) This section and sections 4 and 5 of this act govern((~~s~~)) records relating to the commission of juvenile offenses, including records relating to diversions.

(2) The official juvenile court file of any alleged or proven juvenile offender shall be open to public inspection, unless sealed pursuant to ((~~subsection (12) of this~~)) section 4 of this act.

(3) All records other than the official juvenile court file are confidential and may be released only as provided in this ((~~section~~)) chapter, RCW ((~~13.50.010,~~)) 13.40.215((~~,~~)) and 4.24.550.

(4) Except as otherwise provided in this ((~~section and RCW 13.50.010~~)) chapter, records retained or produced by any juvenile justice or care agency may be released to other participants in the juvenile justice or care system only when an investigation or case involving the juvenile in question is being pursued by the other participant or when that other participant is assigned the responsibility for supervising the juvenile.

(5) Except as provided in RCW 4.24.550, information not in an official juvenile court file concerning a juvenile or a juvenile's family may be released to the public only when that information could not reasonably be expected to identify the juvenile or the juvenile's family.

(6) Notwithstanding any other provision of this chapter, the release, to the juvenile or his or her attorney, of law enforcement and prosecuting attorneys' records pertaining to investigation, diversion, and prosecution of juvenile offenses shall be governed by the rules of discovery and other rules of law applicable in adult criminal investigations and prosecutions.

(7) Upon the decision to arrest or the arrest, law enforcement and prosecuting attorneys may cooperate with schools in releasing information to a school pertaining to the investigation, diversion, and prosecution of a juvenile attending the school. Upon the decision to arrest or the arrest, incident reports may be released unless releasing the records would jeopardize the investigation or prosecution or endanger witnesses. If release of incident reports would jeopardize the investigation or prosecution or endanger witnesses, law enforcement and prosecuting attorneys may release information to the maximum extent possible to assist schools in protecting other students, staff, and school property.

(8) The juvenile court and the prosecutor may set up and maintain a central recordkeeping system which may receive information on all alleged juvenile offenders against whom a complaint has been filed pursuant to RCW 13.40.070 whether or not their cases are currently pending before the court. The central recordkeeping system may be computerized. If a complaint has been referred to a diversion unit, the diversion unit shall promptly report to the juvenile court or the prosecuting attorney when the juvenile has agreed to diversion. An offense

shall not be reported as criminal history in any central recordkeeping system without notification by the diversion unit of the date on which the offender agreed to diversion.

(9) Upon request of the victim of a crime or the victim's immediate family, the identity of an alleged or proven juvenile offender alleged or found to have committed a crime against the victim and the identity of the alleged or proven juvenile offender's parent, guardian, or custodian and the circumstance of the alleged or proven crime shall be released to the victim of the crime or the victim's immediate family.

(10) Subject to the rules of discovery applicable in adult criminal prosecutions, the juvenile offense records of an adult criminal defendant or witness in an adult criminal proceeding shall be released upon request to prosecution and defense counsel after a charge has actually been filed. The juvenile offense records of any adult convicted of a crime and placed under the supervision of the adult corrections system shall be released upon request to the adult corrections system.

(11) ((~~In any case in which an information has been filed pursuant to RCW 13.40.100 or a complaint has been filed with the prosecutor and referred for diversion pursuant to RCW 13.40.070, the person the subject of the information or complaint may file a motion with the court to have the court vacate its order and findings, if any, and, subject to subsection (23) of this section, order the sealing of the official juvenile court file, the social file, and records of the court and of any other agency in the case.~~

~~(12)(a) The court shall not grant any motion to seal records for class A offenses made pursuant to subsection (11) of this section that is filed on or after July 1, 1997, unless:~~

~~(i) Since the last date of release from confinement, including full-time residential treatment, if any, or entry of disposition, the person has spent five consecutive years in the community without committing any offense or crime that subsequently results in an adjudication or conviction;~~

~~(ii) No proceeding is pending against the moving party seeking the conviction of a juvenile offense or a criminal offense;~~

~~(iii) No proceeding is pending seeking the formation of a diversion agreement with that person;~~

~~(iv) The person is no longer required to register as a sex offender under RCW 9A.44.130 or has been relieved of the duty to register under RCW 9A.44.143 if the person was convicted of a sex offense;~~

~~(v) The person has not been convicted of rape in the first degree, rape in the second degree, or indecent liberties that was actually committed with forcible compulsion; and~~

~~(vi) Full restitution has been paid.~~

~~(b) The court shall not grant any motion to seal records for class B, C, gross misdemeanor and misdemeanor offenses and diversions made under subsection (11) of this section unless:~~

~~(i) Since the date of last release from confinement, including full-time residential treatment, if any, entry of disposition, or completion of the diversion agreement, the person has spent two consecutive years in the community without being convicted of any offense or crime;~~

~~(ii) No proceeding is pending against the moving party seeking the conviction of a juvenile offense or a criminal offense;~~

~~(iii) No proceeding is pending seeking the formation of a diversion agreement with that person;~~

~~(iv) The person is no longer required to register as a sex offender under RCW 9A.44.130 or has been relieved of the duty to register under RCW 9A.44.143 if the person was convicted of a sex offense; and~~

~~(v) Full restitution has been paid.~~

~~(c) Notwithstanding the requirements in (a) or (b) of this subsection, the court shall grant any motion to seal records of any deferred disposition vacated under RCW 13.40.127(9) prior to June 7, 2012, if restitution has been paid and the person is eighteen years of age or older at the time of the motion.~~

~~(13) The person making a motion pursuant to subsection (11) of this section shall give reasonable notice of the motion to the prosecution and to any person or agency whose files are sought to be sealed.~~

~~(14)(a) If the court grants the motion to seal made pursuant to subsection (11) of this section, it shall, subject to subsection (23) of this section, order sealed the official juvenile court file, the social file, and other records relating to the case as are named in the order. Thereafter, the proceedings in the case shall be treated as if they never occurred, and the subject of the records may reply accordingly to any inquiry about the events, records of which are sealed. Any agency shall reply to any inquiry concerning confidential or sealed records that records are confidential, and no information can be given about the existence or nonexistence of records concerning an individual.~~

~~(b) In the event the subject of the juvenile records receives a full and unconditional pardon, the proceedings in the matter upon which the pardon has been granted shall be treated as if they never occurred, and the subject of the records may reply accordingly to any inquiry about the events upon which the pardon was received. Any agency shall reply to any inquiry concerning the records pertaining to the events for which the subject received a pardon that records are confidential, and no information can be given about the existence or nonexistence of records concerning an individual.~~

~~(15) Inspection of the files and records included in the order to seal may thereafter be permitted only by order of the court upon motion made by the person who is the subject of the information or complaint, except as otherwise provided in RCW 13.50.010(8) and subsection (23) of this section.~~

~~(16) Any adjudication of a juvenile offense or a crime subsequent to sealing has the effect of nullifying the sealing order. Any charging of an adult felony subsequent to the sealing has the effect of nullifying the sealing order for the purposes of chapter 9.94A RCW. The administrative office of the courts shall ensure that the superior court judicial information system provides prosecutors access to information on the existence of sealed juvenile records.~~

~~(17)(a)(i) Subject to subsection (23) of this section, all records maintained by any court or law enforcement agency, including the juvenile court, local law enforcement, the Washington state patrol, and the prosecutor's office, shall be automatically destroyed within ninety days of becoming eligible for destruction. Juvenile records are eligible for destruction when:~~

~~(A) The person who is the subject of the information or complaint is at least eighteen years of age;~~

~~(B) His or her criminal history consists entirely of one diversion agreement or counsel and release entered on or after June 12, 2008;~~

~~(C) Two years have elapsed since completion of the agreement or counsel and release;~~

~~(D) No proceeding is pending against the person seeking the conviction of a criminal offense; and~~

~~(E) There is no restitution owing in the case.~~

~~(ii) No less than quarterly, the administrative office of the courts shall provide a report to the juvenile courts of those individuals whose records may be eligible for destruction. The juvenile court shall verify eligibility and notify the Washington state patrol and the appropriate local law enforcement agency and prosecutor's office of the records to be destroyed. The requirement to destroy records under this subsection is not dependent on a court hearing or the issuance of a court order to destroy records.~~

~~(iii) The state and local governments and their officers and employees are not liable for civil damages for the failure to destroy records pursuant to this section.~~

~~(b) All records maintained by any court or law enforcement agency, including the juvenile court, local law enforcement, the Washington state patrol, and the prosecutor's office, shall be automatically destroyed within thirty days of being notified by the governor's office that the subject of those records received a full and unconditional pardon by the governor.~~

~~(c) A person eighteen years of age or older whose criminal history consists entirely of one diversion agreement or counsel and release entered prior to June 12, 2008, may request that the court order the records in his or her case destroyed. The request shall be granted, subject to subsection (23) of this section, if the court finds that two years have elapsed since completion of the agreement or counsel and release.~~

~~(d) A person twenty-three years of age or older whose criminal history consists of only referrals for diversion may request that the court order the records in those cases destroyed. The request shall be granted, subject to subsection (23) of this section, if the court finds that all diversion agreements have been successfully completed and no proceeding is pending against the person seeking the conviction of a criminal offense.~~

~~(18) If the court grants the motion to destroy records made pursuant to subsection (17)(c) or (d) of this section, it shall, subject to subsection (23) of this section, order the official juvenile court file, the social file, and any other records named in the order to be destroyed.~~

~~(19) The person making the motion pursuant to subsection (17) (c) or (d) of this section shall give reasonable notice of the motion to the prosecuting attorney and to any agency whose records are sought to be destroyed.~~

~~(20)~~)) Any juvenile to whom the provisions of this section or section 4 or 5 of this act may apply shall be given written notice of his or her rights under this section at the time of his or her disposition hearing or during the diversion process.

((~~(21)~~)) (12) Nothing in this section or section 4 or 5 of this act may be construed to prevent a crime victim or a member of the victim's family from divulging the identity of the alleged or proven juvenile offender or his or her family when necessary in a civil proceeding.

(((~~(22) Any juvenile justice or care agency may, subject to the limitations in subsection (23) of this section and (a) and (b) of this subsection, develop procedures for the routine destruction of records relating to juvenile offenses and diversions.~~

~~(a) Records may be routinely destroyed only when the person the subject of the information or complaint has attained twenty-three years of age or older or pursuant to subsection (17)(a) of this section.~~

~~(b) The court may not routinely destroy the official juvenile court file or recordings or transcripts of any proceedings.~~

~~(23)~~)) (13) Except ((~~for subsection (17)(b) of this section~~)) as provided in section 5(2) of this act, no identifying information held by the Washington state patrol in accordance with chapter 43.43 RCW is subject to destruction or sealing under this section. For the purposes of this subsection, identifying information includes photographs, fingerprints, palmprints, soleprints, toeprints and any other data that identifies a person by physical characteristics, name, birthdate or address, but does not include information regarding criminal activity, arrest, charging, diversion, conviction or other information about a person's treatment by the criminal justice system or about the person's behavior.

(((~~(24)~~))) (14) Information identifying child victims under age eighteen who are victims of sexual assaults by juvenile offenders is confidential and not subject to release to the press or public without the permission of the child victim or the child's legal guardian. Identifying information includes the child victim's name, addresses, location, photographs, and in cases in which the child victim is a relative of the alleged perpetrator, identification of the relationship between the child and the alleged perpetrator. Information identifying a child victim of sexual assault may be released to law enforcement, prosecutors, judges, defense attorneys, or private or governmental agencies that provide services to the child victim of sexual assault.

NEW SECTION. **Sec. 4.** A new section is added to chapter 13.50 RCW to read as follows:

(1)(a) The court shall hold regular sealing hearings. During these regular sealing hearings, the court shall administratively seal an individual's juvenile court record pursuant to the requirements of this subsection unless the court receives an objection to sealing or the court notes a compelling reason not to seal, in which case, the court shall set a contested hearing to be conducted on the record to address sealing. The respondent and his or her attorney shall be given at least eighteen days' notice of any contested sealing hearing and the opportunity to respond to any objections, but the respondent's presence is not required at any sealing hearing pursuant to this subsection.

(b) At the disposition hearing of a juvenile offender, the court shall schedule an administrative sealing hearing to take place during the first regularly scheduled sealing hearing after the latest of the following events that apply:

(i) The respondent's eighteenth birthday;

(ii) Anticipated completion of a respondent's probation, if ordered;

(iii) Anticipated release from confinement at the juvenile rehabilitation administration, or the completion of parole, if the respondent is transferred to the juvenile rehabilitation administration.

(c) A court shall enter a written order sealing an individual's juvenile court record pursuant to this subsection if:

(i) One of the offenses for which the court has entered a disposition is not at the time of commission of the offense:

(A) A most serious offense, as defined in RCW 9.94A.030;

(B) A sex offense under chapter 9A.44 RCW; or

(C) A drug offense, as defined in RCW 9.94A.030; and

(ii) The respondent has completed the terms and conditions of disposition, including affirmative conditions and financial obligations.

(d) Following a contested sealing hearing on the record after an objection is made pursuant to (a) of this subsection, the court shall enter a written order sealing the juvenile court record unless the court determines that sealing is not appropriate.

(2) The court shall enter a written order immediately sealing the official juvenile court record upon the acquittal after a fact finding or upon dismissal of charges.

(3) If a juvenile court record has not already been sealed pursuant to this section, in any case in which information has been filed pursuant to RCW 13.40.100 or a complaint has been filed with the prosecutor and referred for diversion pursuant to RCW 13.40.070, the person who is the subject of the information or complaint may file a motion with the court to have the court vacate its order and findings, if any, and, subject to RCW 13.50.050(13), order the sealing of the official juvenile court record, the social file, and records of the court and of any other agency in the case.

(4)(a) The court shall grant any motion to seal records for class A offenses made pursuant to subsection (3) of this section if:

(i) Since the last date of release from confinement, including full-time residential treatment, if any, or entry of disposition, the person has spent five consecutive years in the community without committing any offense or crime that subsequently results in an adjudication or conviction;

(ii) No proceeding is pending against the moving party seeking the conviction of a juvenile offense or a criminal offense;

(iii) No proceeding is pending seeking the formation of a diversion agreement with that person;

(iv) The person is no longer required to register as a sex offender under RCW 9A.44.130 or has been relieved of the duty to register under RCW 9A.44.143 if the person was convicted of a sex offense;

(v) The person has not been convicted of rape in the first degree, rape in the second degree, or indecent liberties that was actually committed with forcible compulsion; and

(vi) Full restitution has been paid.

(b) The court shall grant any motion to seal records for class B, C, gross misdemeanor, and misdemeanor offenses and diversions made under subsection (3) of this section if:

(i) Since the date of last release from confinement, including full-time residential treatment, if any, entry of disposition, or completion of the diversion agreement, the person has spent two consecutive years in the community without being convicted of any offense or crime;

(ii) No proceeding is pending against the moving party seeking the conviction of a juvenile offense or a criminal offense;

(iii) No proceeding is pending seeking the formation of a diversion agreement with that person;

(iv) The person is no longer required to register as a sex offender under RCW 9A.44.130 or has been relieved of the duty to register under RCW 9A.44.143 if the person was convicted of a sex offense; and

(v) Full restitution has been paid.

(c) Notwithstanding the requirements in (a) or (b) of this subsection, the court shall grant any motion to seal records of any deferred disposition vacated under RCW 13.40.127(9) prior to June 7, 2012, if restitution has been paid and the person is eighteen years of age or older at the time of the motion.

(5) The person making a motion pursuant to subsection (3) of this section shall give reasonable notice of the motion to the prosecution and to any person or agency whose records are sought to be sealed.

(6)(a) If the court enters a written order sealing the juvenile court record pursuant to this section, it shall, subject to RCW 13.50.050(13), order sealed the official juvenile court record, the social file, and other records relating to the case as are named in the order. Thereafter, the proceedings in the case shall be treated as if they never occurred, and the subject of the records may reply accordingly to any inquiry about the events, records of which are sealed. Any agency shall reply to any inquiry concerning confidential or sealed records that records are confidential, and no information can be given about the existence or nonexistence of records concerning an individual.

(b) In the event the subject of the juvenile records receives a full and unconditional pardon, the proceedings in the matter upon which the pardon has been granted shall be treated as if they never occurred, and the subject of the records may reply accordingly to any inquiry about the events upon which the pardon was received. Any agency shall reply to any inquiry concerning the records pertaining to the events for which the subject received a pardon that records are confidential, and no information can be given about the existence or nonexistence of records concerning an individual.

(7) Inspection of the files and records included in the order to seal may thereafter be permitted only by order of the court upon motion made by the person who is the subject of the information or complaint, except as otherwise provided in RCW 13.50.010(8) and 13.50.050(13).

(8)(a) Any adjudication of a juvenile offense or a crime subsequent to sealing has the effect of nullifying a sealing order; however, the court may order the juvenile court record resealed upon disposition of the subsequent matter if the case meets the sealing criteria under this section and the court record has not previously been resealed.

(b) Any charging of an adult felony subsequent to the sealing has the effect of nullifying the sealing order.

(c) The administrative office of the courts shall ensure that the superior court judicial information system provides prosecutors access to information on the existence of sealed juvenile records.

(9) If the juvenile court record has been sealed pursuant to this section, the record of an employee is not admissible in an action for liability against the employer based on the former juvenile offender's conduct to show that the employer knew or should have known of the juvenile record of the employee.

The record may be admissible, however, if a background check conducted or authorized by the employer contained the information in the sealed record.

NEW SECTION. **Sec. 5.** A new section is added to chapter 13.50 RCW to read as follows:

(1)(a) Subject to RCW 13.50.050(13), all records maintained by any court or law enforcement agency, including the juvenile court, local law enforcement, the Washington state patrol, and the prosecutor's office, shall be automatically destroyed within ninety days of becoming eligible for destruction. Juvenile records are eligible for destruction when:

(i) The person who is the subject of the information or complaint is at least eighteen years of age;

(ii) The person's criminal history consists entirely of one diversion agreement or counsel and release entered on or after June 12, 2008;

(iii) Two years have elapsed since completion of the agreement or counsel and release;

(iv) No proceeding is pending against the person seeking the conviction of a criminal offense; and

(v) There is no restitution owing in the case.

(b) No less than quarterly, the administrative office of the courts shall provide a report to the juvenile courts of those individuals whose records may be eligible for destruction. The juvenile court shall verify eligibility and notify the Washington state patrol and the appropriate local law enforcement agency and prosecutor's office of the records to be destroyed. The requirement to destroy records under this subsection is not dependent on a court hearing or the issuance of a court order to destroy records.

(c) The state and local governments and their officers and employees are not liable for civil damages for the failure to destroy records pursuant to this section.

(2) All records maintained by any court or law enforcement agency, including the juvenile court, local law enforcement, the Washington state patrol, and the prosecutor's office, shall be automatically destroyed within thirty days of being notified by the governor's office that the subject of those records received a full and unconditional pardon by the governor.

(3)(a) A person may request that the court order the records in his or her case destroyed as follows:

(i) A person eighteen years of age or older whose criminal history consists entirely of one diversion agreement or counsel and release entered prior to June 12, 2008. The request shall be granted if the court finds that two years have elapsed since completion of the agreement or counsel and release.

(ii) A person twenty-three years of age or older whose criminal history consists of only referrals for diversion. The request shall be granted if the court finds that all diversion agreements have been successfully completed and no proceeding is pending against the person seeking the conviction of a criminal offense.

(b) If the court grants the motion to destroy records made pursuant to this subsection, it shall, subject to RCW 13.50.050(13), order the official juvenile court record, the social file, and any other records named in the order to be destroyed.

(c) The person making the motion pursuant to this subsection must give reasonable notice of the motion to the prosecuting attorney and to any agency whose records are sought to be destroyed.

(4) Any juvenile justice or care agency may, subject to the limitations in RCW 13.50.050(13) and this section, develop procedures for the routine destruction of records relating to juvenile offenses and diversions.

(a) Records may be routinely destroyed only when the person the subject of the information or complaint has attained twenty-three years of age or older or pursuant to subsection (1) of this section.

(b) The court may not routinely destroy the official juvenile court record or recordings or transcripts of any proceedings.

Sec. 6. RCW 13.40.127 and 2013 c 179 s 5 are each amended to read as follows:

(1) A juvenile is eligible for deferred disposition unless he or she:

(a) Is charged with a sex or violent offense;

(b) Has a criminal history which includes any felony;

(c) Has a prior deferred disposition or deferred adjudication; or

(d) Has two or more adjudications.

(2) The juvenile court may, upon motion at least fourteen days before commencement of trial and, after consulting the juvenile's custodial parent or parents or guardian and with the consent of the juvenile, continue the case for disposition for a period not to exceed one year from the date the juvenile is found guilty. The court shall consider whether the offender and the community will benefit from a deferred disposition before deferring the disposition. The court may waive the fourteen-day period anytime before the commencement of trial for good cause.

(3) Any juvenile who agrees to a deferral of disposition shall:

(a) Stipulate to the admissibility of the facts contained in the written police report;

(b) Acknowledge that the report will be entered and used to support a finding of guilt and to impose a disposition if the juvenile fails to comply with terms of supervision;

(c) Waive the following rights to: (i) A speedy disposition; and (ii) call and confront witnesses; and

(d) Acknowledge the direct consequences of being found guilty and the direct consequences that will happen if an order of disposition is entered.

The adjudicatory hearing shall be limited to a reading of the court's record.

(4) Following the stipulation, acknowledgment, waiver, and entry of a finding or plea of guilt, the court shall defer entry of an order of disposition of the juvenile.

(5) Any juvenile granted a deferral of disposition under this section shall be placed under community supervision. The court may impose any conditions of supervision that it deems appropriate including posting a probation bond. Payment of restitution under RCW 13.40.190 shall be a condition of community supervision under this section.

The court may require a juvenile offender convicted of animal cruelty in the first degree to submit to a mental health evaluation to determine if the offender would benefit from treatment and such intervention would promote the safety of the community. After consideration of the results of the evaluation, as a

condition of community supervision, the court may order the offender to attend treatment to address issues pertinent to the offense.

The court may require the juvenile to undergo a mental health or substance abuse assessment, or both. If the assessment identifies a need for treatment, conditions of supervision may include treatment for the assessed need that has been demonstrated to improve behavioral health and reduce recidivism.

(6) A parent who signed for a probation bond has the right to notify the counselor if the juvenile fails to comply with the bond or conditions of supervision. The counselor shall notify the court and surety of any failure to comply. A surety shall notify the court of the juvenile's failure to comply with the probation bond. The state shall bear the burden to prove, by a preponderance of the evidence, that the juvenile has failed to comply with the terms of community supervision.

(7)(a) Anytime prior to the conclusion of the period of supervision, the prosecutor or the juvenile's juvenile court community supervision counselor may file a motion with the court requesting the court revoke the deferred disposition based on the juvenile's lack of compliance or treat the juvenile's lack of compliance as a violation pursuant to RCW 13.40.200.

(b) If the court finds the juvenile failed to comply with the terms of the deferred disposition, the court may:

(i) Revoke the deferred disposition and enter an order of disposition; or

(ii) Impose sanctions for the violation pursuant to RCW 13.40.200.

(8) At any time following deferral of disposition the court may, following a hearing, continue supervision for an additional one-year period for good cause.

(9)(a) At the conclusion of the period of supervision, the court shall determine whether the juvenile is entitled to dismissal of the deferred disposition only when the court finds:

(i) The deferred disposition has not been previously revoked;

(ii) The juvenile has completed the terms of supervision;

(iii) There are no pending motions concerning lack of compliance pursuant to subsection (7) of this section; and

(iv) The juvenile has either paid the full amount of restitution, or, made a good faith effort to pay the full amount of restitution during the period of supervision.

(b) If the court finds the juvenile is entitled to dismissal of the deferred disposition pursuant to (a) of this subsection, the juvenile's conviction shall be vacated and the court shall dismiss the case with prejudice, except that a conviction under RCW 16.52.205 shall not be vacated. Whenever a case is dismissed with restitution still owing, the court shall enter a restitution order pursuant to RCW 13.40.190 for any unpaid restitution. Jurisdiction to enforce payment and modify terms of the restitution order shall be the same as those set forth in RCW 13.40.190.

(c) If the court finds the juvenile is not entitled to dismissal of the deferred disposition pursuant to (a) of this subsection, the court shall revoke the deferred disposition and enter an order of disposition. A deferred disposition shall remain a conviction unless the case is dismissed and the conviction is vacated pursuant to (b) of this subsection or sealed pursuant to ((~~RCW 13.50.050~~)) section 4 of this act.

(10)(a)(i) Any time the court vacates a conviction pursuant to subsection (9) of this section, if the juvenile is eighteen years of age or older and the full amount of restitution ordered has been paid, the court shall enter a written order sealing the case.

(ii) Any time the court vacates a conviction pursuant to subsection (9) of this section, if the juvenile is not eighteen years of age or older and full restitution ordered has been paid, the court shall schedule an administrative sealing hearing to take place no later than thirty days after the respondent's eighteenth birthday, at which time the court shall enter a written order sealing the case. The respondent's presence at the administrative sealing hearing is not required.

(iii) Any deferred disposition vacated prior to June 7, 2012, is not subject to sealing under this subsection.

(b) Nothing in this subsection shall preclude a juvenile from petitioning the court to have the records of his or her deferred dispositions sealed under ((~~RCW 13.50.050 (11) and (12)~~)) section 4 of this act.

(c) Records sealed under this provision shall have the same legal status as records sealed under ((~~RCW 13.50.050~~)) section 4 of this act.

Sec. 7. RCW 13.40.190 and 2010 c 134 s 1 are each amended to read as follows:

(1)(a) In its dispositional order, the court shall require the respondent to make restitution to any persons who have suffered loss or damage as a result of the offense committed by the respondent. In addition, restitution may be ordered for loss or damage if the offender pleads guilty to a lesser offense or fewer offenses and agrees with the prosecutor's recommendation that the offender be required to pay restitution to a victim of an offense or offenses which, pursuant to a plea agreement, are not prosecuted.

(b) Restitution may include the costs of counseling reasonably related to the offense.

(c) The payment of restitution shall be in addition to any punishment which is imposed pursuant to the other provisions of this chapter.

(d) The court may determine the amount, terms, and conditions of the restitution including a payment plan extending up to ten years if the court determines that the respondent does not have the means to make full restitution over a shorter period. For the purposes of this section, the respondent shall remain under the court's jurisdiction for a maximum term of ten years after the respondent's eighteenth birthday and, during this period, the restitution portion of the dispositional order may be modified as to amount, terms, and conditions at any time. Prior to the expiration of the ten-year period, the juvenile court may extend the judgment for the payment of restitution for an additional ten years. If the court grants a respondent's petition pursuant to ((~~RCW 13.50.050(11)~~)) section 4 of this act, the court's jurisdiction under this subsection shall terminate.

(e) Nothing in this section shall prevent a respondent from petitioning the court pursuant to ((~~RCW 13.50.050(11)~~)) section 4 of this act if the respondent has paid the full restitution amount stated in the court's order and has met the statutory criteria.

(f) If the respondent participated in the crime with another person or other persons, all such participants shall be jointly and severally responsible for the payment of restitution.

(g) At any time, the court may determine that the respondent is not required to pay, or may relieve the respondent of the requirement to pay, full or partial restitution to any insurance provider authorized under Title 48 RCW if the respondent reasonably satisfies the court that he or she does not have the means to make full or partial restitution to the insurance provider and could not reasonably acquire the means to pay the insurance provider the restitution over a ten-year period.

(2) Regardless of the provisions of subsection (1) of this section, the court shall order restitution in all cases where the victim is entitled to benefits under the crime victims' compensation act, chapter 7.68 RCW. If the court does not order restitution and the victim of the crime has been determined to be entitled to benefits under the crime victims' compensation act, the department of labor and industries, as administrator of the crime victims' compensation program, may petition the court within one year of entry of the disposition order for entry of a restitution order. Upon receipt of a petition from the department of labor and industries, the court shall hold a restitution hearing and shall enter a restitution order.

(3) If an order includes restitution as one of the monetary assessments, the county clerk shall make disbursements to victims named in the order. The restitution to victims named in the order shall be paid prior to any payment for other penalties or monetary assessments.

(4) For purposes of this section, "victim" means any person who has sustained emotional, psychological, physical, or financial injury to person or property as a direct result of the offense charged. "Victim" may also include a known parent or guardian of a victim who is a minor child or is not a minor child but is incapacitated, incompetent, disabled, or deceased.

(5) A respondent under obligation to pay restitution may petition the court for modification of the restitution order.

Sec. 8. RCW 13.50.100 and 2013 c 23 s 7 are each amended to read as follows:

(1) This section governs records not covered by RCW 13.50.050 and sections 4 and 5 of this act.

(2) Records covered by this section shall be confidential and shall be released only pursuant to this section and RCW 13.50.010.

(3) Records retained or produced by any juvenile justice or care agency may be released to other participants in the juvenile justice or care system only when an investigation or case involving the juvenile in question is being pursued by the other participant or when that other participant is assigned the responsibility of supervising the juvenile. Records covered under this section and maintained by the juvenile courts which relate to the official actions of the agency may be entered in the statewide judicial information system. However, truancy records associated with a juvenile who has no other case history, and records of a juvenile's parents who have no other case history, shall be removed from the judicial information system when the juvenile is no longer subject to the compulsory attendance laws in chapter 28A.225 RCW. A county clerk is not liable for unauthorized release of this data by persons or agencies not in his or her employ or otherwise subject to his or her control, nor is the county clerk liable for inaccurate or incomplete information collected from litigants or other persons required to provide identifying data pursuant to this section.

(4) Subject to (a) of this subsection, the department of social and health services may release information retained in the course of conducting child protective services investigations to a family or juvenile court hearing a petition for custody under chapter 26.10 RCW.

(a) Information that may be released shall be limited to information regarding investigations in which: (i) The juvenile was an alleged victim of abandonment or abuse or neglect; or (ii) the petitioner for custody of the juvenile, or any individual aged sixteen or older residing in the petitioner's household, is the subject of a founded or currently pending child protective services investigation made by the department subsequent to October 1, 1998.

(b) Additional information may only be released with the written consent of the subject of the investigation and the juvenile alleged to be the victim of abandonment or abuse and neglect, or the parent, custodian, guardian, or personal representative of the juvenile, or by court order obtained with notice to all interested parties.

(5) Any disclosure of records or information by the department of social and health services pursuant to this section shall not be deemed a waiver of any confidentiality or privilege attached to the records or information by operation of any state or federal statute or regulation, and any recipient of such records or information shall maintain it in such a manner as to comply with such state and federal statutes and regulations and to protect against unauthorized disclosure.

(6) A contracting agency or service provider of the department of social and health services that provides counseling, psychological, psychiatric, or medical services may release to the office of the family and children's ombuds information or records relating to services provided to a juvenile who is dependent under chapter 13.34 RCW without the consent of the parent or guardian of the juvenile, or of the juvenile if the juvenile is under the age of thirteen years, unless such release is otherwise specifically prohibited by law.

(7) A juvenile, his or her parents, the juvenile's attorney, and the juvenile's parent's attorney, shall, upon request, be given access to all records and information collected or retained by a juvenile justice or care agency which pertain to the juvenile except:

(a) If it is determined by the agency that release of this information is likely to cause severe psychological or physical harm to the juvenile or his or her parents the agency may withhold the information subject to other order of the court: PROVIDED, That if the court determines that limited release of the information is appropriate, the court may specify terms and conditions for the release of the information; or

(b) If the information or record has been obtained by a juvenile justice or care agency in connection with the provision of counseling, psychological, psychiatric, or medical services to the juvenile, when the services have been sought voluntarily by the juvenile, and the juvenile has a legal right to receive those services without the consent of any person or agency, then the information or record may not be disclosed to the juvenile's parents without the informed consent of the juvenile unless otherwise authorized by law; or

(c) That the department of social and health services may delete the name and identifying information regarding persons or organizations who have reported alleged child abuse or neglect.

(8) A juvenile or his or her parent denied access to any records following an agency determination under subsection (7) of this section may file a motion in juvenile court requesting access to the records. The court shall grant the motion unless it finds access may not be permitted according to the standards found in subsection (7)(a) and (b) of this section.

(9) The person making a motion under subsection (8) of this section shall give reasonable notice of the motion to all parties to the original action and to any agency whose records will be affected by the motion.

(10) Subject to the rules of discovery in civil cases, any party to a proceeding seeking a declaration of dependency or a termination of the parent-child relationship and any party's counsel and the guardian ad litem of any party, shall have access to the records of any natural or adoptive child of the parent, subject to the limitations in subsection (7) of this section. A party denied access to records may request judicial review of the denial. If the party prevails, he or she shall be awarded attorneys' fees, costs, and an amount not less than five dollars and not more than one hundred dollars for each day the records were wrongfully denied.

(11) No unfounded allegation of child abuse or neglect as defined in RCW 26.44.020(1) may be disclosed to a child-placing agency, private adoption agency, or any other licensed provider.

Passed by the House March 11, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 176

[Substitute House Bill 2080]

TRIBAL FISHING—CONVICTION VACATION

AN ACT Relating to vacating convictions for certain tribal fishing activities; and reenacting and amending RCW 9.96.060.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 9.96.060 and 2012 c 183 s 5 and 2012 c 142 s 2 are each reenacted and amended to read as follows:

(1) Every person convicted of a misdemeanor or gross misdemeanor offense who has completed all of the terms of the sentence for the misdemeanor or gross misdemeanor offense may apply to the sentencing court for a vacation of the applicant's record of conviction for the offense. If the court finds the applicant meets the tests prescribed in subsection (2) of this section, the court may in its discretion vacate the record of conviction by: (a)(i) Permitting the applicant to withdraw the applicant's plea of guilty and to enter a plea of not guilty; or (ii) if the applicant has been convicted after a plea of not guilty, the court setting aside the verdict of guilty; and (b) the court dismissing the information, indictment, complaint, or citation against the applicant and vacating the judgment and sentence.

(2) An applicant may not have the record of conviction for a misdemeanor or gross misdemeanor offense vacated if any one of the following is present:

(a) There are any criminal charges against the applicant pending in any court of this state or another state, or in any federal court;

(b) The offense was a violent offense as defined in RCW 9.94A.030 or an attempt to commit a violent offense;

(c) The offense was a violation of RCW 46.61.502 (driving while under the influence), 46.61.504 (actual physical control while under the influence), 9.91.020 (operating a railroad, etc. while intoxicated), or the offense is considered a "prior offense" under RCW 46.61.5055 and the applicant has had a subsequent alcohol or drug violation within ten years of the date of arrest for the prior offense;

(d) The offense was any misdemeanor or gross misdemeanor violation, including attempt, of chapter 9.68 RCW (obscenity and pornography), chapter 9.68A RCW (sexual exploitation of children), or chapter 9A.44 RCW (sex offenses);

(e) The applicant was convicted of a misdemeanor or gross misdemeanor offense as defined in RCW 10.99.020, or the court determines after a review of the court file that the offense was committed by one family member or household member against another, or the court, after considering the damage to person or property that resulted in the conviction, any prior convictions for crimes defined in RCW 10.99.020, or for comparable offenses in another state or in federal court, and the totality of the records under review by the court regarding the conviction being considered for vacation, determines that the offense involved domestic violence, and any one of the following factors exist:

(i) The applicant has not provided written notification of the vacation petition to the prosecuting attorney's office that prosecuted the offense for which vacation is sought, or has not provided that notification to the court;

(ii) The applicant has previously had a conviction for domestic violence. For purposes of this subsection, however, if the current application is for more than one conviction that arose out of a single incident, none of those convictions counts as a previous conviction;

(iii) The applicant has signed an affidavit under penalty of perjury affirming that the applicant has not previously had a conviction for a domestic violence offense, and a criminal history check reveals that the applicant has had such a conviction; or

(iv) Less than five years have elapsed since the person completed the terms of the original conditions of the sentence, including any financial obligations and successful completion of any treatment ordered as a condition of sentencing;

(f) For any offense other than those described in (e) of this subsection, less than three years have passed since the person completed the terms of the sentence, including any financial obligations;

(g) The offender has been convicted of a new crime in this state, another state, or federal court since the date of conviction;

(h) The applicant has ever had the record of another conviction vacated; or

(i) The applicant is currently restrained, or has been restrained within five years prior to the vacation application, by a domestic violence protection order, a no-contact order, an antiharassment order, or a civil restraining order which restrains one party from contacting the other party.

(3) Every person convicted of prostitution under RCW 9A.88.030 who committed the offense as a result of being a victim of trafficking, RCW

9A.40.100, promoting prostitution in the first degree, RCW 9A.88.070, or trafficking in persons under the trafficking victims protection act of 2000, 22 U.S.C. Sec. 7101 et seq. may apply to the sentencing court for vacation of the applicant's record of conviction for the prostitution offense. An applicant may not have the record of conviction for prostitution vacated if any one of the following is present:

(a) There are any criminal charges against the applicant pending in any court of this state or another state, or in any federal court;

(b) The offender has been convicted of another crime in this state, another state, or federal court since the date of conviction; or

(c) The applicant has ever had the record of another prostitution conviction vacated.

(4) Every person convicted prior to January 1, 1975, of violating any statute or rule regarding the regulation of fishing activities, including, but not limited to, RCW 75.08.260, 75.12.060, 75.12.070, 75.12.160, 77.16.020, 77.16.030, 77.16.040, 77.16.060, and 77.16.240 who claimed to be exercising a treaty Indian fishing right, may apply to the sentencing court for vacation of the applicant's record of the misdemeanor, gross misdemeanor, or felony conviction for the offense. If the person is deceased, a member of the person's family or an official representative of the tribe of which the person was a member may apply to the court on behalf of the deceased person. Notwithstanding the requirements of RCW 9.94A.640, the court shall vacate the record of conviction if:

(a) The applicant is a member of a tribe that may exercise treaty Indian fishing rights at the location where the offense occurred; and

(b) The state has been enjoined from taking enforcement action of the statute or rule to the extent that it interferes with a treaty Indian fishing right as determined under *United States v. Washington*, 384 F. Supp. 312 (W.D. Wash. 1974), or *Sohappy v. Smith*, 302 F. Supp. 899 (D. Oregon 1969), and any posttrial orders of those courts, or any other state supreme court or federal court decision.

(5) Once the court vacates a record of conviction under ((~~subsection (1) of~~)) this section, the person shall be released from all penalties and disabilities resulting from the offense and the fact that the person has been convicted of the offense shall not be included in the person's criminal history for purposes of determining a sentence in any subsequent conviction. For all purposes, including responding to questions on employment or housing applications, a person whose conviction has been vacated under ((~~subsection (1) of~~)) this section may state that he or she has never been convicted of that crime. Nothing in this section affects or prevents the use of an offender's prior conviction in a later criminal prosecution.

(((~~(5)~~))) (6) All costs incurred by the court and probation services shall be paid by the person making the motion to vacate the record unless a determination is made pursuant to chapter 10.101 RCW that the person making the motion is indigent, at the time the motion is brought.

(((~~(6)~~))) (7) The clerk of the court in which the vacation order is entered shall immediately transmit the order vacating the conviction to the Washington state patrol identification section and to the local police agency, if any, which holds criminal history information for the person who is the subject of the conviction. The Washington state patrol and any such local police agency shall immediately

update their records to reflect the vacation of the conviction, and shall transmit the order vacating the conviction to the federal bureau of investigation. A conviction that has been vacated under this section may not be disseminated or disclosed by the state patrol or local law enforcement agency to any person, except other criminal justice enforcement agencies.

Passed by the House February 13, 2014.
Passed by the Senate March 5, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 177

[Substitute Senate Bill 6078]

STATE HOLIDAYS—NATIVE AMERICAN HERITAGE DAY

AN ACT Relating to recognizing "Native American Heritage Day"; amending RCW 1.16.050 and 28A.150.050; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** (1) The Washington state legislature finds that:

(a) Native Americans have long inhabited the area now known as Washington state, living in sustainable cultures based on cooperation and respect for the land and all creatures;

(b) Native Americans suffered many grave injustices when nontribal people settled in Washington state, but endured to preserve remarkable American Indian cultures;

(c) Native Americans have contributed immeasurably to Washington state and the United States as scholars, artists, entrepreneurs, and leaders in all realms of society;

(d) Native Americans have served with honor and distinction in the United States armed forces, and many made the ultimate sacrifice in that service;

(e) Many states have designated days, weeks, or months honoring Native American heritage, and on October 21, 2013, President Barack Obama proclaimed November 2013 as National Native American Heritage Month and called upon all Americans to celebrate November 29, 2013, as Native American Heritage Day; and

(f) More than one hundred eighty federally acknowledged Native American tribes in the United States, including many Washington state tribes, support recognizing a day honoring Native American heritage.

(2) The Washington state legislature therefore intends to recognize and honor Washington state's proud and resonant Native American heritage by designating the Friday immediately following the fourth Thursday in November, currently a state legal and school holiday, as "Native American Heritage Day."

Sec. 2. RCW 1.16.050 and 2013 c 5 s 1 are each amended to read as follows:

(1) The following are state legal holidays:

(a) Sunday;

(b) The first day of January, commonly called New Year's Day;

(c) The third Monday of January, ((~~being~~)) celebrated as the anniversary of the birth of Martin Luther King, Jr.;

(d) The third Monday of February, to be known as Presidents' Day and ((~~to be~~)) celebrated as the anniversary of the births of Abraham Lincoln and George Washington;

(e) The last Monday of May, commonly known as Memorial Day;

(f) The fourth day of July, ((~~being~~)) the anniversary of the Declaration of Independence;

(g) The first Monday in September, to be known as Labor Day;

(h) The eleventh day of November, to be known as Veterans' Day;

(i) The fourth Thursday in November, to be known as Thanksgiving Day;

(j) The ((~~day~~)) Friday immediately following ((~~Thanksgiving~~)) the fourth Thursday in November, to be known as Native American Heritage Day; and

(k) The twenty-fifth day of December, commonly called Christmas Day.

(2) Employees of the state and its political subdivisions, except employees of school districts and except those nonclassified employees of institutions of higher education who hold appointments or are employed under contracts to perform services for periods of less than twelve consecutive months, ((~~shall be~~)) are entitled to one paid holiday per calendar year in addition to those specified in this section. Each employee of the state or its political subdivisions may select the day on which the employee desires to take the additional holiday provided for ((~~herein~~)) in this section after consultation with the employer pursuant to guidelines to be promulgated by rule of the appropriate personnel authority, or in the case of local government by ordinance or resolution of the legislative authority.

(3) If any of the ((~~above specified~~)) state legal holidays specified in this section are also federal legal holidays but observed on different dates, only the state legal holidays ((~~shall be~~)) are recognized as a paid legal holiday for employees of the state and its political subdivisions ((~~except that for~~)). However, for port districts and the law enforcement and public transit employees of municipal corporations, either the federal or the state legal holiday is recognized as a paid legal holiday, but in no case may both((~~, may~~)) holidays be recognized as a paid legal holiday for employees.

(4) Whenever any state legal holiday((~~,~~)):

(a) Other than Sunday, falls upon a Sunday, the following Monday ((~~shall be~~)) is the legal holiday((~~.~~

~~Whenever any legal holiday~~)); or

(b) Falls upon a Saturday, the preceding Friday ((~~shall be~~)) is the legal holiday.

(5) Nothing in this section ((~~shall~~)) may be construed to have the effect of adding or deleting the number of paid holidays provided for in an agreement between employees and employers of political subdivisions of the state or as established by ordinance or resolution of the local government legislative authority.

(6) The legislature declares that the following days are recognized as provided in this subsection, but may not be considered legal holidays for any purpose:

(a) The thirteenth day of January ((~~shall be~~)), recognized as Korean-American day ((~~but shall not be considered a legal holiday for any purposes. The legislature declares that~~));

(b) The twelfth day of October ((~~shall be~~)), recognized as Columbus day ((~~but shall not be considered a legal holiday for any purposes. The legislature declares that~~));

(c) The ninth day of April ((~~shall be~~)), recognized as former prisoner of war recognition day ((~~but shall not be considered a legal holiday for any purposes. The legislature declares that~~));

(d) The twenty-sixth day of January ((~~shall be~~)), recognized as Washington army and air national guard day ((~~but shall not be considered a legal holiday for any purposes. The legislature declares that~~));

(e) The seventh day of August ((~~shall be~~)), recognized as purple heart recipient recognition day ((~~but shall not be considered a legal holiday for any purposes. The legislature declares that~~));

(f) The second Sunday in October ((~~be~~)), recognized as Washington state children's day ((~~but shall not be considered a legal holiday for any purposes. The legislature declares that~~));

(g) The sixteenth day of April ((~~shall be~~)), recognized as Mother Joseph day ((~~and~~));

(h) The fourth day of September, recognized as Marcus Whitman day((~~, but neither shall be considered legal holidays for any purpose. The legislature declares that~~));

(i) The seventh day of December ((~~be~~)), recognized as Pearl Harbor remembrance day ((~~but shall not be considered a legal holiday for any purpose. The legislature declares that~~));

(j) The twenty-seventh day of July ((~~be~~)), recognized as national Korean war veterans armistice day ((~~but shall not be considered a legal holiday for any purpose. The legislature declares that~~));

(k) The nineteenth day of February ((~~be~~)), recognized as civil liberties day of remembrance ((~~but shall not be considered a legal holiday for any purpose. The legislature declares that~~));

(l) The nineteenth day of June ((~~be~~)), recognized as Juneteenth, a day of remembrance for the day the slaves learned of their freedom((~~, but shall not be considered a legal holiday for any purpose. The legislature declares that~~)); and

(m) The thirtieth day of March ((~~be~~)), recognized as welcome home Vietnam veterans day ((~~but shall not be considered a legal holiday for any purpose~~)).

Sec. 3. RCW 28A.150.050 and 1989 c 233 s 11 are each amended to read as follows:

(1) The following are school holidays, and school ((~~shall~~)) may not be taught on these days:

(a) Sunday;

(b) The first day of January, commonly called New Year's Day;

(c) The third Monday of January, ((~~being~~)) celebrated as the anniversary of the birth of Martin Luther King, Jr.;

(d) The third Monday in February, to be known as Presidents' Day and ((~~to be~~)) celebrated as the anniversary of the births of Abraham Lincoln and George Washington;

(e) The last Monday in May, commonly known as Memorial Day;

(f) The fourth day of July, ((~~being~~)) the anniversary of the Declaration of Independence;

(g) The first Monday in September, to be known as Labor Day;

(h) The eleventh day of November, to be known as Veterans' Day((~~,~~)):

(i) The fourth Thursday in November, commonly known as Thanksgiving Day;

(j) The ((~~day~~)) Friday immediately following ((~~Thanksgiving~~)) the fourth Thursday in November, to be known as Native American Heritage Day; and

(k) The twenty-fifth day of December, commonly called Christmas Day((~~: PROVIDED, That~~)).

(2) No reduction from ((~~the~~)) a teacher's time or salary ((~~shall~~)) may be made by reason of the fact that a school day happens to be one of the days referred to in this section as a day on which school ((~~shall not be~~)) is not taught.

NEW SECTION. **Sec. 4.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the Senate February 14, 2014.
Passed by the House March 5, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 178

[House Bill 2115]

OFFICER PROMOTION BOARD—COMPOSITION

AN ACT Relating to the composition of the officer promotion board; and amending RCW 38.12.125.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 38.12.125 and 1989 c 19 s 18 are each amended to read as follows:

The officer promotion board shall be composed as follows:

(1) For promotions ((~~or appointments~~)) of army national guard officers, the ((~~board will consist of the adjutant general, the assistant adjutant general army, and the five commanders senior in grade and date of rank in that grade in the Washington army national guard. If the board is selecting an officer for promotion to the rank of colonel, any member of the board who is a lieutenant colonel will be automatically disqualified and will not be replaced. If the board is selecting an officer for promotion to the rank of brigadier general, any member of the board who is a lieutenant colonel or who is a colonel will be automatically disqualified and will not be replaced~~)) adjutant general must appoint a board that includes at least five voting members who are officers in the army national guard senior in grade to those officers being considered by the board for promotion.

(a) Any officer appointed to the board who is not senior in grade to officers being considered for promotion must be recused from participating in the consideration for promotion of those officers to whom he or she is not senior.

(b) For consideration of an officer for promotion to the grade of O5 and above, the board must include at least one general officer appointed by the adjutant general as a voting member.

(2) For promotions ((~~or appointments~~)) of air national guard officers, the ((~~board will consist of the adjutant general, the assistant adjutant general air, and the five commanders senior in grade and date of rank in that grade in the Washington air national guard. If the board is selecting an officer for promotion to the rank of colonel, any member of the board who is a lieutenant colonel will be automatically disqualified and will not be replaced. If the board is selecting an officer for promotion to the rank of brigadier general, any member of the board who is a lieutenant colonel or who is a colonel will be automatically disqualified and will not be replaced~~)) adjutant general must appoint a board that includes at least five voting members who are officers in the air national guard senior in grade to those officers being considered by the board for promotion.

(a) Any officer appointed to the board who is not senior in grade to officers being considered for promotion must be recused from participating in the consideration for promotion of those officers to whom he or she is not senior.

(b) For consideration of an officer for promotion to the grade of O5 and above, the board must include at least one general officer appointed by the adjutant general as a voting member.

(3) For promotions ((~~or appointments~~)) of state guard officers, the ((~~board will consist of the adjutant general, the assistant adjutant general army, and the five officers senior in grade and in date of rank in that grade in the state guard. If the board is selecting an officer for promotion to the rank of colonel, any member of the board who is a lieutenant colonel will be automatically disqualified and will not be replaced. If the board is selecting an officer for promotion to the rank of brigadier general, any member of the board who is a lieutenant colonel or who is a colonel will be automatically disqualified and will not be replaced~~)) adjutant general must appoint a board that includes at least five voting members who are officers in the state guard senior in grade to those officers being considered by the board for promotion.

(a) Any officer appointed to the board who is not senior in grade to officers being considered for promotion must be recused from participating in the consideration for promotion of those officers to whom he or she is not senior.

(b) For consideration of an officer for promotion to the grade of O5 and above, the board must include at least one general officer appointed by the adjutant general as a voting member.

Passed by the House January 31, 2014.

Passed by the Senate March 7, 2014.

Approved by the Governor April 2, 2014.

Filed in Office of Secretary of State April 4, 2014.

CHAPTER 179

[House Bill 2130]

VETERANS INNOVATIONS PROGRAM

AN ACT Relating to the veterans innovations program; amending RCW 43.60A.160, 43.60A.175, and 43.60A.185; and repealing RCW 43.60A.165, 43.60A.170, 43.131.405, and 43.131.406.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.60A.160 and 2006 c 343 s 3 are each amended to read as follows:

(1) There is created in the department a veterans innovations program((~~, which consists of the defenders' fund and the competitive grant program~~)). The purpose of the veterans innovations program is to provide crisis and emergency relief and education, training, and employment assistance to veterans and their families in their communities.

(2) Subject to the availability of amounts appropriated for the specific purposes provided in this section, the department must:

(a) Establish a process to make veterans and those still serving in the national guard or armed forces reserve aware of the veterans innovations program;

(b) Develop partnerships to assist veterans, national guard, or reservists in completing the veterans innovations program application; and

(c) Provide funding to support eligible veterans, national guard members, or armed forces reserves for:

(i) Crisis and emergency relief; and

(ii) Education, training, and employment assistance.

Sec. 2. RCW 43.60A.175 and 2011 c 60 s 37 are each amended to read as follows:

(1) The department may receive gifts, grants, or endowments from public or private sources that are made from time to time, in trust or otherwise, for the use and benefit of the purposes of the ((~~defenders' fund and the competitive grant~~)) veterans innovations program and spend gifts, grants, or endowments or income from the public or private sources according to their terms, unless the receipt of the gifts, grants, or endowments violates RCW 42.17A.560.

(2) The department may adopt rules under chapter 34.05 RCW as necessary to carry out the purposes of RCW 43.60A.160 through 43.60A.185.

(3) The department may perform all acts and functions as necessary or convenient to carry out the powers expressly granted or implied under chapter 343, Laws of 2006.

Sec. 3. RCW 43.60A.185 and 2010 1st sp.s. c 37 s 924 are each amended to read as follows:

The veterans innovations program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for purposes of the veterans innovations program. ((~~During the 2009-2011 fiscal biennium, the funds may be used for contracting for veterans' claims assistance services.~~))

NEW SECTION. **Sec. 4.** The following acts or parts of acts are each repealed:

(1) RCW 43.60A.165 (Defenders' fund—Eligibility for assistance) and 2007 c 522 s 952 & 2006 c 343 s 4;

(2) RCW 43.60A.170 (Competitive grant program) and 2010 1st sp.s. c 7 s 115 & 2006 c 343 s 5;

(3) RCW 43.131.405 (Veterans innovations program—Termination) and 2006 c 343 s 10; and

(4) RCW 43.131.406 (Veterans innovations program—Repeal) and 2010 1st sp.s. c 37 s 925, 2010 1st sp.s. c 7 s 116, & 2006 c 343 s 11.

Passed by the House March 10, 2014.
Passed by the Senate March 4, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 180

[Substitute House Bill 2363]

MILITARY DEPENDENTS—HOME AND COMMUNITY-BASED SERVICES PROGRAMS

AN ACT Relating to home and community-based services programs for dependents of military service members; and adding a new section to chapter 74.04 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 74.04 RCW to read as follows:

(1) As used in this section:

(a) "Dependent" means a spouse, birth child, adopted child, or stepchild of a military service member.

(b) "Legal resident" means a person who maintains Washington as his or her principal establishment, home of record, or permanent home and to where, whenever absent due to military obligation, he or she intends to return.

(c) "Military service" means service in the armed forces, armed forces reserves, or membership in the Washington national guard.

(d) "Military service member," for the purposes of this section, is expanded to mean a person who is currently in military service or who has separated from military service in the previous eighteen months either through retirement or military separation.

(2) A dependent, who is a legal resident of the state, having previously been determined to be eligible for developmental disability services through the department, shall retain eligibility as long as he or she remains a legal resident of the state regardless of having left the state due to the military service member's military assignment outside the state. If the state eligibility requirements change, the dependent shall retain eligibility until a reeligibility determination is made.

(3) Upon assessment determination, the department shall direct that services be provided consistent with Title 71A RCW and appropriate rules if the dependent furnishes:

(a) A copy of the military service member's DD-214 or other equivalent discharge paperwork; and

(b) Proof of the military service member's legal residence in the state, as provided under RCW 46.16A.140.

(4) For dependents who received developmental disability services and who left the state due to the military service member's military assignment outside the state, upon the dependent's return to the state and when a request for services is made, the department must:

(a) Determine eligibility for services which may include request for waiver services;

(b) Provide notification for the service eligibility determination which includes notification for denial of services; and

(c) Provide due process through the appeals processes established by the department.

(5) To continue eligibility under subsection (2) of this section, the dependent is required to inform the department of his or her current address and provide updates as requested by the department.

(6) The secretary shall request a waiver from the appropriate federal agency if it is necessary to implement the provisions of this section.

(7) The department may adopt rules necessary to implement the provisions of this section.

Passed by the House March 10, 2014.
Passed by the Senate March 4, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 181

[Engrossed House Bill 2397]

SPECIAL LICENSE PLATES—MEDAL OF HONOR

AN ACT Relating to Medal of Honor special license plates; amending RCW 46.18.230, 46.16A.200, and 46.18.277; and adding a new section to chapter 46.04 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.18.230 and 2011 c 332 s 5 are each amended to read as follows:

(1) A registered owner who has been awarded the ((~~Congressional~~)) Medal of Honor may apply to the department for no more than three special license plate((~~s~~)) sets for use on ((~~a~~)) no more than three motor vehicles required to display one or two license plates, excluding vehicles registered under chapter 46.87 RCW, upon terms and conditions established by the department. The ((~~Congressional~~)) Medal of Honor recipient must:

(a) Provide proof from the Washington state department of veterans affairs showing receipt of the medal; and

(b) Be recorded as one of the registered owners of the motor vehicle on which the ((~~Congressional~~)) Medal of Honor license plate or plates will be displayed.

(2) ((~~Congressional~~)) Medal of Honor license plates must be issued:

(a) ((~~Only~~)) For ((~~a~~)) no more than three personal motor vehicles owned by a person((~~s~~)) who ((~~have~~)) has received the ((~~Congressional~~)) Medal of Honor; and

(b) Without payment of vehicle license fees, license plate fees, and motor vehicle excise taxes.

(3) ((~~Congressional~~)) Medal of Honor license plates must be replaced, free of charge, if the license plates become lost, stolen, damaged, defaced, or destroyed.

(4) A ((~~Congressional~~)) Medal of Honor license plate or plates may be transferred, free of charge, from one motor vehicle to another motor vehicle owned by the ((~~Congressional~~)) Medal of Honor recipient upon application to the department, county auditor or other agent, or subagent appointed by the director.

(5) A registered owner who is eligible for Medal of Honor license plates may, in lieu of applying for the special license plates under this section, apply for regular issue license plates for no more than three personal motor vehicles owned by the registered owner and receive the full benefit of the vehicle license fee, license plate fee, and motor vehicle excise tax exemptions provided in subsection (2)(b) of this section.

Sec. 2. RCW 46.16A.200 and 2011 c 171 s 46 are each amended to read as follows:

(1) **Design.** All license plates may be obtained by the director from the metal working plant of a state correctional facility or from any source in accordance with existing state of Washington purchasing procedures. License plates:

(a) May vary in background, color, and design;

(b) Must be legible and clearly identifiable as a Washington state license plate;

(c) Must designate the name of the state of Washington without abbreviation;

(d) Must be treated with fully reflectorized materials designed to increase visibility and legibility at night;

(e) Must be of a size and color and show the registration period as determined by the director; and

(f) Before July 1, 2010, may display a symbol or artwork approved by the former special license plate review board and the legislature. Beginning July 1, 2010, special license plate series approved by the department and enacted into law by the legislature may display a symbol or artwork approved by the department.

(2) **Exceptions to reflectorized materials.** License plates issued before January 1, 1968, are not required to be treated with reflectorized materials.

(3) **Dealer license plates.** License plates issued to a dealer must contain an indication that the license plates have been issued to a vehicle dealer.

(4)(a) **Furnished.** The director shall furnish to all persons making satisfactory application for a vehicle registration:

(i) Two identical license plates each containing the license plate number; or

(ii) One license plate if the vehicle is a trailer, semitrailer, camper, moped, collector vehicle, horseless carriage, or motorcycle.

(b) The director may adopt types of license plates to be used as long as the license plates are legible.

(5)(a) **Display.** License plates must be:

(i) Attached conspicuously at the front and rear of each vehicle if two license plates have been issued;

(ii) Attached to the rear of the vehicle if one license plate has been issued;

(iii) Kept clean and be able to be plainly seen and read at all times; and

(iv) Attached in a horizontal position at a distance of not more than four feet from the ground.

(b) The Washington state patrol may grant exceptions to this subsection if the body construction of the vehicle makes compliance with this section impossible.

(6) **Change of license classification.** A person who has altered a vehicle that makes the current license plate or plates invalid for the vehicle's use shall:

(a) Surrender the current license plate or plates to the department, county auditor or other agent, or subagent appointed by the director;

(b) Apply for a new license plate or plates; and

(c) Pay a change of classification fee required under RCW 46.17.310.

(7) **Unlawful acts.** It is unlawful to:

(a) Display a license plate or plates on the front or rear of any vehicle that were not issued by the director for the vehicle;

(b) Display a license plate or plates on any vehicle that have been changed, altered, or disfigured, or have become illegible;

(c) Use holders, frames, or other materials that change, alter, or make a license plate or plates illegible. License plate frames may be used on license plates only if the frames do not obscure license tabs or identifying letters or numbers on the plates and the license plates can be plainly seen and read at all times;

(d) Operate a vehicle unless a valid license plate or plates are attached as required under this section;

(e) Transfer a license plate or plates issued under this chapter between two or more vehicles without first making application to transfer the license plates. A violation of this subsection (7)(e) is a traffic infraction subject to a fine not to exceed five hundred dollars. Any law enforcement agency that determines that a license plate or plates have been transferred between two or more vehicles shall confiscate the license plate or plates and return them to the department for nullification along with full details of the reasons for confiscation. Each vehicle identified in the transfer will be issued a new license plate or plates upon application by the owner or owners and the payment of full fees and taxes; or

(f) Fail, neglect, or refuse to endorse the registration certificate and deliver the license plate or plates to the purchaser or transferee of the vehicle, except as authorized under this section.

(8) **Transfer.** (a) Standard issue license plates follow the vehicle when ownership of the vehicle changes unless the registered owner wishes to retain the license plates and transfer them to a replacement vehicle of the same use. A registered owner wishing to keep standard issue license plates shall pay the license plate transfer fee required under RCW 46.17.200(1)(c) when applying for license plate transfer.

(b) Special license plates and personalized license plates may be treated in the same manner as described in (a) of this subsection unless otherwise limited by law.

(c) License plates issued to the state or any county, city, town, school district, or other political subdivision entitled to exemption as provided by law may be treated in the same manner as described in (a) of this subsection.

(9) **Replacement.** (a) An owner or the owner's authorized representative shall apply for a replacement license plate or plates if the current license plate or plates assigned to the vehicle have been lost, defaced, or destroyed, or if one or both plates have become so illegible or are in such a condition as to be difficult to distinguish. An owner or the owner's authorized representative may apply for a replacement license plate or plates at any time the owner chooses.

(b) The application for a replacement license plate or plates must:

(i) Be on a form furnished or approved by the director; and

(ii) Be accompanied by the fee required under RCW 46.17.200(1)(a).

(c) The department shall not require the payment of any fee to replace a license plate or plates for vehicles owned, rented, or leased by foreign countries or international bodies to which the United States government is a signatory by treaty.

(10) **Periodic replacement.** License plates must be replaced periodically to ensure maximum legibility and reflectivity. The department shall:

(a) Use empirical studies documenting the longevity of the reflective materials used to make license plates;

(b) Determine how frequently license plates must be replaced; and

(c) Offer to owners the option of retaining the current license plate number when obtaining replacement license plates for the fee required in RCW 46.17.200(1)(b).

(11) **Periodic replacement—Exceptions.** The following license plates are not required to be periodically replaced as required in subsection (10) of this section:

(a) Horseless carriage license plates issued under RCW 46.18.255 before January 1, 1987;

(b) ((~~Congressional~~)) Medal of Honor license plates issued under RCW 46.18.230;

(c) License plates for commercial motor vehicles with a gross weight greater than twenty-six thousand pounds.

(12) **Rules.** The department may adopt rules to implement this section.

(13) **Tabs or emblems.** The director may issue tabs or emblems to be attached to license plates or elsewhere on the vehicle to signify initial registration and renewals. Renewals become effective when tabs or emblems have been issued and properly displayed on license plates.

Sec. 3. RCW 46.18.277 and 2010 c 161 s 627 are each amended to read as follows:

(1) A registered owner may purchase personalized license plates with a special license plate background for any vehicle required to display one or two vehicle license plates, excluding:

(a) Amateur radio license plates;

(b) Collector vehicle license plates;

(c) Disabled American veteran license plates;

(d) Former prisoner of war license plates;

(e) Horseless carriage license plates;

(f) ((~~Congressional~~)) Medal of Honor license plates;

(g) Military affiliate radio system license plates;

(h) Pearl Harbor survivor license plates;

(i) Restored license plates; and

(j) Vehicles registered under chapter 46.87 RCW.

(2) Personalized special license plates issued under this section must:

(a) Consist of numbers or letters or any combination of numbers or letters;

(b) Not exceed seven characters; and

(c) Not contain less than one character.

(3) The department may not issue or may refuse to issue personalized special license plates that:

(a) Duplicate or conflict with existing or projected vehicle license plate series or other numbering systems for records kept by the department; or

(b) May carry connotations offensive to good taste and decency or which would be misleading.

(4) Personalized special license plates must be issued only to the registered owner of the vehicle on which they are to be displayed. The registered owner must:

(a) Pay both the personalized license plate fee required under RCW 46.17.210 and the special license plate fee required under the applicable special license plate provision, in addition to any other fee or taxes due. License plate fees must be distributed as provided in chapter 46.68 RCW;

(b) Renew personalized special license plates annually, regardless of whether or not the vehicle on which the personalized special license plates are displayed will be driven on the public highways;

(c) Surrender personalized special license plates that have not been renewed to the department. The failure to surrender expired personalized special license plates is a traffic infraction; and

(d) Immediately report to the department when personalized special license plates have been transferred to another vehicle or another owner.

(5) The department may establish rules as necessary to carry out this section including, but not limited to, identifying the maximum number of positions on personalized special license plates for motorcycles.

NEW SECTION. **Sec. 4.** A new section is added to chapter 46.04 RCW to read as follows:

"Medal of Honor" means the Medal of Honor military decoration presented by the president of the United States, in the name of congress.

Passed by the House March 13, 2014.
Passed by the Senate March 13, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 182

[House Bill 2744]

VETERAN-OWNED BUSINESSES

AN ACT Relating to veteran-owned businesses; and amending RCW 43.60A.190.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.60A.190 and 2008 c 187 s 1 are each amended to read as follows:

(1) The department shall:

(a) ((~~Develop and~~)) Maintain a current list of certified veteran-owned businesses; and

(b) Make the list of certified veteran-owned businesses available on the department's public web site.

(2) To qualify as a certified veteran-owned business, the business must:

(a) Be at least fifty-one percent owned and controlled by:

(((~~(a)~~))) (i) A veteran as defined as every person who at the time he or she seeks certification has received a discharge with an honorable characterization or received a discharge for medical reasons with an honorable record, where applicable, and who has served in at least one of the capacities listed in RCW 41.04.007; or

(((~~(b)~~))) (ii) An active or reserve member in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves; and

(b) Be either an enterprise which is incorporated in the state of Washington as a Washington domestic corporation, or an enterprise whose principal place of business is located within the state of Washington for enterprises which are not incorporated.

(3) To participate in the linked deposit program under chapter 43.86A RCW, a veteran-owned business qualified under this section must be certified by the department as a business:

(a) In which the veteran owner possesses and exercises sufficient expertise specifically in the business's field of operation to make decisions governing the long-term direction and the day-to-day operations of the business;

(b) That is organized for profit and performing a commercially useful function; and

(c) That meets the criteria for a small business concern as established under chapter 39.19 RCW.

(4) The department shall create a logo for the purpose of identifying veteran-owned businesses to the public. The department shall put the logo on an adhesive sticker or decal suitable for display in a business window and distribute the stickers or decals to veteran-owned businesses listed with the department.

(5)(a) Businesses may submit an application on a form prescribed by the department ((~~for inclusion on the list or~~)) to apply for certification under this section.

(b) The department must notify the state treasurer of veteran-owned businesses ((~~that~~)) who have participated in the linked deposit program and are no longer certified under this section. The written notification to the state treasurer must contain information regarding the reasons for the decertification and information on financing provided to the veteran-owned business under RCW 43.86A.060.

(6) The department may adopt rules necessary to implement this section.

Passed by the House February 17, 2014.

Passed by the Senate March 5, 2014.

Approved by the Governor April 2, 2014.

Filed in Office of Secretary of State April 4, 2014.

CHAPTER 183

[Senate Bill 5318]

HIGHER EDUCATION—RESIDENT TUITION—MILITARY

AN ACT Relating to removing the one-year waiting period for veterans or active members of the military for the purpose of eligibility for resident tuition; and amending RCW 28B.15.012.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28B.15.012 and 2012 c 229 s 521 are each amended to read as follows:

Whenever used in this chapter:

(1) The term "institution" shall mean a public university, college, or community college within the state of Washington.

(2) The term "resident student" shall mean:

(a) A financially independent student who has had a domicile in the state of Washington for the period of one year immediately prior to the time of commencement of the first day of the semester or quarter for which the student has registered at any institution and has in fact established a bona fide domicile in this state primarily for purposes other than educational;

(b) A dependent student, if one or both of the student's parents or legal guardians have maintained a bona fide domicile in the state of Washington for at least one year immediately prior to commencement of the semester or quarter for which the student has registered at any institution;

(c) A student classified as a resident based upon domicile by an institution on or before May 31, 1982, who was enrolled at a state institution during any term of the 1982-1983 academic year, so long as such student's enrollment (excepting summer sessions) at an institution in this state is continuous;

(d) Any student who has spent at least seventy-five percent of both his or her junior and senior years in high schools in this state, whose parents or legal guardians have been domiciled in the state for a period of at least one year within the five-year period before the student graduates from high school, and who enrolls in a public institution of higher education within six months of leaving high school, for as long as the student remains continuously enrolled for three quarters or two semesters in any calendar year;

(e) Any person who has completed the full senior year of high school and obtained a high school diploma, both at a Washington public high school or private high school approved under chapter 28A.195 RCW, or a person who has received the equivalent of a diploma; who has lived in Washington for at least three years immediately prior to receiving the diploma or its equivalent; who has continuously lived in the state of Washington after receiving the diploma or its equivalent and until such time as the individual is admitted to an institution of higher education under subsection (1) of this section; and who provides to the institution an affidavit indicating that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so and a willingness to engage in any other activities necessary to acquire citizenship, including but not limited to citizenship or civics review courses;

(f) Any person who has lived in Washington, primarily for purposes other than educational, for at least one year immediately before the date on which the person has enrolled in an institution, and who holds lawful nonimmigrant status pursuant to 8 U.S.C. Sec. (a)(15) (E)(iii), (H)(i), or (L), or who holds lawful

nonimmigrant status as the spouse or child of a person having nonimmigrant status under one of those subsections, or who, holding or having previously held such lawful nonimmigrant status as a principal or derivative, has filed an application for adjustment of status pursuant to 8 U.S.C. Sec. 1255(a);

(g) A student who is on active military duty stationed in the state or who is a member of the Washington national guard;

(h) A student who is on active military duty or a member of the national guard who entered service as a Washington resident and who has maintained Washington as his or her domicile but is not stationed in the state;

(i) A student who is the spouse or a dependent of a person who is on active military duty ((~~stationed in the state~~)) or a member of the national guard who entered service as a Washington resident and who has maintained Washington as his or her domicile but is not stationed in the state. If the person on active military duty is reassigned out-of-state, the student maintains the status as a resident student so long as the student is continuously enrolled in a degree program;

((~~(i)~~)) (j) A student who resides in the state of Washington and is the spouse or a dependent of a person who is a member of the Washington national guard;

((~~(j)~~)) (k) A student who has separated from the military under honorable conditions after at least two years of service, and who enters an institution of higher education in Washington within one year of the date of separation who:

(i) At the time of separation designated Washington as his or her intended domicile; or

(ii) Has Washington as his or her official home of record; or

(iii) Moves to Washington and establishes a domicile as determined in RCW 28B.15.013;

(l) A student who is the spouse or a dependent of an individual who has separated from the military under honorable conditions after at least two years of service who:

(i) At the time of discharge designates Washington as his or her intended domicile; and

(ii) Has Washington as his or her primary domicile as determined in RCW 28B.15.013; and

(iii) Enters an institution of higher education in Washington within one year of the date of discharge;

(m) A student of an out-of-state institution of higher education who is attending a Washington state institution of higher education pursuant to a home tuition agreement as described in RCW 28B.15.725;

((~~(k)~~)) (n) A student who meets the requirements of RCW 28B.15.0131: PROVIDED, That a nonresident student enrolled for more than six hours per semester or quarter shall be considered as attending for primarily educational purposes, and for tuition and fee paying purposes only such period of enrollment shall not be counted toward the establishment of a bona fide domicile of one year in this state unless such student proves that the student has in fact established a bona fide domicile in this state primarily for purposes other than educational;

((~~(l)~~)) (o) A student who resides in Washington and is on active military duty stationed in the Oregon counties of Columbia, Gilliam, Hood River,

Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington; or

((~~(m)~~)) (p) A student who resides in Washington and is the spouse or a dependent of a person who resides in Washington and is on active military duty stationed in the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington. If the person on active military duty moves from Washington or is reassigned out of the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington, the student maintains the status as a resident student so long as the student resides in Washington and is continuously enrolled in a degree program.

(3) The term "nonresident student" shall mean any student who does not qualify as a "resident student" under the provisions of this section and RCW 28B.15.013. Except for students qualifying under subsection (2)(e) or ((~~(j)~~)) (m) of this section, a nonresident student shall include:

(a) A student attending an institution with the aid of financial assistance provided by another state or governmental unit or agency thereof, such nonresidency continuing for one year after the completion of such semester or quarter.

(b) A person who is not a citizen of the United States of America who does not have permanent or temporary resident status or does not hold "Refugee-Parolee" or "Conditional Entrant" status with the United States citizenship immigration services or is not otherwise permanently residing in the United States under color of law and who does not also meet and comply with all the applicable requirements in this section and RCW 28B.15.013.

(4) The term "domicile" shall denote a person's true, fixed and permanent home and place of habitation. It is the place where the student intends to remain, and to which the student expects to return when the student leaves without intending to establish a new domicile elsewhere. The burden of proof that a student, parent or guardian has established a domicile in the state of Washington primarily for purposes other than educational lies with the student.

(5) The term "dependent" shall mean a person who is not financially independent. Factors to be considered in determining whether a person is financially independent shall be set forth in rules adopted by the student achievement council and shall include, but not be limited to, the state and federal income tax returns of the person and/or the student's parents or legal guardian filed for the calendar year prior to the year in which application is made and such other evidence as the council may require.

(6) The term "active military duty" means the person is serving on active duty in:

(a) The armed forces of the United States government; or

(b) The Washington national guard; or

(c) The coast guard, merchant mariners, or other nonmilitary organization when such service is recognized by the United States government as equivalent to service in the armed forces.

Passed by the Senate January 31, 2014.

Passed by the House March 13, 2014.

Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 184

[Substitute Senate Bill 5691]

VETERANS' HOMES

AN ACT Relating to veterans' homes; amending RCW 72.36.020, 72.36.030, 72.36.035, 72.36.055, 72.36.070, 72.36.075, and 43.60A.075; and adding a new section to chapter 72.36 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 72.36 RCW to read as follows:

The "Walla Walla veterans' home" is established and maintained in this state as a branch of the state soldiers' home, and is a home for veterans, their spouses, or parents any of whose children died while serving in the armed forces, who meet admission requirements contained in RCW 72.36.030.

Sec. 2. RCW 72.36.020 and 1993 sp.s. c 3 s 4 are each amended to read as follows:

The director of the department of veterans affairs shall appoint a superintendent for each state veterans' home. The superintendent shall exercise management and control of the institution in accordance with either policies or procedures promulgated by the director of the department of veterans affairs, or both, and rules ((~~and regulations~~)) of the department. In accordance with chapter 18.52 RCW, the individual appointed as superintendent for either state veterans' home shall be a licensed nursing home administrator. ((~~The department may request a waiver to, or seek an alternate method of compliance with, the federal requirement for a licensed on-site administrator during a transition phase from July 1, 1993, to June 30, 1994.~~))

Sec. 3. RCW 72.36.030 and 2008 c 6 s 503 are each amended to read as follows:

All of the following persons who have been actual bona fide residents of this state at the time of their application((~~, and who are indigent and unable to support themselves and their families~~)) may be admitted to a state veterans' home under rules as may be adopted by the director of the department, unless sufficient facilities and resources are not available to accommodate these people:

(1)(a) All honorably discharged veterans of a branch of the armed forces of the United States or merchant marines; (b) members of the state militia disabled while in the line of duty; (c) Filipino World War II veterans who swore an oath to American authority and who participated in military engagements with American soldiers; ((~~and~~)) (d) the spouses or the domestic partners of these veterans, merchant marines, and members of the state militia; and (e) parents any of whose children died while serving in the armed forces. However, it is required that the spouse was married to and living with the veteran, or that the domestic partner was in a domestic partnership and living with the veteran, three years prior to the date of application for admittance, or, if married to or in a domestic partnership with him or her since that date, was also a resident of a state veterans' home in this state or entitled to admission thereto;

(2)(((~~(a)~~))) The spouses or domestic partners of: (((~~(i)~~))) (a) All honorably discharged veterans of the United States armed forces; (((~~(ii)~~))) (b) merchant marines; and (((~~(iii)~~))) (c) members of the state militia who were disabled while in the line of duty and who were residents of a state veterans' home in this state or were entitled to admission to one of this state's state veteran homes at the time of death((~~; (b) the spouses or domestic partners of: (i) All honorably discharged veterans of a branch of the United States armed forces; (ii) merchant marines; and (iii) members of the state militia who would have~~ been entitled to admission ~~to one of this state's state veterans' homes at the time of death, but for the fact that the spouse or domestic partner was not indigent, but has since become indigent and unable to support himself or herself and his or her family. However, the included spouse or included domestic partner shall be at least fifty years old and have been married to and living with their spouse, or in a domestic partnership and living with their domestic partner, for three years prior to the date of their application~~)). However, the included spouse or included domestic partner shall not have been married since the death of his or her spouse or domestic partner to a person who is not a resident of one of this state's state veterans' homes or entitled to admission to one of this state's state veterans' homes; and

(3) All applicants for admission to a state veterans' home shall apply for all federal and state benefits for which they may be eligible, including medical assistance under chapter 74.09 RCW.

Sec. 4. RCW 72.36.035 and 2002 c 292 s 5 are each amended to read as follows:

For purposes of this chapter, unless the context clearly indicates otherwise:

(1) "Actual bona fide residents of this state" means persons who have a domicile in the state of Washington immediately prior to application for admission to a state veterans' home.

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

(3) "Domicile" means a person's true, fixed, and permanent home and place of habitation, and shall be the place where the person intends to remain, and to which the person expects to return when the person leaves without intending to establish a new domicile elsewhere.

(4) "State veterans' homes" means the Washington soldiers' home and colony in Orting, the Washington veterans' home in Retsil, ((~~and~~)) the eastern Washington veterans' home, and the Walla Walla veterans' home.

(5) "Veteran" has the same meaning established in RCW 41.04.007.

Sec. 5. RCW 72.36.055 and 2001 2nd sp.s. c 4 s 4 are each amended to read as follows:

The state veterans' homes ((~~shall~~)) may provide both domiciliary and nursing care. The level of domiciliary members shall remain consistent with the facilities available to accommodate those members: PROVIDED, That nothing in this section shall preclude the department from moving residents between nursing and domiciliary care in order to better utilize facilities and maintain the appropriate care for the members.

Sec. 6. RCW 72.36.070 and 2008 c 6 s 506 are each amended to read as follows:

There shall be established and maintained in this state a branch of the state soldiers' home, under the name of the "Washington veterans' home," which branch shall be a home for honorably discharged veterans who have served the United States government in any of its wars, members of the state militia disabled while in the line of duty, and who are bona fide citizens of the state, ((~~and also~~)) the spouses or domestic partners of such veterans, and the parents any of whose children died while serving in the armed forces.

Sec. 7. RCW 72.36.075 and 2001 2nd sp.s. c 4 s 6 are each amended to read as follows:

There shall be established and maintained in this state a branch of the state soldiers' home, under the name of the "eastern Washington veterans' home," which branch shall be a home for veterans ((~~and~~)), their spouses, and the parents any of whose children died while serving in the armed forces who meet admission requirements contained in RCW 72.36.030.

Sec. 8. RCW 43.60A.075 and 2001 2nd sp.s. c 4 s 7 are each amended to read as follows:

The director of the department of veterans affairs shall have full power to manage and govern the state soldiers' home and colony, the Washington veterans' home, ((~~and~~)) the eastern Washington veterans' home, and the Walla Walla veterans' home.

Passed by the Senate February 10, 2014.
Passed by the House March 13, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 185

[Senate Bill 5775]

DRIVERS' LICENSES AND IDENTICARDS—VETERAN DESIGNATION

AN ACT Relating to allowing for a veteran designation on drivers' licenses and identicards; amending RCW 46.20.161 and 46.20.117; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.20.161 and 2012 c 80 s 8 are each amended to read as follows:

(1) The department, upon receipt of a fee of forty-five dollars from October 1, 2012, to June 30, 2013, and fifty-four dollars after June 30, 2013, unless the driver's license is issued for a period other than five years from October 1, 2012, to June 30, 2013, or six years after June 30, 2013, in which case the fee shall be nine dollars for each year that the license is issued, which includes the fee for the required photograph, shall issue to every qualifying applicant a driver's license. A driver's license issued to a person under the age of eighteen is an intermediate license, subject to the restrictions imposed under RCW 46.20.075, until the person reaches the age of eighteen. The license must include a distinguishing number assigned to the licensee, the name of record, date of birth, Washington residence address, photograph, a brief description of the licensee, ((~~and~~)) either a facsimile of the signature of the licensee or a space upon which the licensee shall write his or her usual signature with pen and ink immediately upon receipt of the license, and, if applicable, the person's status as a veteran as provided in

subsection (2) of this section. No license is valid until it has been so signed by the licensee.

(2) A person may apply to the department to obtain a veteran designation on a driver's license issued under this section by providing the United States department of defense discharge document, DD Form 214, as it exists on the effective date of this section, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, that shows a discharge status of "honorable" or "general under honorable conditions" that establishes the person's service in the armed forces of the United States.

Sec. 2. RCW 46.20.117 and 2012 c 80 s 6 are each amended to read as follows:

(1) **Issuance**. The department shall issue an identicard, containing a picture, if the applicant:

(a) Does not hold a valid Washington driver's license;

(b) Proves his or her identity as required by RCW 46.20.035; and

(c) Pays the required fee. Except as provided in subsection (5) of this section, the fee is forty-five dollars from October 1, 2012, to June 30, 2013, and fifty-four dollars after June 30, 2013, unless an applicant is a recipient of continuing public assistance grants under Title 74 RCW, who is referred in writing by the secretary of social and health services. For those persons the fee must be the actual cost of production of the identicard.

(2)(a) **Design and term**. The identicard must:

(((~~(a)~~))) (i) Be distinctly designed so that it will not be confused with the official driver's license; and

(((~~(b)~~))) (ii) Except as provided in subsection (5) of this section, expire on the sixth anniversary of the applicant's birthdate after issuance.

(b) The identicard may include the person's status as a veteran, consistent with RCW 46.20.161(2).

(3) **Renewal**. An application for identicard renewal may be submitted by means of:

(a) Personal appearance before the department; or

(b) Mail or electronic commerce, if permitted by rule of the department and if the applicant did not renew his or her identicard by mail or by electronic commerce when it last expired.

An identicard may not be renewed by mail or by electronic commerce unless the renewal issued by the department includes a photograph of the identicard holder.

(4) **Cancellation**. The department may cancel an identicard if the holder of the identicard used the card or allowed others to use the card in violation of RCW 46.20.0921.

(5) **Alternative issuance/renewal/extension**. The department may issue or renew an identicard for a period other than five years from October 1, 2012, to June 30, 2013, or six years after June 30, 2013, or may extend by mail or electronic commerce an identicard that has already been issued, in order to evenly distribute, as nearly as possible, the yearly renewal rate of identicard holders. The fee for an identicard issued or renewed for a period other than five years from October 1, 2012, to June 30, 2013, or six years after June 30, 2013, or that has been extended by mail or electronic commerce, is nine dollars for each

year that the identicard is issued, renewed, or extended. The department may adopt any rules as are necessary to carry out this subsection.

NEW SECTION. **Sec. 3.** This act takes effect August 30, 2017.

Passed by the Senate March 10, 2014.
Passed by the House March 6, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 186

[Substitute Senate Bill 5969]

HIGHER EDUCATION—MILITARY TRAINING—ACADEMIC CREDIT

AN ACT Relating to awarding academic credit for military training; and adding a new section to chapter 28B.10 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.10 RCW to read as follows:

(1) Before December 31, 2015, each institution of higher education must adopt a policy to award academic credit for military training applicable to the student's certificate or degree requirements. The policy shall apply to any individual who is enrolled in the institution of higher education and who has successfully completed a military training course or program as part of his or her military service that is:

(a) Recommended for credit by a national higher education association that provides credit recommendations for military training courses and programs;

(b) Included in the individual's military transcript issued by any branch of the armed services; or

(c) Other documented military training or experience.

(2) Each institution of higher education must develop a procedure for receiving the necessary documentation to identify and verify the military training course or program that an individual is claiming for academic credit.

(3) Each institution of higher education must provide a copy of its policy for awarding academic credit for military training to any applicant who listed prior or present military service in his or her application. Each institution of higher education must develop and maintain a list of military training courses and programs that have qualified for academic credit.

(4) Each institution of higher education must submit its policy for awarding academic credit for military training to the prior learning assessment work group convened pursuant to RCW 28B.77.230.

Passed by the Senate February 12, 2014.
Passed by the House March 7, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 187

[Second Substitute House Bill 1773]

MIDWIFERY—PRACTICE

AN ACT Relating to the practice of midwifery; amending RCW 18.50.010, 18.50.065, and 18.50.102; and adding a new section to chapter 18.50 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 18.50.010 and 1991 c 3 s 103 are each amended to read as follows:

Any person shall be regarded as practicing midwifery within the meaning of this chapter who shall render medical aid for a fee or compensation to a woman during prenatal, intrapartum, and postpartum stages or to her newborn up to two weeks of age or who shall advertise as a midwife by signs, printed cards, or otherwise. Nothing shall be construed in this chapter to prohibit gratuitous services. It shall be the duty of a midwife to consult with a physician whenever there are significant deviations from normal in either the mother or the ((~~infant~~)) newborn.

Sec. 2. RCW 18.50.065 and 1991 c 332 s 32 are each amended to read as follows:

(1) An applicant holding a credential in another state may be credentialed to practice in this state without examination if the secretary determines that the other state's credentialing standards are substantially equivalent to the standards in this state.

(2) The secretary shall write rules to bridge the gap between requirements of national certification of certified professional midwives and state requirements for licensure for licensed midwives.

Sec. 3. RCW 18.50.102 and 1996 c 191 s 25 are each amended to read as follows:

((~~Every person licensed to practice midwifery shall register with the secretary and pay a renewal fee~~)) (1) A licensed midwife must renew his or her license according to the following requirements:

(a) Completion of a minimum of thirty hours of continuing education, approved by the secretary, every three years;

(b) Proof of participation in a Washington state coordinated quality improvement program as detailed in rule;

(c) Proof of participation in data submission on perinatal outcomes to a national or state research organization, as detailed in rule; and

(d) Fees determined by the secretary as provided in RCW 43.70.250 and 43.70.280.

(2) The secretary shall write rules regarding the renewal requirements and the department's process for verification of the third-party data submission.

NEW SECTION. **Sec. 4.** A new section is added to chapter 18.50 RCW to read as follows:

A licensed midwife may delegate to a registered nurse or a licensed practical nurse selected acts, tasks, or procedures that constitute the practice of midwifery but do not exceed the education of the nurse.

Passed by the House February 17, 2014.

Passed by the Senate March 7, 2014.

Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 188

[Substitute House Bill 1791]

TRAFFICKING

AN ACT Relating to trafficking; and amending RCW 9A.40.100, 9A.44.128, 9.68A.120, and 9A.88.150.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 9A.40.100 and 2013 c 302 s 6 are each amended to read as follows:

(1)((~~(a)~~)) A person is guilty of trafficking in the first degree when:

((~~(i)~~)) (a) Such person:

((~~(A)~~)) (i) Recruits, harbors, transports, transfers, provides, obtains, buys, purchases, or receives by any means another person knowing, or in reckless disregard of the fact, (A) that force, fraud, or coercion as defined in RCW 9A.36.070 will be used to cause the person to engage in:

(I) Forced labor((~~,~~));

(II) Involuntary servitude((~~,~~));

(III) A sexually explicit act((~~,~~)); or

(IV) A commercial sex act, or (B) that the person has not attained the age of eighteen years and is caused to engage in a sexually explicit act or a commercial sex act; or

((~~(B)~~)) (ii) Benefits financially or by receiving anything of value from participation in a venture that has engaged in acts set forth in (a)(i)(((~~(A)~~)) of this subsection; and

((~~(ii)~~)) (b) The acts or venture set forth in (a)(((~~(i)~~)) of this subsection:

((~~(A)~~)) (i) Involve committing or attempting to commit kidnapping;

((~~(B)~~)) (ii) Involve a finding of sexual motivation under RCW 9.94A.835;

((~~(C)~~)) (iii) Involve the illegal harvesting or sale of human organs; or

((~~(D)~~)) (iv) Result in a death.

((~~(b)~~)) (2) Trafficking in the first degree is a class A felony.

((~~(2)~~)) (3)(a) A person is guilty of trafficking in the second degree when such person:

(i) Recruits, harbors, transports, transfers, provides, obtains, buys, purchases, or receives by any means another person knowing, or in reckless disregard of the fact, that force, fraud, or coercion as defined in RCW 9A.36.070 will be used to cause the person to engage in forced labor, involuntary servitude, a sexually explicit act, or a commercial sex act, or that the person has not attained the age of eighteen years and is caused to ((~~engaged [engage~~])) engage in a sexually explicit act or a commercial sex act; or

(ii) Benefits financially or by receiving anything of value from participation in a venture that has engaged in acts set forth in (a)(i) of this subsection.

(b) Trafficking in the second degree is a class A felony.

((~~(3)~~)) (4)(a) A person who is either convicted or given a deferred sentence or a deferred prosecution or who has entered into a statutory or nonstatutory diversion agreement as a result of an arrest for a violation of a trafficking crime shall be assessed a ten thousand dollar fee.

(b) The court shall not reduce, waive, or suspend payment of all or part of the fee assessed in this section unless it finds, on the record, that the offender does not have the ability to pay the fee in which case it may reduce the fee by an amount up to two-thirds of the maximum allowable fee.

(c) Fees assessed under this section shall be collected by the clerk of the court and remitted to the treasurer of the county where the offense occurred for deposit in the county general fund, except in cases in which the offense occurred in a city or town that provides for its own law enforcement, in which case these amounts shall be remitted to the treasurer of the city or town for deposit in the general fund of the city or town. Revenue from the fees must be used for local efforts to reduce the commercial sale of sex including, but not limited to, increasing enforcement of commercial sex laws.

(i) At least fifty percent of the revenue from fees imposed under this section must be spent on prevention, including education programs for offenders, such as john school, and rehabilitative services, such as mental health and substance abuse counseling, parenting skills, training, housing relief, education, vocational training, drop-in centers, and employment counseling.

(ii) Revenues from these fees are not subject to the distribution requirements under RCW 3.50.100, 3.62.020, 3.62.040, 10.82.070, or 35.20.220.

((~~(4)~~)) (5) If the victim of any offense identified in this section is a minor, force, fraud, or coercion are not necessary elements of an offense and consent to the sexually explicit act or commercial sex act does not constitute a defense.

((~~(5)~~)) (6) For purposes of this section:

(a) "Commercial sex act" means any act of sexual contact or sexual intercourse, both as defined in chapter 9A.44 RCW, for which something of value is given or received by any person; and

(b) "Sexually explicit act" means a public, private, or live photographed, recorded, or videotaped act or show intended to arouse or satisfy the sexual desires or appeal to the prurient interests of patrons for which something of value is given or received.

Sec. 2. RCW 9A.44.128 and 2013 c 302 s 8 are each amended to read as follows:

For the purposes of RCW 9A.44.130 through 9A.44.145, 10.01.200, 43.43.540, 70.48.470, and 72.09.330, the following definitions apply:

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

(2) "Conviction" means any adult conviction or juvenile adjudication for a sex offense or kidnapping offense.

(3) "Disqualifying offense" means a conviction for: Any offense that is a felony; a sex offense as defined in this section; a crime against children or persons as defined in RCW 43.43.830(7) and 9.94A.411(2)(a); an offense with a domestic violence designation as provided in RCW 10.99.020; permitting the commercial sexual abuse of a minor as defined in RCW 9.68A.103; or any violation of chapter 9A.88 RCW.

(4) "Employed" or "carries on a vocation" means employment that is full time or part time for a period of time exceeding fourteen days, or for an aggregate period of time exceeding thirty days during any calendar year. A person is employed or carries on a vocation whether the person's employment is

financially compensated, volunteered, or for the purpose of government or educational benefit.

(5) "Fixed residence" means a building that a person lawfully and habitually uses as living quarters a majority of the week. Uses as living quarters means to conduct activities consistent with the common understanding of residing, such as sleeping; eating; keeping personal belongings; receiving mail; and paying utilities, rent, or mortgage. A nonpermanent structure including, but not limited to, a motor home, travel trailer, camper, or boat may qualify as a residence provided it is lawfully and habitually used as living quarters a majority of the week, primarily kept at one location with a physical address, and the location it is kept at is either owned or rented by the person or used by the person with the permission of the owner or renter. A shelter program may qualify as a residence provided it is a shelter program designed to provide temporary living accommodations for the homeless, provides an offender with a personally assigned living space, and the offender is permitted to store belongings in the living space.

(6) "In the community" means residing outside of confinement or incarceration for a disqualifying offense.

(7) "Institution of higher education" means any public or private institution dedicated to postsecondary education, including any college, university, community college, trade, or professional school.

(8) "Kidnapping offense" means:

(a) The crimes of kidnapping in the first degree, kidnapping in the second degree, and unlawful imprisonment, as defined in chapter 9A.40 RCW, where the victim is a minor and the offender is not the minor's parent;

(b) Any offense that is, under chapter 9A.28 RCW, a criminal attempt, criminal solicitation, or criminal conspiracy to commit an offense that is classified as a kidnapping offense under this subsection; and

(c) Any federal or out-of-state conviction for: An offense for which the person would be required to register as a kidnapping offender if residing in the state of conviction; or, if not required to register in the state of conviction, an offense that under the laws of this state would be classified as a kidnapping offense under this subsection.

(9) "Lacks a fixed residence" means the person does not have a living situation that meets the definition of a fixed residence and includes, but is not limited to, a shelter program designed to provide temporary living accommodations for the homeless, an outdoor sleeping location, or locations where the person does not have permission to stay.

(10) "Sex offense" means:

(a) Any offense defined as a sex offense by RCW 9.94A.030;

(b) Any violation under RCW 9A.44.096 (sexual misconduct with a minor in the second degree);

(c) Any violation under RCW 9A.40.100(1)(((~~(a)(ii)(B)~~))) (b)(ii) (trafficking);

(d) Any violation under RCW 9.68A.090 (communication with a minor for immoral purposes);

(e) A violation under RCW 9A.88.070 (promoting prostitution in the first degree) or RCW 9A.88.080 (promoting prostitution in the second degree) if the person has a prior conviction for one of these offenses;

(f) Any violation under RCW 9A.40.100(1)(a)(i)(A) (III) or (IV) or (a)(i)(B);

(g) Any gross misdemeanor that is, under chapter 9A.28 RCW, a criminal attempt, criminal solicitation, or criminal conspiracy to commit an offense that is classified as a sex offense under RCW 9.94A.030 or this subsection;

((~~(g)~~)) (h) Any out-of-state conviction for an offense for which the person would be required to register as a sex offender while residing in the state of conviction; or, if not required to register in the state of conviction, an offense that under the laws of this state would be classified as a sex offense under this subsection;

((~~(h)~~)) (i) Any federal conviction classified as a sex offense under 42 U.S.C. Sec. 16911 (SORNA);

((~~(i)~~)) (j) Any military conviction for a sex offense. This includes sex offenses under the uniform code of military justice, as specified by the United States secretary of defense;

((~~(j)~~)) (k) Any conviction in a foreign country for a sex offense if it was obtained with sufficient safeguards for fundamental fairness and due process for the accused under guidelines or regulations established pursuant to 42 U.S.C. Sec. 16912.

(11) "School" means a public or private school regulated under Title 28A RCW or chapter 72.40 RCW.

(12) "Student" means a person who is enrolled, on a full-time or part-time basis, in any school or institution of higher education.

Sec. 3. RCW 9.68A.120 and 2009 c 479 s 12 are each amended to read as follows:

The following are subject to seizure and forfeiture:

(1) All visual or printed matter that depicts a minor engaged in sexually explicit conduct.

(2) All raw materials, equipment, and other tangible personal property of any kind used or intended to be used to manufacture or process any visual or printed matter that depicts a minor engaged in sexually explicit conduct, and all conveyances, including aircraft, vehicles, or vessels that are used or intended for use to transport, or in any manner to facilitate the transportation of, visual or printed matter in violation of RCW 9.68A.050 or 9.68A.060, but:

(a) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless it appears that the owner or other person in charge of the conveyance is a consenting party or privy to a violation of this chapter;

(b) No property is subject to forfeiture under this section by reason of any act or omission established by the owner of the property to have been committed or omitted without the owner's knowledge or consent;

(c) A forfeiture of property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had knowledge of nor consented to the act or omission; and

(d) When the owner of a conveyance has been arrested under this chapter the conveyance may not be subject to forfeiture unless it is seized or process is issued for its seizure within ten days of the owner's arrest.

(3) All personal property, moneys, negotiable instruments, securities, or other tangible or intangible property furnished or intended to be furnished by

any person in exchange for visual or printed matter depicting a minor engaged in sexually explicit conduct, or constituting proceeds traceable to any violation of this chapter.

(4) Property subject to forfeiture under this chapter may be seized by any law enforcement officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure without process may be made if:

(a) The seizure is incident to an arrest or a search under a search warrant or an inspection under an administrative inspection warrant;

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding based upon this chapter;

(c) A law enforcement officer has probable cause to believe that the property is directly or indirectly dangerous to health or safety; or

(d) The law enforcement officer has probable cause to believe that the property was used or is intended to be used in violation of this chapter.

(5) In the event of seizure under subsection (4) of this section, proceedings for forfeiture shall be deemed commenced by the seizure. The law enforcement agency under whose authority the seizure was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, of the seizure and intended forfeiture of the seized property. The notice may be served by any method authorized by law or court rule including but not limited to service by certified mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the fifteen day period following the seizure.

(6) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of seized items within forty-five days of the seizure, the item seized shall be deemed forfeited.

(7) If any person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of seized items within forty-five days of the seizure, the person or persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The hearing shall be before an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction if the aggregate value of the article or articles involved is more than five hundred dollars. The hearing before an administrative law judge and any appeal therefrom shall be under Title 34 RCW. In a court hearing between two or more claimants to the article or articles involved, the prevailing party shall be entitled to a judgment for costs and reasonable attorney's fees. The burden of producing evidence shall be upon the person claiming to be the lawful owner or the person claiming to have the lawful right to possession of the seized items. The seizing law enforcement agency shall promptly return the article or articles to the claimant upon a determination by the administrative law judge or court that the claimant is lawfully entitled to possession thereof of the seized items.

(8) If property is sought to be forfeited on the ground that it constitutes proceeds traceable to a violation of this chapter, the seizing law enforcement agency must prove by a preponderance of the evidence that the property constitutes proceeds traceable to a violation of this chapter.

(9) When property is forfeited under this chapter the seizing law enforcement agency may:

(a) Retain it for official use or upon application by any law enforcement agency of this state release the property to that agency for the exclusive use of enforcing this chapter or chapter 9A.88 RCW;

(b) Sell that which is not required to be destroyed by law and which is not harmful to the public((~~. The proceeds and all moneys forfeited under this chapter shall be used for payment of all proper expenses of the investigation leading to the seizure, including any money delivered to the subject of the investigation by the law enforcement agency, and of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, actual costs of the prosecuting or city attorney, and court costs. Fifty percent of the money remaining after payment of these expenses shall be deposited in the state general fund and fifty percent shall be deposited in the general fund of the state, county, or city of the seizing law enforcement agency~~)); or

(c) Request the appropriate sheriff or director of public safety to take custody of the property and remove it for disposition in accordance with law.

(10)(a) By January 31st of each year, each seizing agency shall remit to the state treasurer an amount equal to ten percent of the net proceeds of any property forfeited during the preceding calendar year. Money remitted shall be deposited in the prostitution prevention and intervention account under RCW 43.63A.740.

(b) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is subject at the time of seizure; and in the case of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to an independent selling agency.

(c) The value of sold forfeited property is the sale price. The value of retained forfeited property is the fair market value of the property at the time of seizure determined when possible by reference to an applicable commonly used index. A seizing agency may use, but need not use, an independent qualified appraiser to determine the value of retained property. If an appraiser is used, the value of the property appraised is net of the cost of the appraisal. The value of destroyed property and retained firearms or illegal property is zero.

(11) Forfeited property and net proceeds not required to be paid to the state treasurer under this chapter shall be used for payment of all proper expenses of the investigation leading to the seizure, including any money delivered to the subject of the investigation by the law enforcement agency, and of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, actual costs of the prosecuting or city attorney, and court costs. Money remaining after payment of these expenses shall be retained by the seizing law enforcement agency for the exclusive use of enforcing the provisions of this chapter or chapter 9A.88 RCW.

Sec. 4. RCW 9A.88.150 and 2012 c 140 s 1 are each amended to read as follows:

(1) The following are subject to seizure and forfeiture and no property right exists in them:

(a) Any property or other interest acquired or maintained in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070 to the extent of the investment of

funds, and any appreciation or income attributable to the investment, from a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070;

(b) All conveyances, including aircraft, vehicles, or vessels, which are used, or intended for use, in any manner to facilitate a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, except that:

(i) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless it appears that the owner or other person in charge of the conveyance is a consenting party or privy to a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070;

(ii) No conveyance is subject to forfeiture under this section by reason of any act or omission established by the owner thereof to have been committed or omitted without the owner's knowledge or consent;

(iii) A forfeiture of a conveyance encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had knowledge of nor consented to the act or omission; and

(iv) When the owner of a conveyance has been arrested for a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, the conveyance in which the person is arrested may not be subject to forfeiture unless it is seized or process is issued for its seizure within ten days of the owner's arrest;

(c) Any property, contractual right, or claim against property used to influence any enterprise that a person has established, operated, controlled, conducted, or participated in the conduct of, in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070;

(d) All proceeds traceable to or derived from an offense defined in RCW 9.68A.100, 9.68A.101, or 9A.88.070 and all moneys, negotiable instruments, securities, and other things of value significantly used or intended to be used significantly to facilitate commission of the offense;

(e) All books, records, and research products and materials, including formulas, microfilm, tapes, and data which are used, or intended for use, in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070;

(f) All moneys, negotiable instruments, securities, or other tangible or intangible property of value furnished or intended to be furnished by any person in exchange for a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, all tangible or intangible personal property, proceeds, or assets acquired in whole or in part with proceeds traceable to an exchange or series of exchanges in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070. A forfeiture of money, negotiable instruments, securities, or other tangible or intangible property encumbered by a bona fide security interest is subject to the interest of the secured party if, at the time the security interest was created, the secured party neither had knowledge of nor consented to the act or omission. No personal property may be forfeited under this subsection (1)(f), to the extent of the interest of an owner, by reason of any act or omission, which that owner establishes was committed or omitted without the owner's knowledge or consent; and

(g) All real property, including any right, title, and interest in the whole of any lot or tract of land, and any appurtenances or improvements which are being

used with the knowledge of the owner for a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, or which have been acquired in whole or in part with proceeds traceable to an exchange or series of exchanges in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, if a substantial nexus exists between the violation and the real property. However:

(i) No property may be forfeited pursuant to this subsection (1)(g), to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent;

(ii) A forfeiture of real property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party, at the time the security interest was created, neither had knowledge of nor consented to the act or omission.

(2) Real or personal property subject to forfeiture under this section may be seized by any law enforcement officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure of real property shall include the filing of a lis pendens by the seizing agency. Real property seized under this section shall not be transferred or otherwise conveyed until ninety days after seizure or until a judgment of forfeiture is entered, whichever is later: PROVIDED, That real property seized under this section may be transferred or conveyed to any person or entity who acquires title by foreclosure or deed in lieu of foreclosure of a security interest. Seizure of personal property without process may be made if:

(a) The seizure is incident to an arrest or a search under a search warrant;

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding; or

(c) The law enforcement officer has probable cause to believe that the property was used or is intended to be used in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070.

(3) In the event of seizure pursuant to subsection (2) of this section, proceedings for forfeiture shall be deemed commenced by the seizure. The law enforcement agency under whose authority the seizure was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, including any community property interest, of the seizure and intended forfeiture of the seized property. Service of notice of seizure of real property shall be made according to the rules of civil procedure. However, the state may not obtain a default judgment with respect to real property against a party who is served by substituted service absent an affidavit stating that a good faith effort has been made to ascertain if the defaulted party is incarcerated within the state, and that there is no present basis to believe that the party is incarcerated within the state. Notice of seizure in the case of property subject to a security interest that has been perfected by filing a financing statement, or a certificate of title, shall be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title. The notice of seizure in other cases may be served by any method authorized by law or court rule including, but not limited to, service by certified mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the fifteen day period following the seizure.

(4) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1) of this section within forty-five days of the service of notice from the seizing agency in the case of personal property and ninety days in the case of real property, the item seized shall be deemed forfeited. The community property interest in real property of a person whose spouse or domestic partner committed a violation giving rise to seizure of the real property may not be forfeited if the person did not participate in the violation.

(5) If any person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1) of this section within forty-five days of the service of notice from the seizing agency in the case of personal property and ninety days in the case of real property, the person or persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The notice of claim may be served by any method authorized by law or court rule including, but not limited to, service by first-class mail. Service by mail shall be deemed complete upon mailing within the forty-five day period following service of the notice of seizure in the case of personal property and within the ninety day period following service of the notice of seizure in the case of real property. The hearing shall be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing shall be before the chief law enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction. Removal of any matter involving personal property may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty-five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed shall be the district court when the aggregate value of personal property is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom shall be under Title 34 RCW. In all cases, the burden of proof is upon the law enforcement agency to establish, by a preponderance of the evidence, that the property is subject to forfeiture.

The seizing law enforcement agency shall promptly return the article or articles to the claimant upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession thereof of items specified in subsection (1) of this section.

(6) In any proceeding to forfeit property under this title, where the claimant substantially prevails, the claimant is entitled to reasonable attorneys' fees reasonably incurred by the claimant. In addition, in a court hearing between two or more claimants to the article or articles involved, the prevailing party is entitled to a judgment for costs and reasonable attorneys' fees.

(7) When property is forfeited under this chapter, the seizing law enforcement agency ((~~shall sell the property that is not required to be destroyed by law and that is not harmful to the public~~)) <u>may:</u>

(a) Retain it for official use or upon application by any law enforcement agency of this state release the property to that agency for the exclusive use of enforcing this chapter or chapter 9.68A RCW;

(b) Sell that which is not required to be destroyed by law and which is not harmful to the public; or

(c) Request the appropriate sheriff or director of public safety to take custody of the property and remove it for disposition in accordance with law.

(8)(a) When property is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the property, the disposition of the property, the value of the property at the time of seizure, and the amount of proceeds realized from disposition of the property.

(b) Each seizing agency shall retain records of forfeited property for at least seven years.

(c) Each seizing agency shall file a report including a copy of the records of forfeited property with the state treasurer each calendar quarter.

(d) The quarterly report need not include a record of forfeited property that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a conviction.

(9)(a) By January 31st of each year, each seizing agency shall remit to the state treasurer an amount equal to ten percent of the net proceeds of any property forfeited during the preceding calendar year. Money remitted shall be deposited in the prostitution prevention and intervention account under RCW 43.63A.740.

(b) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is subject at the time of seizure; and in the case of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents, and the cost of any valid landlord's claim for damages under subsection ((~~(11)~~)) (12) of this section.

(c) The value of sold forfeited property is the sale price. The value of destroyed property and retained firearms or illegal property is zero.

(10) Net proceeds not required to be paid to the state treasurer shall be used for payment of all proper expenses of the investigation leading to the seizure, including any money delivered to the subject of the investigation by the law enforcement agency, and of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, actual costs of the prosecuting or city attorney, and court costs. Money remaining after payment of these expenses shall be retained by the seizing law enforcement agency for the exclusive use of enforcing the provisions of this chapter or chapter 9.68A RCW.

(11) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. Orders for the forfeiture of real property shall be entered by the superior court, subject to court rules. Such an order shall be filed by the seizing agency in the county auditor's records in the county in which the real property is located.

((~~(11)~~)) (12) A landlord may assert a claim against proceeds from the sale of assets seized and forfeited under subsection (9) of this section, only if:

(a) A law enforcement officer, while acting in his or her official capacity, directly caused damage to the complaining landlord's property while executing a search of a tenant's residence;

(b) The landlord has applied any funds remaining in the tenant's deposit, to which the landlord has a right under chapter 59.18 RCW, to cover the damage directly caused by a law enforcement officer prior to asserting a claim under the provisions of this section:

(i) Only if the funds applied under (b) of this subsection are insufficient to satisfy the damage directly caused by a law enforcement officer, may the landlord seek compensation for the damage by filing a claim against the governmental entity under whose authority the law enforcement agency operates within thirty days after the search;

(ii) Only if the governmental entity denies or fails to respond to the landlord's claim within sixty days of the date of filing, may the landlord collect damages under this subsection by filing within thirty days of denial or the expiration of the sixty day period, whichever occurs first, a claim with the seizing law enforcement agency. The seizing law enforcement agency must notify the landlord of the status of the claim by the end of the thirty day period. Nothing in this section requires the claim to be paid by the end of the sixty day or thirty day period; and

(c) For any claim filed under (b) of this subsection, the law enforcement agency shall pay the claim unless the agency provides substantial proof that the landlord either:

(i) Knew or consented to actions of the tenant in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070; or

(ii) Failed to respond to a notification of the illegal activity, provided by a law enforcement agency under RCW 59.18.075, within seven days of receipt of notification of the illegal activity.

(((~~(12)~~))) (13) The landlord's claim for damages under subsection (((~~(11)~~))) (12) of this section may not include a claim for loss of business and is limited to:

(a) Damage to tangible property and clean-up costs;

(b) The lesser of the cost of repair or fair market value of the damage directly caused by a law enforcement officer;

(c) The proceeds from the sale of the specific tenant's property seized and forfeited under subsection (9) of this section; and

(d) The proceeds available after the seizing law enforcement agency satisfies any bona fide security interest in the tenant's property and costs related to sale of the tenant's property as provided by subsection (((~~(11)~~))) (12) of this section.

(((~~(13)~~))) (14) Subsections (((~~(11)~~))) (12) and (((~~(12)~~))) (13) of this section do not limit any other rights a landlord may have against a tenant to collect for damages. However, if a law enforcement agency satisfies a landlord's claim under subsection (((~~(11)~~))) (12) of this section, the rights the landlord has against the tenant for damages directly caused by a law enforcement officer under the terms of the landlord and tenant's contract are subrogated to the law enforcement agency.

Passed by the House March 10, 2014.
Passed by the Senate March 5, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 189

[Engrossed House Bill 2108]

HEARING AID SPECIALISTS

AN ACT Relating to hearing instrument fitter/dispensers; amending RCW 18.35.010, 18.35.020, 18.35.040, 18.35.050, 18.35.070, 18.35.095, 18.35.100, 18.35.105, 18.35.110, 18.35.140, 18.35.150, 18.35.161, 18.35.185, 18.35.195, 18.35.205, 18.35.240, and 18.35.260; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** (1) The department of health with the board of hearing and speech, and representatives from the community and technical colleges, must review the opportunity to establish an interim work-based learning permit, or similar apprenticeship opportunity, to provide an additional licensing pathway for hearing aid specialist applicants.

(2) The group shall consider the following areas:

(a) The opportunity to provide a work-based learning permit for applicants that either have a two-year or four-year degree in a field of study approved by the board from an accredited institution of higher education, or are currently enrolled in a two-year or four-year degree program in a field of study approved by the board in an accredited institution of higher education with no more than one full-time academic year remaining in his or her course of study;

(b) The criteria for providing a designation of a board-approved licensed hearing aid specialist or board-approved licensed audiologist to act as the applicant's supervisor;

(c) The recommended duration of an interim work-based learning permit or apprenticeship;

(d) Recommendations for a work-based learning permit or apprenticeship and opportunities to offer a program through a partnership with a private business and/or through a partnership with accredited institutions of higher education and a sponsoring private business;

(e) Recommendations for the learning pathways or academic components that should be required in any work-based learning program, including the specific training elements that must be completed, including, but not limited to, audiometric testing, counseling regarding hearing examinations, hearing instrument selection, ear mold impressions, hearing instrument fitting and follow-up care, and business practices including ethics, regulations, and sanitation and infection control; and

(f) Recommendations for the direct supervision of a work-based learning permit or apprenticeship, including the number of persons a hearing aid specialist or audiologist may supervise, and other considerations.

(3) The work group must submit recommendations to the health committees of the legislature by December 1, 2014.

Sec. 2. RCW 18.35.010 and 2009 c 301 s 2 are each amended to read as follows:

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

(1) "Assistive listening device or system" means an amplification system that is specifically designed to improve the signal to noise ratio for the listener, reduce interference from noise in the background, and enhance hearing levels at

a distance by picking up sound from as close to source as possible and sending it directly to the ear of the listener, excluding hearing instruments as defined in this chapter.

(2) "Audiology" means the application of principles, methods, and procedures related to hearing and the disorders of hearing and to related language and speech disorders, whether of organic or nonorganic origin, peripheral or central, that impede the normal process of human communication including, but not limited to, disorders of auditory sensitivity, acuity, function, processing, or vestibular function, the application of aural habilitation, rehabilitation, and appropriate devices including fitting and dispensing of hearing instruments, and cerumen management to treat such disorders.

(3) "Board" means the board of hearing and speech.

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

(5) "Direct supervision" means the supervising speech-language pathologist, hearing aid specialist, or audiologist is on-site and in view during the procedures or tasks. The board shall develop rules outlining the procedures or tasks allowable under direct supervision.

(6) "Establishment" means any permanent site housing a person engaging in the practice of fitting and dispensing of hearing instruments by a hearing ((~~instrument fitter/dispenser~~)) aid specialist or audiologist; where the client can have personal contact and counsel during the firm's business hours; where business is conducted; and the address of which is given to the state for the purpose of bonding.

(7) "Facility" means any permanent site housing a person engaging in the practice of speech-language pathology and/or audiology, excluding the sale, lease, or rental of hearing instruments.

(8) "Fitting and dispensing of hearing instruments" means the sale, lease, or rental or attempted sale, lease, or rental of hearing instruments together with the selection and modification of hearing instruments and the administration of nondiagnostic tests as specified by RCW 18.35.110 and the use of procedures essential to the performance of these functions; and includes recommending specific hearing instrument systems, specific hearing instruments, or specific hearing instrument characteristics, the taking of impressions for ear molds for these purposes, the use of nondiagnostic procedures and equipment to verify the appropriateness of the hearing instrument fitting, and hearing instrument orientation. The fitting and dispensing of hearing instruments as defined by this chapter may be equally provided by a licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist or licensed audiologist.

(9) "Good standing" means a licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, licensed speech-language pathologist, or certified speech-language pathology assistant whose license or certification has not been subject to sanctions pursuant to chapter 18.130 RCW or sanctions by other states, territories, or the District of Columbia in the last two years.

(10) "Hearing aid specialist" means a person who is licensed to engage in the practice of fitting and dispensing of hearing instruments and meets the qualifications of this chapter.

(11) "Hearing health care professional" means an audiologist or hearing ((~~instrument fitter/dispenser~~)) aid specialist licensed under this chapter or a physician specializing in diseases of the ear licensed under chapter 18.71 RCW.

((~~(11)~~)) (12) "Hearing instrument" means any wearable prosthetic instrument or device designed for or represented as aiding, improving, compensating for, or correcting defective human hearing and any parts, attachments, or accessories of such an instrument or device, excluding batteries and cords, ear molds, and assistive listening devices.

((~~(12) "Hearing instrument fitter/dispenser" means a person who is licensed to engage in the practice of fitting and dispensing of hearing instruments and meets the qualifications of this chapter.~~))

(13) "Indirect supervision" means the procedures or tasks are performed under the speech-language pathologist((~~'s~~)), the hearing aid specialist, or the audiologist's overall direction and control, but the speech-language pathologist((~~'s~~)), hearing aid specialist, or audiologist's presence is not required during the performance of the procedures or tasks. The board shall develop rules outlining the procedures or tasks allowable under indirect supervision.

(14) "Interim permit holder" means a person who holds the permit created under RCW 18.35.060 and who practices under the supervision of a licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed speech-language pathologist, or licensed audiologist.

(15) "Licensed audiologist" means a person who is licensed by the department to engage in the practice of audiology and meets the qualifications in this chapter.

(16) "Licensed speech-language pathologist" means a person who is licensed by the department to engage in the practice of speech-language pathology and meets the qualifications of this chapter.

(17) "Secretary" means the secretary of health.

(18) "Speech-language pathology" means the application of principles, methods, and procedures related to the development and disorders, whether of organic or nonorganic origin, that impede oral, pharyngeal, or laryngeal sensorimotor competencies and the normal process of human communication including, but not limited to, disorders and related disorders of speech, articulation, fluency, voice, verbal and written language, auditory comprehension, cognition/communication, and the application of augmentative communication treatment and devices for treatment of such disorders.

(19) "Speech-language pathology assistant" means a person who is certified by the department to provide speech-language pathology services under the direction and supervision of a licensed speech-language pathologist or speech-language pathologist certified as an educational staff associate by the superintendent of public instruction, and meets all of the requirements of this chapter.

Sec. 3. RCW 18.35.020 and 2006 c 263 s 801 are each amended to read as follows:

(1) No person shall engage in the fitting and dispensing of hearing instruments or imply or represent that he or she is engaged in the fitting and dispensing of hearing instruments unless he or she is a licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, or a licensed audiologist or holds an interim permit issued by the department as provided in this chapter and is an owner or employee of an establishment that is bonded as provided by RCW 18.35.240. The owner or manager of an establishment that dispenses hearing instruments is responsible under this chapter for all transactions made in the

establishment name or conducted on its premises by agents or persons employed by the establishment engaged in fitting and dispensing of hearing instruments. Every establishment that fits and dispenses shall have in its employ at least one licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist or licensed audiologist at all times, and shall annually submit proof that all testing equipment at that establishment that is required by the board to be calibrated has been properly calibrated.

(2) Effective January 1, 2003, no person shall engage in the practice of audiology or imply or represent that he or she is engaged in the practice of audiology unless he or she is a licensed audiologist or holds an audiology interim permit issued by the department as provided in this chapter. Audiologists who are certified as educational staff associates by the Washington professional educator standards board are excluded unless they elect to become licensed under this chapter. However, a person certified by the state board of education as an educational staff associate who practices outside the school setting must be a licensed audiologist.

(3) Effective January 1, 2003, no person shall engage in the practice of speech-language pathology or imply or represent that he or she is engaged in the practice of speech-language pathology unless he or she is a licensed speech-language pathologist or holds a speech-language pathology interim permit issued by the department as provided in this chapter. Speech-language pathologists who are certified as educational staff associates by the state board of education are excluded unless they elect to become licensed under this chapter. However, a person certified by the state board of education as an educational staff associate who practices outside the school setting must be a licensed speech-language pathologist.

Sec. 4. RCW 18.35.040 and 2009 c 301 s 3 are each amended to read as follows:

(1) An applicant for licensure as a hearing ((~~instrument fitter/dispenser~~)) aid specialist must have the following minimum qualifications and shall pay a fee determined by the secretary as provided in RCW 43.70.250. An applicant shall be issued a license under the provisions of this chapter if the applicant has not committed unprofessional conduct as specified by chapter 18.130 RCW, and:

(a)(i) Satisfactorily completes the hearing ((~~instrument fitter/dispenser~~)) aid specialist examination required by this chapter; and

(ii) Satisfactorily completes:

(A) A minimum of a two-year degree program in hearing ((~~instrument fitter/dispenser~~)) aid specialist instruction. The program must be approved by the board;

(B) A two-year or four-year degree in a field of study approved by the board from an accredited institution, a nine-month board-approved certificate program offered by a board-approved hearing aid specialist program and the practical examination approved by the board. The practical examination must be given at least quarterly, as determined by the board. The department may hire licensed industry experts approved by the board to proctor the examination; or

(b) Holds a current, unsuspended, unrevoked license from another jurisdiction if the standards for licensing in such other jurisdiction are substantially equivalent to those prevailing in this state as provided in (a) of this subsection; or

(c)(i) Holds a current, unsuspended, unrevoked license from another jurisdiction, has been actively practicing as a licensed hearing aid ((~~fitter/dispenser~~)) specialist in another jurisdiction for at least forty-eight of the last sixty months, and submits proof of completion of advance certification from either the international hearing society or the national board for certification in hearing instrument sciences; and

(ii) Satisfactorily completes the hearing ((~~instrument fitter/dispenser~~)) aid specialist examination required by this chapter or a substantially equivalent examination approved by the board.

The applicant must present proof of qualifications to the board in the manner and on forms prescribed by the secretary and proof of completion of a minimum of four clock hours of AIDS education and training pursuant to rules adopted by the board.

(2)(a) An applicant for licensure as a speech-language pathologist or audiologist must have the following minimum qualifications:

(i) Has not committed unprofessional conduct as specified by the uniform disciplinary act;

(ii) Has a master's degree or the equivalent, or a doctorate degree or the equivalent, from a program at a board-approved institution of higher learning, which includes completion of a supervised clinical practicum experience as defined by rules adopted by the board; and

(iii) Has completed postgraduate professional work experience approved by the board.

(b) All qualified applicants must satisfactorily complete the speech-language pathology or audiology examinations required by this chapter.

(c) The applicant must present proof of qualifications to the board in the manner and on forms prescribed by the secretary and proof of completion of a minimum of four clock hours of AIDS education and training pursuant to rules adopted by the board.

(3) An applicant for certification as a speech-language pathology assistant shall pay a fee determined by the secretary as provided in RCW 43.70.250 and must have the following minimum qualifications:

(a) An associate of arts or sciences degree, or a certificate of proficiency, from a speech-language pathology assistant program from an institution of higher education that is approved by the board, as is evidenced by the following:

(i) Transcripts showing forty-five quarter hours or thirty semester hours of speech-language pathology coursework; and

(ii) Transcripts showing forty-five quarter hours or thirty semester hours of general education credit; or

(b) A bachelor of arts or bachelor of sciences degree, as evidenced by transcripts, from a speech, language, and hearing program from an institution of higher education that is approved by the board.

Sec. 5. RCW 18.35.050 and 2002 c 310 s 5 are each amended to read as follows:

Except as otherwise provided in this chapter an applicant for license shall appear at a time and place and before such persons as the department may designate to be examined by written or practical tests, or both. Examinations in hearing ((~~instrument fitting/dispensing~~)) aid specialist, speech-language pathology, and audiology shall be held within the state at least once a year. The

examinations shall be reviewed annually by the board and the department, and revised as necessary. The examinations shall include appropriate subject matter to ensure the competence of the applicant. Nationally recognized examinations in the fields of fitting and dispensing of hearing instruments, speech-language pathology, and audiology may be used to determine if applicants are qualified for licensure. An applicant who fails an examination may apply for reexamination upon payment of a reexamination fee. The hearing ((~~instrument fitting/dispensing~~)) aid specialist reexamination fee for hearing ((~~instrument fitter/dispensers~~)) aid specialists and audiologists shall be set by the secretary under RCW 43.70.250.

Sec. 6. RCW 18.35.070 and 1996 c 200 s 8 are each amended to read as follows:

The hearing ((~~instrument fitter/dispenser~~)) aid specialist written or practical examination, or both, provided in RCW 18.35.050 shall consist of:

(1) Tests of knowledge in the following areas as they pertain to the fitting of hearing instruments:

(a) Basic physics of sound;

(b) The human hearing mechanism, including the science of hearing and the causes and rehabilitation of abnormal hearing and hearing disorders; and

(c) Structure and function of hearing instruments.

(2) Tests of proficiency in the following areas as they pertain to the fitting of hearing instruments:

(a) Pure tone audiometry, including air conduction testing and bone conduction testing;

(b) Live voice or recorded voice speech audiometry, including speech reception threshold testing and speech discrimination testing;

(c) Effective masking;

(d) Recording and evaluation of audiograms and speech audiometry to determine hearing instrument candidacy;

(e) Selection and adaptation of hearing instruments and testing of hearing instruments; and

(f) Taking ear mold impressions.

(3) Evidence of knowledge regarding the medical and rehabilitation facilities for children and adults that are available in the area served.

(4) Evidence of knowledge of grounds for revocation or suspension of license under the provisions of this chapter.

(5) Any other tests as the board may by rule establish.

Sec. 7. RCW 18.35.095 and 2009 c 301 s 4 are each amended to read as follows:

(1) A hearing ((~~instrument fitter/dispenser~~)) aid specialist licensed under this chapter and not actively practicing may be placed on inactive status by the department at the written request of the licensee. The board shall define by rule the conditions for inactive status licensure. In addition to the requirements of RCW 43.24.086, the licensing fee for a licensee on inactive status shall be directly related to the costs of administering an inactive license by the department. A hearing ((~~instrument fitter/dispenser~~)) aid specialist on inactive status may be voluntarily placed on active status by notifying the department in

writing, paying the remainder of the licensing fee for the licensing year, and complying with subsection (2) of this section.

(2) Hearing ((~~instrument fitter/dispenser~~)) aid specialist inactive licensees applying for active licensure shall comply with the following: A licensee who has not fitted or dispensed hearing instruments for more than five years from the expiration of the licensee's full fee license shall retake the practical or the written, or both, hearing ((~~instrument fitter/dispenser~~)) aid specialist examinations required under this chapter and other requirements as determined by the board. Persons who have inactive status in this state but who are actively licensed and in good standing in any other state shall not be required to take the hearing ((~~instrument fitter/dispenser~~)) aid specialist practical examination, but must submit an affidavit attesting to their knowledge of the current Washington Administrative Code rules and Revised Code of Washington statutes pertaining to the fitting and dispensing of hearing instruments.

(3) A speech-language pathologist or audiologist licensed under this chapter, or a speech-language pathology assistant certified under this chapter, and not actively practicing either speech-language pathology or audiology may be placed on inactive status by the department at the written request of the license or certification holder. The board shall define by rule the conditions for inactive status licensure or certification. In addition to the requirements of RCW 43.24.086, the fee for a license or certification on inactive status shall be directly related to the cost of administering an inactive license or certification by the department. A person on inactive status may be voluntarily placed on active status by notifying the department in writing, paying the remainder of the fee for the year, and complying with subsection (4) of this section.

(4) Speech-language pathologist, speech-language pathology assistant, or audiologist inactive license or certification holders applying for active licensure or certification shall comply with requirements set forth by the board, which may include completion of continuing competency requirements and taking an examination.

Sec. 8. RCW 18.35.100 and 2002 c 310 s 10 are each amended to read as follows:

(1) Every hearing ((~~instrument fitter/dispenser~~)) aid specialist, audiologist, speech-language pathologist, or interim permit holder, who is regulated under this chapter, shall notify the department in writing of the regular address of the place or places in the state of Washington where the person practices or intends to practice more than twenty consecutive business days and of any change thereof within ten days of such change. Failure to notify the department in writing shall be grounds for suspension or revocation of the license or interim permit.

(2) The department shall keep a record of the places of business of persons who hold licenses or interim permits.

(3) Any notice required to be given by the department to a person who holds a license or interim permit may be given by mailing it to the address of the last establishment or facility of which the person has notified the department, except that notice to a licensee or interim permit holder of proceedings to deny, suspend, or revoke the license or interim permit shall be by certified or registered mail or by means authorized for service of process.

Sec. 9. RCW 18.35.105 and 2002 c 310 s 11 are each amended to read as follows:

Each licensee and interim permit holder under this chapter shall keep records of all services rendered for a minimum of three years. These records shall contain the names and addresses of all persons to whom services were provided. Hearing ((~~instrument fitter/dispensers~~)) aid specialists, audiologists, and interim permit holders shall also record the date the hearing instrument warranty expires, a description of the services and the dates the services were provided, and copies of any contracts and receipts. All records, as required pursuant to this chapter or by rule, shall be owned by the establishment or facility and shall remain with the establishment or facility in the event the licensee changes employment. If a contract between the establishment or facility and the licensee provides that the records are to remain with the licensee, copies of such records shall be provided to the establishment or facility.

Sec. 10. RCW 18.35.110 and 2002 c 310 s 12 are each amended to read as follows:

In addition to causes specified under RCW 18.130.170 and 18.130.180, any person licensed or holding an interim permit under this chapter may be subject to disciplinary action by the board for any of the following causes:

(1) For unethical conduct in dispensing hearing instruments. Unethical conduct shall include, but not be limited to:

(a) Using or causing or promoting the use of, in any advertising matter, promotional literature, testimonial, guarantee, warranty, label, brand, insignia, or any other representation, however disseminated or published, which is false, misleading or deceptive;

(b) Failing or refusing to honor or to perform as represented any representation, promise, agreement, or warranty in connection with the promotion, sale, dispensing, or fitting of the hearing instrument;

(c) Advertising a particular model, type, or kind of hearing instrument for sale which purchasers or prospective purchasers responding to the advertisement cannot purchase or are dissuaded from purchasing and where it is established that the purpose of the advertisement is to obtain prospects for the sale of a different model, type, or kind than that advertised;

(d) Falsifying hearing test or evaluation results;

(e)(i) Whenever any of the following conditions are found or should have been found to exist either from observations by the licensee or interim permit holder or on the basis of information furnished by the prospective hearing instrument user prior to fitting and dispensing a hearing instrument to any such prospective hearing instrument user, failing to advise that prospective hearing instrument user in writing that the user should first consult a licensed physician specializing in diseases of the ear or if no such licensed physician is available in the community then to any duly licensed physician:

(A) Visible congenital or traumatic deformity of the ear, including perforation of the eardrum;

(B) History of, or active drainage from the ear within the previous ninety days;

(C) History of sudden or rapidly progressive hearing loss within the previous ninety days;

(D) Acute or chronic dizziness;

(E) Any unilateral hearing loss;

(F) Significant air-bone gap when generally acceptable standards have been established as defined by the food and drug administration;

(G) Visible evidence of significant cerumen accumulation or a foreign body in the ear canal;

(H) Pain or discomfort in the ear; or

(I) Any other conditions that the board may by rule establish. It is a violation of this subsection for any licensee or that licensee's employees and putative agents upon making such required referral for medical opinion to in any manner whatsoever disparage or discourage a prospective hearing instrument user from seeking such medical opinion prior to the fitting and dispensing of a hearing instrument. No such referral for medical opinion need be made by any licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder in the instance of replacement only of a hearing instrument which has been lost or damaged beyond repair within twelve months of the date of purchase. The licensed hearing ((~~instrument fitter/ dispenser~~)) aid specialist, licensed audiologist, or interim permit holder or their employees or putative agents shall obtain a signed statement from the hearing instrument user documenting the waiver of medical clearance and the waiver shall inform the prospective user that signing the waiver is not in the user's best health interest: PROVIDED, That the licensed hearing ((~~instrument fitter/ dispenser~~)) aid specialist, licensed audiologist, or interim permit holder shall maintain a copy of either the physician's statement showing that the prospective hearing instrument user has had a medical evaluation within the previous six months or the statement waiving medical evaluation, for a period of three years after the purchaser's receipt of a hearing instrument. Nothing in this section required to be performed by a licensee or interim permit holder shall mean that the licensee or interim permit holder is engaged in the diagnosis of illness or the practice of medicine or any other activity prohibited under the laws of this state;

(ii) Fitting and dispensing a hearing instrument to any person under eighteen years of age who has not been examined and cleared for hearing instrument use within the previous six months by a physician specializing in otolaryngology except in the case of replacement instruments or except in the case of the parents or guardian of such person refusing, for good cause, to seek medical opinion: PROVIDED, That should the parents or guardian of such person refuse, for good cause, to seek medical opinion, the licensed hearing ((~~instrument fitter/ dispenser~~)) aid specialist or licensed audiologist shall obtain from such parents or guardian a certificate to that effect in a form as prescribed by the department;

(iii) Fitting and dispensing a hearing instrument to any person under eighteen years of age who has not been examined by an audiologist who holds at least a master's degree in audiology for recommendations during the previous six months, without first advising such person or his or her parents or guardian in writing that he or she should first consult an audiologist who holds at least a master's degree in audiology, except in cases of hearing instruments replaced within twelve months of their purchase;

(f) Representing that the services or advice of a person licensed to practice medicine and surgery under chapter 18.71 RCW or osteopathic medicine and surgery under chapter 18.57 RCW or of a clinical audiologist will be used or made available in the selection, fitting, adjustment, maintenance, or repair of

hearing instruments when that is not true, or using the word "doctor," "clinic," or other like words, abbreviations, or symbols which tend to connote a medical or osteopathic medicine and surgery profession when such use is not accurate;

(g) Permitting another to use his or her license or interim permit;

(h) Stating or implying that the use of any hearing instrument will restore normal hearing, preserve hearing, prevent or retard progression of a hearing impairment, or any other false, misleading, or medically or audiologically unsupportable claim regarding the efficiency of a hearing instrument;

(i) Representing or implying that a hearing instrument is or will be "custom-made," "made to order," "prescription made," or in any other sense specially fabricated for an individual when that is not the case; or

(j) Directly or indirectly offering, giving, permitting, or causing to be given, money or anything of value to any person who advised another in a professional capacity as an inducement to influence that person, or to have that person influence others to purchase or contract to purchase any product sold or offered for sale by the hearing ((~~instrument fitter/dispenser~~)) aid specialist, audiologist, or interim permit holder, or to influence any person to refrain from dealing in the products of competitors.

(2) Engaging in any unfair or deceptive practice or unfair method of competition in trade within the meaning of RCW 19.86.020.

(3) Aiding or abetting any violation of the rebating laws as stated in chapter 19.68 RCW.

Sec. 11. RCW 18.35.140 and 2002 c 310 s 14 are each amended to read as follows:

The powers and duties of the department, in addition to the powers and duties provided under other sections of this chapter, are as follows:

(1) To provide space necessary to carry out the examination set forth in RCW 18.35.070 of applicants for hearing ((~~instrument fitter/dispenser~~)) aid specialist licenses or audiology licenses.

(2) To authorize all disbursements necessary to carry out the provisions of this chapter.

(3) To require the periodic examination of testing equipment, as defined by the board, and to carry out the periodic inspection of facilities or establishments of persons who are licensed under this chapter, as reasonably required within the discretion of the department.

(4) To appoint advisory committees as necessary.

(5) To keep a record of proceedings under this chapter and a register of all persons licensed or holding interim permits under this chapter. The register shall show the name of every living licensee or interim permit holder for hearing ((~~instrument fitting/dispensing~~)) aid specialist, every living licensee or interim permit holder for speech-language pathology, and every living licensee or interim permit holder for audiology, with his or her last known place of residence and the date and number of his or her license or interim permit.

Sec. 12. RCW 18.35.150 and 2009 c 301 s 5 are each amended to read as follows:

(1) There is created hereby the board of hearing and speech to govern the three separate professions: Hearing ((~~instrument fitting/dispensing~~)) aid

specialist, audiology, and speech-language pathology. The board shall consist of eleven members to be appointed by the governor.

(2) Members of the board shall be residents of this state. Three members shall represent the public and shall have an interest in the rights of consumers of health services, and shall not be or have been a member of, or married to a member of, another licensing board, a licensee of a health occupation board, an employee of a health facility, nor derive his or her primary livelihood from the provision of health services at any level of responsibility. Two members shall be hearing ((~~instrument fitter/dispensers~~)) aid specialists who are licensed under this chapter, have at least five years of experience in the practice of hearing instrument fitting and dispensing, and must be actively engaged in fitting and dispensing within two years of appointment. Two members of the board shall be audiologists licensed under this chapter who have at least five years of experience in the practice of audiology and must be actively engaged in practice within two years of appointment. Two members of the board shall be speech-language pathologists licensed under this chapter who have at least five years of experience in the practice of speech-language pathology and must be actively engaged in practice within two years of appointment. One advisory nonvoting member shall be a speech-language pathology assistant certified in Washington. One advisory nonvoting member shall be a medical physician licensed in the state of Washington.

(3) The term of office of a member is three years. Of the initial appointments, one hearing ((~~instrument fitter/dispenser~~)) aid specialist, one speech-language pathologist, one audiologist, and one consumer shall be appointed for a term of two years, and one hearing ((~~instrument fitter/dispenser~~)) aid specialist, one speech-language pathologist, one audiologist, and two consumers shall be appointed for a term of three years. Thereafter, all appointments shall be made for expired terms. No member shall be appointed to serve more than two consecutive terms. A member shall continue to serve until a successor has been appointed. The governor shall either reappoint the member or appoint a successor to assume the member's duties at the expiration of his or her predecessor's term. A vacancy in the office of a member shall be filled by appointment for the unexpired term.

(4) The chair shall rotate annually among the hearing ((~~instrument fitter/ dispensers~~)) aid specialists, speech-language pathologists, audiologists, and public members serving on the board. In the absence of the chair, the board shall appoint an interim chair. In event of a tie vote, the issue shall be brought to a second vote and the chair shall refrain from voting.

(5) The board shall meet at least once each year, at a place, day and hour determined by the board, unless otherwise directed by a majority of board members. The board shall also meet at such other times and places as are requested by the department or by three members of the board. A quorum is a majority of the board. A hearing ((~~instrument fitter/dispenser~~)) aid specialist, speech-language pathologist, and audiologist must be represented. Meetings of the board shall be open and public, except the board may hold executive sessions to the extent permitted by chapter 42.30 RCW.

(6) Members of the board shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for their travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(7) The governor may remove a member of the board for cause at the recommendation of a majority of the board.

Sec. 13. RCW 18.35.161 and 2010 c 65 s 4 are each amended to read as follows:

The board shall have the following powers and duties:

(1) To establish by rule such minimum standards and procedures in the fitting and dispensing of hearing instruments as deemed appropriate and in the public interest;

(2) To adopt any other rules necessary to implement this chapter and which are not inconsistent with it;

(3) To develop, approve, and administer or supervise the administration of examinations to applicants for licensure under this chapter;

(4) To require a licensee or interim permit holder to make restitution to any individual injured by a violation of this chapter or chapter 18.130 RCW, the uniform disciplinary act. The authority to require restitution does not limit the board's authority to take other action deemed appropriate and provided for in this chapter or chapter 18.130 RCW;

(5) To pass upon the qualifications of applicants for licensure or interim permits and to certify to the secretary;

(6) To recommend requirements for continuing education and continuing competency requirements as a prerequisite to renewing a license or certification under this chapter;

(7) To keep an official record of all its proceedings. The record is evidence of all proceedings of the board that are set forth in this record;

(8) To adopt rules, if the board finds it appropriate, in response to questions put to it by professional health associations, hearing ((~~instrument fitter/ dispensers or~~)) aid specialists, audiologists, speech-language pathologists, interim permit holders, and consumers in this state; and

(9) To adopt rules relating to standards of care relating to hearing ((~~instrument fitter/dispensers~~)) aid specialists or audiologists, including the dispensing of hearing instruments, and relating to speech-language pathologists, including dispensing of communication devices.

Sec. 14. RCW 18.35.185 and 2002 c 310 s 19 are each amended to read as follows:

(1) In addition to any other rights and remedies a purchaser may have, the purchaser of a hearing instrument shall have the right to rescind the transaction for other than the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder's breach if:

(a) The purchaser, for reasonable cause, returns the hearing instrument or holds it at the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder's disposal, if the hearing instrument is in its original condition less normal wear and tear. "Reasonable cause" shall be defined by the board but shall not include a mere change of mind on the part of the purchaser or a change of mind related to cosmetic concerns of the purchaser about wearing a hearing instrument; and

(b) The purchaser sends notice of the cancellation by certified mail, return receipt requested, to the establishment employing the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim

permit holder at the time the hearing instrument was originally purchased, and the notice is posted not later than thirty days following the date of delivery, but the purchaser and the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder may extend the deadline for posting of the notice of rescission by mutual, written agreement. In the event the hearing instrument develops a problem which qualifies as a reasonable cause for recision or which prevents the purchaser from evaluating the hearing instrument, and the purchaser notifies the establishment employing the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder of the problem during the thirty days following the date of delivery and documents such notification, the deadline for posting the notice of rescission shall be extended by an equal number of days as those between the date of the notification of the problem to the date of notification of availability for redeliveries. Where the hearing instrument is returned to the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder for any inspection for modification or repair, and the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder has notified the purchaser that the hearing instrument is available for redelivery, and where the purchaser has not responded by either taking possession of the hearing instrument or instructing the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder to forward it to the purchaser, then the deadline for giving notice of the recision shall extend no more than seven working days after this notice of availability.

(2) If the transaction is rescinded under this section or as otherwise provided by law and the hearing instrument is returned to the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder, the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder shall refund to the purchaser any payments or deposits for that hearing instrument. However, the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder may retain, for each hearing instrument, fifteen percent of the total purchase price or one hundred twenty-five dollars, whichever is less. After December 31, 1996, the recision amount shall be determined by the board. The licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder shall also return any goods traded in contemplation of the sale, less any costs incurred by the licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, licensed audiologist, or interim permit holder in making those goods ready for resale. The refund shall be made within ten business days after the rescission. The buyer shall incur no additional liability for such rescission.

(3) For the purposes of this section, the purchaser shall have recourse against the bond held by the establishment entering into a purchase agreement with the buyer, as provided by RCW 18.35.240.

Sec. 15. RCW 18.35.195 and 2006 c 263 s 802 are each amended to read as follows:

(1) This chapter shall not apply to military or federal government employees.

(2) This chapter does not prohibit or regulate:

(a) Fitting or dispensing by students enrolled in a board-approved program who are directly supervised by a licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist, a licensed audiologist under the provisions of this chapter, or an instructor at a two-year hearing ((~~instrument fitter/dispenser~~)) aid specialist degree program that is approved by the board;

(b) Hearing ((~~instrument fitter/dispensers~~)) aid specialists, speech-language pathologists, or audiologists of other states, territories, or countries, or the District of Columbia while appearing as clinicians of bona fide educational seminars sponsored by speech-language pathology, audiology, hearing ((~~instrument fitter/dispenser~~)) aid specialist, medical, or other healing art professional associations so long as such activities do not go beyond the scope of practice defined by this chapter; and

(c) The practice of audiology or speech-language pathology by persons certified by the Washington professional educator standards board as educational staff associates, except for those persons electing to be licensed under this chapter. However, a person certified by the board as an educational staff associate who practices outside the school setting must be a licensed audiologist or licensed speech-language pathologist.

Sec. 16. RCW 18.35.205 and 2009 c 301 s 6 are each amended to read as follows:

The legislature finds that the public health, safety, and welfare would best be protected by uniform regulation of hearing ((~~instrument fitter/dispensers~~)) aid specialists, speech-language pathologists, speech-language pathology assistants, audiologists, and interim permit holders throughout the state. Therefore, the provisions of this chapter relating to the licensing of hearing ((~~instrument fitter/dispensers~~)) aid specialists, speech-language pathologists, and audiologists, the certification of speech-language pathology assistants, and regulation of interim permit holders and their respective establishments or facilities is exclusive. No political subdivision of the state of Washington within whose jurisdiction a hearing ((~~instrument fitter/dispenser~~)) aid specialist, audiologist, or speech-language pathologist establishment or facility is located may require any registrations, bonds, licenses, certificates, or interim permits of the establishment or facility or its employees or charge any fee for the same or similar purposes: PROVIDED, HOWEVER, That nothing herein shall limit or abridge the authority of any political subdivision to levy and collect a general and nondiscriminatory license fee levied on all businesses, or to levy a tax based upon the gross business conducted by any firm within the political subdivision.

Sec. 17. RCW 18.35.240 and 2002 c 310 s 24 are each amended to read as follows:

(1) Every individual engaged in the fitting and dispensing of hearing instruments shall be covered by a surety bond of ten thousand dollars or more, for the benefit of any person injured or damaged as a result of any violation by the licensee or permit holder, or their employees or agents, of any of the provisions of this chapter or rules adopted by the secretary.

(2) In lieu of the surety bond required by this section, the licensee or permit holder may deposit cash or other negotiable security in a banking institution as defined in chapter 30.04 RCW or a credit union as defined in chapter 31.12

RCW. All obligations and remedies relating to surety bonds shall apply to deposits and security filed in lieu of surety bonds.

(3) If a cash deposit or other negotiable security is filed, the licensee or permit holder shall maintain such cash or other negotiable security for one year after discontinuing the fitting and dispensing of hearing instruments.

(4) Each invoice for the purchase of a hearing instrument provided to a customer must clearly display on the first page the bond number covering the licensee or interim permit holder responsible for fitting/dispensing the hearing instrument.

(5) All licensed hearing ((~~instrument fitter/dispensers~~)) aid specialists, licensed audiologists, and permit holders must verify compliance with the requirement to hold a surety bond or cash or other negotiable security by submitting a signed declaration of compliance upon annual renewal of their license or permit. Up to twenty-five percent of the credential holders may be randomly audited for surety bond compliance after the credential is renewed. It is the credential holder's responsibility to submit a copy of the original surety bond or bonds, or documentation that cash or other negotiable security is held in a banking institution during the time period being audited. Failure to comply with the audit documentation request or failure to supply acceptable documentation within thirty days may result in disciplinary action.

Sec. 18. RCW 18.35.260 and 2009 c 301 s 7 are each amended to read as follows:

(1) A person who is not a licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist may not represent himself or herself as being so licensed and may not use in connection with his or her name the words "licensed hearing instrument fitter/dispenser," "hearing instrument specialist," or "hearing aid fitter/dispenser," or a variation, synonym, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions of a licensed hearing ((~~instrument fitter/dispenser~~)) aid specialist.

(2) A person who is not a licensed speech-language pathologist may not represent himself or herself as being so licensed and may not use in connection with his or her name the words including "licensed speech-language pathologist" or a variation, synonym, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions as a licensed speech-language pathologist.

(3) A person who is not a certified speech-language pathology assistant may not represent himself or herself as being so certified and may not use in connection with his or her name the words including "certified speech-language pathology assistant" or a variation, synonym, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions as a certified speech-language pathology assistant.

(4) A person who is not a licensed audiologist may not represent himself or herself as being so licensed and may not use in connection with his or her name the words "licensed audiologist" or a variation, synonym, letter, word, sign, number, insignia, coinage, or whatever expresses, employs, or implies these terms, names, or functions of a licensed audiologist.

(5) Nothing in this chapter prohibits a person credentialed in this state under another act from engaging in the practice for which he or she is credentialed.

NEW SECTION. **Sec. 19.** Section 4 of this act takes effect July 1, 2015.

Passed by the House March 10, 2014.
Passed by the Senate March 5, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 190

[Substitute House Bill 2146]

DEPARTMENT OF LABOR AND INDUSTRIES—APPEAL BONDS

AN ACT Relating to department of labor and industries appeal bonds; amending RCW 18.27.250, 19.28.131, 19.28.381, 19.28.490, and 70.87.170; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 18.27.250 and 2011 c 15 s 1 are each amended to read as follows:

A violation designated as an infraction under this chapter shall be heard and determined by an administrative law judge of the office of administrative hearings. If a party desires to contest the notice of infraction, the party shall file a notice of appeal with the department specifying the grounds of the appeal within thirty days of service of the infraction in a manner provided by this chapter. The appeal must be accompanied by a certified check for two hundred dollars or ten percent of the penalty amount, whichever is less, but in no event less than one hundred dollars, which shall be returned to the assessed party if the decision of the department is not sustained following the final decision in the appeal. If the final decision sustains the decision of the department, the department must apply the ((~~two hundred dollars~~)) amount of the check to the payment of the expenses of the appeal, including costs charged by the office of administrative hearings. The administrative law judge shall conduct hearings in these cases at locations in the county where the infraction occurred.

Sec. 2. RCW 19.28.131 and 2011 c 301 s 6 are each amended to read as follows:

Until July 1, 2007, the department shall issue a written warning to any specialty contractor, performing the scope of work defined by rule for the pump and irrigation or domestic pump specialties, not having a valid electrical contractor license. The warning will state that the contractor must be qualified for and apply for a specialty electrical contractor license under the requirements in RCW 19.28.041 within thirty calendar days of the warning. Only one warning will be issued to any contractor. If the contractor fails to comply with this section, the department shall issue a penalty or penalties as authorized in this section to the contractor. Any person, firm, partnership, corporation, or other entity violating any of the provisions of RCW 19.28.010 through 19.28.141 and 19.28.311 through 19.28.361 shall be assessed a penalty of not less than fifty dollars or more than ten thousand dollars. The department shall set by rule a schedule of penalties for violating RCW 19.28.010 through 19.28.141 and 19.28.311 through 19.28.361. The department shall notify the person, firm, partnership, corporation, or other entity violating any of the provisions of RCW 19.28.010 through 19.28.141 and 19.28.311 through 19.28.361 of the amount of the penalty and of the specific violation using a method by which the mailing

can be tracked or the delivery can be confirmed sent to the last known address of the assessed party. Any penalty is subject to review by an appeal to the board. The filing of an appeal stays the effect of the penalty until the board makes its decision. The appeal shall be filed within twenty days after notice of the penalty is given to the assessed party using a method by which the mailing can be tracked or the delivery can be confirmed, sent to the last known address of the assessed party and shall be made by filing a written notice of appeal with the department. The notice shall be accompanied by a certified check for two hundred dollars or ten percent of the penalty amount, whichever is less, but in no event less than one hundred dollars, which shall be returned to the assessed party if the decision of the department is not sustained by the board. If the board sustains the decision of the department, the ((~~two hundred dollars~~)) amount of the check shall be applied by the department to the payment of the per diem and expenses of the members of the board incurred in the matter, and any balance remaining after payment of per diem and expenses shall be paid into the electrical license fund. The hearing and review procedures shall be conducted in accordance with chapter 34.05 RCW. The board shall assign its hearings to an administrative law judge to conduct the hearing and issue a proposed decision and order. The board shall be allowed a minimum of twenty days to review a proposed decision and shall issue its decision no later than the next regularly scheduled board meeting.

Sec. 3. RCW 19.28.381 and 1996 c 241 s 1 are each amended to read as follows:

The department may deny renewal of a certificate or license issued under this chapter, if the applicant for renewal owes outstanding penalties for a final judgment under this chapter. The department shall notify the applicant of the denial by registered mail, return receipt requested, to the address on the application. The applicant may appeal the denial within twenty days by filing a notice of appeal with the department accompanied by a certified check for two hundred dollars ((~~which~~)) or ten percent of the amount of the outstanding penalties, whichever is less, but in no event less than one hundred dollars. The check shall be returned to the applicant if the decision of the department is not upheld by the board. The office of administrative hearings shall conduct the hearing under chapter 34.05 RCW. The electrical board shall review the proposed decision at the next regularly scheduled board meeting. If the board sustains the decision of the department, the ((~~two hundred dollars~~)) amount of the check must be applied to the cost of the hearing.

Sec. 4. RCW 19.28.490 and 2011 c 301 s 9 are each amended to read as follows:

Any person, firm, partnership, corporation, or other entity violating any of the provisions of this chapter may be assessed a penalty of not less than one hundred dollars or more than ten thousand dollars per violation. The department, after consulting with the board and receiving the board's recommendations, shall set by rule a schedule of penalties for violating this chapter. The department shall notify the person, firm, partnership, corporation, or other entity violating any of these provisions of the amount of the penalty and of the specific violation. The notice shall be sent using a method by which the mailing can be tracked or the delivery can be confirmed to the last known

address of the assessed party. Penalties are subject to review by an appeal to the board. The filing of an appeal stays the effect of the penalty until the board makes its decision. The appeal shall be filed within twenty days after notice of the penalty is given to the assessed party, and shall be made by filing a written notice of appeal with the department. The notice shall be accompanied by a certified check for two hundred dollars((~~, that~~)) or ten percent of the penalty amount, whichever is less, but in no event less than one hundred dollars. The check shall be returned to the assessed party if the decision of the department is not sustained by the board. If the board sustains the decision of the department, the ((~~two hundred dollars~~)) amount of the check shall be applied by the department to the payment of the per diem and expenses of the members of the board incurred in the matter, and any balance remaining after payment of per diem and expenses shall be paid into the electrical license fund. The hearing and review procedures shall be conducted in accordance with chapter 34.05 RCW. The board shall assign its hearings to an administrative law judge to conduct the hearing and issue a proposed decision and order. The board shall be allowed a minimum of twenty days to review a proposed decision and shall issue its decision no later than the next regularly scheduled board meeting.

Sec. 5. RCW 70.87.170 and 2003 c 143 s 18 are each amended to read as follows:

(1) Any person aggrieved by an order or action of the department denying, suspending, revoking, or refusing to renew a permit or license; assessing a penalty for a violation of this chapter; or ordering the operation of a conveyance to be discontinued, may request a hearing within fifteen days after notice of the department's order or action is received. The date the hearing was requested shall be the date the request for hearing was postmarked.

(2) The party requesting the hearing must accompany the request with a certified or cashier's check for two hundred dollars payable to the department, except that if a penalty assessment is the issue for the hearing, the check amount shall be ten percent of the penalty amount or two hundred dollars, whichever is less, but in no event less than one hundred dollars. The department shall refund the ((~~two hundred dollars~~)) amount of the check if the party requesting the hearing prevails at the hearing; otherwise, the department shall retain the ((~~two hundred dollars~~)) amount of the check.

(3) If the department does not receive a timely request for hearing, the department's order or action is final and may not be appealed.

((~~(2)~~)) (4) If the aggrieved party requests a hearing, the department shall ask an administrative law judge to preside over the hearing. The hearing shall be conducted in accordance with chapter 34.05 RCW.

NEW SECTION. **Sec. 6.** This act takes effect July 1, 2015.

Passed by the House March 10, 2014.

Passed by the Senate March 5, 2014.

Approved by the Governor April 2, 2014.

Filed in Office of Secretary of State April 4, 2014.

CHAPTER 191

[House Bill 2167]

K-12 EDUCATION—CHALLENGED SCHOOLS

AN ACT Relating to changing the date by which challenged schools are identified; amending RCW 28A.657.020; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.657.020 and 2013 c 159 s 3 are each amended to read as follows:

(1) Beginning in 2010, and each year thereafter through December 1, 2012, the superintendent of public instruction shall annually identify schools as one of the state's persistently lowest-achieving schools if the school is a Title I school, or a school that is eligible for but does not receive Title I funds, that is among the lowest-achieving five percent of Title I or Title I eligible schools in the state.

(2) The criteria for determining whether a school is among the persistently lowest-achieving five percent of Title I schools, or Title I eligible schools, under subsection (1) of this section shall be established by the superintendent of public instruction. The criteria must meet all applicable requirements for the receipt of a federal school improvement grant under the American recovery and reinvestment act of 2009 and Title I of the elementary and secondary education act of 1965, and take into account both:

(a) The academic achievement of the "all students" group in a school in terms of proficiency on the state's assessment, and any alternative assessments, in reading and mathematics combined; and

(b) The school's lack of progress on the mathematics and reading assessments over a number of years in the "all students" group.

(3)(a) Beginning ((~~December 1, 2013~~)) February 1, 2014, and each ((~~December~~)) February thereafter, the superintendent of public instruction shall annually identify challenged schools in need of improvement and a subset of such schools that are the persistently lowest-achieving schools in the state.

(b) The criteria for determining whether a school is a challenged school in need of improvement shall be adopted by the superintendent of public instruction in rule. The criteria must meet all applicable federal requirements under Title I of the elementary and secondary education act of 1965 and other federal rules or guidance, including applicable requirements for the receipt of federal school improvement funds if available, but shall apply equally to Title I, Title I-eligible, and non-Title I schools in the state. The criteria must take into account the academic achievement of the "all students" group and subgroups of students in a school in terms of proficiency on the state assessments in reading or English language arts and mathematics and a high school's graduation rate for all students and subgroups of students. The superintendent may establish tiered categories of challenged schools based on the relative performance of all students, subgroups of students, and other factors.

(c) The superintendent of public instruction shall also adopt criteria in rule for determining whether a challenged school in need of improvement is also a persistently lowest-achieving school for purposes of the required action district process under this chapter, which shall include the school's lack of progress for all students and subgroups of students over a number of years. The criteria for

identifying persistently lowest-achieving schools shall also take into account the level of state or federal resources available to implement a required action plan.

(d) If the Washington achievement index is approved by the United States department of education for use in identifying schools for federal purposes, the superintendent of public instruction shall use the approved index to identify schools under (b) and (c) of this subsection.

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

***Sec. 2 was vetoed. See message at end of chapter.**

Passed by the House February 11, 2014.
Passed by the Senate March 6, 2014.
Approved by the Governor April 2, 2014, with the exception of certain items that were vetoed.
Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 2, House Bill No. 2167 entitled:

"AN ACT Relating to changing the date by which challenged schools are identified."

This legislation changes the date by which OSPI is required to identify challenged schools in need of improvement and schools that are persistently lowest-achieving in the state.

Section 2 is an emergency clause section that will make this act effective immediately. The due dates in this legislation have come to pass and the emergency clause is therefore not necessary to implement the substantive provisions of the bill.

For these reasons I have vetoed Section 2 of House Bill No. 2167.

With the exception of Section 2, House Bill No. 2167 is approved."

CHAPTER 192

[Engrossed Substitute House Bill 2304]

MARIJUANA—PROCESSING—RETAIL LICENSES

AN ACT Relating to marijuana processing and retail licenses; amending RCW 69.50.325, 69.50.354, 69.50.357, 69.50.360, 42.56.270, and 69.50.535; and reenacting and amending RCW 69.50.101.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 69.50.101 and 2013 c 276 s 2 and 2013 c 116 s 1 are each reenacted and amended to read as follows:

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

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

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

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

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

(c) ((~~"Board"~~)) "Commission" means the ((~~state board of~~)) pharmacy quality assurance commission.

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

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

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

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

(2) The term does not include:

(i) a controlled substance;

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

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

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

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

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

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

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

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

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

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

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

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

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

(o) "Immediate precursor" means a substance:

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

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

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

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

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

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

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

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

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

(t) "Marijuana" or "marihuana" means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant;

and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

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

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

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

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

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

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

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

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

(3) Poppy straw and concentrate of poppy straw.

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

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

(6) Cocaine base.

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

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

((~~(z)~~)) (aa) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability. The term

includes opium, substances derived from opium (opium derivatives), and synthetic opiates. The term does not include, unless specifically designated as controlled under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). The term includes the racemic and levorotatory forms of dextromethorphan.

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

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

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

(((~~(dd)~~))) (ee) "Practitioner" means:

(1) A physician under chapter 18.71 RCW; a physician assistant under chapter 18.71A RCW; an osteopathic physician and surgeon under chapter 18.57 RCW; an osteopathic physician assistant under chapter 18.57A RCW who is licensed under RCW 18.57A.020 subject to any limitations in RCW 18.57A.040; an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010 subject to any limitations in RCW 18.53.010; a dentist under chapter 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; a veterinarian under chapter 18.92 RCW; a registered nurse, advanced registered nurse practitioner, or licensed practical nurse under chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW who is licensed under RCW 18.36A.030 subject to any limitations in RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific investigator under this chapter, licensed, registered or otherwise permitted insofar as is consistent with those licensing laws to distribute, dispense, conduct research with respect to or administer a controlled substance in the course of their professional practice or research in this state.

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

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

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

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

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

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

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

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

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

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

Sec. 2. RCW 69.50.325 and 2013 c 3 s 4 (Initiative Measure No. 502) are each amended to read as follows:

(1) There shall be a marijuana producer's license to produce marijuana for sale at wholesale to marijuana processors and other marijuana producers, regulated by the state liquor control board and subject to annual renewal. The production, possession, delivery, distribution, and sale of marijuana in accordance with the provisions of chapter 3, Laws of 2013 and the rules adopted to implement and enforce it, by a validly licensed marijuana producer, shall not be a criminal or civil offense under Washington state law. Every marijuana producer's license shall be issued in the name of the applicant, shall specify the location at which the marijuana producer intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a marijuana producer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana producer's license shall be one thousand dollars. A separate license shall be required for each location at which a marijuana producer intends to produce marijuana.

(2) There shall be a marijuana processor's license to process, package, and label marijuana concentrates, useable marijuana, and marijuana-infused products for sale at wholesale to marijuana processors and marijuana retailers, regulated by the state liquor control board and subject to annual renewal. The processing, packaging, possession, delivery, distribution, and sale of marijuana, useable marijuana, ((~~and~~)) marijuana-infused products, and marijuana concentrates in accordance with the provisions of chapter 3, Laws of 2013 and the rules adopted to implement and enforce it, by a validly licensed marijuana processor, shall not be a criminal or civil offense under Washington state law. Every marijuana processor's license shall be issued in the name of the applicant, shall specify the location at which the licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the

license. The application fee for a marijuana processor's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana processor's license shall be one thousand dollars. A separate license shall be required for each location at which a marijuana processor intends to process marijuana.

(3) There shall be a marijuana retailer's license to sell marijuana concentrates, useable marijuana, and marijuana-infused products at retail in retail outlets, regulated by the state liquor control board and subject to annual renewal. The possession, delivery, distribution, and sale of marijuana concentrates, useable marijuana, and marijuana-infused products in accordance with the provisions of chapter 3, Laws of 2013 and the rules adopted to implement and enforce it, by a validly licensed marijuana retailer, shall not be a criminal or civil offense under Washington state law. Every marijuana retailer's license shall be issued in the name of the applicant, shall specify the location of the retail outlet the licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a marijuana retailer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana retailer's license shall be one thousand dollars. A separate license shall be required for each location at which a marijuana retailer intends to sell marijuana concentrates, useable marijuana, and marijuana-infused products.

Sec. 3. RCW 69.50.354 and 2013 c 3 s 13 (Initiative Measure No. 502) are each amended to read as follows:

There may be licensed, in no greater number in each of the counties of the state than as the state liquor control board shall deem advisable, retail outlets established for the purpose of making marijuana concentrates, useable marijuana, and marijuana-infused products available for sale to adults aged twenty-one and over. Retail sale of marijuana concentrates, useable marijuana, and marijuana-infused products in accordance with the provisions of chapter 3, Laws of 2013 and the rules adopted to implement and enforce it, by a validly licensed marijuana retailer or retail outlet employee, shall not be a criminal or civil offense under Washington state law.

Sec. 4. RCW 69.50.357 and 2013 c 3 s 14 (Initiative Measure No. 502) are each amended to read as follows:

(1) Retail outlets shall sell no products or services other than marijuana concentrates, useable marijuana, marijuana-infused products, or paraphernalia intended for the storage or use of marijuana concentrates, useable marijuana, or marijuana-infused products.

(2) Licensed marijuana retailers shall not employ persons under twenty-one years of age or allow persons under twenty-one years of age to enter or remain on the premises of a retail outlet.

(3) Licensed marijuana retailers shall not display any signage in a window, on a door, or on the outside of the premises of a retail outlet that is visible to the general public from a public right-of-way, other than a single sign no larger than one thousand six hundred square inches identifying the retail outlet by the licensee's business or trade name.

(4) Licensed marijuana retailers shall not display useable marijuana or marijuana-infused products in a manner that is visible to the general public from a public right-of-way.

(5) No licensed marijuana retailer or employee of a retail outlet shall open or consume, or allow to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises.

(6) The state liquor control board shall fine a licensee one thousand dollars for each violation of any subsection of this section. Fines collected under this section must be deposited into the dedicated marijuana fund created under RCW 69.50.530.

Sec. 5. RCW 69.50.360 and 2013 c 3 s 15 (Initiative Measure No. 502) are each amended to read as follows:

The following acts, when performed by a validly licensed marijuana retailer or employee of a validly licensed retail outlet in compliance with rules adopted by the state liquor control board to implement and enforce chapter 3, Laws of 2013, shall not constitute criminal or civil offenses under Washington state law:

(1) Purchase and receipt of marijuana concentrates, useable marijuana, or marijuana-infused products that have been properly packaged and labeled from a marijuana processor validly licensed under chapter 3, Laws of 2013;

(2) Possession of quantities of marijuana concentrates, useable marijuana, or marijuana-infused products that do not exceed the maximum amounts established by the state liquor control board under RCW 69.50.345(5); and

(3) Delivery, distribution, and sale, on the premises of the retail outlet, of any combination of the following amounts of marijuana concentrates, useable marijuana, or marijuana-infused product to any person twenty-one years of age or older:

(a) One ounce of useable marijuana;

(b) Sixteen ounces of marijuana-infused product in solid form; ((~~or~~))

(c) Seventy-two ounces of marijuana-infused product in liquid form; or

(d) Seven grams of marijuana concentrate.

Sec. 6. RCW 42.56.270 and 2013 c 305 s 14 are each amended to read as follows:

The following financial, commercial, and proprietary information is exempt from disclosure under this chapter:

(1) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss;

(2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070;

(3) Financial and commercial information and records supplied by private persons pertaining to export services provided under chapters 43.163 and 53.31 RCW, and by persons pertaining to export projects under RCW 43.23.035;

(4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.325, 43.163, 43.160, 43.330, and 43.168 RCW, or

during application for economic development loans or program services provided by any local agency;

(5) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW;

(6) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information;

(7) Financial and valuable trade information under RCW 51.36.120;

(8) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW;

(9) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010;

(10)(a) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a horse racing license submitted pursuant to RCW 67.16.260(1)(b), marijuana producer, processor, or retailer license, liquor license, gambling license, or lottery retail license;

(b) Internal control documents, independent auditors' reports and financial statements, and supporting documents: (i) Of house-banked social card game licensees required by the gambling commission pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes with an approved tribal/state compact for class III gaming;

(11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011;

(12)(a) When supplied to and in the records of the department of commerce:

(i) Financial and proprietary information collected from any person and provided to the department of commerce pursuant to RCW 43.330.050(8); and

(ii) Financial or proprietary information collected from any person and provided to the department of commerce or the office of the governor in connection with the siting, recruitment, expansion, retention, or relocation of that person's business and until a siting decision is made, identifying information of any person supplying information under this subsection and the locations being considered for siting, relocation, or expansion of a business;

(b) When developed by the department of commerce based on information as described in (a)(i) of this subsection, any work product is not exempt from disclosure;

(c) For the purposes of this subsection, "siting decision" means the decision to acquire or not to acquire a site;

(d) If there is no written contact for a period of sixty days to the department of commerce from a person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter;

(13) Financial and proprietary information submitted to or obtained by the department of ecology or the authority created under chapter 70.95N RCW to implement chapter 70.95N RCW;

(14) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under chapter 43.350 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information;

(15) Financial and commercial information provided as evidence to the department of licensing as required by RCW 19.112.110 or 19.112.120, except information disclosed in aggregate form that does not permit the identification of information related to individual fuel licensees;

(16) Any production records, mineral assessments, and trade secrets submitted by a permit holder, mine operator, or landowner to the department of natural resources under RCW 78.44.085;

(17)(a) Farm plans developed by conservation districts, unless permission to release the farm plan is granted by the landowner or operator who requested the plan, or the farm plan is used for the application or issuance of a permit;

(b) Farm plans developed under chapter 90.48 RCW and not under the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to RCW 42.56.610 and 90.64.190;

(18) Financial, commercial, operations, and technical and research information and data submitted to or obtained by a health sciences and services authority in applications for, or delivery of, grants under RCW 35.104.010 through 35.104.060, to the extent that such information, if revealed, would reasonably be expected to result in private loss to providers of this information;

(19) Information gathered under chapter 19.85 RCW or RCW 34.05.328 that can be identified to a particular business;

(20) Financial and commercial information submitted to or obtained by the University of Washington, other than information the university is required to disclose under RCW 28B.20.150, when the information relates to investments in private funds, to the extent that such information, if revealed, would reasonably be expected to result in loss to the University of Washington consolidated endowment fund or to result in private loss to the providers of this information;

(21) Financial, commercial, operations, and technical and research information and data submitted to or obtained by innovate Washington in applications for, or delivery of, grants and loans under chapter 43.333 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information; and

(22) Market share data submitted by a manufacturer under RCW 70.95N.190(4).

Sec. 7. RCW 69.50.535 and 2013 c 3 s 27 (Initiative Measure No. 502) are each amended to read as follows:

(1) There is levied and collected a marijuana excise tax equal to twenty-five percent of the selling price on each wholesale sale in this state of marijuana by a

licensed marijuana producer to a licensed marijuana processor or another licensed marijuana producer. This tax is the obligation of the licensed marijuana producer.

(2) There is levied and collected a marijuana excise tax equal to twenty-five percent of the selling price on each wholesale sale in this state of marijuana concentrates, useable marijuana ((~~or~~)), and marijuana-infused products by a licensed marijuana processor to a licensed marijuana retailer. This tax is the obligation of the licensed marijuana processor.

(3) There is levied and collected a marijuana excise tax equal to twenty-five percent of the selling price on each retail sale in this state of marijuana concentrates, useable marijuana, and marijuana-infused products. This tax is the obligation of the licensed marijuana retailer, is separate and in addition to general state and local sales and use taxes that apply to retail sales of tangible personal property, and is part of the total retail price to which general state and local sales and use taxes apply.

(4) All revenues collected from the marijuana excise taxes imposed under subsections (1) through (3) of this section shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the dedicated marijuana fund.

(5) The state liquor control board shall regularly review the tax levels established under this section and make recommendations to the legislature as appropriate regarding adjustments that would further the goal of discouraging use while undercutting illegal market prices.

Passed by the House March 13, 2014.
Passed by the Senate March 13, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 193

[Substitute House Bill 2318]

INDUSTRIAL INSURANCE PREMIUMS—LIABILITY—NONPROFIT NONEMERGENCY TRANSPORTATION BROKERS

AN ACT Relating to contractor liability for industrial insurance premiums for not-for-profit nonemergency medicaid transportation brokers; and amending RCW 51.12.070.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 51.12.070 and 2004 c 243 s 2 are each amended to read as follows:

The provisions of this title apply to all work done by contract; the person, firm, or corporation who lets a contract for such work is responsible primarily and directly for all premiums upon the work, except as provided in subsection (2) of this section. The contractor and any subcontractor are subject to the provisions of this title and the person, firm, or corporation letting the contract is entitled to collect from the contractor the full amount payable in premiums and the contractor in turn is entitled to collect from the subcontractor his or her proportionate amount of the payment.

(1) For the purposes of this section, a contractor registered under chapter 18.27 RCW or licensed under chapter 19.28 RCW is not responsible for any premiums upon the work of any subcontractor if:

((~~(1)~~)) (a) The subcontractor is currently engaging in a business which is registered under chapter 18.27 RCW or licensed under chapter 19.28 RCW;

((~~(2)~~)) (b) The subcontractor has a principal place of business which would be eligible for a business deduction for internal revenue service tax purposes other than that furnished by the contractor for which the business has contracted to furnish services;

((~~(3)~~)) (c) The subcontractor maintains a separate set of books or records that reflect all items of income and expenses of the business;

((~~(4)~~)) (d) The subcontractor has contracted to perform:

((~~(a)~~)) (i) The work of a contractor as defined in RCW 18.27.010; or

((~~(b)~~)) (ii) The work of installing wires or equipment to convey electric current or installing apparatus to be operated by such current as it pertains to the electrical industry as described in chapter 19.28 RCW; and

((~~(5)~~)) (e) The subcontractor has an industrial insurance account in good standing with the department or is a self-insurer. For the purposes of this subsection (1)(e), a contractor may consider a subcontractor's account to be in good standing if, within a year prior to letting the contract or master service agreement, and at least once a year thereafter, the contractor has verified with the department that the account is in good standing and the contractor has not received written notice from the department that the subcontractor's account status has changed. Acceptable documentation of verification includes a department document which includes an issued date or a dated printout of information from the department's internet web site showing a subcontractor's good standing. The department shall develop an approach to provide contractors with verification of the date of inquiries validating that the subcontractor's account is in good standing.

It is unlawful for any county, city, or town to issue a construction building permit to any person who has not submitted to the department an estimate of payroll and paid premium thereon as provided by chapter 51.16 RCW of this title or proof of qualification as a self-insurer.

(2) Nonemergency transportation brokers that operate as not-for-profit businesses are not liable for any premiums of a subcontractor if the provisions of subsection (1)(c) and (e) of this section are met throughout the term of the contract. For purposes of this section, nonemergency transportation brokers are those organizations or entities that contract with the state health care authority, or its successor, to arrange nonemergency transportation for qualified clients.

Passed by the House February 17, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 194

[Substitute House Bill 2430]

ATHLETIC TRAINERS

AN ACT Relating to athletic trainers; and amending RCW 18.250.010 and 18.250.020.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 18.250.010 and 2007 c 253 s 2 are each amended to read as follows:

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

(1) "Athlete" means a person who participates in exercise, recreation, sport, or games requiring physical strength, range-of-motion, flexibility, body awareness and control, speed, stamina, or agility, and the exercise, recreation, sports, or games are of a type conducted in association with an educational institution or professional, amateur, or recreational sports club or organization.

(2) "Athletic injury" means an injury or condition sustained by an athlete that affects the person's participation or performance in exercise, recreation, sport, or games and the injury or condition is within the professional preparation and education of an athletic trainer.

(3) "Athletic trainer" means a person who is licensed under this chapter. An athletic trainer can practice athletic training through the consultation, referral, or guidelines of a licensed health care provider working within their scope of practice.

(4)(a) "Athletic training" means the application of the following principles and methods as provided by a licensed athletic trainer:

(i) Risk management and prevention of athletic injuries through preactivity screening and evaluation, educational programs, physical conditioning and reconditioning programs, application of commercial products, use of protective equipment, promotion of healthy behaviors, and reduction of environmental risks;

(ii) Recognition, evaluation, and assessment of athletic injuries by obtaining a history of the athletic injury, inspection and palpation of the injured part and associated structures, and performance of specific testing techniques related to stability and function to determine the extent of an injury;

(iii) Immediate care of athletic injuries, including emergency medical situations through the application of first-aid and emergency procedures and techniques for nonlife-threatening or life-threatening athletic injuries;

(iv) Treatment, rehabilitation, and reconditioning of athletic injuries through the application of physical agents and modalities, therapeutic activities and exercise, standard reassessment techniques and procedures, commercial products, and educational programs, in accordance with guidelines established with a licensed health care provider as provided in RCW 18.250.070; ((~~and~~))

(v) Treatment, rehabilitation, and reconditioning of work-related injuries through the application of physical agents and modalities, therapeutic activities and exercise, standard reassessment techniques and procedures, commercial products, and educational programs, under the direct supervision of and in accordance with a plan of care for an individual worker established by a provider authorized to provide physical medicine and rehabilitation services for injured workers; and

(vi) Referral of an athlete to an appropriately licensed health care provider if the athletic injury requires further definitive care or the injury or condition is outside an athletic trainer's scope of practice, in accordance with RCW 18.250.070.

(b) "Athletic training" does not include:

(i) The use of spinal adjustment or manipulative mobilization of the spine and its immediate articulations;

(ii) Orthotic or prosthetic services with the exception of evaluation, measurement, fitting, and adjustment of temporary, prefabricated or direct-formed orthosis as defined in chapter 18.200 RCW;

(iii) The practice of occupational therapy as defined in chapter 18.59 RCW;

(iv) The practice of ((~~acupuncture~~)) East Asian medicine as defined in chapter 18.06 RCW;

(v) Any medical diagnosis; and

(vi) Prescribing legend drugs or controlled substances, or surgery.

(5) "Committee" means the athletic training advisory committee.

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

(7) "Licensed health care provider" means a physician, physician assistant, osteopathic physician, osteopathic physician assistant, advanced registered nurse practitioner, naturopath, physical therapist, chiropractor, dentist, massage practitioner, acupuncturist, occupational therapist, or podiatric physician and surgeon.

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

Sec. 2. RCW 18.250.020 and 2007 c 253 s 3 are each amended to read as follows:

(1) In addition to any other authority provided by law, the secretary may:

(a) Adopt rules, in accordance with chapter 34.05 RCW, necessary to implement this chapter;

(b) Establish all license, examination, and renewal fees in accordance with RCW 43.70.250;

(c) Establish forms and procedures necessary to administer this chapter;

(d) Establish administrative procedures, administrative requirements, and fees in accordance with RCW 43.70.250 and 43.70.280. All fees collected under this section must be credited to the health professions account as required under RCW 43.70.320;

(e) Develop and administer, or approve, or both, examinations to applicants for a license under this chapter;

(f) Establish continuing education requirements by rule;

(g) Issue a license to any applicant who has met the education, training, and examination requirements for licensure and deny a license to applicants who do not meet the minimum qualifications for licensure. However, denial of licenses based on unprofessional conduct or impaired practice is governed by the uniform disciplinary act, chapter 18.130 RCW;

((~~(g)~~)) (h) In consultation with the committee, approve examinations prepared or administered by private testing agencies or organizations for use by an applicant in meeting the licensing requirements under RCW 18.250.060;

((~~(h)~~)) (i) Determine which states have credentialing requirements substantially equivalent to those of this state, and issue licenses to individuals credentialed in those states that have successfully fulfilled the requirements of RCW 18.250.080;

((~~(i)~~)) (j) Hire clerical, administrative, and investigative staff as needed to implement and administer this chapter;

((~~(j)~~)) (k) Maintain the official department record of all applicants and licensees; and

(((~~(k)~~))) (l) Establish requirements and procedures for an inactive license.

(2) The uniform disciplinary act, chapter 18.130 RCW, governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under this chapter.

Passed by the House February 17, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor April 2, 2014.
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CHAPTER 195

[Second Substitute House Bill 2457]

VESSELS—DERELICT AND ABANDONED

AN ACT Relating to derelict and abandoned vessels; amending RCW 79.100.150, 79.100.130, 88.26.010, 53.08.310, 84.56.440, 82.49.010, 79.100.060, 79.100.120, 79.100.100, and 79.100.010; amending 2013 c 291 s 39 (uncodified); adding new sections to chapter 79.100 RCW; adding a new section to chapter 88.26 RCW; adding a new section to chapter 53.08 RCW; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new section to chapter 88.02 RCW; adding a new section to chapter 82.49 RCW; creating new sections; prescribing penalties; providing effective dates; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** (1) The legislature finds that section 45, chapter 291, Laws of 2013 required the department of natural resources, in consultation with the department of ecology, to evaluate potential changes to laws and rules related to derelict and abandoned vessels that increase vessel owner responsibility and address challenges associated with the economics of removing vessels from the water.

(2) The legislature further finds that, during the 2013 legislative interim, the two responsible agencies engaged in a thorough process to satisfy their legislative charge. This process involved exhausting in-state expertise on various topics and reaching out to experts in vessel deconstruction, surety bonding, letters of credit, marine insurance, taxation, federal regulation, similar programs in other states, and more. The process also involved two open invitation public meetings.

(3) The legislature further finds that a significant number of various and competing options were discussed, analyzed, and ultimately dismissed during the process undertaken by the two agencies. It is the intent of the legislature to capture the recommendations for meeting the goals of increased vessel owner responsibility and addressing the challenges associated with the economics of removing vessels from the water that rose to the top from the process undertaken by the agencies.

(4) It is the further intent of the legislature that this act serve as the final report due by the department of natural resources under section 45, chapter 291, Laws of 2013.

Part One—Vessel Owner Responsibility

NEW SECTION. **Sec. 101.** A new section is added to chapter 79.100 RCW to read as follows:

(1) Any individual or company that purchases or otherwise receives a used vessel greater than sixty-five feet in length and more than forty years old must, prior to or concurrent with the transfer of ownership, secure a marine insurance policy consistent with this section. Proof of the marine insurance policy must be provided to:

(a) The transferor of the vessel upon purchase or other transfer; and

(b) If applicable, the department of licensing upon registration or the department of revenue upon the payment of any taxes.

(2) The transferor of a vessel greater than sixty-five feet in length and more than forty years old has an affirmative duty to ensure that any potential transferee has secured a marine insurance policy consistent with this section prior to or concurrent with the finalization of any sale or transfer. Nothing in this section prohibits the sale or other transfer of a vessel greater than sixty-five feet in length and more than forty years old to a transferee that fails to secure a marine insurance policy. However, a transferor that chooses to finalize a sale or other transfer with a transferee not in possession of a marine insurance policy assumes secondary liability for the vessel consistent with RCW 79.100.060 if the vessel is later abandoned by the transferee or becomes derelict prior to a subsequent ownership transfer.

(3) The marine insurance policy required under this section must be secured by the transferee prior to, or concurrent with, assuming ownership of a vessel greater than sixty-five feet in length and more than forty years old. The marine insurance policy must satisfy the following conditions:

(a) Have a term of at least twelve months following the transferee's assumption of vessel ownership;

(b) Provide coverage of an amount that is, unless otherwise provided by the department by rule, at least three hundred thousand dollars;

(c) Provide, unless otherwise provided by the department by rule, coverage for the removal of the vessel if it should sink and coverage should it cause a pollution event.

(4) The purchaser of marine insurance under this section may satisfy the requirements of this section through the purchase of multiple policies as necessary.

(5) The department may, by rule, provide for a purchaser of a vessel to also satisfy the insurance requirements of this section through the posting of adequate security with a financial institution.

(6) A person required to secure marine insurance or show proof of marine insurance under this section who either: (a) Fails to secure a marine insurance policy consistent with this section prior to or concurrent with the transfer of ownership, unless the vessel was sold consistent with RCW 79.100.150(2)(b); or (b) cancels a marine insurance policy consistent with this section prior to the end of the twelfth month of vessel ownership or to a subsequent transfer of ownership, whichever occurs first, without securing another marine insurance policy consistent with this section in its place, is guilty of a misdemeanor. The department may contact any vessel owner required by this section to have a marine insurance policy to ensure compliance with this section.

Sec. 102. RCW 79.100.150 and 2013 c 291 s 38 are each amended to read as follows:

(1) A vessel owner must obtain a vessel inspection under this section prior to transferring a vessel that is:

(a) More than sixty-five feet in length and more than forty years old; and

(b) Either:

(i) Is registered or required to be registered under chapter 88.02 RCW; or

(ii) Is listed or required to be listed under chapter 84.40 RCW.

(2) If the vessel inspection determines the vessel is not seaworthy and the value of the vessel is less than the anticipated costs required to return the vessel to seaworthiness, then the vessel owner may not sell or transfer ownership of the vessel unless:

(a) The vessel is repaired to a seaworthy state prior to the transfer of ownership; or

(b) The vessel is sold for scrap, restoration, salvage, or another use that will remove the vessel from state waters to a person displaying a business license issued under RCW 19.02.070 that a reasonable person in the seller's position would believe has the capability and intent to do based on factors that may include the buyer's facilities, resources, documented intent, and relevant history.

(3) Where required under subsection (1) of this section, a vessel owner must provide a copy of the vessel inspection documentation to the transferee and, if the department did not conduct the inspection, to the department prior to the transfer.

((~~(3)~~)) (4) Unless rules adopted by the department provide otherwise, the vessel inspection required under this section must be contained in a formal marine survey conducted by a third party to the transaction. The survey must include, at a minimum, a conclusion relating to the seaworthiness of the vessel, an estimate of the vessel's fair market value, and, if applicable, an estimate as to the anticipated cost of repairs necessary to return the vessel to seaworthiness.

(5) The department may, by rule, allow other forms of vessel condition determinations, such as United States coast guard certificates of inspection, to replace the requirements for a formal marine survey under this section.

(6) Failure to comply with the requirements of ((~~subsections (1) and (2) of~~)) this section will result in the transferor having secondary liability under RCW 79.100.060 if the vessel is later abandoned by the transferee or becomes derelict prior to a subsequent ownership transfer.

(7) Nothing in this section prevents a vessel owner from removing, dismantling, and lawfully disposing of any vessel lawfully under the vessel owner's control.

Part Two—Authorities and Requirements Applicable to Marinas

Sec. 201. RCW 79.100.130 and 2013 c 291 s 4 are each amended to read as follows:

(1) A private moorage facility owner, as those terms are defined in RCW 88.26.010, may contract with the department or a local government for the purpose of participating in the derelict vessel removal program.

(2) If a contract is completed under this section, the department or local government shall serve as the authorized public entity for the removal of a derelict or abandoned vessel from the property of the private moorage facility owner. The contract must provide for the private moorage facility owner to be

financially responsible for the removal and disposal costs that are not reimbursed by the department as provided under RCW 79.100.100, and any additional reasonable administrative costs incurred by the department or local government during the removal of the derelict or abandoned vessel.

(3) Prior to the commencement of any removal ((~~which~~)) under this section for which a local government serves as the authorized public entity and that will seek reimbursement from the derelict vessel removal program, the contract and the proposed vessel removal shall be submitted to the department for review and approval. The local government shall use the procedure specified under RCW 79.100.100(((~~(6)~~))).

(4) If the private moorage facility owner has already seized the vessel under chapter 88.26 RCW and title has reverted to the moorage facility, the moorage facility is not considered the owner under this chapter for purposes of cost recovery for actions taken under this section.

(5)(a) The department and all local governments have discretion as to whether to enter into contracts to serve as the authorized public entity under this section for vessels located at a private moorage facility.

(b) The department may not enter into a contract to serve as the authorized public entity under this section for vessels located at a private moorage facility if the private moorage facility is not in compliance with the mandatory insurance requirements of section 202 of this act.

NEW SECTION. **Sec. 202.** A new section is added to chapter 88.26 RCW to read as follows:

(1) Every private moorage facility operator must:

(a) Obtain and maintain insurance coverage for the private moorage facility;

(b) Require, as a condition of moorage, all vessels other than transient vessels to provide proof of marine insurance to the moorage facility.

(2) Unless rules adopted by the department of natural resources require otherwise, insurance maintained by private moorage facility operators and required of moored vessels must:

(a) Provide coverage at liability limits of at least three hundred thousand dollars per occurrence; and

(b) Include, at a minimum, general, legal, and pollution liability coverage.

(3) The purchaser of marine insurance under this section may satisfy the requirements of this section through the purchase of multiple policies as necessary.

(4) The requirement under this section for private moorage facility operators to require proof of marine insurance from mooring vessels applies whenever a private moorage facility operator enters an initial or renewal moorage agreement after the effective date of this section. The private moorage facility operator is not required to verify independently whether a mooring vessel's insurance policy meets the requirements of this section and is not responsible for any change in insurance coverage applicable to the vessel that occurs after the initial agreement is entered into or in the time period between agreement renewals.

(5) Any private moorage facility operator who fails to satisfy the requirements of this section incurs secondary liability under RCW 79.100.060 for any vessel located at the private moorage facility that meets the definition of derelict vessel or abandoned vessel as those terms are defined in RCW 79.100.010.

NEW SECTION. **Sec. 203.** A new section is added to chapter 53.08 RCW to read as follows:

(1) Every moorage facility operator must:

(a) Obtain and maintain insurance coverage for the moorage facility;

(b) Require, as a condition of moorage, all vessels other than transient vessels to provide proof of marine insurance to the moorage facility.

(2) Unless rules adopted by the department of natural resources require otherwise, insurance maintained by moorage facility operators and required of moored vessels must:

(a) Provide coverage at liability limits of at least three hundred thousand dollars per occurrence; and

(b) Include, at a minimum, general, legal, and pollution liability coverage.

(3) The purchaser of marine insurance under this section may satisfy the requirements of this section through the purchase of multiple policies as necessary.

(4) The requirement under this section for moorage facility operators to require proof of marine insurance from mooring vessels applies whenever a moorage facility operator enters an initial or renewal moorage agreement after the effective date of this section. The moorage facility operator is not required to verify independently whether a mooring vessel's insurance policy meets the requirements of this section and is not responsible for any change in insurance coverage applicable to the vessel that occurs after the initial agreement is entered into or in the time period between agreement renewals.

(5) Any moorage facility operator that the department has determined has failed to satisfy the requirements of this section is not eligible for reimbursement from the derelict vessel removal account under RCW 79.100.100.

Sec. 204. RCW 88.26.010 and 1993 c 474 s 1 are each amended to read as follows:

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

(1) "Charges" means charges of a private moorage facility operator for moorage and storage, all other charges owing to or that become owing under a contract between a vessel owner and the private moorage facility operator, or any costs of sale and related legal expenses for implementing RCW 88.26.020.

(2) "Vessel" means every watercraft used or capable of being used as a means of transportation on the water. "Vessel" includes any trailer used for the transportation of watercraft.

(3) "Private moorage facility" means any properties or facilities owned or operated by a private moorage facility operator that are capable of use for the moorage or storage of vessels.

(4) "Private moorage facility operator" means every natural person, firm, partnership, corporation, association, organization, or any other legal entity, employee, or their agent, that owns or operates a private moorage facility. Private moorage facility operation does not include a "moorage facility operator" as defined in RCW 53.08.310.

(5) "Owner" means every natural person, firm, partnership, corporation, association, or organization, or their agent, with actual or apparent authority, who expressly or impliedly contracts for use of a moorage facility.

(6) "Transient vessel" means a vessel using a private moorage facility and that belongs to an owner who does not have a moorage agreement with the private moorage facility operator. Transient vessels include, but are not limited to, vessels seeking a harbor or refuge, day use, or overnight use of a private moorage facility on a space-as-available basis. Transient vessels may also include vessels taken into custody under RCW 79.100.040.

Sec. 205. RCW 53.08.310 and 1986 c 260 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this section, section 203 of this act, and RCW 53.08.320.

(1) "Port charges" mean charges of a moorage facility operator for moorage and storage, and all other charges owing or to become owing under a contract between a vessel owner and the moorage facility operator, or under an officially adopted tariff including, but not limited to, costs of sale and related legal expenses.

(2) "Vessel" means every species of watercraft or other artificial contrivance capable of being used as a means of transportation on water and which does not exceed two hundred feet in length. "Vessel" includes any trailer used for the transportation of watercraft.

(3) "Moorage facility" means any properties or facilities owned or operated by a moorage facility operator which are capable of use for the moorage or storage of vessels.

(4) "Moorage facility operator" means any port district, city, town, metropolitan park district, or county which owns and/or operates a moorage facility.

(5) "Owner" means every natural person, firm, partnership, corporation, association, or organization, or agent thereof, with actual or apparent authority, who expressly or impliedly contracts for use of a moorage facility.

(6) "Transient vessel" means a vessel using a moorage facility and which belongs to an owner who does not have a moorage agreement with the moorage facility operator. Transient vessels include, but are not limited to: Vessels seeking a harbor of refuge, day use, or overnight use of a moorage facility on a space-as-available basis. Transient vessels may also include vessels taken into custody under RCW 79.100.040.

Part Three—Encouraging Vessel Removal and Deconstruction

NEW SECTION. **Sec. 301.** A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of vessel deconstruction performed at:

(a) A qualified vessel deconstruction facility; or

(b) An area over water that has been permitted under section 402 of the clean water act of 1972 (33 U.S.C. Sec. 1342) for vessel deconstruction.

(2) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a)(i) "Vessel deconstruction" means permanently dismantling a vessel, including: Abatement and removal of hazardous materials; the removal of mechanical, hydraulic, or electronic components or other vessel machinery and

equipment; and either the cutting apart or disposal, or both, of vessel infrastructure. For the purposes of this subsection, "hazardous materials" includes fuel, lead, asbestos, polychlorinated biphenyls, and oils.

(ii) "Vessel deconstruction" does not include vessel modification or repair.

(b) "Qualified vessel deconstruction facility" means structures, including floating structures, that are permitted under section 402 of the clean water act of 1972 (33 U.S.C. Sec. 1342) for vessel deconstruction.

(3) Sellers making tax-exempt sales under this section must obtain from the purchaser an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files. In lieu of an exemption certificate, a seller may capture the relevant data elements as allowed under the streamlined sales and use tax agreement.

NEW SECTION. **Sec. 302.** A new section is added to chapter 82.12 RCW to read as follows:

(1) This chapter does not apply to the use of vessel deconstruction services performed at:

(a) A qualified vessel deconstruction facility; or

(b) An area over water that has been permitted under section 402 of the federal clean water act of 1972 (33 U.S.C. Sec. 1342) for vessel deconstruction.

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

NEW SECTION. **Sec. 303.** (1) This section is the tax preference performance statement for the tax preference contained in sections 301 and 302 of this act. This performance statement is only intended to be used for subsequent evaluation of this tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as intended to induce certain designated behavior by taxpayers as indicated in RCW 82.32.808(2)(a).

(3) It is the legislature's specific public policy objective to decrease the number of abandoned and derelict vessels by providing incentives to increase vessel deconstruction in Washington by lowering the cost of deconstruction. It is the legislature's intent to provide businesses engaged in vessel deconstruction a sales and use tax exemption for sales of vessel deconstruction. This incentive will lower the costs associated with vessel deconstruction and encourage businesses to make investments in vessel deconstruction facilities. Pursuant to chapter 43.136 RCW, the joint legislative audit and review committee must review the sales tax exemptions provided under sections 301 and 302 of this act by December 1, 2018.

(4) If a review finds that the increase in available capacity to deconstruct derelict vessels or a reduction in the average cost to deconstruct vessels has resulted in an increase of the number of derelict vessels removed from Washington's waters as compared to before the effective date of this section, then the legislature intends for the legislative auditor to recommend extending the expiration date of the tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee should refer to data kept and maintained by the department of natural resources.

(6) This section expires January 1, 2019.

NEW SECTION. **Sec. 304.** Sections 301 and 302 of this act take effect October 1, 2014.

Part Four—Revenue to Support the Derelict Vessel Removal Program

NEW SECTION. **Sec. 401.** (1) The legislature finds that:

(a) Derelict and abandoned vessels are a threat to the safety of the public waterways, an environmental hazard for humans and marine life, and an occupational danger for persons that make their living on the waters of this state;

(b) Derelict vessel removal fees are imposed when recreational vessels are registered with the department of licensing. The accumulation of these fees is sufficient for the removal and disposal of recreational vessels that become derelict or abandoned;

(c) Derelict vessel removal fees do not apply to commercial vessels. Former commercial vessels are among the most costly to remove from Washington waters and to dispose of in an environmentally responsible manner. The costs for removing and disposing of these vessels far exceeds the funding provided by the derelict vessel removal fees paid by recreational vessels;

(d) According to the department of natural resources, as of the effective date of this section, there is a significant backlog of abandoned or derelict vessels that are former commercial vessels; and

(e) The use of general fund revenue to pay for the removal and disposal of derelict or abandoned vessels places an undue burden on the nonboating public and reduces the revenue available to pay for necessary governmental services.

(2) The legislature intends for either the owners or operators, or both, of commercial vessels to pay their fair share for the removal of abandoned or derelict vessels by imposing a per foot fee on commercial vessels.

NEW SECTION. **Sec. 402.** A new section is added to chapter 79.100 RCW to read as follows:

(1)(a) Except as otherwise provided in (b) of this subsection, an annual derelict vessel removal fee is imposed upon all persons required by RCW 84.40.065 to list any ship or vessel with the department of revenue for state property tax purposes.

(b) The derelict vessel removal fee imposed in (a) of this subsection does not apply in any year that a person required to list a ship or vessel does not owe the state property tax levied for collection in that year with respect to that ship or vessel.

(c) The annual derelict vessel removal fee is equal to one dollar per vessel foot measured by extreme length of the vessel, rounded up to the nearest whole foot.

(2) Each year, the department of revenue must include the amount of the derelict vessel removal fee due under this section for that calendar year in the tax statement required in RCW 84.40.065.

(3) The person listing a ship or vessel and the owner of the ship or vessel, if not the same person, are jointly and severally liable for the fee imposed in this section.

(4) The department of revenue must collect the derelict vessel removal fee imposed in this section as provided in RCW 84.56.440.

(5) All derelict vessel removal fees collected under this section must be deposited into the derelict vessel removal account created in RCW 79.100.100.

Sec. 403. RCW 84.56.440 and 2008 c 181 s 511 are each amended to read as follows:

(1) The department of revenue shall collect the derelict vessel removal fee imposed under section 402 of this act and all ad valorem taxes upon ships and vessels listed with the department in accordance with RCW 84.40.065, and all applicable interest and penalties on such taxes and fees. The taxes and derelict vessel removal fee shall be due and payable to the department on or before the thirtieth day of April and shall be delinquent after that date.

(2) If payment of the tax, derelict vessel removal fee, or both, is not received by the department by the due date, there shall be imposed a penalty of five percent of the amount of the unpaid tax and fee; and if the tax ((~~is~~)) and fee are not received within thirty days after the due date, there shall be imposed a total penalty of ten percent of the amount of the unpaid tax and fee; and if the tax ((~~is~~)) and fee are not received within sixty days after the due date, there shall be imposed a total penalty of twenty percent of the amount of the unpaid tax and fee. No penalty so added shall be less than five dollars.

(3) Delinquent taxes under this section are subject to interest at the rate set forth in RCW 82.32.050 from the date of delinquency until paid. Delinquent derelict vessel removal fees are also subject to interest at the same rate and in the same manner as provided for delinquent taxes under RCW 82.32.050. Interest or penalties collected on delinquent taxes and derelict vessel removal fees under this section shall be paid by the department into the general fund of the state treasury.

(4) If upon information obtained by the department it appears that any ship or vessel required to be listed according to the provisions of RCW 84.40.065 is not so listed, the department shall value the ship or vessel and assess against the owner of the vessel the taxes and derelict vessel removal fees found to be due and shall add thereto interest at the rate set forth in RCW 82.32.050 from the original due date of the tax and fee until the date of payment. The department shall notify the vessel owner by mail of the amount and the same shall become due and shall be paid by the vessel owner within thirty days of the date of the notice. If payment is not received by the department by the due date specified in the notice, the department shall add a penalty of ten percent of the tax and fee found due. A person who willfully gives a false listing or willfully fails to list a ship or vessel as required by RCW 84.40.065 shall be subject to the penalty imposed by RCW 84.40.130(2), which shall be assessed and collected by the department.

(5) Delinquent taxes and fees under this section, along with all penalties and interest thereon, shall be collected by the department according to the procedures set forth in chapter 82.32 RCW for the filing and execution of tax warrants, including the imposition of warrant interest. In the event a warrant is issued by the department for the collection of taxes, derelict vessel removal fees, or both, under this section, the department shall add a penalty of five percent of the amount of the delinquent tax and fee, but not less than ten dollars.

(6) ((~~The department shall also collect all delinquent taxes pertaining to ships and vessels appearing on the records of the county treasurers for each of the counties of this state as of December 31, 1993, including any applicable~~

~~interest or penalties. The provisions of subsection (5) of this section shall apply to the collection of such delinquent taxes.~~

~~(7)~~)) During a state of emergency declared under RCW 43.06.010(12), the department, on its own motion or at the request of any taxpayer affected by the emergency, may grant extensions of the due date of any taxes and fees payable under this section as the department deems proper.

(7) The department of revenue must withhold the decals required under RCW 88.02.570(10) for failure to pay the state property tax or derelict vessel removal fee collectible under this section.

NEW SECTION. **Sec. 404.** Sections 401 through 403 of this act take effect January 1, 2015.

Part Five—Incentivizing the Registration of Moored Vessels

NEW SECTION. **Sec. 501.** A new section is added to chapter 88.02 RCW to read as follows:

(1) A moorage provider that provides long-term moorage must obtain the following information and documentation from persons entering into long-term moorage agreements with the moorage provider:

(a) The name of the legal owner of the vessel;

(b) A local contact person and that person's address and telephone number, if different than the owner;

(c) The owner's address and telephone number;

(d) The vessel's hull identification number;

(e) If applicable, the vessel's coast guard registration;

(f) The vessel's home port;

(g) The date on which the moorage began;

(h) The vessel's country or state of registration and registration number; and

(i) Proof of vessel registration, a written statement of the lessee's intent to register a vessel, or an affidavit in a form and manner approved by the department certifying that the vessel is exempt from state vessel registration requirements as provided by RCW 88.02.570.

(2) For moorage agreements entered into effective on or after July 1, 2014, a long-term moorage agreement for vessels not registered in this state must include, in a form and manner approved by the department and the department of revenue, notice of state vessel registration requirements as provided by this chapter and tax requirements as provided by chapters 82.08, 82.12, and 82.49 RCW and listing requirements as provided by RCW 84.40.065.

(3) A moorage provider must maintain records of the information and documents required under this section for at least two years. Upon request, a moorage provider must:

(a) Permit any authorized agent of a requesting agency to:

(i) Inspect the moorage facility for vessels that are not registered as required by this chapter or listed as required under RCW 84.40.065; and

(ii) Inspect and copy records identified in subsection (1) of this section for vessels that the requesting agency determines are not properly registered or listed as required by law; or

(b) Provide to the requesting agency:

(i) Information as provided in subsection (1)(a), (c), (d), and (e) of this section; and

(ii) Information as provided in subsection (1)(b), (f), (g), (h), and (i) of this section for those vessels that the requesting agency subsequently determines are not registered as required by this chapter or listed as required under RCW 84.40.065.

(4) Requesting agencies must coordinate their requests to ensure that a moorage provider does not receive more than two requests per calendar year. For the purpose of enforcing vessel registration and vessel listing requirements, requesting agencies may share the results of information requests with each other.

(5) The information required to be collected under this section must be collected at the time the long-term moorage agreement is entered into and at the time of any renewals of the agreement. The moorage provider is not responsible for updating any changes in the information that occurs after the initial agreement is entered into or in the time period between agreement renewals.

(6) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Long-term moorage" means moorage provided for more than thirty consecutive days, unless the moorage is for a vessel that has been taken into custody under RCW 79.100.040.

(b) "Moorage facility" means any properties or facilities located in this state that are used for the moorage of vessels and are owned or operated by a moorage provider.

(c) "Moorage facility operator" has the same meaning as defined in RCW 53.08.310.

(d) "Moorage provider" means any public or private entity that owns or operates any moorage facility, including a moorage facility operator, private moorage facility operator, the state of Washington, or any other person.

(e) "Private moorage facility operator" has the same meaning as defined in RCW 88.26.010.

(f) "Requesting agency" means the department, the department of revenue, or the department of natural resources.

NEW SECTION. **Sec. 502.** A new section is added to chapter 82.49 RCW to read as follows:

(1) An owner of a vessel that is not registered as required by chapter 88.02 RCW and for which watercraft excise tax is due under this chapter is liable for a penalty in the following amount:

(a) One hundred dollars for the owner's first violation;

(b) Two hundred dollars for the owner's second violation involving the same or any other vessel; or

(c) Four hundred dollars for the owner's third and successive violations involving the same or any other vessel.

(2) The department of revenue may collect this penalty under the procedures established in chapter 82.32 RCW. The penalty imposed under this section is in addition to any other civil or criminal penalty imposed by law.

Sec. 503. RCW 82.49.010 and 2010 c 161 s 1044 are each amended to read as follows:

(1) An excise tax is imposed for the privilege of using a vessel upon the waters of this state, except vessels exempt under RCW 82.49.020. The annual amount of the excise tax is one-half of one percent of fair market value, as determined under this chapter, or five dollars, whichever is greater. Violation of this subsection is a misdemeanor.

(2) ((~~Persons who are~~)) A person who is required under chapter 88.02 RCW to register a vessel in this state and who fails to register the vessel in this state or registers the vessel in another state or foreign country and avoids the Washington watercraft excise tax ((~~are~~)) is guilty of a gross misdemeanor and ((~~are~~)) is liable for such unpaid excise tax. The department of revenue may assess and collect the unpaid excise tax under chapter 82.32 RCW, including the penalty imposed in section 502 of this act and penalties and interest provided in chapter 82.32 RCW.

(3) The excise tax upon a vessel registered for the first time in this state shall be imposed for a twelve-month period, including the month in which the vessel is registered, unless the director of licensing extends or diminishes vessel registration periods for the purpose of staggered renewal periods under RCW 88.02.560. A vessel is registered for the first time in this state when the vessel was not registered in this state for the immediately preceding registration year, or when the vessel was registered in another jurisdiction for the immediately preceding year.

Part Six—Miscellaneous and Technical

Sec. 601. RCW 79.100.060 and 2013 c 291 s 40 are each amended to read as follows:

(1) The owner of an abandoned or derelict vessel, or any person or entity that has incurred secondary liability ((~~under RCW 79.100.150~~)) for an abandoned or derelict vessel under this chapter or section 202 of this act, is responsible for reimbursing an authorized public entity for all reasonable and auditable costs associated with the removal or disposal of the owner's vessel under this chapter. These costs include, but are not limited to, costs incurred exercising the authority granted in RCW 79.100.030, all administrative costs incurred by the authorized public entity during the procedure set forth in RCW 79.100.040, removal and disposal costs, and costs associated with environmental damages directly or indirectly caused by the vessel. An authorized public entity that has taken temporary possession of a vessel may require that all reasonable and auditable costs associated with the removal of the vessel be paid before the vessel is released to the owner.

(2) Reimbursement for costs may be sought from an owner, or any person or entity that has incurred secondary liability under ((~~RCW 79.100.150~~)) this chapter or section 202 of this act, who is identified subsequent to the vessel's removal and disposal.

(3) If the full amount of all costs due to the authorized public entity under this chapter is not paid to the authorized public entity within thirty days after first notifying the responsible parties of the amounts owed, the authorized public entity or the department may bring an action in any court of competent jurisdiction to recover the costs, plus reasonable attorneys' fees and costs incurred by the authorized public entity.

Sec. 602. RCW 79.100.120 and 2013 c 291 s 32 are each amended to read as follows:

(1) ((~~A person~~)) (a) An owner or lien holder seeking to contest an authorized public entity's decision to take temporary possession or custody of a vessel under this chapter, or to contest the amount of reimbursement owed to an authorized public entity under this chapter, may request a hearing in accordance with this section.

(b) A transferor or other entity with secondary liability under this chapter or section 202 of this act may commence a lawsuit in the superior court for the county in which custody of the vessel was taken to contest the transferor's or other entity's liability or the amount of reimbursement owed the authorized public entity under this chapter.

(2)(a) If the contested decision or action was undertaken by a state agency, a written request for a hearing related to the decision or action must be filed with the pollution control hearings board and served on the state agency in accordance with RCW 43.21B.230 (2) and (3) within thirty days of the date the authorized public entity acquires custody of the vessel under RCW 79.100.040, or if the vessel is redeemed before the authorized public entity acquires custody, the date of redemption, or the right to a hearing is deemed waived and the vessel's owner is liable for any costs owed the authorized public entity. In the event of litigation, the prevailing party is entitled to reasonable attorneys' fees and costs.

(b) Upon receipt of a timely hearing request, the pollution control hearings board shall proceed to hear and determine the validity of the decision to take the vessel into temporary possession or custody and the reasonableness of any towing, storage, or other charges permitted under this chapter. Within five business days after the request for a hearing is filed, the pollution control hearings board shall notify the vessel owner requesting the hearing and the authorized public entity of the date, time, and location for the hearing. Unless the vessel is redeemed before the request for hearing is filed, the pollution control hearings board shall set the hearing on a date that is within ten business days of the filing of the request for hearing. If the vessel is redeemed before the request for a hearing is filed, the pollution control hearings board shall set the hearing on a date that is within sixty days of the filing of the request for hearing.

(c) Consistent with RCW 43.21B.305, a proceeding brought under this subsection may be heard by one member of the pollution control hearings board, whose decision is the final decision of the board.

(3)(a) If the contested decision or action was undertaken by a metropolitan park district, port district, city, town, or county, which has adopted rules or procedures for contesting decisions or actions pertaining to derelict or abandoned vessels, those rules or procedures must be followed in order to contest a decision to take temporary possession or custody of a vessel, or to contest the amount of reimbursement owed.

(b) If the metropolitan park district, port district, city, town, or county has not adopted rules or procedures for contesting decisions or actions pertaining to derelict or abandoned vessels, then ((~~a person~~)) an owner or lien holder requesting a hearing under this section must follow the procedure established in subsection (2) of this section.

Sec. 603. RCW 79.100.100 and 2013 c 291 s 2 are each amended to read as follows:

(1)(a) The derelict vessel removal account is created in the state treasury. All receipts from RCW 79.100.050 and 79.100.060 and those moneys specified in RCW 88.02.640 must be deposited into the account. The account is authorized to receive fund transfers and appropriations from the general fund, deposits from the derelict vessel removal surcharge under RCW 88.02.640(4), deposits under section 402 of this act, as well as gifts, grants, and endowments from public or private sources as may be made from time to time, in trust or otherwise, for the use and benefit of the purposes of this chapter and expend the same or any income according to the terms of the gifts, grants, or endowments provided those terms do not conflict with any provisions of this section or any guidelines developed to prioritize reimbursement of removal projects associated with this chapter.

(b) Moneys in the account may only be spent after appropriation. Expenditures from the account may only be used by the department for developing and administering the vessel turn-in program created in RCW 79.100.160 and to, except as provided in RCW 79.100.130 and section 203 of this act, reimburse authorized public entities for up to ninety percent of the total reasonable and auditable administrative, removal, disposal, and environmental damage costs of abandoned or derelict vessels when the previous owner is either unknown after a reasonable search effort or insolvent. Reimbursement may not be made unless the department determines that the public entity has made reasonable efforts to identify and locate the party responsible for the vessel, or any other person or entity that has incurred secondary liability ((~~under RCW 79.100.150~~)) for the vessel under this chapter or section 202 of this act, regardless of the title of owner of the vessel.

(c) Funds in the account resulting from transfers from the general fund or from the deposit of funds from the watercraft excise tax as provided for under RCW 82.49.030 must be used to reimburse one hundred percent of costs and should be prioritized for the removal of large vessels.

(d) Costs associated with the removal and disposal of an abandoned or derelict vessel under the authority granted in RCW 53.08.320 also qualify for reimbursement from the derelict vessel removal account.

(e) In each biennium, up to twenty percent of the expenditures from the derelict vessel removal account may be used for administrative expenses of the department of licensing and department of natural resources in implementing this chapter.

(2) Priority for use of this account is for the removal of derelict and abandoned vessels that are in danger of sinking, breaking up, or blocking navigation channels, or that present environmental risks such as leaking fuel or other hazardous substances. The department must develop criteria, in the form of informal guidelines, to prioritize removal projects associated with this chapter, but may not consider whether the applicant is a state or local entity when prioritizing. The guidelines must also include guidance to the authorized public entities as to what removal activities and associated costs are reasonable and eligible for reimbursement.

(3) The department must keep all authorized public entities apprised of the balance of the derelict vessel removal account and the funds available for

reimbursement. The guidelines developed by the department must also be made available to the other authorized public entities. This subsection (3) must be satisfied by utilizing the least costly method, including maintaining the information on the department's internet web site, or any other cost-effective method.

(4) An authorized public entity may contribute its ten percent of costs that are not eligible for reimbursement by using in-kind services, including the use of existing staff, equipment, and volunteers.

(5) This chapter does not guarantee reimbursement for an authorized public entity. Authorized public entities seeking certainty in reimbursement prior to taking action under this chapter may first notify the department of their proposed action and the estimated total costs. Upon notification by an authorized public entity, the department must make the authorized public entity aware of the status of the fund and the likelihood of reimbursement being available. The department may offer technical assistance and assure reimbursement for up to two years following the removal action if an assurance is appropriate given the balance of the fund and the details of the proposed action.

Sec. 604. RCW 79.100.010 and 2007 c 342 s 1 are each amended to read as follows:

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

(1) "Abandoned vessel" means a vessel that has been left, moored, or anchored in the same area without the express consent, or contrary to the rules of, the owner, manager, or lessee of the aquatic lands below or on which the vessel is located for either a period of more than thirty consecutive days or for more than a total of ninety days in any three hundred sixty-five-day period, and the vessel's owner is: (a) Not known or cannot be located; or (b) known and located but is unwilling to take control of the vessel. For the purposes of this subsection (1) only, "in the same area" means within a radius of five miles of any location where the vessel was previously moored or anchored on aquatic lands.

(2) "Aquatic lands" means all tidelands, shorelands, harbor areas, and the beds of navigable waters, including lands owned by the state and lands owned by other public or private entities.

(3) "Authorized public entity" includes any of the following: The department of natural resources; the department of fish and wildlife; the parks and recreation commission; a metropolitan park district; a port district; and any city, town, or county with ownership, management, or jurisdiction over the aquatic lands where an abandoned or derelict vessel is located.

(4) "Department" means the department of natural resources.

(5) "Derelict vessel" means the vessel's owner is known and can be located, and exerts control of a vessel that:

(a) Has been moored, anchored, or otherwise left in the waters of the state or on public property contrary to RCW 79.02.300 or rules adopted by an authorized public entity;

(b) Has been left on private property without authorization of the owner; or

(c) Has been left for a period of seven consecutive days, and:

(i) Is sunk or in danger of sinking;

(ii) Is obstructing a waterway; or

(iii) Is endangering life or property.

(6) "Owner" means any natural person, firm, partnership, corporation, association, government entity, or organization that has a lawful right to possession of a vessel by purchase, exchange, gift, lease, inheritance, or legal action whether or not the vessel is subject to a security interest.

(7) "Vessel" means every species of watercraft or other mobile artificial contrivance, powered or unpowered, intended to be used for transporting people or goods on water or for floating marine construction or repair and which does not exceed two hundred feet in length. "Vessel" includes any trailer used for the transportation of watercraft, or any attached floats or debris.

(8) "Ship" means every species of watercraft or other mobile artificial contrivance, powered or unpowered, intended to be used for transporting people or goods on water or for floating marine construction or repair and that exceeds two hundred feet in length.

Sec. 605. 2013 c 291 s 39 (uncodified) is amended to read as follows:

(1) By December 31, ((~~2013~~)) 2014, the department of natural resources shall adopt by rule initial procedures and standards for the vessel inspections required under ((~~section 38 of this act~~)) RCW 79.100.150. The procedures and standards must identify the public or private entities authorized to conduct inspections, the required elements of an inspection, and the manner in which inspection results must be documented. The vessel inspection required under this section must be designed to:

(a) Provide the transferee with current information about the condition of the vessel, including the condition of its hull and key operating systems, prior to the transfer;

(b) Provide the department of natural resources with information under (a) of this subsection for each applicable vessel and, more broadly, to improve the department's understanding of the condition of the larger, older boats in the state's waters;

(c) Discourage the future abandonment or dereliction of the vessel; and

(d) Maximize the efficiency and effectiveness of the inspection process, including with respect to the time and resources of the transferor, transferee, and the state.

(2) The department of natural resources shall work with appropriate government agencies and stakeholders in designing the inspection process and standards under this section.

(3) This section expires July 31, ((~~2014~~)) 2015.

NEW SECTION. **Sec. 606.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the House March 10, 2014.

Passed by the Senate March 7, 2014.

Approved by the Governor April 2, 2014.

Filed in Office of Secretary of State April 4, 2014.

CHAPTER 196

[Substitute House Bill 2739]

STUDENT SUCCESS ANALYSIS

AN ACT Relating to early childhood development as it relates to school success; creating new sections; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** (1) The education data center shall contract with the area health education center of eastern Washington through Washington State University extension, to conduct a geographic analysis using existing data to identify areas where the cumulative effect of family factors, such as employment, health status, safety, and stability correlate with academic and behavioral indicators of student success. The education data center shall submit this analysis in the form of a report to the appropriate committees of the legislature by January 31, 2015. This report must include maps that illustrate community variation in family factors as they relate to K-12 and postsecondary education outcomes and keeping all children on track for success.

(2) At a minimum, the report must include:

(a) The prevalence of family and community health, safety, and stability factors relevant to student success;

(b) Resilience factors that are statistically correlated with improved population outcomes even in populations with family, health, safety, and stability challenges;

(c) Correlation of the factors in (b) of this subsection with community variation in academic, behavior, and graduation outcomes; and

(d) Implications for policy targeted at improving K-12 or postsecondary outcomes.

(3) This section expires August 1, 2015.

NEW SECTION. **Sec. 2.** If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2014, in the omnibus appropriations act, this act is null and void.

Passed by the House February 13, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 197

[House Bill 2741]

VEHICLE REGISTRATION—INITIAL ISSUANCE

AN ACT Relating to requirements before issuance of an initial vehicle registration; and amending RCW 46.16A.050.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.16A.050 and 2010 c 161 s 405 are each amended to read as follows:

(1) The department, county auditor or other agent, or subagent appointed by the director shall not issue an initial ((~~or renewal~~)) registration certificate for a

motor vehicle to a natural person under this chapter unless the natural person at time of application:

(a) Presents an unexpired Washington state driver's license; or

(b) Certifies that he or she is:

(i) A Washington state resident who does not operate a motor vehicle on public roads; or

(ii) Exempt from the requirement to obtain a Washington state driver's license under RCW 46.20.025.

(2) The department must set up procedures to verify that all owners meet the requirements of this section.

(3) A person falsifying residency is guilty of a gross misdemeanor punishable only by a fine of five hundred twenty-nine dollars.

(4) The department may adopt rules necessary to implement this section, including rules under which a natural person applying for registration may be exempt from the requirements of this section if the person provides evidence satisfactory to the department that he or she has a valid and compelling reason for not being able to meet the requirements of this section.

Passed by the House February 17, 2014.
Passed by the Senate March 6, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 198

[House Bill 2798]

HEALTH CARE AUTHORITY—MANAGED HEALTH CARE SYSTEM PAYMENTS

AN ACT Relating to payments by the health care authority to managed health care systems; and amending RCW 70.47.110.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70.47.110 and 2011 1st sp.s. c 15 s 84 are each amended to read as follows:

The health care authority may make payments to ((~~participating~~)) managed health care systems, as defined in RCW 74.09.522 or in this chapter, on behalf of any ((~~enrollee~~)) person who is a recipient of medical care under chapter 74.09 RCW, ((~~at~~)) up to the maximum rate allowable for federal matching purposes under Title XIX of the social security act. Any enrollee on whose behalf the health care authority makes such payments may continue as an enrollee, making premium payments based on the enrollee's own income as determined under the sliding scale, after eligibility for coverage under chapter 74.09 RCW has ended, as long as the enrollee remains eligible under this chapter. Nothing in this section affects the right of any person eligible for coverage under chapter 74.09 RCW to receive the services offered to other persons under that chapter but not included in the schedule of basic health care services covered by the plan. The director shall seek to determine which enrollees or prospective enrollees may be eligible for medical care under chapter 74.09 RCW and may require these individuals to complete the eligibility determination process under chapter 74.09 RCW prior to enrollment or continued participation in the plan. The director shall adopt procedures to facilitate the transition of plan enrollees and payments

on their behalf between the plan and the programs established under chapter 74.09 RCW.

Passed by the House March 6, 2014.
Passed by the Senate March 12, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 199

[Engrossed Substitute Senate Bill 5045]

WINE AND BEER—DAY SPAS

AN ACT Relating to the creation of a permit to allow day spas to offer or supply without charge wine or beer by the individual glass to a customer for consumption on the premises; and adding a new section to chapter 66.20 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 66.20 RCW to read as follows:

(1) There shall be a permit known as a day spa permit to allow the holder to offer or supply without charge, wine or beer by the individual glass to a customer for consumption on the premises. The customer must be at least twenty-one years of age and may only be offered wine or beer if the services he or she will be receiving will last more than one hour. Wine or beer served or consumed shall be purchased from a Washington state licensed retailer. A customer may consume no more than one six ounce glass of wine or one twelve ounce glass of beer per day under this permit. Day spas with a day spa permit may not advertise the service of complimentary wine or beer and may not sell wine or beer in any manner. Any employee involved in the service of wine or beer must complete a board-approved limited alcohol server training program.

(2) For the purposes of this section, "day spa" means a business that offers at least three of the following four service categories:

(a) Hair care;

(b) Skin care;

(c) Nail care; and

(d) Body care, such as massages, wraps, and waxing.

Day spas must provide separate service areas of the day spa for at least three of the service categories offered.

(3) The annual fee for this permit is one hundred twenty-five dollars.

Passed by the Senate February 10, 2014.
Passed by the House March 11, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 200

[Engrossed Substitute Senate Bill 5875]

HOMELESS HOUSING AND ASSISTANCE—COUNTY SURCHARGE

AN ACT Relating to a surcharge for local homeless housing and assistance; amending RCW 36.22.179, 43.185C.060, and 43.185C.240; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 36.22.179 and 2012 c 90 s 1 are each amended to read as follows:

(1) In addition to the surcharge authorized in RCW 36.22.178, and except as provided in subsection (2) of this section, an additional surcharge of ten dollars shall be charged by the county auditor for each document recorded, which will be in addition to any other charge allowed by law. ((~~From July 1, 2009, through August 31, 2012, and from July 1, 2015, through June 30, 2017, the surcharge shall be thirty dollars.~~)) From September 1, 2012, through June 30, ((~~2015~~)) 2019, the surcharge shall be forty dollars. The funds collected pursuant to this section are to be distributed and used as follows:

(a) The auditor shall retain two percent for collection of the fee, and of the remainder shall remit sixty percent to the county to be deposited into a fund that must be used by the county and its cities and towns to accomplish the purposes of chapter 484, Laws of 2005, six percent of which may be used by the county for administrative costs related to its homeless housing plan, and the remainder for programs which directly accomplish the goals of the county's local homeless housing plan, except that for each city in the county which elects as authorized in RCW 43.185C.080 to operate its own local homeless housing program, a percentage of the surcharge assessed under this section equal to the percentage of the city's local portion of the real estate excise tax collected by the county shall be transmitted at least quarterly to the city treasurer, without any deduction for county administrative costs, for use by the city for program costs which directly contribute to the goals of the city's local homeless housing plan; of the funds received by the city, it may use six percent for administrative costs for its homeless housing program.

(b) The auditor shall remit the remaining funds to the state treasurer for deposit in the home security fund account. The department may use twelve and one-half percent of this amount for administration of the program established in RCW 43.185C.020, including the costs of creating the statewide homeless housing strategic plan, measuring performance, providing technical assistance to local governments, and managing the homeless housing grant program. Of the remaining eighty-seven and one-half percent, at least forty-five percent must be set aside for the use of private rental housing payments, and the remainder is to be used by the department to:

(i) Provide housing and shelter for homeless people including, but not limited to: Grants to operate, repair, and staff shelters; grants to operate transitional housing; partial payments for rental assistance; consolidated emergency assistance; overnight youth shelters; grants and vouchers designated for victims of human trafficking and their families; and emergency shelter assistance; and

(ii) Fund the homeless housing grant program.

(2) ((~~The surcharge imposed in this section applies to documents required to be recorded or filed under RCW 65.04.030(1) including, but not limited to: Full reconveyance; deeds of trust; deeds; liens related to real property; release of liens related to real property; notice of trustee sales; judgments related to real property; and all other documents pertaining to real property as determined by the department. However, the surcharge does not apply to (a) assignments or substitutions of previously recorded deeds of trust, or (b) documents recording a~~

~~birth, marriage, divorce, or death or any documents otherwise exempted from a recording fee under state law.~~

~~(3) By August 31, 2012, the department shall submit to each county auditor a list of documents that are subject to the surcharge established in subsection (1) of this section.~~

~~(4) If section 2, chapter 90, Laws of 2012 is not enacted into law by July 31, 2012, section 1, chapter 90, Laws of 2012 is null and void.~~)) The surcharge imposed in this section does not apply to (a) assignments or substitutions of previously recorded deeds of trust, (b) documents recording a birth, marriage, divorce, or death, (c) any recorded documents otherwise exempted from a recording fee or additional surcharges under state law, (d) marriage licenses issued by the county auditor, or (e) documents recording a state, county, or city lien or satisfaction of lien.

Sec. 2. RCW 43.185C.060 and 2007 c 427 s 6 are each amended to read as follows:

The home security fund account is created in the state treasury, subject to appropriation. The state's portion of the surcharge established in RCW 36.22.179 and 36.22.1791 must be deposited in the account. Expenditures from the account may be used only for homeless housing programs as described in this chapter. If an independent audit finds that the department has failed to set aside at least forty-five percent of funds received under RCW 36.22.179(1)(b) after the effective date of this section for the use of private rental housing payments, the department must submit a corrective action plan to the office of financial management within thirty days of receipt of the independent audit. The office of financial management must monitor the department's corrective action plan and expenditures from this account for the remainder of the fiscal year. If the department is not in compliance with RCW 36.22.179(1)(b) in any month of the fiscal year following submission of the corrective action plan, the office of financial management must reduce the department's allotments from this account and hold in reserve status a portion of the department's appropriation equal to the expenditures made during the month not in compliance with RCW 36.22.179(1)(b).

Sec. 3. RCW 43.185C.240 and 2012 c 90 s 2 are each amended to read as follows:

(1) As a means of efficiently and cost-effectively providing housing assistance to very-low income and homeless households:

(a) Any local government that has the authority to issue housing vouchers, directly or through a contractor, using document recording surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or 36.22.1791 must:

(i)(A) Maintain an interested landlord list, which at a minimum, includes information on rental properties in buildings with fewer than fifty units;

(B) Update the list at least once per quarter;

(C) Distribute the list to agencies providing services to individuals and households receiving housing vouchers;

(D) Ensure that a copy of the list or information for accessing the list online is provided with voucher paperwork; and

(E) ((~~Use reasonable best efforts to~~)) Communicate and interact with landlord and tenant associations located within its jurisdiction to facilitate

development, maintenance, and distribution of the list to private rental housing landlords. The department must make reasonable efforts to ensure that local providers conduct outreach to private rental housing landlords each calendar quarter regarding opportunities to provide rental housing to the homeless and the availability of funds;

(ii) Using cost-effective methods of communication, convene, on a semiannual or more frequent basis, landlords represented on the interested landlord list and agencies providing services to individuals and households receiving housing vouchers to identify successes, barriers, and process improvements. The local government is not required to reimburse any participants for expenses related to attendance;

(iii) Produce data, limited to document recording fee uses and expenditures, on a calendar year basis in consultation with landlords represented on the interested landlord list and agencies providing services to individuals and households receiving housing vouchers, that include the following: Total amount expended from document recording fees; amount expended on, number of households that received, and number of housing vouchers issued in each of the private, public, and nonprofit markets; amount expended on, number of households that received, and number of housing placement payments provided in each of the private, public, and nonprofit markets; amount expended on and number of eviction prevention services provided in the private market; and amount expended on and number of other tenant-based rent assistance services provided in the private market. If these data elements are not readily available, the reporting government may request the department to use the sampling methodology established pursuant to (c)(iii) of this subsection to obtain the data; and

(iv) Annually submit the calendar year data to the department by October 1st, with preliminary data submitted by October 1, 2012, and full calendar year data submitted beginning October 1, 2013.

(b) Any local government receiving more than three million five hundred thousand dollars during the previous calendar year from document recording surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, and 36.22.1791, must apply to the Washington state quality award program, or similar Baldrige assessment organization, for an independent assessment of its quality management, accountability, and performance system. The first assessment may be a lite assessment. After submitting an application, a local government is required to reapply at least every two years.

(c) The department must:

(i) Require contractors that provide housing vouchers to distribute the interested landlord list created by the appropriate local government to individuals and households receiving the housing vouchers;

(ii) ((~~Using cost-effective methods of communication, annually convene local governments issuing housing vouchers, landlord association representatives, and agencies providing services to individuals and households receiving housing vouchers to identify successes, barriers, and process improvements. The department is not required to reimburse any participants for expenses related to attendance;~~

~~(iii)~~)) Convene a stakeholder group by March 1, 2017, consisting of landlords, homeless housing advocates, real estate industry representatives,

cities, counties, and the department to meet to discuss long-term funding strategies for homeless housing programs that do not include a surcharge on document recording fees. The stakeholder group must provide a report of its findings to the legislature by December 1, 2017;

(iii) Develop a sampling methodology to obtain data required under this section when a local government or contractor does not have such information readily available. The process for developing the sampling methodology must include providing notification to and the opportunity for public comment by local governments issuing housing vouchers, landlord association representatives, and agencies providing services to individuals and households receiving housing vouchers;

(iv) Develop a report, limited to document recording fee uses and expenditures, on a calendar year basis ((~~in~~)) that may include consultation with local governments, landlord association representatives, and agencies providing services to individuals and households receiving housing vouchers, that includes the following: Total amount expended from document recording fees; amount expended on, number of households that received, and number of housing vouchers issued in each of the private, public, and nonprofit markets; amount expended on, number of households that received, and number of housing placement payments provided in each of the private, public, and nonprofit markets; amount expended on and number of eviction prevention services provided in the private market; the total amount of funds set aside for private rental housing payments as required in RCW 36.22.179(1)(b); and amount expended on and number of other tenant-based rent assistance services provided in the private market. The information in the report must include data submitted by local governments and data on all additional document recording fee activities for which the department contracted that were not otherwise reported. The data, samples, and sampling methodology used to develop the report must be made available upon request and for the audits required in this section;

(v) Annually submit the calendar year report to the legislature by December 15th, with a preliminary report submitted by December 15, 2012, and full calendar year reports submitted beginning December 15, 2013; and

(vi) Work with the Washington state quality award program, local governments, and any other organizations to ensure the appropriate scheduling of assessments for all local governments meeting the criteria described in subsection (1)(b) of this section.

(d) The office of financial management must secure an independent audit of the department's data and expenditures of state funds received under RCW 36.22.179(1)(b) on an annual basis. The independent audit must review a random sample of local governments, contractors, and housing providers that is geographically and demographically diverse. The independent auditor must meet with the department and a landlord representative to review the preliminary audit and provide the department and the landlord representative with the opportunity to include written comments regarding the findings that must be included with the audit. The first audit of the department's data and expenditures will be for calendar year 2014 and is due July 1, 2015. Each audit thereafter will be due July 1st following the department's submission of the report to the legislature. If the independent audit finds that the department has failed to set aside at least forty-five percent of the funds received under RCW

36.22.179(1)(b) after the effective date of this section for private rental housing payments, the independent auditor must notify the department and the office of financial management of its finding. In addition, the independent auditor must make recommendations to the office of financial management and the legislature on alternative means of distributing the funds to meet the requirements of RCW 36.22.179(1)(b).

(e) The office of financial management must contract with an independent auditor to conduct a performance audit of the programs funded by document recording surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, and 36.22.1791. The audit must provide findings to determine if the funds are being used effectively, efficiently, and for their intended purpose. The audit must review the department's performance in meeting all statutory requirements related to document recording surcharge funds including, but not limited to, the data the department collects, the timeliness and quality of required reports, and whether the data and required reports provide adequate information and accountability for the use of the document recording surcharge funds. The audit must include recommendations for policy and operational improvements to the use of document recording surcharges by counties and the department. The performance audit must be submitted to the legislature by December 1, 2016.

(2) For purposes of this section:

(a) "Housing placement payments" means one-time payments, such as first and last month's rent and move-in costs, funded by document recording surcharges collected pursuant to RCW 36.22.178, 36.22.179, or 36.22.1791 that are made to secure a unit on behalf of a tenant.

(b) "Housing vouchers" means payments, including private rental housing payments, funded by document recording surcharges collected pursuant to RCW 36.22.178, 36.22.179, or 36.22.1791 that are made by a local government or contractor to secure: (i) A rental unit on behalf of an individual tenant; or (ii) a block of units on behalf of multiple tenants.

(c) "Interested landlord list" means a list of landlords who have indicated to a local government or contractor interest in renting to individuals or households receiving a housing voucher funded by document recording surcharges.

(d) "Private rental housing" means housing owned by a private landlord and does not include housing owned by a nonprofit housing entity or government entity.

(3) This section expires June 30, ((~~2017~~)) 2019.

(((~~(4) If section 1, chapter 90, Laws of 2012 is not enacted into law by July 31, 2012, this section is null and void.~~)))

Passed by the Senate March 13, 2014.
Passed by the House March 13, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 201

[Senate Bill 5956]

SHORT-BARRELED RIFLES

AN ACT Relating to short-barreled rifles; amending RCW 9.41.190; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 9.41.190 and 1994 sp.s. c 7 s 420 are each amended to read as follows:

(1) Except as otherwise provided in this section, it is unlawful for any person to manufacture, own, buy, sell, loan, furnish, transport, or have in possession or under control, any machine gun, short-barreled shotgun, or short-barreled rifle; or any part designed and intended solely and exclusively for use in a machine gun, short-barreled shotgun, or short-barreled rifle, or in converting a weapon into a machine gun, short-barreled shotgun, or short-barreled rifle; or to assemble or repair any machine gun, short-barreled shotgun, or short-barreled rifle.

(2) It is not unlawful for a person to possess, transport, acquire, or transfer a short-barreled rifle that is legally registered and possessed, transported, acquired, or transferred in accordance with federal law.

(3) Subsection (1) of this section shall not apply to:

(a) Any peace officer in the discharge of official duty or traveling to or from official duty, or to any officer or member of the armed forces of the United States or the state of Washington in the discharge of official duty or traveling to or from official duty; or

(b) A person, including an employee of such person if the employee has undergone fingerprinting and a background check, who or which is exempt from or licensed under federal law, and engaged in the production, manufacture, repair, or testing of machine guns, short-barreled shotguns, or short-barreled rifles:

(i) To be used or purchased by the armed forces of the United States;

(ii) To be used or purchased by federal, state, county, or municipal law enforcement agencies; or

(iii) For exportation in compliance with all applicable federal laws and regulations.

(((~~(3)~~))) (4) It shall be an affirmative defense to a prosecution brought under this section that the machine gun((~~,~~)) or short-barreled shotgun((~~, or short-barreled rifle~~)) was acquired prior to July 1, 1994, and is possessed in compliance with federal law.

(((~~(4)~~))) (5) Any person violating this section is guilty of a class C felony.

Passed by the Senate February 18, 2014.
Passed by the House March 7, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 202

[Engrossed Substitute Senate Bill 6040]

INVASIVE SPECIES

AN ACT Relating to invasive species; amending RCW 77.15.160, 77.12.020, 77.15.080, 77.15.290, 43.06.010, 43.43.400, 10.31.100, 77.15.360, and 77.12.879; reenacting and amending RCW 77.08.010; adding new sections to chapter 77.15 RCW; adding a new chapter to Title 77 RCW; creating new sections; repealing RCW 77.12.875, 77.12.878, 77.12.882, 77.15.253, 77.15.293, 77.60.110, and 77.60.120; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

PART 1
INVASIVE SPECIES—MANAGEMENT

NEW SECTION. **Sec. 101.** The legislature finds that:

(1) The state's fish, wildlife, and habitat are exceptionally valuable environmental resources for the state's citizens.

(2) The state's fish, wildlife, and habitat also provide exceptionally valuable economic, cultural, and recreational resources. These include hydroelectric power, agriculture, forests, water supplies, commercial and recreational fisheries, aquaculture, and public access to outdoor recreational opportunities.

(3) Invasive species pose a grave threat to these environmental and economic resources, especially to salmon recovery and state and federally listed threatened and endangered species. Because of the significant harm invasive species can cause, invasive species constitute a public nuisance.

(4) If allowed to become established, invasive species can threaten human health and cause environmental and economic disasters affecting not only our state, but other states and nations.

(5) The risk of invasive species spreading into Washington increases as travel and commerce grows in volume and efficiency.

(6) Prevention of invasive species is a cost-effective, successful, and proven management strategy. Prevention is the state's highest management priority with an emphasis on education and outreach, inspections, and rapid response.

(7) The integrated management of invasive species through pathways regulated by the department is critical to preventing the introduction and spread of a broad range of such species, including plants, diseases, and parasites.

(8) Washington's citizens must work together to protect the state from invasive species.

(9) Public and private partnerships, cooperative agreements, and compacts are important for preventing new arrivals and managing existing populations of invasive species, and coordinating these actions on local, state, national, and international levels.

(10) The department requires authority for this mission to effectively counter the unpredictable nature of invasive species' introductions and spread, enable the utilization of new advances in invasive ecology science, and implement applicable techniques and technology to address invasive species.

(11) An integrated management approach provides the best way for the state to manage invasive species and includes opportunities for creating an informed public, encouraging public involvement, and striving for local, regional, national, and international cooperation and consistency on management standards. An integrated management approach also applies sound science to minimize the chance that invasive species used for beneficial purposes will result in environmental harm.

(12) This chapter provides authority for the department to effectively address invasive species using an integrated management approach.

(13) The department of fish and wildlife currently has sufficient statutory authority to effectively address invasive species risks posed through discharge of ballast water under chapter 77.120 RCW and by private sector shellfish aquaculture operations regulated under chapter 77.115 RCW. The programs developed by the department under these chapters embody the principles of

prevention as the highest priority, integrated management of pathways, public-private partnerships, clean and drain principles, and rapid response capabilities.

NEW SECTION. **Sec. 102.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Aquatic conveyance" means transportable personal property having the potential to move an aquatic invasive species from one aquatic environment to another. Aquatic conveyances include but are not limited to watercraft and associated equipment, float planes, construction equipment, fish tanker trucks, hydroelectric and irrigation equipment, personal fishing and hunting gear, and materials used for aquatic habitat mitigation or restoration.

(2) "Aquatic invasive species" means an invasive species of the animal kingdom with a life cycle that is at least partly dependent upon fresh, brackish, or marine waters. Examples include nutria, waterfowl, amphibians, fish, and shellfish.

(3) "Aquatic plant" means a native or nonnative emergent, submersed, partially submersed, free-floating, or floating-leaved plant species that is dependent upon fresh, brackish, or marine water ecosystems and includes all stages of development and parts.

(4) "Certificate of inspection" means a department-approved document that declares, to the extent technically or measurably possible, that an aquatic conveyance does not carry or contain an invasive species. Certification may be in the form of a decal, label, rubber stamp imprint, tag, permit, locking seal, or written statement.

(5) "Clean and drain" means to remove the following from areas on or within an aquatic conveyance to the extent technically and measurably possible:

(a) Visible native and nonnative aquatic animals, plants, or other organisms; and

(b) Raw water.

(6) "Commercial watercraft" means a management category of aquatic conveyances:

(a) Required to have valid marine documentation as a vessel of the United States or similar required documentation for a country other than the United States; and

(b) Not subject to watercraft registration requirements under chapter 88.02 RCW or ballast water requirements under chapter 77.120 RCW.

(7) "Cryptogenic species" means a species that scientists cannot commonly agree are native or nonnative or are part of the animal kingdom.

(8) "Decontaminate" means, to the extent technically and measurably possible, the application of a treatment to kill, destroy, remove, or otherwise eliminate all known or suspected invasive species carried on or contained within an aquatic conveyance or structural property by use of physical, chemical, or other methods. Decontamination treatments may include drying an aquatic conveyance for a time sufficient to kill aquatic invasive species through desiccation.

(9) "Detect" means the verification of invasive species' presence as defined by the department.

(10) "Eradicate" means, to the extent technically and measurably possible, to kill, destroy, remove, or otherwise eliminate an invasive species from a water body or property using physical, chemical, or other methods.

(11) "Infested site management" means management actions as provided under section 109 of this act that may include long-term actions to contain, control, or eradicate a prohibited species.

(12) "Introduce" means to intentionally or unintentionally release, place, or allow the escape, dissemination, or establishment of an invasive species on or into a water body or property as a result of human activity or a failure to act.

(13) "Invasive species" means nonnative species of the animal kingdom that are not naturally occurring in Washington for purposes of breeding, resting, or foraging, and that pose an invasive risk of harming or threatening the state's environmental, economic, or human resources. Invasive species include all stages of species development and body parts. They may also include genetically modified or cryptogenic species.

(14) "Invasive species council" means the Washington invasive species council established in RCW 79A.25.310 or a similar collaborative state agency forum. The term includes the council and all of its officers, employees, agents, and contractors.

(15) "Mandatory check station" means a location where a person transporting an aquatic conveyance must stop and allow the conveyance to be inspected for aquatic invasive species.

(16) "Possess" means to have authority over the use of an invasive species or use of an aquatic conveyance that may carry or contain an invasive species. For the purposes of this subsection, "authority over" includes the ability to intentionally or unintentionally hold, import, export, transport, purchase, sell, barter, distribute, or propagate an invasive species.

(17) "Prohibited species" means a classification category of nonnative species as provided in section 104 of this act.

(18) "Property" means both real and personal property.

(19) "Quarantine declaration" means a management action as provided under section 107 of this act involving the prohibition or conditioning of the movement of aquatic conveyances and waters from a place or an area that is likely to contain a prohibited species.

(20) "Rapid response" means expedited management actions as provided under section 108 of this act triggered when invasive species are detected, for the time-sensitive purpose of containing or eradicating the species before it spreads or becomes further established.

(21) "Raw water" means water from a water body and held on or within property. "Raw water" does not include water from precipitation that is captured in a conveyance, structure, or depression that is not otherwise intended to function as a water body, or water from a potable water supply system, unless the water contains visible aquatic organisms.

(22) "Regulated species" means a classification category of nonnative species as provided in section 104 of this act.

(23) "Registered watercraft" means a management category of aquatic conveyances required to register as vessels under RCW 88.02.550 or similar requirements for a state other than Washington or a country other than the United States.

(24) "Seaplane" means a management category of aquatic conveyances capable of landing on or taking off from water and required to register as an

aircraft under RCW 47.68.250 or similar registration in a state other than Washington or a country other than the United States.

(25) "Small watercraft" means a management category of aquatic conveyances:

(a) Including inflatable and hard-shell watercraft used or capable of being used as a means of transportation on the water, such as kayaks, canoes, sailboats, and rafts that:

(i) Do not meet watercraft registration requirements under chapter 88.02 RCW; and

(ii) Are ten feet or more in length with or without mechanical propulsion or less than ten feet in length and fitted with mechanical propulsion.

(b) Excluding nonmotorized aquatic conveyances of any size not designed or modified to be used as a means of transportation on the water, such as inflatable air mattresses and tubes, beach and water toys, surf boards, and paddle boards.

(26) "Water body" means an area that carries or contains a collection of water, regardless of whether the feature carrying or containing the water is natural or nonnatural. Examples include basins, bays, coves, streams, rivers, springs, lakes, wetlands, reservoirs, ponds, tanks, irrigation canals, and ditches.

NEW SECTION. **Sec. 103.** (1) The department is the lead agency for managing invasive species of the animal kingdom statewide. This lead responsibility excludes pests, domesticated animals, or livestock managed by the department of agriculture under Titles 15, 16, and 17 RCW, forest invasive insect and disease species managed by the department of natural resources under Title 76 RCW, and mosquito and algae control and shellfish sanitation managed by the department of health under Titles 69, 70, and 90 RCW.

(2) Subject to the availability of funding for these specific purposes, the department may:

(a) Develop and implement integrated invasive species management actions and programs authorized by this chapter, including rapid response, early detection and monitoring, prevention, containment, control, eradication, and enforcement;

(b) Establish and maintain an invasive species outreach and education program, in coordination with the Washington invasive species council, that covers public, commercial, and professional pathways and interests;

(c) Align management classifications, standards, and enforcement provisions by rule with regional, national, and international standards and enforcement provisions;

(d) Manage invasive species to support the preservation of native species, salmon recovery, and the overall protection of threatened or endangered species;

(e) Participate in local, state, regional, national, and international efforts regarding invasive species to support the intent of this chapter;

(f) Provide technical assistance or other support to tribes, federal agencies, local governments, and private groups to promote an informed public and assist the department in meeting the intent of this chapter;

(g) Enter into partnerships, cooperative agreements, and state or interstate compacts as necessary to accomplish the intent of this chapter;

(h) Research and develop invasive species management tools, including standard methods for decontaminating aquatic conveyances and controlling or eradicating invasive species from water bodies and properties;

(i) Post invasive species signs and information at port districts, privately or publicly owned marinas, state parks, and all boat launches owned or leased by state agencies or political subdivisions; and

(j) Adopt rules as needed to implement the provisions of this chapter.

(3) The department may delegate selected and clearly identified elements of its authorities and duties to another agency of the state with appropriate expertise or administrative capacity upon cooperative agreement with that agency. This delegation may include provisions of funding for implementation of the delegations. The department retains primary authority and responsibility for all requirements of this chapter unless otherwise directed in this chapter.

(4) This chapter does not apply to the possession or introduction of nonnative aquatic animal species by:

(a) Ballast water held or discharged by vessels regulated under chapter 77.120 RCW; or

(b) Private sector aquaculture operations, transfers, or conveyances regulated under chapter 77.115 RCW.

(5) This chapter does not preempt or replace other department species classification systems or other management requirements under this title. However, the department must streamline invasive species requirements under this chapter into existing permits and cooperative agreements as possible.

NEW SECTION. **Sec. 104.** (1) The department, in consultation with the invasive species council, may classify or reclassify and list by rule nonnative aquatic animal species as prohibited level 1, level 2, or level 3, based on the degree of invasive risk, the type of management action required, and resources available to conduct the management action.

(a) Species classified as prohibited level 1 pose a high invasive risk and are a priority for prevention and expedited rapid response management actions.

(b) Species classified as prohibited level 2 pose a high invasive risk and are a priority for long-term infested site management actions.

(c) Species classified as prohibited level 3 pose a moderate to high invasive risk and may be appropriate for prevention, rapid response, or other prohibited species management plan actions by the department, another agency, a local government, tribes, or the public.

(2) The department, in consultation with the invasive species council, may classify and list by rule regulated type A species. This classification is used for nonnative aquatic animal species that pose a low to moderate invasive risk that can be managed based on intended use or geographic scope of introduction, have a beneficial use, and are a priority for department-led or department-approved management of the species' beneficial use and invasive risks.

(3) Nonnative aquatic animal species not classified as prohibited level 1, level 2, or level 3 under subsection (1) of this section, or as regulated type A species under subsection (2) of this section, are automatically managed statewide as regulated type B species or regulated type C species and do not require listing by rule.

(a) Species managed as regulated type B pose a low or unknown invasive risk and are possessed for personal or commercial purposes, such as for aquariums, live food markets, or as nondomesticated pets.

(b) Species managed as regulated type C pose a low or unknown invasive risk and include all other species that do not meet the criteria for management as a regulated type B invasive species.

(4) Classification of prohibited and regulated species:

(a) May be by individual species or larger taxonomic groups up to the family name;

(b) Must align, as practical and appropriate, with regional and national classification levels;

(c) Must be statewide unless otherwise designated by a water body, property, or other geographic region or area; and

(d) May define general possession and introduction conditions acceptable under department authorization, a permit, or as otherwise provided by rule.

(5) Prior to or at the time of classifying species by rule as prohibited or regulated under subsections (1) and (2) of this section, the department, in consultation with the invasive species council, must adopt rules establishing standards for determining invasive risk levels and criteria for determining beneficial use that take into consideration environmental impacts, and especially effects on the preservation of native species, salmon recovery, and threatened or endangered species.

NEW SECTION. **Sec. 105.** (1) Until the department adopts rules classifying species pursuant to chapter 77.— RCW (the new chapter created in section 121 of this act), species and classifications identified in this section are automatically managed as follows:

(a) Zebra mussels (*Dreissena polymorpha*), quagga mussels (*Dreissena rostriformis bugensis*), European green crab (*Carcinus maenas*), and all members of the genus *Eriocheir* (including Chinese mitten crab), all members of the walking catfish family (*Clariidae*), all members of the snakehead family (*Channidae*), silver carp (*Hypophthalmichthys molitrix*), largescale silver carp (*Hypophthalmichthys harmandi*), black carp (*Mylopharyngodon piceus*), and bighead carp (*Hypophthalmichthys nobilis*) are prohibited level 1 species statewide;

(b) Prohibited aquatic animal species classified under WAC 220-12-090(1), in effect on July 1, 2014, except those as noted in this subsection are prohibited level 3 species statewide;

(c) Regulated aquatic animal species classified under WAC 220-12-090(2), in effect on July 1, 2014, are regulated type A species statewide; and

(d) Nonnative aquatic animal species classified as game fish under WAC 232-12-019, in effect on July 1, 2014, or food fish under WAC 220-12-010, in effect on July 1, 2014, are regulated type A species statewide.

(2) The department, in consultation with the invasive species council, may change these classifications by rule.

NEW SECTION. **Sec. 106.** (1) Prohibited level 1, level 2, and level 3 species may not be possessed, introduced on or into a water body or property, or trafficked, without department authorization, a permit, or as otherwise provided by rule.

(2) Regulated type A, type B, and type C species may not be introduced on or into a water body or property without department authorization, a permit, or as otherwise provided by rule.

(3) Regulated type B species, when being actively used for commercial purposes, must be readily and clearly identified in writing by taxonomic species name or subspecies name to distinguish the subspecies from another prohibited species or a regulated type A species. Nothing in this section precludes using additional descriptive language or trade names to describe regulated type B species as long as the labeling requirements of this section are met.

NEW SECTION. **Sec. 107.** (1) If the department determines it is necessary to protect the environmental, economic, or human health interests of the state from the threat of a prohibited level 1 or level 2 species, the department may declare a quarantine against a water body, property, or region within the state. The department may prohibit or condition the movement of aquatic conveyances and waters from such a quarantined place or area that are likely to contain a prohibited species.

(2) A quarantine declaration under this section may be implemented separately or in conjunction with rapid response management actions under section 108 of this act and infested site management actions under section 109 of this act in a manner and for a duration necessary to protect the interests of the state from the threat of a prohibited level 1 or level 2 species. A quarantine declaration must include:

(a) The reasons for the action including the prohibited level 1 or level 2 species triggering the quarantine;

(b) The boundaries of the area affected;

(c) The action timeline;

(d) Types of aquatic conveyances and waters affected by the quarantine and any prohibition or conditions on the movement of those aquatic conveyances and waters from the quarantine area; and

(e) Inspection and decontamination requirements for aquatic conveyances.

NEW SECTION. **Sec. 108.** (1) The department may implement rapid response management actions where a prohibited level 1 species is detected in or on a water body or property. Rapid response management actions may: Include expedited actions to contain, control, or eradicate the prohibited species; and, if applicable, be implemented in conjunction with a quarantine declaration. Rapid response management actions must be terminated by the department when it determines that the targeted prohibited level 1 species are:

(a) Eradicated;

(b) Contained or controlled without need for further management actions;

(c) Reclassified for that water body; or

(d) Being managed under infested site management actions pursuant to section 109 of this act.

(2) If a rapid response management action exceeds seven days, the department may implement an incident command system for rapid response management including scope, duration, and types of actions and to support mutual assistance and cooperation between the department and other affected state and federal agencies, tribes, local governments, and private water body or property owners. The purpose of this system is to coordinate a rapid, effective,

and efficient response to contain, control, and eradicate if feasible, a prohibited level 1 species. Mutual assistance and coordination by other state agencies is especially important to assist the department in expediting necessary state and federal environmental permits.

(3) The department may enter into cooperative agreements with national, regional, state, and local rapid response management action partners to establish incident command system structures, secure or prepare submission-ready environmental permits, and identify mutual assistance commitments in preparation for potential future actions.

(4) The department may perform simulated rapid response exercises, testing, or other training activities to prepare for future rapid response management actions.

(5) In implementing rapid response management actions, the department may enter upon property consistent with the process established under section 119 of this act.

NEW SECTION. **Sec. 109.** (1) The department may implement infested site management actions where a prohibited level 2 species is detected in or on a water body or property. Infested site management actions may: Include long-term actions to contain, control, or eradicate the prohibited species; and, if applicable, be implemented in conjunction with a quarantine declaration. Infested site management actions must be terminated by the department when it determines that the targeted prohibited level 2 species are:

(a) Eradicated;

(b) Contained or controlled without need for further management actions; or

(c) Reclassified for that water body.

(2) The department must consult with affected state and federal agencies, tribes, local governments, and private water body or property owners prior to implementing infested site management actions. The purpose of the consultation is to support mutual assistance and cooperation in providing an effective and efficient response to contain, control, and eradicate, if feasible, a prohibited level 2 species.

(3) The department may enter into cooperative agreements with national, regional, state, and local infested site management action partners to establish management responsibilities, secure or prepare submission-ready environmental permits, and identify mutual assistance commitments.

(4) In implementing infested site management actions, the department may enter upon property consistent with the process established under section 119 of this act.

NEW SECTION. **Sec. 110.** (1) To the extent possible, the department's quarantine declarations under section 107 of this act, rapid response management actions under section 108 of this act, and infested site management actions under section 109 of this act must be implemented in a manner best suited to contain, control, and eradicate prohibited level 1 and level 2 species while protecting human safety, minimizing adverse environmental impacts to a water body or property, and minimizing adverse economic impacts to owners of an affected water body or property.

(2) The department is the lead agency for quarantine declarations, rapid response, and infested site management actions. Where the infested water body is subject to tribal, federal, or other sovereign jurisdiction, the department:

(a) Must consult with appropriate federal agencies, tribal governments, other states, and Canadian government entities to develop and implement coordinated management actions on affected water bodies under shared jurisdiction;

(b) May assist in infested site management actions where these actions may prevent the spread of prohibited species into state water bodies; and

(c) May assist other states and Canadian government entities, in the Columbia river basin, in management actions on affected water bodies outside of the state where these actions may prevent the spread of the species into state water bodies.

(3)(a) The department must provide notice of quarantine declarations, rapid response, and infested site management actions to owners of an affected water body or property. Notice may be provided by any reasonable means, such as in person, by United States postal service, by publication in a local newspaper, by electronic publication including social media or postings on the department's public web site, or by posting signs at the water body.

(b) The department must provide updates to owners of an affected water body or property based on management action type as follows:

(i) Every seven days for a rapid response management action and, if applicable, a quarantine declaration implemented in conjunction with a rapid response management action;

(ii) Every six months for a separate quarantine declaration;

(iii) Annually for the duration of an infested site management action and, if applicable, a quarantine declaration implemented in conjunction with an infested site management action; and

(iv) A final update at the conclusion of any management action.

(c) In addition to owners of an affected water body or property, the department must provide notice of a quarantine declaration to members of the public by any reasonable means for an area subject to a quarantine declaration, such as by publication in a local newspaper, by electronic publication including social media or postings on the department's public web site, or by posting signs at the water body. The department must provide updates at reasonable intervals and a final update at the conclusion of the quarantine declaration.

(4) The department must publicly list those water bodies or portions of water bodies in which a prohibited level 1 or level 2 species has been detected. The department may list those areas in which a prohibited level 3 species has been detected.

(5) When posting signs at a water body or property where a prohibited species has been detected, the department must consult with owners of the affected water body or property regarding placement of those signs.

NEW SECTION. **Sec. 111.** (1) If the director finds that there exists an imminent danger of a prohibited level 1 or level 2 species detection that seriously endangers or threatens the environment, economy, human health, or well-being of the state of Washington, the director must ask the governor to order, under RCW 43.06.010(14), emergency measures to prevent or abate the prohibited species. The director's findings must contain an evaluation of the

effect of the emergency measures on environmental factors such as fish listed under the endangered species act, economic factors such as public and private access, human health factors such as water quality, or well-being factors such as cultural resources.

(2) If an emergency is declared pursuant to RCW 43.06.010(14), the director may consult with the invasive species council to advise the governor on emergency measures necessary under RCW 43.06.010(14) and this section, and make subsequent recommendations to the governor. The invasive species council must involve owners of the affected water body or property, state and local governments, federal agencies, tribes, public health interests, technical service providers, and environmental organizations, as appropriate.

(3) Upon the governor's approval of emergency measures, the director may implement these measures to prevent, contain, control, or eradicate invasive species that are the subject of the emergency order, notwithstanding the provisions of chapter 15.58 or 17.21 RCW or any other statute. These measures, after evaluation of all other alternatives, may include the surface and aerial application of pesticides.

(4) The director must continually evaluate the effects of the emergency measures and report these to the governor at intervals of not less than ten days. The director must immediately advise the governor if the director finds that the emergency no longer exists or if certain emergency measures should be discontinued.

NEW SECTION. **Sec. 112.** (1) A person in possession of an aquatic conveyance who enters Washington by road, air, or water is required to have a certificate of inspection. A person must provide this certificate of inspection upon request by a fish and wildlife officer or ex officio fish and wildlife officer.

(2) The department must adopt rules to implement this section including:

(a) Types of aquatic conveyances required to have a certificate of inspection;

(b) Allowable certificate of inspection forms including passport type systems and integration with existing similar permits;

(c) Situations when authorization can be obtained for transporting an aquatic conveyance not meeting inspection requirements to a specified location within the state where certificate of inspection requirements can be provided; and

(d) Situations where aquatic conveyances are using shared boundary waters of the state, such as portions of the Columbia river, lake Osoyoos, and the Puget Sound.

NEW SECTION. **Sec. 113.** (1) A person in possession of an aquatic conveyance must meet clean and drain requirements after the conveyance's use in or on a water body or property. A certificate of inspection is not needed to meet clean and drain requirements.

(2) A fish and wildlife officer or ex officio fish and wildlife officer may order a person transporting an aquatic conveyance not meeting clean and drain requirements to:

(a) Clean and drain the conveyance at the discovery site, if the department determines there are sufficient resources available; or

(b) Transport the conveyance to a reasonably close location where resources are sufficient to meet the clean and drain requirements.

(3) This section may be enforced immediately on the transportation of aquatic plants by registered watercraft, small watercraft, seaplanes, and commercial watercraft. The department must adopt rules to implement all other aspects of clean and drain requirements, including:

(a) Other types of aquatic conveyances subject to this requirement;

(b) When transport of an aquatic conveyance is authorized if clean and drain services are not readily available at the last water body used; and

(c) Exemptions to clean and drain requirements where the department determines there is minimal risk of spreading invasive species.

NEW SECTION. **Sec. 114.** (1) The department may establish mandatory check stations to inspect aquatic conveyances for clean and drain requirements and aquatic invasive species. The check stations must be operated by at least one fish and wildlife officer, an ex officio fish and wildlife officer in coordination with the department, or department-authorized representative, and must be plainly marked by signs and operated in a safe manner.

(2) Aquatic conveyances required to stop at mandatory check stations include registered watercraft, commercial watercraft, and small watercraft. The department may establish rules governing other types of aquatic conveyances that must stop at mandatory check stations. The rules must provide sufficient guidance so that a person transporting the aquatic conveyance readily understands that he or she is required to stop.

(3) A person who encounters a mandatory check station while transporting an aquatic conveyance must:

(a) Stop at the mandatory check station;

(b) Allow the aquatic conveyance to be inspected for clean and drain requirements and aquatic invasive species;

(c) Follow clean and drain orders if clean and drain requirements are not met pursuant to section 113 of this act; and

(d) Follow decontamination orders pursuant to section 115 of this act if an aquatic invasive species is found.

(4) A person who complies with the department directives under this section is exempt from criminal penalties under sections 205 and 206 of this act, civil penalties under RCW 77.15.160(4), and civil forfeiture under RCW 77.15.070, unless the person has a prior conviction for an invasive species violation within the past five years.

NEW SECTION. **Sec. 115.** (1) Upon discovery of an aquatic conveyance that carries or contains an aquatic invasive species without department authorization, a permit, or as otherwise provided by rule, a fish and wildlife officer or ex officio fish and wildlife officer may issue a decontamination order:

(a) Requiring decontamination at the discovery site, if the situation presents a low risk of aquatic invasive species introduction, and sufficient department resources are available at the discovery site;

(b) Prohibiting the launch of the aquatic conveyance in a water body until decontamination is completed and certified, if the situation presents a low risk of aquatic invasive species introduction, and sufficient department resources are not available at the discovery site;

(c) Requiring immediate transport of the conveyance to an approved decontamination station, and prohibiting the launch of the conveyance in a water body until decontamination is completed and certified, if the situation presents a moderate risk of aquatic invasive species introduction, and sufficient department resources are not available at the discovery site; or

(d) Seizing and transporting the aquatic conveyance to an approved decontamination station until decontamination is completed and certified, if the situation presents a high risk of aquatic invasive species introduction, and sufficient department resources are not available at the discovery site.

(2) The person possessing the aquatic conveyance that is subject to orders issued under subsection (1)(b) through (d) of this section must bear any costs for seizure, transportation, or decontamination.

(3) Orders issued under subsection (1)(b) through (d) of this section must be in writing and must include notice of the opportunity for a hearing pursuant to section 116 of this act to determine the validity of the orders.

(4) If a decontamination order is issued under subsection (1)(d) of this section, the department may seize the aquatic conveyance for two working days or a reasonable additional period of time thereafter as needed to meet decontamination requirements. The decontamination period must be based on factors including conveyance size and complexity, type and number of aquatic invasive species present, and decontamination station resource capacity.

(5) If an aquatic conveyance is subject to forfeiture under RCW 77.15.070, the timelines and other provisions under that section apply to the seizure.

(6) Upon decontamination and issuing a certificate of inspection, an aquatic conveyance must be released to the person in possession of the aquatic conveyance at the time the decontamination order was issued, or to the owner of the aquatic conveyance.

NEW SECTION. **Sec. 116.** (1) A person aggrieved or adversely affected by a quarantine declaration under section 107 of this act, a rapid response management action under section 108 of this act, an infested site management action under section 109 of this act, or a decontamination order under section 115 of this act may contest the validity of the department's actions by requesting a hearing in writing within twenty days of the department's actions.

(2) Hearings must be conducted pursuant to chapter 34.05 RCW and the burden of demonstrating the invalidity of agency action is on the party asserting invalidity. The hearing may be conducted by the director or the director's designee and may occur telephonically.

(3) A hearing on a decontamination order is limited to the issues of whether decontamination was necessary and the reasonableness of costs assessed for any seizure, transportation, and decontamination. If the person in possession of the aquatic conveyance that was decontaminated prevails at the hearing, the person is entitled to reimbursement by the department for any costs assessed by the department or decontamination station operator for the seizure, transportation, and decontamination. If the department prevails at the hearing, the department is not responsible for and may not reimburse any costs.

NEW SECTION. **Sec. 117.** (1) The department may operate aquatic conveyance inspection and decontamination stations statewide for voluntary use by the public or for mandatory use where directed by the department to meet

inspection and decontamination requirements of this chapter. Decontamination stations can be part of or separate from inspection stations. Inspection and decontamination stations are separate from commercial vehicle weigh stations operated by the Washington state patrol.

(2) Inspection station staff must inspect aquatic conveyances to determine whether the conveyances carry or contain aquatic invasive species. If an aquatic conveyance is free of aquatic invasive species, then inspection station staff must issue a certificate of inspection. A certificate of inspection is valid until the conveyance's next use in a water body.

(3) If a conveyance carries or contains aquatic invasive species, then inspection station staff must require the conveyance's decontamination before issuing a certificate of inspection. The certificate of inspection is valid until the conveyance's next use in a water body.

(4) The department must identify, in a way that is readily available to the public, the location and contact information for inspection and decontamination stations.

(5) The department must adopt by rule standards for inspection and decontamination that, where practical and appropriate, align with regional, national, and international standards.

NEW SECTION. **Sec. 118.** (1) The department may authorize representatives to operate its inspection and decontamination stations and mandatory check stations. Department-authorized representatives may be department volunteers, other law enforcement agencies, or independent businesses.

(2) The department must adopt rules governing the types of services that department-authorized representatives may perform under this chapter.

(3) Department-authorized representatives must have official identification, training, and administrative capacity to fulfill their responsibilities under this section.

(4) Within two years of the effective date of this section, the department must provide the legislature with recommendations for a fee schedule that department-authorized representatives may charge users whose aquatic conveyances receive inspection and decontamination services.

NEW SECTION. **Sec. 119.** (1) The department may enter upon a property or water body at any reasonable time for the purpose of administering this chapter, including inspecting and decontaminating aquatic conveyances, collecting invasive species samples, implementing rapid response management actions or infested site management actions, and containing, controlling, or eradicating invasive species.

(2) Prior to entering the property or water body, the department shall make a reasonable attempt to notify the owner of the property or water body as to the purpose and need for the entry. Should the department be denied access to any property or water body where access is sought for the purposes set forth in this chapter, the department may apply to any court of competent jurisdiction for a warrant authorizing access to the property.

(3) Upon such an application, the court may issue the warrant for the purposes requested where the court finds reasonable cause to believe it is necessary to achieve the purposes of this chapter.

NEW SECTION. **Sec. 120.** The provisions of this chapter must be liberally construed to carry out the intent of the legislature.

NEW SECTION. **Sec. 121.** Sections 102 through 104 and 106 through 120 of this act constitute a new chapter in Title 77 RCW.

PART 2
INVASIVE SPECIES—ENFORCEMENT

NEW SECTION. **Sec. 201.** A new section is added to chapter 77.15 RCW to read as follows:

(1) Based upon reasonable suspicion that a person possesses an aquatic conveyance that has not been cleaned and drained or carries or contains aquatic invasive species in violation of this title, fish and wildlife officers or ex officio fish and wildlife officers may temporarily stop the person and inspect the aquatic conveyance for compliance with the requirements of this title.

(2) Unless the context clearly requires otherwise, the definitions in both RCW 77.08.010 and section 102 of this act apply throughout this section.

NEW SECTION. **Sec. 202.** A new section is added to chapter 77.15 RCW to read as follows:

(1) Upon a showing of probable cause that there has been a violation of an invasive species law of the state of Washington, or upon a showing of probable cause to believe that evidence of such a violation may be found at a place, a court must issue a search warrant or arrest warrant. Fish and wildlife officers or ex officio fish and wildlife officers may execute any such search or arrest warrant reasonably necessary to carry out their duties under this title with regard to an invasive species law and may seize invasive species or any evidence of a crime and the fruits or instrumentalities of a crime as provided by warrant. The court may have property opened or entered and the contents examined.

(2) Seizure of property as evidence of a crime does not preclude seizure of the property for forfeiture as authorized by law.

NEW SECTION. **Sec. 203.** A new section is added to chapter 77.15 RCW to read as follows:

(1) Upon a showing of probable cause that a water body or property has an invasive species in or on it, and the owner refuses permission to allow inspection of the water body or property, a court in the county in which the water body or property is located may, upon the request of the director or the director's designee, issue a warrant to the director or the director's designee authorizing the taking of specimens of invasive species, general inspection of the property or water body, and the performance of containment, eradication, or control work.

(2) Application for issuance, execution, and return of the warrant authorized by this section must be in accordance with the applicable rules of the superior courts or the district courts.

Sec. 204. RCW 77.15.160 and 2013 c 307 s 2 are each amended to read as follows:

The following acts are infractions and must be cited and punished as provided under chapter 7.84 RCW:

(1) Fishing and shellfishing infractions:

(a) Barbed hooks: Fishing for personal use with barbed hooks in violation of any department rule.

(b) Catch recording: Failing to immediately record a catch of fish or shellfish on a catch record card as required by RCW 77.32.430 or department rule.

(c) Catch reporting: Failing to return a catch record card to the department for other than Puget Sound Dungeness crab, as required by department rule.

(d) Recreational fishing: Fishing for fish or shellfish and, without yet possessing fish or shellfish, the person:

(i) Owns, but fails to have in the person's possession the license or the catch record card required by chapter 77.32 RCW for such an activity; or

(ii) Violates any department rule regarding seasons, closed areas, closed times, or any other rule addressing the manner or method of fishing for fish or shellfish. This subsection does not apply to use of a net to take fish under RCW 77.15.580 or the unlawful use of shellfish gear for personal use under RCW 77.15.382.

(e) Seaweed: Taking, possessing, or harvesting less than two times the daily possession limit of seaweed:

(i) While owning, but not having in the person's possession, the license required by chapter 77.32 RCW; or

(ii) In violation of any rule of the department or the department of natural resources regarding seasons, closed areas, closed times, or any other rule addressing the manner or method of taking, possessing, or harvesting of seaweed.

(f) Unclassified fish or shellfish: Taking unclassified fish or shellfish in violation of any department rule by killing, fishing, taking, holding, possessing, or maliciously injuring or harming fish or shellfish that is not classified as game fish, food fish, shellfish, protected fish, or endangered fish.

(g) Wasting fish or shellfish: Killing, taking, or possessing fish or shellfish having a value of less than two hundred fifty dollars and allowing the fish or shellfish to be wasted.

(2) Hunting infractions:

(a) Eggs or nests: Maliciously, and without permit authorization, destroying, taking, or harming the eggs or active nests of a wild bird not classified as endangered or protected. For purposes of this subsection, "active nests" means nests that contain eggs or fledglings.

(b) Unclassified wildlife: Taking unclassified wildlife in violation of any department rule by killing, hunting, taking, holding, possessing, or maliciously injuring or harming wildlife that is not classified as big game, game animals, game birds, protected wildlife, or endangered wildlife.

(c) Wasting wildlife: Killing, taking, or possessing wildlife that is not classified as big game and has a value of less than two hundred fifty dollars, and allowing the wildlife to be wasted.

(d) Wild animals: Hunting for wild animals not classified as big game and, without yet possessing the wild animals, the person owns, but fails to have in the person's possession, all licenses, tags, or permits required by this title.

(e) Wild birds: Hunting for and, without yet possessing a wild bird or birds, the person:

(i) Owns, but fails to have in the person's possession, all licenses, tags, stamps, and permits required under this title; or

(ii) Violates any department rule regarding seasons, closed areas, closed times, or any other rule addressing the manner or method of hunting wild birds.

(3) Trapping, taxidermy, fur dealing, and wildlife meat cutting infractions:

(a) Recordkeeping and reporting: If a person is a taxidermist, fur dealer, or wildlife meat cutter who is processing, holding, or storing wildlife for commercial purposes, failing to:

(i) Maintain records as required by department rule; or

(ii) Report information from these records as required by department rule.

(b) Trapper's report: Failing to report trapping activity as required by department rule.

(4) ((~~Aquatic invasive species infraction: Entering Washington by road and transporting a recreational or commercial watercraft that has been used outside of Washington without meeting documentation requirements as provided under RCW 77.12.879.~~)) (a) Invasive species management infractions:

(i) Out-of-state certification: Entering Washington in possession of an aquatic conveyance that does not meet certificate of inspection requirements as provided under section 112 of this act;

(ii) Clean and drain requirements: Possessing an aquatic conveyance that does not meet clean and drain requirements under section 113 of this act;

(iii) Clean and drain orders: Possessing an aquatic conveyance and failing to obey a clean and drain order under section 113 or 114 of this act; and

(iv) Transporting aquatic plants: Transporting aquatic plants on any state or public road, including forest roads. However, this subsection does not apply to plants that are:

(A) Being transported to the department or to another destination designated by the director, in a manner designated by the department, for purposes of identifying a species or reporting the presence of a species;

(B) Legally obtained for aquarium use, wetland or lakeshore restoration, or ornamental purposes;

(C) Located within or on a commercial aquatic plant harvester that is being transported to a suitable location to remove aquatic plants;

(D) Being transported in a manner that prevents their unintentional dispersal, to a suitable location for disposal, research, or educational purposes; or

(E) Being transported in such a way as the commission may otherwise prescribe.

(b) Unless the context clearly requires otherwise, the definitions in both RCW 77.08.010 and section 102 of this act apply throughout this subsection (4).

(5) Other infractions:

(a) Contests: Conducting, holding, or sponsoring a hunting contest, a fishing contest involving game fish, or a competitive field trial using live wildlife.

(b) Other rules: Violating any other department rule that is designated by rule as an infraction.

(c) Posting signs: Posting signs preventing hunting or fishing on any land not owned or leased by the person doing the posting, or without the permission of the person who owns, leases, or controls the land posted.

(d) Scientific permits: Using a scientific permit issued by the director for fish, shellfish, or wildlife, but not including big game or big game parts, and the person:

(i) Violates any terms or conditions of the scientific permit; or

(ii) Violates any department rule applicable to the issuance or use of scientific permits.

((~~(e) Transporting aquatic plants: Transporting aquatic plants on any state or public road, including forest roads. However:~~

~~(i) This subsection does not apply to plants that are:~~

~~(A) Being transported to the department or to another destination designated by the director, in a manner designated by the department, for purposes of identifying a species or reporting the presence of a species;~~

~~(B) Legally obtained for aquarium use, wetland or lakeshore restoration, or ornamental purposes;~~

~~(C) Located within or on a commercial aquatic plant harvester that is being transported to a suitable location to remove aquatic plants;~~

~~(D) Being transported in a manner that prevents their unintentional dispersal, to a suitable location for disposal, research, or educational purposes; or~~

~~(E) Being transported in such a way as the commission may otherwise prescribe; and~~

~~(ii) This subsection does not apply to a person who:~~

~~(A) Is stopped at an aquatic invasive species check station and possesses a recreational or commercial watercraft that is contaminated with an aquatic invasive plant species if that person complies with all department directives for the proper decontamination of the watercraft and equipment; or~~

~~(B) Has voluntarily submitted a recreational or commercial watercraft for inspection by the department or its designee and has received a receipt verifying that the watercraft has not been contaminated since its last use.~~))

NEW SECTION. **Sec. 205.** A new section is added to chapter 77.15 RCW to read as follows:

(1) A person is guilty of unlawful use of invasive species in the second degree if the person:

(a) Fails to stop at a mandatory check station or to return to the mandatory check station for inspection if directed to do so by a fish and wildlife officer or ex officio fish and wildlife officer;

(b) Fails to allow an aquatic conveyance stopped at a mandatory check station to be inspected for clean and drain requirements or aquatic invasive species;

(c) Fails to comply with a decontamination order;

(d) Possesses, except in the case of trafficking, a prohibited level 1 or level 2 species without department authorization, a permit, or as otherwise provided by rule;

(e) Possesses, introduces on or into a water body or property, or traffics in a prohibited level 3 species without department authorization, a permit, or as otherwise provided by rule;

(f) Introduces on or into a water body or property a regulated type A, type B, or type C species without department authorization, a permit, or as otherwise provided by rule;

(g) Fails to readily and clearly identify in writing by taxonomic species name or subspecies name a regulated type B species used for commercial purposes; or

(h) Knowingly violates a quarantine declaration under section 107 of this act.

(2) A violation of subsection (1) of this section is a gross misdemeanor. In addition to criminal penalties, a court may order the person to pay all costs in capturing, killing, or controlling the invasive species, including its progeny. This subsection does not affect the authority of the department to bring a separate civil action to recover habitat restoration costs necessitated by the person's unlawful use of invasive species.

(3) This section does not apply to:

(a) A person who complies with the department directives pursuant to section 114 of this act for mandatory check stations. Such a person is exempt from criminal penalties under this section or section 206 of this act, and forfeiture under this chapter, unless the person has a prior conviction under those sections within the past five years;

(b) A person who possesses an aquatic invasive species, if the person is in the process of:

(i) Removing it from the aquatic conveyance in a manner specified by the department; or

(ii) Releasing it if caught while fishing and immediately returning it to the water body from which it came;

(c) Possessing or introducing nonnative aquatic animal species by ballast water held or discharged by vessels regulated under chapter 77.120 RCW; or

(d) Possessing or introducing nonnative aquatic animal species through private sector shellfish aquaculture operations, transfers, or conveyances regulated under chapter 77.115 RCW.

(4) Unless the context clearly requires otherwise, the definitions in both RCW 77.08.010 and section 102 of this act apply throughout this section.

NEW SECTION. **Sec. 206.** A new section is added to chapter 77.15 RCW to read as follows:

(1) A person is guilty of unlawful use of invasive species in the first degree if the person:

(a) Traffics or introduces on or into a water body or property a prohibited level 1 or level 2 species without department authorization, a permit, or as otherwise provided by rule; or

(b) Commits a subsequent violation of unlawful use of invasive species in the second degree within five years of the date of a prior conviction under section 205 of this act.

(2) A violation of this section is a class C felony. In addition to criminal penalties, a court may order the person to pay all costs in managing the invasive species, including the species' progeny. This subsection does not affect the authority of the department to bring a separate civil action to recover habitat restoration costs necessitated by the person's unlawful use of invasive species.

(3) This section does not apply to:

(a) A person who complies with department directives pursuant to section 114 of this act for mandatory check stations, and who is exempt from criminal penalties under this section and forfeiture under this chapter, unless the person

has a prior conviction under this section or section 205 of this act within the past five years; or

(b) A person who possesses an aquatic invasive species, if the person is in the process of:

(i) Removing it from the aquatic conveyance in a manner specified by the department; or

(ii) Releasing it if caught while fishing and is immediately returning it to the water body from which it came.

(4) Unless the context clearly requires otherwise, the definitions in both RCW 77.08.010 and section 102 of this act apply throughout this section.

PART 3
INVASIVE SPECIES—OTHER PROVISIONS

Sec. 301. RCW 77.08.010 and 2012 c 176 s 4 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this title or rules adopted under this title unless the context clearly requires otherwise.

(1) "Anadromous game fish buyer" means a person who purchases or sells steelhead trout and other anadromous game fish harvested by Indian fishers lawfully exercising fishing rights reserved by federal statute, treaty, or executive order, under conditions prescribed by rule of the director.

(2) "Angling gear" means a line attached to a rod and reel capable of being held in hand while landing the fish or a hand-held line operated without rod or reel.

(3) ((~~"Aquatic invasive species" means any invasive, prohibited, regulated, unregulated, or unlisted aquatic animal or plant species as defined under subsections (4), (34), (49), (53), (70), and (71) of this section, aquatic noxious weeds as defined under RCW 17.26.020(5)(c), and aquatic nuisance species as defined under RCW 77.60.130(1).~~

~~(4) "Aquatic plant species" means an emergent, submersed, partially submersed, free-floating, or floating-leaving plant species that grows in or near a body of water or wetland.~~

~~(5)~~)) "Bag limit" means the maximum number of game animals, game birds, or game fish which may be taken, caught, killed, or possessed by a person, as specified by rule of the commission for a particular period of time, or as to size, sex, or species.

(((~~(6)~~))) (4) "Building" means a private domicile, garage, barn, or public or commercial building.

(((~~(7)~~))) (5) "Closed area" means a place where the hunting of some or all species of wild animals or wild birds is prohibited.

(((~~(8)~~))) (6) "Closed season" means all times, manners of taking, and places or waters other than those established by rule of the commission as an open season. "Closed season" also means all hunting, fishing, taking, or possession of game animals, game birds, game fish, food fish, or shellfish that do not conform to the special restrictions or physical descriptions established by rule of the commission as an open season or that have not otherwise been deemed legal to hunt, fish, take, harvest, or possess by rule of the commission as an open season.

(((~~(9)~~))) (7) "Closed waters" means all or part of a lake, river, stream, or other body of water, where fishing or harvesting is prohibited.

(((~~(10)~~))) (8) "Commercial" means related to or connected with buying, selling, or bartering.

(((~~(11)~~))) (9) "Commission" means the state fish and wildlife commission.

(((~~(12)~~))) (10) "Concurrent waters of the Columbia river" means those waters of the Columbia river that coincide with the Washington-Oregon state boundary.

(((~~(13)~~))) (11) "Contraband" means any property that is unlawful to produce or possess.

(((~~(14)~~))) (12) "Deleterious exotic wildlife" means species of the animal kingdom not native to Washington and designated as dangerous to the environment or wildlife of the state.

(((~~(15)~~))) (13) "Department" means the department of fish and wildlife.

(((~~(16)~~))) (14) "Director" means the director of fish and wildlife.

(((~~(17)~~))) (15) "Endangered species" means wildlife designated by the commission as seriously threatened with extinction.

(((~~(18)~~))) (16) "Ex officio fish and wildlife officer" means:

(a) A commissioned officer of a municipal, county, or state agency having as its primary function the enforcement of criminal laws in general, while the officer is acting in the respective jurisdiction of that agency;

(b) An officer or special agent commissioned by one of the following: The national marine fisheries service; the Washington state parks and recreation commission; the United States fish and wildlife service; the Washington state department of natural resources; the United States forest service; or the United States parks service, if the agent or officer is in the respective jurisdiction of the primary commissioning agency and is acting under a mutual law enforcement assistance agreement between the department and the primary commissioning agency;

(c) A commissioned fish and wildlife peace officer from another state who meets the training standards set by the Washington state criminal justice training commission pursuant to RCW 10.93.090, 43.101.080, and 43.101.200, and who is acting under a mutual law enforcement assistance agreement between the department and the primary commissioning agency; or

(d) A Washington state tribal police officer who successfully completes the requirements set forth under RCW 43.101.157, is employed by a tribal nation that has complied with RCW 10.92.020(2) (a) and (b), and is acting under a mutual law enforcement assistance agreement between the department and the tribal government.

(((~~(19)~~))) (17) "Fish" includes all species classified as game fish or food fish by statute or rule, as well as all fin fish not currently classified as food fish or game fish if such species exist in state waters. The term "fish" includes all stages of development and the bodily parts of fish species.

(((~~(20)~~))) (18) "Fish and wildlife officer" means a person appointed and commissioned by the director, with authority to enforce this title and rules adopted pursuant to this title, and other statutes as prescribed by the legislature. Fish and wildlife officer includes a person commissioned before June 11, 1998, as a wildlife agent or a fisheries patrol officer.

(((~~(21)~~))) (19) "Fish broker" means a person whose business it is to bring a seller of fish and shellfish and a purchaser of those fish and shellfish together.

(((~~(22)~~))) (20) "Fish buyer" means a person engaged by a wholesale fish dealer to purchase food fish or shellfish from a licensed commercial fisher.

(((~~(23)~~))) (21) "Fishery" means the taking of one or more particular species of fish or shellfish with particular gear in a particular geographical area.

(((~~(24)~~))) (22) "Food, food waste, or other substance" includes human and pet food or other waste or garbage that could attract large wild carnivores.

(((~~(25)~~))) (23) "Freshwater" means all waters not defined as saltwater including, but not limited to, rivers upstream of the river mouth, lakes, ponds, and reservoirs.

(((~~(26)~~))) (24) "Fur-bearing animals" means game animals that shall not be trapped except as authorized by the commission.

(((~~(27)~~))) (25) "Fur dealer" means a person who purchases, receives, or resells raw furs for commercial purposes.

(((~~(28)~~))) (26) "Game animals" means wild animals that shall not be hunted except as authorized by the commission.

(((~~(29)~~))) (27) "Game birds" means wild birds that shall not be hunted except as authorized by the commission.

(((~~(30)~~))) (28) "Game farm" means property on which wildlife is held, confined, propagated, hatched, fed, or otherwise raised for commercial purposes, trade, or gift. The term "game farm" does not include publicly owned facilities.

(((~~(31)~~))) (29) "Game reserve" means a closed area where hunting for all wild animals and wild birds is prohibited.

(((~~(32)~~))) (30) "Illegal items" means those items unlawful to be possessed.

(((~~(33)~~))) (31)(a) "Intentionally feed, attempt to feed, or attract" means to purposefully or knowingly provide, leave, or place in, on, or about any land or building any food, food waste, or other substance that attracts or could attract large wild carnivores to that land or building.

(b) "Intentionally feed, attempt to feed, or attract" does not include keeping food, food waste, or other substance in an enclosed garbage receptacle or other enclosed container unless specifically directed by a fish and wildlife officer or animal control authority to secure the receptacle or container in another manner.

~~(((34) "Invasive species" means a plant species or a nonnative animal species that either:~~

~~(a) Causes or may cause displacement of, or otherwise threatens, native species in their natural communities;~~

~~(b) Threatens or may threaten natural resources or their use in the state;~~

~~(c) Causes or may cause economic damage to commercial or recreational activities that are dependent upon state waters; or~~

~~(d) Threatens or harms human health.~~

~~(35)~~))) (32) "Large wild carnivore" includes wild bear, cougar, and wolf.

(((~~(36)~~))) (33) "License year" means the period of time for which a recreational license is valid. The license year begins April 1st, and ends March 31st.

(((~~(37)~~))) (34) "Limited-entry license" means a license subject to a license limitation program established in chapter 77.70 RCW.

(((~~(38)~~))) (35) "Money" means all currency, script, personal checks, money orders, or other negotiable instruments.

(((~~(39)~~))) (36) "Natural person" means a human being.

(((~~(40)~~))) (37)(a) "Negligently feed, attempt to feed, or attract" means to provide, leave, or place in, on, or about any land or building any food, food waste, or other substance that attracts or could attract large wild carnivores to that land or building, without the awareness that a reasonable person in the same situation would have with regard to the likelihood that the food, food waste, or other substance could attract large wild carnivores to the land or building.

(b) "Negligently feed, attempt to feed, or attract" does not include keeping food, food waste, or other substance in an enclosed garbage receptacle or other enclosed container unless specifically directed by a fish and wildlife officer or animal control authority to secure the receptacle or container in another manner.

(((~~(41)~~))) (38) "Nonresident" means a person who has not fulfilled the qualifications of a resident.

(((~~(42)~~))) (39) "Offshore waters" means marine waters of the Pacific Ocean outside the territorial boundaries of the state, including the marine waters of other states and countries.

(((~~(43)~~))) (40) "Open season" means those times, manners of taking, and places or waters established by rule of the commission for the lawful hunting, fishing, taking, or possession of game animals, game birds, game fish, food fish, or shellfish that conform to the special restrictions or physical descriptions established by rule of the commission or that have otherwise been deemed legal to hunt, fish, take, harvest, or possess by rule of the commission. "Open season" includes the first and last days of the established time.

(((~~(44)~~))) (41) "Owner" means the person in whom is vested the ownership dominion, or title of the property.

(((~~(45)~~))) (42) "Person" means and includes an individual; a corporation; a public or private entity or organization; a local, state, or federal agency; all business organizations, including corporations and partnerships; or a group of two or more individuals acting with a common purpose whether acting in an individual, representative, or official capacity.

(((~~(46)~~))) (43) "Personal property" or "property" includes both corporeal and incorporeal personal property and includes, among other property, contraband and money.

(((~~(47)~~))) (44) "Personal use" means for the private use of the individual taking the fish or shellfish and not for sale or barter.

(((~~(48)~~))) (45) "Predatory birds" means wild birds that may be hunted throughout the year as authorized by the commission.

(((~~(49) "Prohibited aquatic animal species" means an invasive species of the animal kingdom that has been classified as a prohibited aquatic animal species by the commission.~~

~~(50)~~))) (46) "Protected wildlife" means wildlife designated by the commission that shall not be hunted or fished.

(((~~(51)~~))) (47) "Raffle" means an activity in which tickets bearing an individual number are sold for not more than twenty-five dollars each and in which a permit or permits are awarded to hunt or for access to hunt big game animals or wild turkeys on the basis of a drawing from the tickets by the person or persons conducting the raffle.

(((~~(52) "Recreational and commercial watercraft" includes the boat, as well as equipment used to transport the boat, and any auxiliary equipment such as attached or detached outboard motors.~~

~~(53) "Regulated aquatic animal species" means a potentially invasive species of the animal kingdom that has been classified as a regulated aquatic animal species by the commission.~~

~~(54)~~)) (48) "Resident" has the same meaning as defined in RCW 77.08.075.

(((~~55~~))) (49) "Retail-eligible species" means commercially harvested salmon, crab, and sturgeon.

(((~~56~~))) (50) "Saltwater" means those marine waters seaward of river mouths.

(((~~57~~))) (51) "Seaweed" means marine aquatic plant species that are dependent upon the marine aquatic or tidal environment, and exist in either an attached or free floating form, and includes but is not limited to marine aquatic plants in the classes Chlorophyta, Phaeophyta, and Rhodophyta.

(((~~58~~))) (52) "Senior" means a person seventy years old or older.

(((~~59~~))) (53) "Shark fin" means a raw, dried, or otherwise processed detached fin or tail of a shark.

(((~~60~~))) (54)(a) "Shark fin derivative product" means any product intended for use by humans or animals that is derived in whole or in part from shark fins or shark fin cartilage.

(b) "Shark fin derivative product" does not include a drug approved by the United States food and drug administration and available by prescription only or medical device or vaccine approved by the United States food and drug administration.

(((~~61~~))) (55) "Shellfish" means those species of marine and freshwater invertebrates that have been classified and that shall not be taken except as authorized by rule of the commission. The term "shellfish" includes all stages of development and the bodily parts of shellfish species.

(((~~62~~))) (56) "State waters" means all marine waters and fresh waters within ordinary high water lines and within the territorial boundaries of the state.

(((~~63~~))) (57) "Taxidermist" means a person who, for commercial purposes, creates lifelike representations of fish and wildlife using fish and wildlife parts and various supporting structures.

(((~~64~~))) (58) "To fish," "to harvest," and "to take," and their derivatives means an effort to kill, injure, harass, or catch a fish or shellfish.

(((~~65~~))) (59) "To hunt" and its derivatives means an effort to kill, injure, capture, or harass a wild animal or wild bird.

(((~~66~~))) (60) "To process" and its derivatives mean preparing or preserving fish, wildlife, or shellfish.

(((~~67~~))) (61) "To trap" and its derivatives means a method of hunting using devices to capture wild animals or wild birds.

(((~~68~~))) (62) "Trafficking" means offering, attempting to engage, or engaging in sale, barter, or purchase of fish, shellfish, wildlife, or deleterious exotic wildlife.

(((~~69~~))) (63) "Unclaimed" means that no owner of the property has been identified or has requested, in writing, the release of the property to themselves nor has the owner of the property designated an individual to receive the property or paid the required postage to effect delivery of the property.

(((~~70) "Unlisted aquatic animal species" means a nonnative animal species that has not been classified as a prohibited aquatic animal species, a regulated~~

~~aquatic animal species, or an unregulated aquatic animal species by the commission.~~

~~(71) "Unregulated aquatic animal species" means a nonnative animal species that has been classified as an unregulated aquatic animal species by the commission.~~

~~(72)~~)) (64) "Wholesale fish dealer" means a person who, acting for commercial purposes, takes possession or ownership of fish or shellfish and sells, barters, or exchanges or attempts to sell, barter, or exchange fish or shellfish that have been landed into the state of Washington or entered the state of Washington in interstate or foreign commerce.

(((~~(73)~~))) (65) "Wild animals" means those species of the class Mammalia whose members exist in Washington in a wild state. The term "wild animal" does not include feral domestic mammals or old world rats and mice of the family Muridae of the order Rodentia.

(((~~(74)~~))) (66) "Wild birds" means those species of the class Aves whose members exist in Washington in a wild state.

(((~~(75)~~))) (67) "Wildlife" means all species of the animal kingdom whose members exist in Washington in a wild state. This includes but is not limited to mammals, birds, reptiles, amphibians, fish, and invertebrates. The term "wildlife" does not include feral domestic mammals, old world rats and mice of the family Muridae of the order Rodentia, or those fish, shellfish, and marine invertebrates classified as food fish or shellfish by the director. The term "wildlife" includes all stages of development and the bodily parts of wildlife members.

(((~~(76)~~))) (68) "Wildlife meat cutter" means a person who packs, cuts, processes, or stores wildlife for consumption for another for commercial purposes.

(((~~(77)~~))) (69) "Youth" means a person fifteen years old for fishing and under sixteen years old for hunting.

Sec. 302. RCW 77.12.020 and 2002 c 281 s 3 are each amended to read as follows:

(1) The director shall investigate the habits and distribution of the various species of wildlife native to or adaptable to the habitats of the state. The commission shall determine whether a species should be managed by the department and, if so, classify it under this section.

(2) The commission may classify by rule wild animals as game animals and game animals as fur-bearing animals.

(3) The commission may classify by rule wild birds as game birds or predatory birds. All wild birds not otherwise classified are protected wildlife.

(4) In addition to those species listed in RCW 77.08.020, the commission may classify by rule as game fish other species of the class Osteichthyes that are commonly found in freshwater except those classified as food fish by the director.

(5) The director may recommend to the commission that a species of wildlife should not be hunted or fished. The commission may designate species of wildlife as protected.

(6) If the director determines that a species of wildlife is seriously threatened with extinction in the state of Washington, the director may request

its designation as an endangered species. The commission may designate an endangered species.

(7) If the director determines that a species of the animal kingdom, not native to Washington, is dangerous to the environment or wildlife of the state, the director may request its designation as deleterious exotic wildlife. The commission may designate deleterious exotic wildlife.

(8) ((~~Upon recommendation by the director, the commission may classify nonnative aquatic animal species according to the following categories:~~

~~(a) Prohibited aquatic animal species: These species are considered by the commission to have a high risk of becoming an invasive species and may not be possessed, imported, purchased, sold, propagated, transported, or released into state waters except as provided in RCW 77.15.253;~~

~~(b) Regulated aquatic animal species: These species are considered by the commission to have some beneficial use along with a moderate, but manageable risk of becoming an invasive species, and may not be released into state waters, except as provided in RCW 77.15.253. The commission shall classify the following commercial aquaculture species as regulated aquatic animal species, and allow their release into state waters pursuant to rule of the commission: Pacific oyster (Crassostrea gigas), kumamoto oyster (Crassostrea sikamea), European flat oyster (Ostrea edulis), eastern oyster (Crassostrea virginica), manila clam (Tapes philippinarum), blue mussel (Mytilus galloprovincialis), and suminoe oyster (Crassostrea ariankenisis);~~

~~(c) Unregulated aquatic animal species: These species are considered by the commission as having some beneficial use along with a low risk of becoming an invasive species, and are not subject to regulation under this title;~~

~~(d) Unlisted aquatic animal species: These species are not designated as a prohibited aquatic animal species, regulated aquatic animal species, or unregulated aquatic animal species by the commission, and may not be released into state waters. Upon request, the commission may determine the appropriate category for an unlisted aquatic animal species and classify the species accordingly;~~

~~(e) This subsection (8) does not apply to the transportation or release of nonnative aquatic animal species by ballast water or ballast water discharge.~~

~~(9)~~)) Upon recommendation by the director, the commission may develop a work plan to eradicate native aquatic species that threaten human health. Priority shall be given to water bodies that the department of health has classified as representing a threat to human health based on the presence of a native aquatic species.

Sec. 303. RCW 77.15.080 and 2012 c 176 s 9 are each amended to read as follows:

(((~~(1)~~))) Based upon articulable facts that a person is engaged in fishing, harvesting, or hunting activities, fish and wildlife officers and ex officio fish and wildlife officers have the authority to temporarily stop the person and check for valid licenses, tags, permits, stamps, or catch record cards, and to inspect all fish, shellfish, seaweed, and wildlife in possession as well as the equipment being used to ensure compliance with the requirements of this title. Fish and wildlife officers and ex officio fish and wildlife officers also may request that the person write his or her signature for comparison with the signature on his or her fishing, harvesting, or hunting license. Failure to comply with the request is prima facie

evidence that the person is not the person named on the license. Fish and wildlife officers may require the person, if age sixteen or older, to exhibit a driver's license or other photo identification.

(((~~(2) Based upon articulable facts that a person is transporting a prohibited aquatic animal species or any aquatic plant, fish and wildlife officers and ex officio fish and wildlife officers have the authority to temporarily stop the person and inspect the watercraft to ensure that the watercraft and associated equipment are not transporting prohibited aquatic animal species or aquatic plants.~~))

Sec. 304. RCW 77.15.290 and 2012 c 176 s 21 are each amended to read as follows:

(1) A person is guilty of unlawful transportation of fish or wildlife in the second degree if the person:

(a) Knowingly imports, moves within the state, or exports fish, shellfish, or wildlife in violation of any department rule governing the transportation or movement of fish, shellfish, or wildlife and the transportation does not involve big game, endangered fish or wildlife, deleterious exotic wildlife, or fish, shellfish, or wildlife having a value greater than two hundred fifty dollars; or

(b) Possesses but fails to affix or notch a big game transport tag as required by department rule.

(2) A person is guilty of unlawful transportation of fish or wildlife in the first degree if the person:

(a) Knowingly imports, moves within the state, or exports fish, shellfish, or wildlife in violation of any department rule governing the transportation or movement of fish, shellfish, or wildlife and the transportation involves big game, endangered fish or wildlife, deleterious exotic wildlife, or fish, shellfish, or wildlife with a value of two hundred fifty dollars or more; or

(b) Knowingly transports shellfish, shellstock, or equipment used in commercial culturing, taking, handling, or processing shellfish without a permit required by authority of this title.

(3)(a) Unlawful transportation of fish or wildlife in the second degree is a misdemeanor.

(b) Unlawful transportation of fish or wildlife in the first degree is a gross misdemeanor.

(4) This section does not apply to((~~: (a) Any person stopped at an aquatic~~)) invasive species ((~~check station who possesses a recreational or commercial watercraft that is contaminated with an aquatic invasive species if that person complies with all department directives for the proper decontamination of the watercraft and equipment; or (b) any person who has voluntarily submitted a recreational or commercial watercraft for inspection by the department or its designee and has received a receipt verifying that the watercraft has not been contaminated since its last use~~)).

Sec. 305. RCW 43.06.010 and 1994 c 223 s 3 are each amended to read as follows:

In addition to those prescribed by the Constitution, the governor may exercise the powers and perform the duties prescribed in this and the following sections:

(1) The governor shall supervise the conduct of all executive and ministerial offices;

(2) The governor shall see that all offices are filled, including as provided in RCW 42.12.070, and the duties thereof performed, or in default thereof, apply such remedy as the law allows; and if the remedy is imperfect, acquaint the legislature therewith at its next session;

(3) The governor shall make the appointments and supply the vacancies mentioned in this title;

(4) The governor is the sole official organ of communication between the government of this state and the government of any other state or territory, or of the United States;

(5) Whenever any suit or legal proceeding is pending against this state, or which may affect the title of this state to any property, or which may result in any claim against the state, the governor may direct the attorney general to appear on behalf of the state, and report the same to the governor, or to any grand jury designated by the governor, or to the legislature when next in session;

(6) The governor may require the attorney general or any prosecuting attorney to inquire into the affairs or management of any corporation existing under the laws of this state, or doing business in this state, and report the same to the governor, or to any grand jury designated by the governor, or to the legislature when next in session;

(7) The governor may require the attorney general to aid any prosecuting attorney in the discharge of the prosecutor's duties;

(8) The governor may offer rewards, not exceeding one thousand dollars in each case, payable out of the state treasury, for information leading to the apprehension of any person convicted of a felony who has escaped from a state correctional institution or for information leading to the arrest of any person who has committed or is charged with the commission of a felony;

(9) The governor shall perform such duties respecting fugitives from justice as are prescribed by law;

(10) The governor shall issue and transmit election proclamations as prescribed by law;

(11) The governor may require any officer or board to make, upon demand, special reports to the governor, in writing;

(12) The governor may, after finding that a public disorder, disaster, energy emergency, or riot exists within this state or any part thereof which affects life, health, property, or the public peace, proclaim a state of emergency in the area affected, and the powers granted the governor during a state of emergency shall be effective only within the area described in the proclamation;

(13) The governor may, after finding that there exists within this state an imminent danger of infestation of plant pests as defined in RCW 17.24.007 or plant diseases which seriously endangers the agricultural or horticultural industries of the state of Washington, or which seriously threatens life, health, or economic well-being, order emergency measures to prevent or abate the infestation or disease situation, which measures, after thorough evaluation of all other alternatives, may include the aerial application of pesticides;

(14) The governor, after finding that a prohibited level 1 or level 2 species as defined in chapter 77.— RCW (the new chapter created in section 121 of this act) has been detected and after finding that the detected species seriously

endangers or threatens the environment, economy, human health, or well-being of the state of Washington, may order emergency measures to prevent or abate the prohibited species, which measures, after thorough evaluation of all other alternatives, may include the surface or aerial application of pesticides;

(15) On all compacts forwarded to the governor pursuant to RCW 9.46.360(6), the governor is authorized and empowered to execute on behalf of the state compacts with federally recognized Indian tribes in the state of Washington pursuant to the federal Indian Gaming Regulatory Act, 25 U.S.C. Sec. 2701 et seq., for conducting class III gaming, as defined in the Act, on Indian lands.

Sec. 306. RCW 43.43.400 and 2011 c 171 s 8 are each amended to read as follows:

(1) ((~~The definitions in this subsection apply throughout this section unless the context clearly requires otherwise:~~

~~(a) "Aquatic invasive species" means any invasive, prohibited, regulated, unregulated, or unlisted aquatic animal or plant species as defined under RCW 77.08.010 [(3),] (28), (40), (44), (58), and (59), aquatic noxious weeds as defined under RCW 17.26.020(5)(c), and aquatic nuisance species as defined under RCW 77.60.130(1).~~

~~(b) "Recreational and commercial watercraft" includes the boat, as well as equipment used to transport the boat, and any auxiliary equipment such as attached or detached outboard motors.~~

~~(2)~~)) The aquatic invasive species enforcement account is created in the state treasury. Moneys directed to the account from RCW 88.02.640 must be deposited in the account. Expenditures from the account may only be used as provided in this section. Moneys in the account may be spent only after appropriation.

(((~~(3) Funds in the aquatic invasive species enforcement account may be appropriated to the Washington state patrol and the department of fish and wildlife to develop an aquatic invasive species enforcement program for recreational and commercial watercraft, which includes equipment used to transport the watercraft and auxiliary equipment such as attached or detached outboard motors. Funds must be expended as follows:~~

~~(a) By the Washington state patrol, to inspect recreational and commercial watercraft that are required to stop at port of entry weigh stations managed by the Washington state patrol. The watercraft must be inspected for the presence of aquatic invasive species; and~~

~~(b) By the department of fish and wildlife to:~~

~~(i) Establish random check stations, to inspect recreational and commercial watercraft as provided for in RCW 77.12.879(3);~~

~~(ii) Inspect or delegate inspection of recreational and commercial watercraft. If the department conducts the inspection, there will be no cost to the person requesting the inspection;~~

~~(iii) Provide training to all department employees that are deployed in the field to inspect recreational and commercial watercraft; and~~

~~(iv) Provide an inspection receipt verifying that the watercraft is not contaminated after the watercraft has been inspected at a check station or has been inspected at the request of the owner of the recreational or commercial watercraft. The inspection receipt is valid until the watercraft is used again.~~

~~(4) The Washington state patrol and the department of fish and wildlife shall submit a biennial report to the appropriate legislative committees describing the actions taken to implement this section along with suggestions on how to better fulfill the intent of chapter 464, Laws of 2005. The first report is due December 1, 2007.~~))

(2) Expenditures from the account by the Washington state patrol may only be used to inspect for the presence of aquatic invasive species on aquatic conveyances that are required to stop at a Washington state patrol port of entry weigh station.

(3) Expenditures from the account by the department of fish and wildlife may only be used to develop and implement an aquatic invasive species enforcement program including enforcement of chapter 77.— RCW (the new chapter created in section 121 of this act), enforcement of aquatic invasive species provisions in chapter 77.15 RCW, and training Washington state patrol employees working at port of entry weigh stations on how to inspect aquatic conveyances for the presence of aquatic invasive species.

(4) Unless the context clearly requires otherwise, the definitions in both RCW 77.08.010 and section 102 of this act apply throughout this section.

Sec. 307. RCW 10.31.100 and 2013 2nd sp.s. c 35 s 22 are each amended to read as follows:

A police officer having probable cause to believe that a person has committed or is committing a felony shall have the authority to arrest the person without a warrant. A police officer may arrest a person without a warrant for committing a misdemeanor or gross misdemeanor only when the offense is committed in the presence of the officer, except as provided in subsections (1) through (11) of this section.

(1) Any police officer having probable cause to believe that a person has committed or is committing a misdemeanor or gross misdemeanor, involving physical harm or threats of harm to any person or property or the unlawful taking of property or involving the use or possession of cannabis, or involving the acquisition, possession, or consumption of alcohol by a person under the age of twenty-one years under RCW 66.44.270, or involving criminal trespass under RCW 9A.52.070 or 9A.52.080, shall have the authority to arrest the person.

(2) A police officer shall arrest and take into custody, pending release on bail, personal recognizance, or court order, a person without a warrant when the officer has probable cause to believe that:

(a) An order has been issued of which the person has knowledge under RCW 26.44.063, or chapter 7.92, 7.90, 9A.46, 10.99, 26.09, 26.10, 26.26, 26.50, or 74.34 RCW restraining the person and the person has violated the terms of the order restraining the person from acts or threats of violence, or restraining the person from going onto the grounds of or entering a residence, workplace, school, or day care, or prohibiting the person from knowingly coming within, or knowingly remaining within, a specified distance of a location or, in the case of an order issued under RCW 26.44.063, imposing any other restrictions or conditions upon the person; or

(b) A foreign protection order, as defined in RCW 26.52.010, has been issued of which the person under restraint has knowledge and the person under restraint has violated a provision of the foreign protection order prohibiting the person under restraint from contacting or communicating with another person, or

excluding the person under restraint from a residence, workplace, school, or day care, or prohibiting the person from knowingly coming within, or knowingly remaining within, a specified distance of a location, or a violation of any provision for which the foreign protection order specifically indicates that a violation will be a crime; or

(c) The person is sixteen years or older and within the preceding four hours has assaulted a family or household member as defined in RCW 10.99.020 and the officer believes: (i) A felonious assault has occurred; (ii) an assault has occurred which has resulted in bodily injury to the victim, whether the injury is observable by the responding officer or not; or (iii) that any physical action has occurred which was intended to cause another person reasonably to fear imminent serious bodily injury or death. Bodily injury means physical pain, illness, or an impairment of physical condition. When the officer has probable cause to believe that family or household members have assaulted each other, the officer is not required to arrest both persons. The officer shall arrest the person whom the officer believes to be the primary physical aggressor. In making this determination, the officer shall make every reasonable effort to consider: (i) The intent to protect victims of domestic violence under RCW 10.99.010; (ii) the comparative extent of injuries inflicted or serious threats creating fear of physical injury; and (iii) the history of domestic violence of each person involved, including whether the conduct was part of an ongoing pattern of abuse; or

(d) The person has violated RCW 46.61.502 or 46.61.504 or an equivalent local ordinance and the police officer has knowledge that the person has a prior offense as defined in RCW 46.61.5055 within ten years.

(3) Any police officer having probable cause to believe that a person has committed or is committing a violation of any of the following traffic laws shall have the authority to arrest the person:

(a) RCW 46.52.010, relating to duty on striking an unattended car or other property;

(b) RCW 46.52.020, relating to duty in case of injury to or death of a person or damage to an attended vehicle;

(c) RCW 46.61.500 or 46.61.530, relating to reckless driving or racing of vehicles;

(d) RCW 46.61.502 or 46.61.504, relating to persons under the influence of intoxicating liquor or drugs;

(e) RCW 46.61.503 or 46.25.110, relating to persons having alcohol or THC in their system;

(f) RCW 46.20.342, relating to driving a motor vehicle while operator's license is suspended or revoked;

(g) RCW 46.61.5249, relating to operating a motor vehicle in a negligent manner.

(4) A law enforcement officer investigating at the scene of a motor vehicle accident may arrest the driver of a motor vehicle involved in the accident if the officer has probable cause to believe that the driver has committed in connection with the accident a violation of any traffic law or regulation.

(5)(a) A law enforcement officer investigating at the scene of a motor vessel accident may arrest the operator of a motor vessel involved in the accident if the

officer has probable cause to believe that the operator has committed, in connection with the accident, a criminal violation of chapter 79A.60 RCW.

(b) A law enforcement officer investigating at the scene of a motor vessel accident may issue a citation for an infraction to the operator of a motor vessel involved in the accident if the officer has probable cause to believe that the operator has committed, in connection with the accident, a violation of any boating safety law of chapter 79A.60 RCW.

(6) Any police officer having probable cause to believe that a person has committed or is committing a violation of RCW 79A.60.040 shall have the authority to arrest the person.

(7) An officer may act upon the request of a law enforcement officer in whose presence a traffic infraction was committed, to stop, detain, arrest, or issue a notice of traffic infraction to the driver who is believed to have committed the infraction. The request by the witnessing officer shall give an officer the authority to take appropriate action under the laws of the state of Washington.

(8) Any police officer having probable cause to believe that a person has committed or is committing any act of indecent exposure, as defined in RCW 9A.88.010, may arrest the person.

(9) A police officer may arrest and take into custody, pending release on bail, personal recognizance, or court order, a person without a warrant when the officer has probable cause to believe that an order has been issued of which the person has knowledge under chapter 10.14 RCW and the person has violated the terms of that order.

(10) Any police officer having probable cause to believe that a person has, within twenty-four hours of the alleged violation, committed a violation of RCW 9A.50.020 may arrest such person.

(11) A police officer having probable cause to believe that a person illegally possesses or illegally has possessed a firearm or other dangerous weapon on private or public elementary or secondary school premises shall have the authority to arrest the person.

For purposes of this subsection, the term "firearm" has the meaning defined in RCW 9.41.010 and the term "dangerous weapon" has the meaning defined in RCW 9.41.250 and 9.41.280(1) (c) through (e).

(12) A law enforcement officer having probable cause to believe that a person has committed a violation under RCW 77.15.160(4) may issue a citation for an infraction to the person in connection with the violation.

(13) A law enforcement officer having probable cause to believe that a person has committed a criminal violation under section 205 or 206 of this act may arrest the person in connection with the violation.

(14) Except as specifically provided in subsections (2), (3), (4), and (7) of this section, nothing in this section extends or otherwise affects the powers of arrest prescribed in Title 46 RCW.

((~~(13)~~)) (15) No police officer may be held criminally or civilly liable for making an arrest pursuant to subsection (2) or (9) of this section if the police officer acts in good faith and without malice.

Sec. 308. RCW 77.15.360 and 2007 c 337 s 3 are each amended to read as follows:

(1) A person is guilty of unlawful interfering in department operations if the person prevents department employees from carrying out duties authorized by this title, including but not limited to interfering:

(a) In the operation of department vehicles, vessels, or aircraft; ((~~or~~))

(b) With the collection of samples of tissue, fluids, or other bodily parts of fish, wildlife, and shellfish under RCW 77.12.071; or

(c) With actions authorized by a warrant issued under section 119 or 203 of this act.

(2) Unlawful interfering in department operations is a gross misdemeanor.

Sec. 309. RCW 77.12.879 and 2013 c 307 s 1 are each amended to read as follows:

(1) The aquatic invasive species prevention account is created in the state treasury. ((~~Moneys directed to the account from RCW 88.02.640(3)(a)(i) must be deposited in the account. Expenditures from the account may only be used as provided in this section. Moneys in the account may be spent only after appropriation.~~

~~(2) Funds in the aquatic invasive species prevention account may be appropriated to the department to develop an aquatic invasive species prevention program for recreational and commercial watercraft. Funds must be expended as follows:~~

~~(a) To inspect recreational and commercial watercraft;~~

~~(b) To educate general law enforcement officers on how to enforce state laws relating to preventing the spread of aquatic invasive species;~~

~~(c) To evaluate and survey the risk posed by recreational and commercial watercraft in spreading aquatic invasive species into Washington state waters;~~

~~(d) To evaluate the risk posed by float planes in spreading aquatic invasive species into Washington state waters; and~~

~~(e) To implement an aquatic invasive species early detection and rapid response plan. The plan must address the treatment and immediate response to the introduction to Washington waters of aquatic invasive species. Agency and public review of the plan must be conducted under chapter 43.21C RCW, the state environmental policy act. If the implementation measures or actions would have a probable significant adverse environmental impact, a detailed statement under chapter 43.21C RCW must be prepared on the plan.~~

~~(3) Funds in the aquatic invasive species enforcement account created in RCW 43.43.400 may be appropriated to the department and Washington state patrol to develop an aquatic invasive species enforcement program for recreational and commercial watercraft.~~

~~(a) The department shall provide training to Washington state patrol employees working at port of entry weigh stations, and other local law enforcement employees, on how to inspect recreational and commercial watercraft for the presence of aquatic invasive species.~~

~~(b) A person who enters Washington by road transporting any commercial or recreational watercraft that has been used outside of Washington must have in his or her possession documentation that the watercraft is free of aquatic invasive species. The department must develop and maintain rules to implement this subsection (3)(b), including specifying allowable forms of documentation.~~

~~(c) The department is authorized to require persons transporting recreational and commercial watercraft to stop at check stations. Check stations must be~~

~~plainly marked by signs, operated by at least one uniformed fish and wildlife officer, and operated in a safe manner.~~

~~(d) Any person stopped at a check station who possesses a recreational or commercial watercraft that is contaminated with aquatic invasive species, must bear the expense for any necessary impoundment, transportation, cleaning, and decontamination of the watercraft.~~

~~(e) Any person stopped at a check station who possesses a recreational or commercial watercraft that is contaminated with aquatic invasive species, is exempt from the criminal penalties found in RCW 77.15.253 and 77.15.290, and forfeiture under RCW 77.15.070, if that person complies with all department directives for the proper decontamination of the watercraft.~~

~~(4) The department shall submit a biennial report to the appropriate legislative committees describing the actions taken to implement this section along with suggestions on how to better fulfill the intent of chapter 464, Laws of 2005.~~)) All receipts directed to the account from RCW 88.02.640, as well as legislative appropriations, gifts, donations, fees, and penalties received by the department for aquatic invasive species management, must be deposited into the account.

(2) Expenditures from the account may only be used to implement the provisions of chapter 77.— RCW (the new chapter created in section 121 of this act).

(3) Moneys in the account may be spent only after appropriation.

NEW SECTION. **Sec. 310.** The following acts or parts of acts are each repealed:

(1) RCW 77.12.875 (Prohibited aquatic animal species—Infested state waters) and 2002 c 281 s 5;

(2) RCW 77.12.878 (Infested waters—Rapid response plan) and 2002 c 281 s 6;

(3) RCW 77.12.882 (Aquatic invasive species—Inspection of recreational and commercial watercraft—Rules—Signage) and 2007 c 350 s 4;

(4) RCW 77.15.253 (Unlawful use of prohibited aquatic animal species—Penalty) and 2007 c 350 s 5 & 2002 c 281 s 4;

(5) RCW 77.15.293 (Unlawfully avoiding aquatic invasive species check stations—Penalty) and 2007 c 350 s 7;

(6) RCW 77.60.110 (Zebra mussels and European green crabs—Draft rules—Prevention of introduction and dispersal) and 1998 c 153 s 2; and

(7) RCW 77.60.120 (Infested waters—List published) and 1998 c 153 s 3.

Passed by the Senate March 13, 2014.
Passed by the House March 12, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 203

[Senate Bill 6115]

PROCESS SERVERS

AN ACT Relating to process servers; and amending RCW 18.180.010.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 18.180.010 and 2010 c 108 s 1 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a person who serves legal process for a fee in the state of Washington shall:

(a) Be eighteen years of age or older;

(b) Be a resident of the state of Washington; and

(c) Register as a process server with the auditor of the county in which the process server resides or operates his or her principal place of business.

(2) The requirements under subsection (1)(b) and (c) of this section do not apply to any of the following persons:

(a) A sheriff, deputy sheriff, marshal, constable, or government employee who is acting in the course of employment;

(b) An attorney or the attorney's employees, who are not serving process on a fee basis;

(c) A person who is court appointed to serve the court's process;

(d) A person who does not receive a fee or wage for serving process;

(e) A private investigator licensed under chapter 18.165 RCW.

Passed by the Senate February 12, 2014.
Passed by the House March 7, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 204

[Senate Bill 6128]

SCHOOL EMPLOYEES—MEDICATION ADMINISTRATION AND NURSING SERVICES

AN ACT Relating to the delivery of medication and services by unlicensed school employees; amending RCW 4.24.300; adding a new section to chapter 28A.210 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION.** ***Sec. 1.** ***Students in public schools are bringing more health conditions to school at the same time school districts are reducing nursing services. As a result, school districts are becoming more dependent upon unlicensed, minimally trained, and many times unwilling classified employees to provide these services.

Over the years, unlicensed employees have sought and received legislative approval for protections from employer reprisal if they refuse to deliver nursing services and liability protections if they provide nursing services that harm a student. It is clear that unlicensed employees will be expected to deliver new medications and nursing services not currently recognized in state law to students in the future.

***Sec. 1 was vetoed. See message at end of chapter.**

NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.210 RCW to read as follows:

(1) Beginning July 1, 2014, a school district employee not licensed under chapter 18.79 RCW who is asked to administer medications or perform nursing services not previously recognized in law shall at the time he or she is asked to administer the medication or perform the nursing service file, without coercion

by the employer, a voluntary written, current, and unexpired letter of intent stating the employee's willingness to administer the new medication or nursing service. It is understood that the letter of intent will expire if the conditions of acceptance are substantially changed. If a school employee who is not licensed under chapter 18.79 RCW chooses not to file a letter under this section, the employee is not subject to any employer reprisal or disciplinary action for refusing to file a letter.

(2) In the event a school employee provides the medication or service to a student in substantial compliance with (a) rules adopted by the state nursing care quality assurance commission and the instructions of a registered nurse or advanced registered nurse practitioner issued under such rules, and (b) written policies of the school district, then the employee, the employee's school district or school of employment, and the members of the governing board and chief administrator thereof are not liable in any criminal action or for civil damages in his or her individual, marital, governmental, corporate, or other capacity as a result of providing the medication or service.

(3) The board of directors shall designate a professional person licensed under chapter 18.71, 18.57, or 18.79 RCW as it applies to registered nurses and advanced registered nurse practitioners to consult and coordinate with the student's parents and health care provider, and train and supervise the appropriate school district personnel in proper procedures to ensure a safe, therapeutic learning environment. School employees must receive the training provided under this subsection before they are authorized to deliver the service or medication. Such training must be provided, where necessary, on an ongoing basis to ensure that the proper procedures are not forgotten because the services or medication are delivered infrequently.

Sec. 3. RCW 4.24.300 and 2004 c 87 s 1 are each amended to read as follows:

(1) Any person, including but not limited to a volunteer provider of emergency or medical services, who without compensation or the expectation of compensation renders emergency care at the scene of an emergency or who participates in transporting, not for compensation, therefrom an injured person or persons for emergency medical treatment shall not be liable for civil damages resulting from any act or omission in the rendering of such emergency care or in transporting such persons, other than acts or omissions constituting gross negligence or willful or wanton misconduct. Any person rendering emergency care during the course of regular employment and receiving compensation or expecting to receive compensation for rendering such care is excluded from the protection of this subsection.

(2) Any licensed health care provider regulated by a disciplining authority under RCW 18.130.040 in the state of Washington who, without compensation or the expectation of compensation, provides health care services at a community health care setting is not liable for civil damages resulting from any act or omission in the rendering of such care, other than acts or omissions constituting gross negligence or willful or wanton misconduct.

(3) For purposes of subsection (2) of this section, "community health care setting" means an entity that provides health care services and:

(a) Is a clinic operated by a public entity or private tax exempt corporation, except a clinic that is owned, operated, or controlled by a hospital licensed under chapter 70.41 RCW unless the hospital-based clinic either:

(i) Maintains and holds itself out to the public as having established hours on a regular basis for providing free health care services to members of the public to the extent that care is provided without compensation or expectation of compensation during those established hours; or

(ii) Is participating, through a written agreement, in a community-based program to provide access to health care services for uninsured persons, to the extent that:

(A) Care is provided without compensation or expectation of compensation to individuals who have been referred for care through that community-based program; and

(B) The health care provider's participation in the community-based program is conditioned upon his or her agreement to provide health services without expectation of compensation;

(b) Is a for-profit corporation that maintains and holds itself out to the public as having established hours on a regular basis for providing free health care services to members of the public to the extent that care is provided without compensation or expectation of compensation during those established hours; or

(c) Is a for-profit corporation that is participating, through a written agreement, in a community-based program to provide access to health care services for uninsured persons, to the extent that:

(i) Care is provided without compensation or expectation of compensation to individuals who have been referred for care through that community-based program; and

(ii) The health care provider's participation in the community-based program is conditioned upon his or her agreement to provide health services without expectation of compensation.

(4) Any school district employee not licensed under chapter 18.79 RCW who renders emergency care at the scene of an emergency during an officially designated school activity or who participates in transporting therefrom an injured person or persons for emergency medical treatment shall not be liable for civil damages resulting from any act or omission in the rendering of such emergency care or in transporting such persons, other than acts or omissions constituting gross negligence or willful or wanton misconduct.

Passed by the Senate March 10, 2014.

Passed by the House March 6, 2014.

Approved by the Governor April 2, 2014, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 1, Senate Bill No. 6128 entitled:

"AN ACT Relating to the delivery of medication and services by unlicensed school employees."

This legislation provides important guidance for school districts with regards to school employees assisting with nursing services and delivery of medications.

Section 1 is an intent section that discusses various experiences of school nurses and other employees, and is not necessary to interpret or implement the substantive provisions of the bill.

For these reasons I have vetoed Section 1 of Senate Bill No. 6128.

With the exception of Section 1, Senate Bill No. 6128 is approved."

CHAPTER 205

[Senate Bill 6219]

COUNTIES—PRIMITIVE ROADS—LIABILITY

AN ACT Relating to actions for damage arising from vehicular traffic on a primitive road; and amending RCW 36.75.300.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 36.75.300 and 1985 c 369 s 2 are each amended to read as follows:

The legislative authority of each county may by resolution classify and designate portions of the county roads as primitive roads where the designated road portion:

(1) Is not classified as part of the county primary road system, as provided for in RCW 36.86.070;

(2) Has a gravel or earth driving surface; and

(3) Has an average annual daily traffic of one hundred or fewer vehicles.

Any road designated as a primitive road shall be marked with signs indicating that it is a primitive road, as provided in the manual of uniform traffic control devices, at all places where the primitive road portion begins or connects with a highway other than another primitive road. No design or signing or maintenance standards or requirements, other than the requirement that warning signs be placed as provided in this section, apply to primitive roads.

The design of a primitive road, <u>any discretionary maintenance,</u> and the location, placing, or failing to place road signs, other than the requirement that warning signs be placed as provided in this section, shall not be considered in any action for damages brought against a county, or against a county employee or county employees, or both, arising from vehicular traffic on the primitive road.

Passed by the Senate February 14, 2014.
Passed by the House March 7, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 206

[Substitute Senate Bill 6273]

MONEY TRANSMITTERS

AN ACT Relating to money transmitters; and amending RCW 19.230.330.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 19.230.330 and 2010 c 73 s 12 are each amended to read as follows:

(1)(a) Every money transmitter licensee and its authorized delegates shall transmit the monetary equivalent of all money or equivalent value received from a customer for transmission, net of any fees, or issue instructions committing the money or its monetary equivalent, to the person designated by the customer within ten business days after receiving the money or equivalent value, unless otherwise ordered by the customer or when the transmission is for the payment of goods or services or unless the licensee or its authorized delegate has reason to believe that a crime has occurred, is occurring, or may occur as a result of transmitting the money. For purposes of this subsection, money is considered to have been transmitted when it is available to the person designated by the customer and a reasonable effort has been made to inform this designated person that the money is available, whether or not the designated person has taken possession of the money. As used in this subsection, "monetary equivalent," when used in connection with a money transmission in which the customer provides the licensee or its authorized delegate with the money of one government, and the designated recipient is to receive the money of another government, means the amount of money, in the currency of the government that the designated recipient is to receive, as converted at the retail exchange rate offered by the licensee or its authorized delegate to the customer in connection with the transaction.

(b) A money transmitter licensee that accepts money or its equivalent from consumers purchasing goods or services from third-party merchants and transmits the money or its equivalent to those merchants selling the goods or services to the consumer must:

(i) Transmit the money or its equivalent to the merchant within the time frame agreed upon in the merchant's agreement with the money transmitter licensee; and

(ii) Conspicuously disclose to the merchant in the agreement the money transmitter licensee's authority to place a hold or delay in transmittal of consumer money or its equivalent for more than ten business days and the general circumstances under which the merchant may be subject to a hold or delay.

(2) Every money transmitter licensee and its authorized delegates shall provide a receipt to the customer that clearly states the amount of money presented for transmission and the total of any fees charged by the licensee. If the rate of exchange for a money transmission to be paid in the currency of another country is fixed by the licensee for that transaction at the time the money transmission is initiated, then the receipt provided to the customer shall disclose the rate of exchange for that transaction, and the duration, if any, for the payment to be made at the fixed rate of exchange so specified. If the rate of exchange for a money transmission to be paid in the currency of another country is not fixed at the time the money transmission is sent, the receipt provided to the customer shall disclose that the rate of exchange for that transaction will be set at the time the recipient of the money transmission picks up the funds in the foreign country. The receipt shall also contain the licensee name, address, and phone number. As used in this section, "fees" does not include revenue that a licensee or its authorized delegate generates, in connection with a money transmission, in the conversion of the money of one government into the money of another government.

(3) Every money transmitter licensee and its authorized delegates shall refund to the customer all moneys received for transmittal within ten days of receipt of a written request for a refund unless any of the following occurs:

(a) The moneys have been transmitted and delivered to the person designated by the customer prior to receipt of the written request for a refund;

(b) Instructions have been given committing an equivalent amount of money to the person designated by the customer prior to receipt of a written request for a refund;

(c) The licensee or its authorized delegate has reason to believe that a crime has occurred, is occurring, or may potentially occur as a result of transmitting the money as requested by the customer or refunding the money as requested by the customer; or

(d) The licensee is otherwise barred by law from making a refund.

Passed by the Senate February 18, 2014.
Passed by the House March 6, 2014.
Approved by the Governor April 2, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 207

[Engrossed Substitute House Bill 1287]

PROPERTY TAXES—TRIBAL PROPERTY

AN ACT Relating to subjecting federally recognized Indian tribes to the same conditions as state and local governments for property owned exclusively by the tribe; amending RCW 82.29A.010, 82.29A.020, 82.29A.050, 84.36.010, 84.36.451, and 84.40.230; adding a new section to chapter 82.29A RCW; adding a new section to chapter 84.36 RCW; adding a new section to chapter 52.30 RCW; adding a new section to chapter 43.136 RCW; creating new sections; providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** This section is the tax preference performance statement for the tax preference contained in section 5 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(1) The legislature categorizes this tax preference as one intended to create jobs and improve the economic health of tribal communities as indicated in RCW 82.32.808(2) (c) and (f).

(2) It is the legislature's specific public policy objective to create jobs and improve the economic health of tribal communities. It is the legislature's intent to exempt property used by federally recognized Indian tribes for economic development purposes, in order to achieve these policy objectives.

(3) The joint legislative audit and review committee must perform an economic impact report to the legislature as required in section 10 of this act to provide the information necessary to measure the effectiveness of this act.

Sec. 2. RCW 82.29A.010 and 2010 c 281 s 2 are each amended to read as follows:

(1)(a) The legislature hereby recognizes that properties of the state of Washington, counties, school districts, and other municipal corporations are exempted by Article 7, section 1 of the state Constitution from property tax

obligations, but that private lessees of such public properties receive substantial benefits from governmental services provided by units of government.

(b) The legislature further recognizes that a uniform method of taxation should apply to such leasehold interests in publicly owned property.

(c) The legislature finds that lessees of publicly owned property or community centers are entitled to those same governmental services and does hereby provide for a leasehold excise tax to fairly compensate governmental units for services rendered to such lessees of publicly owned property or community centers. For the purposes of this subsection, "community center" has the same meaning as provided in RCW 84.36.010.

(d) The legislature also finds that eliminating the property tax on property owned exclusively by federally recognized Indian tribes within the state requires that the leasehold excise tax also be applied to leasehold interests on tribally owned property.

(2) The legislature further finds that experience gained by lessors, lessees, and the department of revenue since enactment of the leasehold excise tax under this chapter has shed light on areas in the leasehold excise statutes that need explanation and clarification. The purpose of chapter 220, Laws of 1999 is to make those changes.

Sec. 3. RCW 82.29A.020 and 2012 2nd sp.s. c 6 s 501 are each amended to read as follows:

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

(1)(a) "Leasehold interest" means an interest in publicly owned real or personal property which exists by virtue of any lease, permit, license, or any other agreement, written or verbal, between the public owner of the property and a person who would not be exempt from property taxes if that person owned the property in fee, granting possession and use, to a degree less than fee simple ownership. However, no interest in personal property (excluding land or buildings) which is owned by the United States, whether or not as trustee, or by any foreign government may constitute a leasehold interest hereunder when the right to use such property is granted pursuant to a contract solely for the manufacture or production of articles for sale to the United States or any foreign government. The term "leasehold interest" includes the rights of use or occupancy by others of property which is owned in fee or held in trust by a public corporation, commission, or authority created under RCW 35.21.730 or 35.21.660 if the property is listed on or is within a district listed on any federal or state register of historical sites.

(b) The term "leasehold interest" does not include:

(i) Road or utility easements, rights of access, occupancy, or use granted solely for the purpose of removing materials or products purchased from a public owner or the lessee of a public owner, or rights of access, occupancy, or use granted solely for the purpose of natural energy resource exploration((~~. "Leasehold interest" does not include~~)); or

(ii) The preferential use of publicly owned cargo cranes and docks and associated areas used in the loading and discharging of cargo located at a port district marine facility. "Preferential use" means that publicly owned real or personal property is used by a private party under a written agreement with the

public owner, but the public owner or any third party maintains a right to use the property when not being used by the private party.

(c) "Publicly owned real or personal property" includes real or personal property owned by a federally recognized Indian tribe in the state and exempt from tax under RCW 84.36.010.

(2)(a) "Taxable rent" means contract rent as defined in (c) of this subsection in all cases where the lease or agreement has been established or renegotiated through competitive bidding, or negotiated or renegotiated in accordance with statutory requirements regarding the rent payable, or negotiated or renegotiated under circumstances, established by public record, clearly showing that the contract rent was the maximum attainable by the lessor. However, after January 1, 1986, with respect to any lease which has been in effect for ten years or more without renegotiation, taxable rent may be established by procedures set forth in (g) of this subsection. All other leasehold interests are subject to the determination of taxable rent under the terms of (g) of this subsection.

(b) For purposes of determining leasehold excise tax on any lands on the Hanford reservation subleased to a private or public entity by the department of ecology, taxable rent includes only the annual cash rental payment made by such entity to the department of ecology as specifically referred to as rent in the sublease agreement between the parties and does not include any other fees, assessments, or charges imposed on or collected by such entity irrespective of whether the private or public entity pays or collects such other fees, assessments, or charges as specified in the sublease agreement.

(c) "Contract rent" means the amount of consideration due as payment for a leasehold interest, including: The total of cash payments made to the lessor or to another party for the benefit of the lessor according to the requirements of the lease or agreement, including any rents paid by a sublessee; expenditures for the protection of the lessor's interest when required by the terms of the lease or agreement; and expenditures for improvements to the property to the extent that such improvements become the property of the lessor. Where the consideration conveyed for the leasehold interest is made in combination with payment for concession or other rights granted by the lessor, only that portion of such payment which represents consideration for the leasehold interest is part of contract rent.

(d) "Contract rent" does not include: (i) Expenditures made by the lessee, which under the terms of the lease or agreement, are to be reimbursed by the lessor to the lessee or expenditures for improvements and protection made pursuant to a lease or an agreement which requires that the use of the improved property be open to the general public and that no profit will inure to the lessee from the lease; (ii) expenditures made by the lessee for the replacement or repair of facilities due to fire or other casualty including payments for insurance to provide reimbursement for losses or payments to a public or private entity for protection of such property from damage or loss or for alterations or additions made necessary by an action of government taken after the date of the execution of the lease or agreement; (iii) improvements added to publicly owned property by a sublessee under an agreement executed prior to January 1, 1976, which have been taxed as personal property of the sublessee prior to January 1, 1976, or improvements made by a sublessee of the same lessee under a similar agreement executed prior to January 1, 1976, and such improvements are taxable

to the sublessee as personal property; (iv) improvements added to publicly owned property if such improvements are being taxed as personal property to any person.

(e) Any prepaid contract rent is considered to have been paid in the year due and not in the year actually paid with respect to prepayment for a period of more than one year. Expenditures for improvements with a useful life of more than one year which are included as part of contract rent must be treated as prepaid contract rent and prorated over the useful life of the improvement or the remaining term of the lease or agreement if the useful life is in excess of the remaining term of the lease or agreement. Rent prepaid prior to January 1, 1976, must be prorated from the date of prepayment.

(f) With respect to a "product lease", the value is that value determined at the time of sale under terms of the lease.

(g) If it is determined by the department of revenue, upon examination of a lessee's accounts or those of a lessor of publicly owned property, that a lessee is occupying or using publicly owned property in such a manner as to create a leasehold interest and that such leasehold interest has not been established through competitive bidding, or negotiated in accordance with statutory requirements regarding the rent payable, or negotiated under circumstances, established by public record, clearly showing that the contract rent was the maximum attainable by the lessor, the department may establish a taxable rent computation for use in determining the tax payable under authority granted in this chapter based upon the following criteria: (i) Consideration must be given to rental being paid to other lessors by lessees of similar property for similar purposes over similar periods of time; (ii) consideration must be given to what would be considered a fair rate of return on the market value of the property leased less reasonable deductions for any restrictions on use, special operating requirements or provisions for concurrent use by the lessor, another person or the general public.

(3) "Product lease" as used in this chapter means a lease of property for use in the production of agricultural or marine products to the extent that such lease provides for the contract rent to be paid by the delivery of a stated percentage of the production of such agricultural or marine products to the credit of the lessor or the payment to the lessor of a stated percentage of the proceeds from the sale of such products.

(4) "Renegotiated" means a change in the lease agreement which changes the agreed time of possession, restrictions on use, the rate of the cash rental or of any other consideration payable by the lessee to or for the benefit of the lessor, other than any such change required by the terms of the lease or agreement. In addition "renegotiated" means a continuation of possession by the lessee beyond the date when, under the terms of the lease agreement, the lessee had the right to vacate the premises without any further liability to the lessor.

(5) "City" means any city or town.

(6) "Products" includes natural resource products such as cut or picked evergreen foliage, Cascara bark, wild edible mushrooms, native ornamental trees and shrubs, ore and minerals, natural gas, geothermal water and steam, and forage removed through the grazing of livestock.

Sec. 4. RCW 82.29A.050 and 1992 c 206 s 6 are each amended to read as follows:

(1) The leasehold excise taxes provided for in RCW 82.29A.030 and 82.29A.040 ((~~shall~~)) must be paid by the lessee to the lessor and the lessor ((~~shall~~)) must collect such tax and remit the same to the department ((~~of revenue~~)). The tax ((~~shall~~)) must be payable at the same time as payments are due to the lessor for use of the property from which the leasehold interest arises, and in the case of payment of contract rent to a person other than the lessor, at the time of payment. The tax payment ((~~shall~~)) must be accompanied by such information as the department ((~~of revenue~~)) may require. In the case of prepaid contract rent the payment may be prorated in accordance with instructions of the department ((~~of revenue~~)) and the prorated portion of the tax ((~~shall be~~)) is due, one-half not later than May 31st and the other half not later than November 30th each year.

(2) The lessor receiving taxes payable under the provisions of this chapter ((~~shall~~)) must remit the same together with a return provided by the department, to the department of revenue on or before the last day of the month following the month in which the tax is collected. The department may relieve any taxpayer or class of taxpayers from the obligation of filing monthly returns and may require the return to cover other reporting periods, but in no event ((~~shall~~)) may returns be filed for a period greater than one year. The lessor ((~~shall be~~)) is fully liable for collection and remittance of the tax. The amount of tax until paid by the lessee to the lessor ((~~shall~~)) constitutes a debt from the lessee to the lessor. The tax required by this chapter ((~~shall~~)) must be stated separately from contract rent, and if not so separately stated for purposes of determining the tax due from the lessee to the lessor and from the lessor to the department, the contract rent does not include the tax imposed by this chapter. Where a lessee has failed to pay to the lessor the tax imposed by this chapter and the lessor has not paid the amount of the tax to the department, the department may, in its discretion, proceed directly against the lessee for collection of the tax((~~: PROVIDED, That~~)). However, taxes due where contract rent has not been paid ((~~shall~~)) must be reported by the lessor to the department and the lessee alone ((~~shall be~~)) is liable for payment of the tax to the department.

(3) Each person having a leasehold interest subject to the tax provided for in this chapter arising out of a lease of federally owned or federal trust lands ((~~shall~~)), or property owned by a federally recognized Indian tribe in the state and exempt from tax under RCW 84.36.010, must report and remit the tax due directly to the department of revenue in the same manner and at the same time as the lessor would be required to report and remit the tax if such lessor were a state public entity.

Sec. 5. RCW 84.36.010 and 2010 c 281 s 1 are each amended to read as follows:

(1) All property belonging exclusively to the United States, the state, or any county or municipal corporation; all property belonging exclusively to any federally recognized Indian tribe, if (a) the tribe is located in the state, ((~~if that~~)) and (b) the property is used exclusively for essential government services; all state route number 16 corridor transportation systems and facilities constructed under chapter 47.46 RCW; all property under a financing contract pursuant to chapter 39.94 RCW or recorded agreement granting immediate possession and use to the public bodies listed in this section or under an order of immediate possession and use pursuant to RCW 8.04.090; and, for a period of forty years

from acquisition, all property of a community center; is exempt from taxation. All property belonging exclusively to a foreign national government is exempt from taxation if that property is used exclusively as an office or residence for a consul or other official representative of the foreign national government, and if the consul or other official representative is a citizen of that foreign nation.

(2) Property owned by a federally recognized Indian tribe, which is used for economic development purposes, may only qualify for the exemption from taxes in this section if the property was owned by the tribe prior to March 1, 2014.

(3) For the purposes of this section the following definitions apply unless the context clearly requires otherwise.

(a) "Community center" means property, including a building or buildings, determined to be surplus to the needs of a district by a local school board, and purchased or acquired by a nonprofit organization for the purposes of converting them into community facilities for the delivery of nonresidential coordinated services for community members. The community center may make space available to businesses, individuals, or other parties through the loan or rental of space in or on the property.

(b) "Essential government services" means services such as tribal administration, public facilities, fire, police, public health, education, sewer, water, environmental and land use, transportation, ((~~and~~)) utility services, and economic development.

(c) "Economic development" means commercial activities, including those that facilitate the creation or retention of businesses or jobs, or that improve the standard of living or economic health of tribal communities.

Sec. 6. RCW 84.36.451 and 2001 c 26 s 2 are each amended to read as follows:

(1) The following property ((~~shall be~~)) is exempt from taxation: Any and all rights to occupy or use any real or personal property owned in fee or held in trust by:

(a) The United States, the state of Washington, or any political subdivision or municipal corporation of the state of Washington, or a federally recognized Indian tribe for property exempt under RCW 84.36.010; or

(b) A public corporation, commission, or authority created under RCW 35.21.730 or 35.21.660 if the property is listed on or is within a district listed on any federal or state register of historical sites; and

(c) ((~~Including~~)) Any leasehold interest arising from the property identified in (a) and (b) of this subsection as defined in RCW 82.29A.020.

(2) The exemption under this section ((~~shall~~)) does not apply to:

(a) Any such leasehold interests which are a part of operating properties of public utilities subject to assessment under chapter 84.12 RCW; or

(b) Any such leasehold interest consisting of three thousand or more residential and recreational lots that are or may be subleased for residential and recreational purposes.

(3) The exemption under this section ((~~shall~~)) may not be construed to modify the provisions of RCW 84.40.230.

Sec. 7. RCW 84.40.230 and 1994 c 124 s 25 are each amended to read as follows:

When any real property is sold on contract by the United States of America, the state, ((~~or~~)) any county or municipality, or any federally recognized Indian tribe, and the contract expresses or implies that the vendee is entitled to the possession, use, benefits and profits thereof and therefrom so long as the vendee complies with the terms of the contract, it ((~~shall be~~)) is deemed that the vendor retains title merely as security for the fulfillment of the contract, and the property ((~~shall~~)) must be assessed and taxed in the same manner as other similar property in private ownership is taxed, and the tax roll ((~~shall~~)) must contain, opposite the description of the property so assessed the following notation: "Subject to title remaining in the vendor" or other notation of similar significance. No foreclosure for delinquent taxes nor any deed issued pursuant thereto ((~~shall~~)) may extinguish or otherwise affect the title of the vendor. In any case under former law where the contract and not the property was taxed no deed of the property described in such contract ((~~shall~~)) may ever be executed and delivered by the state or any county or municipality until all taxes assessed against such contract and local assessments assessed against the land described thereon are fully paid.

NEW SECTION. **Sec. 8.** A new section is added to chapter 82.29A RCW to read as follows:

(1) Property owned exclusively by a federally recognized Indian tribe that is exempt from property tax under RCW 84.36.010 is subject to payment in lieu of leasehold excise taxes, if:

(a) The tax exempt property is used exclusively for economic development, as defined in RCW 84.36.010;

(b) There is no taxable leasehold interest in the tax exempt property;

(c) The property is located outside of the tribe's reservation; and

(d) The property is not otherwise exempt from taxation by federal law.

(2) The amount of the payment in lieu of leasehold excise taxes must be determined jointly and in good faith negotiation between the tribe that owns the property and the county in which the property is located. However, the amount may not exceed the leasehold excise tax amount that would otherwise be owed by a taxable leasehold interest in the property. If the tribe and the county cannot agree to terms on the amount of payment in lieu of taxes, the department may determine the rate, provided that the amount may not exceed the leasehold excise tax amount that would otherwise be owed by a taxable leasehold interest in the property.

(3) Payment must be made by the tribe to the county. The county treasurer must distribute all such money collected solely to the local taxing districts, including cities, in the same proportion that each local taxing district would have shared if a leasehold excise tax had been levied.

NEW SECTION. **Sec. 9.** A new section is added to chapter 84.36 RCW to read as follows:

(1) To qualify in any year for exempt status for real or personal property used exclusively for essential government services under RCW 84.36.010, a federally recognized Indian tribe must file an initial application with the department of revenue on or before October 1st of the prior year. All applications must be filed on forms prescribed by the department and signed by an authorized agent of the federally recognized tribe.

(2) If the use for essential government services is based in whole or in part on economic development, the application must also include:

(a) If the economic development activities are those of a lessee, a declaration from both the federally recognized tribe and the lessee confirming a lease agreement exists for the exempt tax year.

(b) If the property is subject to the payment in lieu of leasehold excise tax as described in section 8 of this act, a declaration from both the federally recognized tribe and the county in which the property is located confirming that an agreement exists for the exempt tax year regarding the amount for the payment in lieu of leasehold excise tax.

(3) A federally recognized Indian tribe which files an application under the requirements of subsection (2) of this section, must file an annual renewal application, on forms prescribed by the department of revenue, on or before October 1st of each year. The application must contain a declaration certifying the continuing exempt status of the real or personal property, and that the lease agreement or agreement for payment in lieu of leasehold excise tax continue in good standing, or that a new lease or agreement exists.

NEW SECTION. **Sec. 10.** A new section is added to chapter 52.30 RCW to read as follows:

(1) When exempt tribal property is located within the boundaries of a fire protection district or a regional fire protection service authority, the fire protection district or authority is authorized to contract with the tribe for compensation for providing fire protection services in an amount and under such terms as are mutually agreed upon by the fire protection district or authority and the tribe.

(2) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Exempt tribal property" means property that is owned exclusively by a federally recognized Indian tribe and that is exempt from taxation under RCW 84.36.010.

(b) "Regional fire protection service authority" or "authority" has the same meaning as provided in RCW 52.26.020.

NEW SECTION. **Sec. 11.** A new section is added to chapter 43.136 RCW to read as follows:

By December 1, 2020, and in compliance with RCW 43.01.036, the joint legislative audit and review committee must provide an economic impact report to the legislature evaluating the impacts of changes made in this act regarding the leasehold tax and property tax treatment of property owned by a federally recognized Indian tribe. The economic impact report must indicate: The number of parcels and uses of land involved; the economic impacts to tribal governments; state and local government revenue reductions, increases, and shifts from all tax sources affected; impacts on public infrastructure and public services; impacts on business investment and business competition; a description of the types of business activities affected; impacts on the number of jobs created or lost; and any other data the joint legislative audit and review committee deems necessary in determining the economic impacts of this act.

NEW SECTION. **Sec. 12.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act is null and void.

NEW SECTION. **Sec. 13.** This act applies to taxes levied for collection in 2015 and thereafter.

NEW SECTION. **Sec. 14.** This act expires January 1, 2022.

Passed by the House March 11, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 208

[Substitute House Bill 2612]

OPPORTUNITY SCHOLARSHIP PROGRAM

AN ACT Relating to the opportunity scholarship program; amending RCW 28B.145.010, 28B.145.020, 28B.145.030, 28B.145.050, 28B.145.060, and 28B.145.070; and adding a new section to chapter 28B.145 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28B.145.010 and 2013 c 39 s 13 are each amended to read as follows:

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

(1) "Board" means the ((~~higher education coordinating board or its successor~~)) opportunity scholarship board.

(2) "Council" means the student achievement council.

(3) "Eligible education programs" means high employer demand and other programs of study as determined by the ((~~opportunity scholarship~~)) board.

(((~~3~~))) (4) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses as determined by the program administrator in consultation with the ((~~board~~)) council and the state board for community and technical colleges.

(((~~4~~))) (5) "Eligible student" means a resident student who received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and who:

(a)(i) Has been accepted at a four-year institution of higher education into an eligible education program leading to a baccalaureate degree; or

(ii) Will attend a two-year institution of higher education and intends to transfer to an eligible education program at a four-year institution of higher education;

(b) Declares an intention to obtain a baccalaureate degree; and

(c) Has a family income at or below one hundred twenty-five percent of the state median family income at the time the student applies for an opportunity scholarship.

(((~~5~~))) (6) "High employer demand program of study" has the same meaning as provided in RCW 28B.50.030.

(((~~(6)~~))) (7) "Participant" means an eligible student who has received a scholarship under the opportunity scholarship program.

(((~~(7)~~))) (8) "Program administrator" means a college scholarship organization that is a private nonprofit corporation registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code, with expertise in managing scholarships and college advising.

(((~~(8)~~))) (9) "Resident student" has the same meaning as provided in RCW 28B.15.012.

Sec. 2. RCW 28B.145.020 and 2011 1st sp.s. c 13 s 3 are each amended to read as follows:

(1) The opportunity scholarship board is created. The ((~~opportunity scholarship~~)) board consists of ((~~seven~~)) eleven members:

(a) ((~~Three~~)) Six members appointed by the governor. For ((~~two~~)) three of the ((~~three~~)) six appointments, the governor shall consider names from a list provided by the president of the senate and the speaker of the house of representatives; and

(b) ((~~Four~~)) Five foundation or business and industry representatives appointed by the governor from among the state's most productive industries such as aerospace, manufacturing, health ((~~sciences~~)) care, information technology, engineering, agriculture, and others, as well as philanthropy. The foundation or business and industry representatives shall be selected from among nominations provided by the private sector donors to the opportunity scholarship and opportunity expansion programs. However, the governor may request, and the private sector donors shall provide, an additional list or lists from which the governor shall select these representatives.

(2) Board members shall hold their offices for a term of four years from the first day of September and until their successors are appointed. No more than the terms of two members may expire simultaneously on the last day of August in any one year.

(3) The members of the ((~~opportunity scholarship~~)) board shall elect one of the business and industry representatives to serve as chair.

(4) ((~~Five~~)) Seven members of the board constitute a quorum for the transaction of business. In case of a vacancy, or when an appointment is made after the date of expiration of the term, the governor or the president of the senate or the speaker of the house of representatives, depending upon which made the initial appointment to that position, shall fill the vacancy for the remainder of the term of the board member whose office has become vacant or expired.

(5) The ((~~opportunity scholarship~~)) board shall be staffed by the program administrator.

(6) The purpose of the ((~~opportunity scholarship~~)) board is to provide oversight and guidance for the opportunity expansion and the opportunity scholarship programs in light of established legislative priorities and to fulfill the duties and responsibilities under this chapter, including but not limited to determining eligible education programs for purposes of the opportunity scholarship program. Duties, exercised jointly with the program administrator, include soliciting funds and setting annual fund-raising goals.

(7) The ((~~opportunity scholarship~~)) board may report to the governor and the appropriate committees of the legislature with recommendations as to:

(a) Whether some or all of the scholarships should be changed to conditional scholarships that must be repaid in the event the participant does not complete the eligible education program; and

(b) A source or sources of funds for the opportunity expansion program in addition to the voluntary contributions of the high technology research and development tax credit under RCW 82.32.800.

Sec. 3. RCW 28B.145.030 and 2011 1st sp.s. c 13 s 4 are each amended to read as follows:

(1) The program administrator, under contract with the ((~~board~~)) council, shall staff the ((~~opportunity scholarship~~)) board and shall have the duties and responsibilities provided in this chapter, including but not limited to publicizing the program, selecting participants for the opportunity scholarship award, distributing opportunity scholarship awards, and achieving the maximum possible rate of return on investment of the accounts in subsection (2) of this section, while ensuring transparency in the investment decisions and processes. Duties, exercised jointly with the ((~~opportunity scholarship~~)) board, include soliciting funds and setting annual fund-raising goals. The program administrator shall be paid an administrative fee as determined by the ((~~opportunity scholarship~~)) board.

(2) With respect to the opportunity scholarship program, the program administrator shall:

(a) Establish and manage two separate accounts into which to receive grants and contributions from private sources as well as state matching funds, and from which to disburse scholarship funds to participants;

(b) Solicit and accept grants and contributions from private sources, via direct payment, pledge agreement, or escrow account, of private sources for deposit into one or both of the two accounts created in this subsection (2)(b) in accordance with this subsection (2)(b):

(i) The "scholarship account," whose principal may be invaded, and from which scholarships must be disbursed beginning no later than December 1, 2011, if, by that date, state matching funds in the amount of five million dollars or more have been received. Thereafter, scholarships shall be disbursed on an annual basis beginning no later than May 1, 2012, and every ((~~May~~)) October 1st thereafter;

(ii) The "endowment account," from which scholarship moneys may be disbursed from earnings only in years when:

(A) The state match has been made into both the scholarship and the endowment account;

(B) The state appropriations for the state need grant under RCW 28B.92.010 meet or exceed state appropriations for the state need grant made in the 2011-2013 biennium, adjusted for inflation, and eligibility for state need grant recipients is at least seventy percent of state median family income; and

(C) The state has demonstrated progress toward the goal of total per-student funding levels, from state appropriations plus tuition and fees, of at least the sixtieth percentile of total per-student funding at similar public institutions of higher education in the global challenge states, as defined, measured, and reported in RCW 28B.15.068. In any year in which the office of financial

management reports that the state has not made progress toward this goal, no new scholarships may be awarded. In any year in which the office of financial management reports that the percentile of total per-student funding is less than the sixtieth percentile and at least five percent less than the prior year, pledges of future grants and contributions may, at the request of the donor, be released and grants and contributions already received refunded to the extent that opportunity scholarship awards already made can be fulfilled from the funds remaining in the endowment account. In fulfilling the requirements of this subsection, the office of financial management shall use resources that facilitate measurement and comparisons of the most recently completed academic year. These resources may include, but are not limited to, the data provided in a uniform dashboard format under RCW 28B.77.090 as the statewide public four-year dashboard and academic year reports prepared by the state board for community and technical colleges; ((~~and~~))

(iii) An amount equal to at least fifty percent of all grants and contributions must be deposited into the scholarship account until such time as twenty million dollars have been deposited into the account, after which time the private donors may designate whether their contributions must be deposited to the scholarship or the endowment account. The ((~~opportunity scholarship~~)) board and the program administrator must work to maximize private sector contributions to both the scholarship account and the endowment account, to maintain a robust scholarship program while simultaneously building the endowment, and to determine the division between the two accounts in the case of undesignated grants and contributions, taking into account the need for a long-term funding mechanism and the short-term needs of families and students in Washington. The first five million dollars in state match, as provided in RCW 28B.145.040, shall be deposited into the scholarship account and thereafter the state match shall be deposited into the two accounts in equal proportion to the private funds deposited in each account; and

(iv) Once moneys in the opportunity scholarship match transfer account are subject to an agreement under RCW 28B.145.050(5) and are deposited in the scholarship account or endowment account under this section, the state acts in a fiduciary rather than ownership capacity with regard to those assets. Assets in the scholarship account and endowment account are not considered state money, common cash, or revenue to the state;

(c) Provide proof of receipt of grants and contributions from private sources to the ((~~board~~)) council, identifying the amounts received by name of private source and date, and whether the amounts received were deposited into the scholarship or the endowment account;

(d) In consultation with the ((~~higher education coordinating board~~)) council and the state board for community and technical colleges, make an assessment of the reasonable annual eligible expenses associated with eligible education programs identified by the ((~~opportunity scholarship~~)) board;

(e) Determine the dollar difference between tuition fees charged by institutions of higher education in the 2008-09 academic year and the academic year for which an opportunity scholarship is being distributed;

(f) Develop and implement an application, selection, and notification process for awarding opportunity scholarships;

(g) Determine the annual amount of the opportunity scholarship for each selected participant. The annual amount shall be at least one thousand dollars or the amount determined under (e) of this subsection, but may be increased on an income-based, sliding scale basis up to the amount necessary to cover all reasonable annual eligible expenses as assessed pursuant to (d) of this subsection, or to encourage participation in baccalaureate degree programs identified by the ((~~opportunity scholarship~~)) board;

(h) Distribute scholarship funds to selected participants. Once awarded, and to the extent funds are available for distribution, an opportunity scholarship shall be automatically renewed until the participant withdraws from or is no longer attending the program, completes the program, or has taken the credit or clock hour equivalent of one hundred twenty-five percent of the published length of time of the participant's program, whichever occurs first, and as long as the participant annually submits documentation of filing both a free application for federal student aid and for available federal education tax credits, including but not limited to the American opportunity tax credit; and

(i) Notify institutions of scholarship recipients who will attend their institutions and inform them of the terms of the students' eligibility.

(3) With respect to the opportunity expansion program, the program administrator shall:

(a) Assist the ((~~opportunity scholarship~~)) board in developing and implementing an application, selection, and notification process for making opportunity expansion awards; and

(b) Solicit and accept grants and contributions from private sources for opportunity expansion awards.

NEW SECTION. **Sec. 4.** A new section is added to chapter 28B.145 RCW to read as follows:

(1) The board may elect to have the state investment board invest the funds in the scholarship account and endowment account described under RCW 28B.145.030(2)(b). If the board so elects, the state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in the two accounts. All investment and operating costs associated with the investment of money shall be paid under RCW 43.33A.160 and 43.84.160. With the exception of these expenses, the earnings from the investment of the money shall be retained by the accounts.

(2) All investments made by the state investment board shall be made with the exercise of that degree of judgment and care under RCW 43.33A.140 and the investment policy established by the state investment board.

(3) As deemed appropriate by the state investment board, money in the scholarship and endowment accounts may be commingled for investment with other funds subject to investment by the state investment board.

(4) Members of the state investment board shall not be considered an insurer of the funds or assets and are not liable for any action or inaction.

(5) Members of the state investment board are not liable to the state, to the fund, or to any other person as a result of their activities as members, whether ministerial or discretionary, except for willful dishonesty or intentional violations of law. The state investment board in its discretion may purchase liability insurance for members.

(6) The authority to establish all policies relating to the scholarship account and the endowment account, other than the investment policies as provided in subsections (1) through (3) of this section, resides with the board and program administrator acting in accordance with the principles set forth in this chapter. With the exception of expenses of the state investment board in subsection (1) of this section, disbursements from the scholarship account and endowment account shall be made only on the authorization of the opportunity scholarship board or its designee, and moneys in the accounts may be spent only for the purposes specified in this chapter.

(7) The state investment board shall routinely consult and communicate with the board on the investment policy, earnings of the accounts, and related needs of the program.

Sec. 5. RCW 28B.145.050 and 2011 1st sp.s. c 13 s 6 are each amended to read as follows:

(1) The opportunity scholarship match transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the opportunity scholarship program created in RCW 28B.145.040. The purpose of the account is to provide matching funds for the opportunity scholarship program.

(2) Revenues to the account shall consist of appropriations by the legislature into the account and any gifts, grants, or donations received by the executive director of the ((~~board~~)) council for this purpose.

(3) No expenditures from the account may be made except upon receipt of proof, by the executive director of the ((~~board~~)) council from the program administrator, of private contributions to the opportunity scholarship program. Expenditures, in the form of matching funds, may not exceed the total amount of private contributions.

(4) Only the executive director of the ((~~board~~)) council or the executive director's designee may authorize expenditures from the opportunity scholarship match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under subsection (3) of this section.

(5) The council shall enter into an appropriate agreement with the program administrator to demonstrate exchange of consideration for the matching funds.

Sec. 6. RCW 28B.145.060 and 2013 c 39 s 14 are each amended to read as follows:

(1) The opportunity expansion program is established.

(2) The ((~~opportunity scholarship~~)) board shall select institutions of higher education to receive opportunity expansion awards. In so doing, the ((~~opportunity scholarship~~)) board must:

(a) Solicit, receive, and evaluate proposals from institutions of higher education that are designed to directly increase the number of baccalaureate degrees produced in high employer demand and other programs of study, and that include annual numerical targets for the number of such degrees, with a strong emphasis on serving students who received their high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington or are adult Washington residents who are returning to school to gain a baccalaureate degree;

(b) Develop criteria for evaluating proposals and awarding funds to the proposals deemed most likely to increase the number of baccalaureate degrees and degrees produced in high employer demand and other programs of study;

(c) Give priority to proposals that include a partnership between public and private partnership entities that leverage additional private funds;

(d) Give priority to proposals that are innovative, efficient, and cost-effective, given the nature and cost of the particular program of study;

(e) Consult and operate in consultation with existing higher education stakeholders, including but not limited to: Faculty, labor, student organizations, and relevant higher education agencies; and

(f) Determine which proposals to improve and accelerate the production of baccalaureate degrees in high employer demand and other programs of study will receive opportunity expansion awards for the following state fiscal year, notify the state treasurer, and announce the awards.

(3) The state treasurer, at the direction of the ((~~opportunity scholarship~~)) board, must distribute the funds that have been awarded to the institutions of higher education from the opportunity expansion account.

(4) Institutions of higher education receiving awards under this section may not supplant existing general fund state revenues with opportunity expansion awards.

(5) Annually, the office of financial management shall report to the ((~~opportunity scholarship~~)) board, the governor, and the relevant committees of the legislature regarding the percentage of Washington households with incomes in the middle-income bracket or higher. For purposes of this section, "middle-income bracket" means household incomes between two hundred and five hundred percent of the 2010 federal poverty level, as determined by the United States department of health and human services for a family of four, adjusted annually for inflation.

(6) Annually, the ((~~student achievement~~)) council must report to the ((~~opportunity scholarship~~)) board, the governor, and the relevant committees of the legislature regarding the increase in the number of degrees in high employer demand and other programs of study awarded by institutions of higher education over the average of the preceding ten academic years.

(7) In its comprehensive plan, the workforce training and education coordinating board shall include specific strategies to reach the goal of increasing the percentage of Washington households living in the middle-income bracket or higher, as calculated by the office of financial management and developed by the agency or education institution that will lead the strategy.

Sec. 7. RCW 28B.145.070 and 2011 1st sp.s. c 13 s 8 are each amended to read as follows:

(1) ((~~By December 1, 2012, and~~)) Annually each December 1st ((~~thereafter~~)), the ((~~opportunity scholarship~~)) board, together with the program administrator, shall report to the ((~~board~~)) council, the governor, and the appropriate committees of the legislature regarding the opportunity scholarship and opportunity expansion programs, including but not limited to:

(a) Which education programs the ((~~opportunity scholarship~~)) board determined were eligible for purposes of the opportunity scholarship;

(b) The number of applicants for the opportunity scholarship, disaggregated, to the extent possible, by race, ethnicity, gender, county of origin, age, and median family income;

(c) The number of participants in the opportunity scholarship program, disaggregated, to the extent possible, by race, ethnicity, gender, county of origin, age, and median family income;

(d) The number and amount of the scholarships actually awarded, and whether the scholarships were paid from the scholarship account or the endowment account;

(e) The institutions and eligible education programs in which opportunity scholarship participants enrolled, together with data regarding participants' completion and graduation;

(f) The total amount of private contributions and state match moneys received for the opportunity scholarship program, how the funds were distributed between the scholarship and endowment accounts, the interest or other earnings on the accounts, and the amount of any administrative fee paid to the program administrator; and

(g) Identification of the programs the ((~~opportunity scholarship~~)) board selected to receive opportunity expansion awards and the amount of such awards.

(2) In the next succeeding legislative session following receipt of a report required under subsection (1) of this section, the appropriate committees of the legislature shall review the report and consider whether any legislative action is necessary with respect to either the opportunity scholarship program or the opportunity expansion program, including but not limited to consideration of whether any legislative action is necessary with respect to the nature and level of focus on high employer demand fields and the number and amount of scholarships.

Passed by the House March 10, 2014.
Passed by the Senate March 7, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 209

[Engrossed Substitute House Bill 2626]

EDUCATION—ATTAINMENT GOALS

AN ACT Relating to establishing statewide educational attainment goals; creating new sections; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

***NEW SECTION.** Sec. 1. (1) The legislature finds that increasing educational attainment is vital to the well-being of Washingtonians and critical to the health of the state's economy. Education opens doors to gainful employment, higher wages, increased job benefits, improved physical health, and increased civic engagement. Educated workers who are capable of competing for high-demand jobs in today's global economy sustain existing employers and attract new businesses. These individuals with competitive*

higher education credentials directly contribute to the state's economic growth and vitality.

(2) The legislature finds that workforce and labor market projections estimate that by 2020 the vast majority of jobs in Washington will require at least a high school diploma or equivalent and seventy percent of those jobs will also require some postsecondary education.

(3) The legislature finds that current levels of educational attainment are inadequate to address the educational needs of the state. In 2013, eighty-nine percent of Washington adults ages twenty-five to forty-four had a high school diploma or equivalent, and less than fifty percent of Washington adults ages twenty-five to forty-four have a postsecondary credential.

(4) The legislature recognizes that one of the most important duties of the student achievement council is to propose educational attainment goals to the governor and legislature and develop a ten-year roadmap to achieve those goals, to be updated every two years.

***Sec. 1 was vetoed. See message at end of chapter.**

NEW SECTION. **Sec. 2.** Acknowledging the recommendations in the higher education ten-year roadmap, the legislature is encouraged by the student achievement council's efforts to meet the following two goals in order to meet the societal and economic needs of the future:

(1) All adults in Washington ages twenty-five to forty-four will have a high school diploma or equivalent by 2023; and

(2) At least seventy percent of Washington adults ages twenty-five to forty-four will have a postsecondary credential by 2023.

NEW SECTION. **Sec. 3.** This act expires July 1, 2016.

Passed by the House March 11, 2014.

Passed by the Senate March 7, 2014.

Approved by the Governor April 3, 2014, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 1, Engrossed Substitute House Bill No. 2626 entitled:

"AN ACT Relating to establishing statewide educational attainment goals."

With this legislation we are taking the important step of adopting post-secondary attainment goals for all Washingtonians.

Section 1 is an intent section that discusses the labor market and attainment statistics and is not necessary to interpret or implement the substantive provisions of the bill.

For these reasons I have vetoed Section 1 of Engrossed Substitute House Bill No. 2626.

With the exception of Section 1, Engrossed Substitute House Bill No. 2626 is approved."

CHAPTER 210

[Substitute Senate Bill 5360]

UNPAID WAGES—COLLECTION

AN ACT Relating to the collection of unpaid wages; and amending RCW 49.48.086 and 82.32.235.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 49.48.086 and 2010 c 42 s 4 are each amended to read as follows:

(1) After a final order is issued under RCW 49.48.084, if an employer defaults in the payment of: (a) Any wages determined by the department to be owed to an employee, including interest; or (b) any civil penalty ordered by the department under RCW 49.48.083, the director may file with the clerk of any county within the state a warrant in the amount of the payment plus any filing fees. The clerk of the county in which the warrant is filed shall immediately designate a superior court cause number for the warrant, and the clerk shall cause to be entered in the judgment docket under the superior court cause number assigned to the warrant, the name of the employer mentioned in the warrant, the amount of payment due on it plus any filing fees, and the date when the warrant was filed. The aggregate amount of the warrant as docketed becomes a lien upon the title to, and interest in, all real and personal property of the employer against whom the warrant is issued, the same as a judgment in a civil case docketed in the office of the clerk. The sheriff shall proceed upon the warrant in all respects and with like effect as prescribed by law with respect to execution or other process issued against rights or property upon judgment in a court of competent jurisdiction. The warrant so docketed is sufficient to support the issuance of writs of garnishment in favor of the state in a manner provided by law in case of judgment, wholly or partially unsatisfied. The clerk of the court is entitled to a filing fee which will be added to the amount of the warrant. A copy of the warrant shall be mailed to the employer within three days of filing with the clerk.

(2)(a) The director may issue to any person, firm, corporation, other entity, municipal corporation, political subdivision of the state, a public corporation, or any agency of the state, a notice and order to withhold and deliver property of any kind when he or she has reason to believe that there is in the possession of the person, firm, corporation, other entity, municipal corporation, political subdivision of the state, public corporation, or agency of the state, property that is or will become due, owing, or belonging to an employer upon whom a notice of assessment has been served by the department for payments or civil penalties due to the department. The effect of a notice and order is continuous from the date the notice and order is first made until the liability out of which the notice and order arose is satisfied or becomes unenforceable because of lapse of time. The department shall release the notice and order when the liability out of which the notice and order arose is satisfied or becomes unenforceable by reason of lapse of time and shall notify the person against whom the notice and order was made that the notice and order has been released.

(b) The notice and order to withhold and deliver must be served by the sheriff of the county or by the sheriff's deputy, by certified mail, return receipt requested, or by the director. A person, firm, corporation, other entity, municipal

corporation, political subdivision of the state, public corporation, or agency of the state upon whom service has been made shall answer the notice within twenty days exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of in the notice and order. Upon service of the notice and order, if the party served possesses any property that may be subject to the claim of the department, the party shall promptly deliver the property to the director. The director shall hold the property in trust for application on the employer's indebtedness to the department, or for return without interest, in accordance with a final determination of a petition for review. In the alternative, the party shall furnish a good and sufficient surety bond satisfactory to the director conditioned upon final determination of liability. If a party served and named in the notice fails to answer the notice within the time prescribed in this section, the court may render judgment by default against the party for the full amount claimed by the director in the notice, together with costs. If a notice is served upon an employer and the property subject to it is wages, the employer may assert in the answer all exemptions provided for by chapter 6.27 RCW to which the wage earner is entitled.

(c) As an alternative to the methods of service described in this section, the department may electronically serve a financial institution with a notice and order to withhold and deliver by providing a list of its outstanding warrants, except those for which a payment agreement is in good standing, to the department of revenue. The department of revenue may include the warrants provided by the department in a notice and order to withhold and deliver served under RCW 82.32.235(3). A financial institution that is served with a notice and order to withhold and deliver under this subsection (2)(c) must answer the notice within the time period applicable to service under RCW 82.32.235(3). The department and the department of revenue may adopt rules to implement this subsection (2)(c).

(3) In addition to the procedure for collection of wages owed, including interest, and civil penalties as set forth in this section, the department may recover wages owed, including interest, and civil penalties assessed under RCW 49.48.083 in a civil action brought in a court of competent jurisdiction of the county where the violation is alleged to have occurred.

(4) Whenever any employer quits business, sells out, exchanges, or otherwise disposes of the employer's business or stock of goods, any person who becomes a successor to the business becomes liable for the full amount of any outstanding citation and notice of assessment or penalty against the employer's business under this chapter if, at the time of the conveyance of the business, the successor has: (a) Actual knowledge of the fact and amount of the outstanding citation and notice of assessment or (b) a prompt, reasonable, and effective means of accessing and verifying the fact and amount of the outstanding citation and notice of assessment from the department. If the citation and notice of assessment or penalty is not paid in full by the employer within ten days of the date of the sale, exchange, or disposal, the successor is liable for the payment of the full amount of the citation and notice of assessment or penalty, and payment thereof by the successor must, to the extent thereof, be deemed a payment upon the purchase price. If the payment is greater in amount than the purchase price, the amount of the difference becomes a debt due the successor from the employer.

(5) This section does not affect other collection remedies that are otherwise provided by law.

Sec. 2. RCW 82.32.235 and 2009 c 562 s 1 are each amended to read as follows:

(1) In addition to the remedies provided in this chapter the department is authorized to issue to any person, a notice and order to withhold and deliver property of any kind whatsoever when there is reason to believe that there is in the possession of such person, property which is or will become due, owing, or belonging to any taxpayer against whom a warrant has been filed.

(2) The sheriff of the county where the service is made, or his or her deputy, or any duly authorized representative of the department may personally serve the notice and order to withhold and deliver upon the person to whom it is directed or may do so by certified mail, with return receipt requested.

(3)(a) The department is authorized to issue a notice and order to withhold and deliver to any financial institution in the form of a listing of all or a portion of the unsatisfied tax warrants filed under this chapter and outstanding warrants under RCW 49.48.086 with the clerk of the superior court of a county of the state, except tax warrants subject to a payment agreement, which is not in default, between the department and the taxpayer.

(b) As an alternative to the methods of service in subsection (2) of this section, the department may serve the notice and order to withhold and deliver authorized under this subsection electronically. The remedy in this subsection (3) is in addition to any other remedies authorized by law.

(c) No more than one notice and order to withhold and deliver under this subsection (3) may be served on the same financial institution in a calendar month.

(d) Notice and order to withhold and deliver under this subsection (3) must include the federal taxpayer identification number of each taxpayer.

(e) For purposes of this subsection, "financial institution" means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business and accept deposits in this state under state or federal law.

(f) The department may provide a financial institution relief from a notice and order to withhold and deliver in the form provided under this subsection (3) upon the request of the financial institution. The department must consider the size, customer base, and geographic location of the financial institution when considering whether to provide relief. The department must serve any financial institution so relieved under subsection (1) of this section.

(4) Any person who has been served with a notice and order to withhold and deliver under subsection (1) of this section must answer the notice within twenty days, exclusive of the day of service. Any person who has been served with a notice and order to withhold and deliver under subsection (3) of this section must answer the notice within thirty days, exclusive of the day of service. The answer must be in writing, under oath if required by the department, and include true answers to the matters inquired of in the notice. Any person served under subsection (3) of this section may answer in aggregate within thirty days, but must answer separately as to each taxpayer listed and specify any property by taxpayer which is delivered. The department must allow any person served electronically under subsection (3) of this section to answer the notice and order

to withhold and deliver electronically in a format provided or approved by the department.

(5) In the event there is in the possession of any person served with a notice and order to withhold and deliver, any property which may be subject to the claim of the department, such property must be delivered immediately to the department of revenue or its duly authorized representative upon demand. The department must hold the property in trust for application on the indebtedness involved or for return, without interest, in accordance with final determination of liability or nonliability. Instead of delivering the property to the department or the department's duly authorized representative, the person may furnish a bond satisfactory to the department conditioned upon final determination of liability.

(6) Should any person, having been served with a notice and order to withhold and deliver, fail to answer the notice and order to withhold and deliver within the time prescribed in this section or otherwise fail to comply with the duties imposed in this section, the department may bring a proceeding, in the superior court of Thurston county or of the county in which service of the notice was made, to enforce the notice and order to withhold and deliver. The court may render judgment by default against such person for the full amount claimed by the department in the notice and order to withhold and deliver or may grant such other relief as the court deems just, together with costs.

(7) For purposes of this section, "person" has the same meaning as in RCW 82.04.030 and also includes any agency, department, or institution of the state.

Passed by the Senate February 12, 2014.
Passed by the House March 7, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 211

[Second Substitute Senate Bill 6062]

K-12 SCHOOLS—DATA AND EXPENDITURE INFORMATION—AVAILABILITY

AN ACT Relating to providing internet access to public school data and expenditure information; adding a new section to chapter 28A.320 RCW; adding a new section to chapter 28A.325 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** It is the legislature's intent to improve the transparency of certain public school data and expenditure information that may currently be available as a public record but is not easily accessible to the general public. For example, there is not a consistent policy for providing easy access to information about either public school employee collective bargaining agreements or associated student body program funds.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.320 RCW to read as follows:

Each school district, charter school, and state-tribal compact school must publish on its web site a copy of its public school employee collective bargaining agreements by September 1, 2014, and thereafter must update the web site within thirty days of approval, renewal, or amendment of any such agreement.

NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.325 RCW to read as follows:

(1) Each school district that has an associated student body program fund must publish the following information about the fund on its web site:

(a) The fund balance at the beginning of the school year;

(b) Summary data about expenditures and revenues occurring over the course of the school year; and

(c) The fund balance at the end of the school year.

(2) The information under this section must be published for each associated student body of the district and each account within the associated student body program fund.

(3) If the school district web site contains separate web sites for schools in the district, the information under this section must be published on the web site of the applicable school of the associated student body.

(4) No later than August 31, 2014, school districts must publish the information under this section on their web sites for the 2012-13 and 2013-14 school years. School districts must add updated annual information to their web sites by each August 31st, except that school districts are only required to maintain the information on the web site from the previous five years.

Passed by the Senate March 11, 2014.
Passed by the House March 7, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 212

[Substitute Senate Bill 6074]

K-12 SCHOOLS—HOMELESS STUDENTS

AN ACT Relating to improving educational outcomes for homeless students; amending RCW 28A.300.540 and 28A.175.010; adding a new section to chapter 28A.320 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** The legislature finds that since the 2005-06 school year, the number of homeless students identified in the K-12 public school system has been increasing. The legislature further finds that there are additional homeless students who are not identified by schools. The legislature intends to improve educational outcomes for homeless children by strengthening the ability of school districts to identify homeless students, establishing data reporting requirements, and distributing best practices and information regarding services and support for homeless students.

Sec. 2. RCW 28A.300.540 and 2009 c 515 s 12 are each amended to read as follows:

(1) By December 31, 2010, the office of the superintendent of public instruction shall establish a uniform process designed to track the additional expenditures for transporting homeless students, including expenditures required under the McKinney Vento act, reauthorized as Title X, Part C, of the no child left behind act, P.L. 107-110, in January 2002. Once established, the superintendent shall adopt the necessary administrative rules to direct each

school district to adopt and use the uniform process and track these expenditures. The superintendent shall ((~~provide information annually to the agency council on coordinated transportation, created in chapter 47.06B RCW, on~~)) post on the superintendent's web site total expenditures related to the transportation of homeless students.

(2)(a) By January 10, 2015, and every odd-numbered year thereafter, the office of the superintendent of public instruction shall report to the governor and the legislature the following data for homeless students:

(i) The number of identified homeless students enrolled in public schools;

(ii) The number of students participating in the learning assistance program under chapter 28A.165 RCW, the highly capable program under chapter 28A.185 RCW, and the running start program under chapter 28A.600 RCW; and

(iii) The academic performance and educational outcomes of homeless students, including but not limited to the following performance and educational outcomes:

(A) Student scores on the statewide administered academic assessments;

(B) English language proficiency;

(C) Dropout rates;

(D) Four-year adjusted cohort graduation rate;

(E) Five-year adjusted cohort graduation rate;

(F) Absenteeism rates;

(G) Truancy rates, if available; and

(H) Suspension and expulsion data.

(b) The data reported under this subsection (2) must include state and district-level information and must be disaggregated by at least the following subgroups of students: White, Black, Hispanic, American Indian/Alaskan Native, Asian, Pacific Islander/Hawaiian Native, low income, transitional bilingual, migrant, special education, and gender.

(3) By July 1, 2014, the office of the superintendent of public instruction in collaboration with experts from community organizations on homelessness and homeless education policy, shall develop or acquire a short video that provides information on how to identify signs that indicate a student may be homeless, how to provide services and support to homeless students, and why this identification and support is critical to student success. The video must be posted on the superintendent of public instruction's web site.

(4) By July 1, 2014, the office of the superintendent of public instruction shall adopt and distribute to each school district, best practices for choosing and training school district-designated homeless student liaisons.

NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.320 RCW to read as follows:

(1) On an annual basis, each school district must strongly encourage:

(a) All school staff to annually review the video posted on the office of the superintendent of public instruction's web site on how to identify signs that indicate a student may be homeless, how to provide services and support to homeless students, and why this identification and support is critical to student success to ensure that homeless students are appropriately identified and supported; and

(b) Every district-designated homeless student liaison to attend trainings provided by the state to ensure that homeless children and youth are identified and served.

(2) Each school district shall include in existing materials that are shared with students at the beginning of the school year or at enrollment, information about services and support for homeless students. School districts may use the brochure posted on the web site of the office of the superintendent of public instruction as a resource. Schools are also strongly encouraged to use a variety of communications each year to notify students and families about services and support available to them if they experience homelessness, including but not limited to:

(a) Distributing and collecting an annual housing intake survey;

(b) Providing parent brochures directly to students and families;

(c) Announcing the information at school-wide assemblies; or

(d) Posting information on the district's web site or linking to the office of the superintendent of public instruction's web site.

Sec. 4. RCW 28A.175.010 and 2010 c 243 s 5 are each amended to read as follows:

Each school district shall account for the educational progress of each of its students. To achieve this, school districts shall be required to report annually to the superintendent of public instruction:

(1) For students enrolled in each of a school district's high school programs:

(a) The number of students who graduate in fewer than four years;

(b) The number of students who graduate in four years;

(c) The number of students who remain in school for more than four years but who eventually graduate and the number of students who remain in school for more than four years but do not graduate;

(d) The number of students who transfer to other schools;

(e) The number of students in the ninth through twelfth grade who drop out of school over a four-year period; and

(f) The number of students whose status is unknown.

(2) Dropout rates of students in each of the grades seven through twelve.

(3) Dropout rates for student populations in each of the grades seven through twelve by:

(a) Ethnicity;

(b) Gender;

(c) Socioeconomic status; ((~~and~~))

(d) Disability status; and

(e) Identified homeless status.

(4) The causes or reasons, or both, attributed to students for having dropped out of school in grades seven through twelve.

(5) The superintendent of public instruction shall adopt rules under chapter 34.05 RCW to assure uniformity in the information districts are required to report under subsections (1) through (4) of this section. In developing rules, the superintendent of public instruction shall consult with school districts, including administrative and counseling personnel, with regard to the methods through which information is to be collected and reported.

(6) In reporting on the causes or reasons, or both, attributed to students for having dropped out of school, school building officials shall, to the extent

reasonably practical, obtain such information directly from students. In lieu of obtaining such information directly from students, building principals and counselors shall identify the causes or reasons, or both, based on their professional judgment.

(7) The superintendent of public instruction shall report annually to the legislature the information collected under subsections (1) through (4) of this section.

(8) The Washington state institute for public policy shall calculate an annual estimate of the savings resulting from any change compared to the prior school year in the extended graduation rate. The superintendent shall include the estimate from the institute in an appendix of the report required under subsection (7) of this section, beginning with the 2010 report.

Passed by the Senate February 12, 2014.
Passed by the House March 7, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 213

[Engrossed Substitute Senate Bill 6137]
PHARMACY BENEFIT MANAGERS

AN ACT Relating to pharmacy benefit managers regarding registration, audits, and maximum allowable cost standards; and adding a new chapter to Title 19 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Claim" means a request from a pharmacy or pharmacist to be reimbursed for the cost of filling or refilling a prescription for a drug or for providing a medical supply or service.

(2) "Insurer" has the same meaning as in RCW 48.01.050.

(3) "Pharmacist" has the same meaning as in RCW 18.64.011.

(4) "Pharmacy" has the same meaning as in RCW 18.64.011.

(5)(a) "Pharmacy benefit manager" means a person that contracts with pharmacies on behalf of an insurer, a third-party payor, or the prescription drug purchasing consortium established under RCW 70.14.060 to:

(i) Process claims for prescription drugs or medical supplies or provide retail network management for pharmacies or pharmacists;

(ii) Pay pharmacies or pharmacists for prescription drugs or medical supplies; or

(iii) Negotiate rebates with manufacturers for drugs paid for or procured as described in this subsection.

(b) "Pharmacy benefit manager" does not include a health care service contractor as defined in RCW 48.44.010.

(6) "Third-party payor" means a person licensed under RCW 48.39.005.

NEW SECTION. **Sec. 2.** (1) To conduct business in this state, a pharmacy benefit manager must register with the department of revenue's business licensing service and annually renew the registration.

(2) To register under this section, a pharmacy benefit manager must:

(a) Submit an application requiring the following information:

(i) The identity of the pharmacy benefit manager;

(ii) The name, business address, phone number, and contact person for the pharmacy benefit manager; and

(iii) Where applicable, the federal tax employer identification number for the entity; and

(b) Pay a registration fee of two hundred dollars.

(3) To renew a registration under this section, a pharmacy benefit manager must pay a renewal fee of two hundred dollars.

(4) All receipts from registrations and renewals collected by the department must be deposited into the business license account created in RCW 19.02.210.

NEW SECTION. **Sec. 3.** As used in sections 3 through 9 of this act:

(1) "Audit" means an on-site or remote review of the records of a pharmacy by or on behalf of an entity.

(2) "Clerical error" means a minor error:

(a) In the keeping, recording, or transcribing of records or documents or in the handling of electronic or hard copies of correspondence;

(b) That does not result in financial harm to an entity; and

(c) That does not involve dispensing an incorrect dose, amount or type of medication, or dispensing a prescription drug to the wrong person.

(3) "Entity" includes:

(a) A pharmacy benefit manager;

(b) An insurer;

(c) A third-party payor;

(d) A state agency; or

(e) A person that represents or is employed by one of the entities described in this subsection.

(4) "Fraud" means knowingly and willfully executing or attempting to execute a scheme, in connection with the delivery of or payment for health care benefits, items, or services, that uses false or misleading pretenses, representations, or promises to obtain any money or property owned by or under the custody or control of any person.

NEW SECTION. **Sec. 4.** An entity that audits claims or an independent third party that contracts with an entity to audit claims:

(1) Must establish, in writing, a procedure for a pharmacy to appeal the entity's findings with respect to a claim and must provide a pharmacy with a notice regarding the procedure, in writing or electronically, prior to conducting an audit of the pharmacy's claims;

(2) May not conduct an audit of a claim more than twenty-four months after the date the claim was adjudicated by the entity;

(3) Must give at least fifteen days' advance written notice of an on-site audit to the pharmacy or corporate headquarters of the pharmacy;

(4) May not conduct an on-site audit during the first five days of any month without the pharmacy's consent;

(5) Must conduct the audit in consultation with a pharmacist who is licensed by this or another state if the audit involves clinical or professional judgment;

(6) May not conduct an on-site audit of more than two hundred fifty unique prescriptions of a pharmacy in any twelve-month period except in cases of alleged fraud;

(7) May not conduct more than one on-site audit of a pharmacy in any twelve-month period;

(8) Must audit each pharmacy under the same standards and parameters that the entity uses to audit other similarly situated pharmacies;

(9) Must pay any outstanding claims of a pharmacy no more than forty-five days after the earlier of the date all appeals are concluded or the date a final report is issued under section 8(3) of this act;

(10) May not include dispensing fees or interest in the amount of any overpayment assessed on a claim unless the overpaid claim was for a prescription that was not filled correctly;

(11) May not recoup costs associated with:

(a) Clerical errors; or

(b) Other errors that do not result in financial harm to the entity or a consumer; and

(12) May not charge a pharmacy for a denied or disputed claim until the audit and the appeals procedure established under subsection (1) of this section are final.

NEW SECTION. **Sec. 5.** An entity's finding that a claim was incorrectly presented or paid must be based on identified transactions and not based on probability sampling, extrapolation, or other means that project an error using the number of patients served who have a similar diagnosis or the number of similar prescriptions or refills for similar drugs.

NEW SECTION. **Sec. 6.** An entity that contracts with an independent third party to conduct audits may not:

(1) Agree to compensate the independent third party based on a percentage of the amount of overpayments recovered; or

(2) Disclose information obtained during an audit except to the contracting entity, the pharmacy subject to the audit, or the holder of the policy or certificate of insurance that paid the claim.

NEW SECTION. **Sec. 7.** For purposes of sections 3 through 9 of this act, an entity, or an independent third party that contracts with an entity to conduct audits, must allow as evidence of validation of a claim:

(1) An electronic or physical copy of a valid prescription if the prescribed drug was, within fourteen days of the dispensing date:

(a) Picked up by the patient or the patient's designee;

(b) Delivered by the pharmacy to the patient; or

(c) Sent by the pharmacy to the patient using the United States postal service or other common carrier;

(2) Point of sale electronic register data showing purchase of the prescribed drug, medical supply, or service by the patient or the patient's designee; or

(3) Electronic records, including electronic beneficiary signature logs, electronically scanned and stored patient records maintained at or accessible to the audited pharmacy's central operations, and any other reasonably clear and accurate electronic documentation that corresponds to a claim.

NEW SECTION. **Sec. 8.** (1)(a) After conducting an audit, an entity must provide the pharmacy that is the subject of the audit with a preliminary report of the audit. The preliminary report must be received by the pharmacy no later than forty-five days after the date on which the audit was completed and must be sent:

(i) By mail or common carrier with a return receipt requested; or

(ii) Electronically with electronic receipt confirmation.

(b) An entity shall provide a pharmacy receiving a preliminary report under this subsection no fewer than forty-five days after receiving the report to contest the report or any findings in the report in accordance with the appeals procedure established under section 4(1) of this act and to provide additional documentation in support of the claim. The entity shall consider a reasonable request for an extension of time to submit documentation to contest the report or any findings in the report.

(2) If an audit results in the dispute or denial of a claim, the entity conducting the audit shall allow the pharmacy to resubmit the claim using any commercially reasonable method, including facsimile, mail, or electronic mail.

(3) An entity must provide a pharmacy that is the subject of an audit with a final report of the audit no later than sixty days after the later of the date the preliminary report was received or the date the pharmacy contested the report using the appeals procedure established under section 4(1) of this act. The final report must include a final accounting of all moneys to be recovered by the entity.

(4) Recoupment of disputed funds from a pharmacy by an entity or repayment of funds to an entity by a pharmacy, unless otherwise agreed to by the entity and the pharmacy, shall occur after the audit and the appeals procedure established under section 4(1) of this act are final. If the identified discrepancy for an individual audit exceeds forty thousand dollars, any future payments to the pharmacy may be withheld by the entity until the audit and the appeals procedure established under section 4(1) of this act are final.

NEW SECTION. **Sec. 9.** Sections 3 through 9 of this act do not:

(1) Preclude an entity from instituting an action for fraud against a pharmacy;

(2) Apply to an audit of pharmacy records when fraud or other intentional and willful misrepresentation is indicated by physical review, review of claims data or statements, or other investigative methods; or

(3) Apply to a state agency that is conducting audits or a person that has contracted with a state agency to conduct audits of pharmacy records for prescription drugs paid for by the state medical assistance program.

NEW SECTION. **Sec. 10.** (1) As used in this section:

(a) "List" means the list of drugs for which maximum allowable costs have been established.

(b) "Maximum allowable cost" means the maximum amount that a pharmacy benefit manager will reimburse a pharmacy for the cost of a drug.

(c) "Multiple source drug" means a therapeutically equivalent drug that is available from at least two manufacturers.

(d) "Network pharmacy" means a retail drug outlet licensed as a pharmacy under RCW 18.64.043 that contracts with a pharmacy benefit manager.

(e) "Therapeutically equivalent" has the same meaning as in RCW 69.41.110.

(2) A pharmacy benefit manager:

(a) May not place a drug on a list unless are is *[there are] at least two therapeutically equivalent multiple source drugs, or at least one generic drug available from only one manufacturer, generally available for purchase by network pharmacies from national or regional wholesalers;

(b) Shall ensure that all drugs on a list are generally available for purchase by pharmacies in this state from national or regional wholesalers;

(c) Shall ensure that all drugs on a list are not obsolete;

(d) Shall make available to each network pharmacy at the beginning of the term of a contract, and upon renewal of a contract, the sources utilized to determine the maximum allowable cost pricing of the pharmacy benefit manager;

(e) Shall make a list available to a network pharmacy upon request in a format that is readily accessible to and usable by the network pharmacy;

(f) Shall update each list maintained by the pharmacy benefit manager every seven business days and make the updated lists, including all changes in the price of drugs, available to network pharmacies in a readily accessible and usable format;

(g) Shall ensure that dispensing fees are not included in the calculation of maximum allowable cost.

(3) A pharmacy benefit manager must establish a process by which a network pharmacy may appeal its reimbursement for a drug subject to maximum allowable cost pricing. A network pharmacy may appeal a maximum allowable cost if the reimbursement for the drug is less than the net amount that the network pharmacy paid to the supplier of the drug. An appeal requested under this section must be completed within thirty calendar days of the pharmacy making the claim for which an appeal has been requested.

(4) A pharmacy benefit manager must provide as part of the appeals process established under subsection (3) of this section:

(a) A telephone number at which a network pharmacy may contact the pharmacy benefit manager and speak with an individual who is responsible for processing appeals;

(b) A final response to an appeal of a maximum allowable cost within seven business days; and

(c) If the appeal is denied, the reason for the denial and the national drug code of a drug that may be purchased by similarly situated pharmacies at a price that is equal to or less than the maximum allowable cost.

(5)(a) If an appeal is upheld under this section, the pharmacy benefit manager shall make an adjustment on a date no later than one day after the date of determination. The pharmacy benefit manager shall make the adjustment effective for all similarly situated pharmacies in this state that are within the network.

(b) If the request for an adjustment has come from a critical access pharmacy, as defined by the state health care authority by rule for purposes related to the prescription drug purchasing consortium established under RCW 70.14.060, the adjustment approved under (a) of this subsection shall apply only to critical access pharmacies.

(6) This section does not apply to the state medical assistance program.

NEW SECTION. **Sec. 11.** Sections 1 through 10 of this act constitute a new chapter in Title 19 RCW.

*Reviser's note: The bracketed words have been added to reflect an error during the engrossing process.

Passed by the Senate March 10, 2014.
Passed by the House March 5, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 214

[Engrossed Substitute Senate Bill 6272]

MOTOR VEHICLE DEALER FRANCHISE AGREEMENTS

AN ACT Relating to manufacturer and new motor vehicle dealer franchise agreements; amending RCW 46.70.045, 46.96.020, 46.96.060, 46.96.080, 46.96.090, 46.96.105, and 46.96.185; adding a new section to chapter 46.96 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.70.045 and 1997 c 432 s 2 are each amended to read as follows:

The director may deny a license under this chapter when the application is a subterfuge that conceals the real person in interest whose license has been denied, suspended, or revoked for cause under this chapter and the terms have not been fulfilled or a civil penalty has not been paid, ((~~or~~)) the director finds that the application was not filed in good faith, or the issuance of a new license or subagency would cause a manufacturer, distributor, factory branch, or factory representative, or an agent, officer, parent company, wholly or partially owned subsidiary, affiliated entity, or other person controlled by or under common control with a manufacturer, distributor, factory branch, or factory representative, to be in violation of chapter 46.96 RCW. This section does not preclude the department from taking an action against a current licensee.

Sec. 2. RCW 46.96.020 and 2003 c 21 s 1 are each amended to read as follows:

In addition to the definitions contained in RCW 46.70.011, which are incorporated by reference into this chapter, the definitions set forth in this section apply only for the purposes of this chapter.

(1) A "new motor vehicle" is a vehicle that has not been titled by a state and ownership of which may be transferred on a manufacturer's statement of origin (MSO).

(2) "New motor vehicle dealer" means a motor vehicle dealer engaged in the business of buying, selling, exchanging, or otherwise dealing in new motor vehicles or new and used motor vehicles at an established place of business, under a franchise, sales and service agreement, or contract with the manufacturer of the new motor vehicles. However, ((~~the term~~)) "new motor vehicle dealer" does not include a miscellaneous vehicle dealer as defined in RCW 46.70.011(((~~3~~))) (17)(c) or a motorcycle dealer as defined in chapter 46.94 RCW.

(3) "Franchise" means one or more agreements, whether oral or written, between a manufacturer and a new motor vehicle dealer, under which the new

motor vehicle dealer is authorized to sell, service, and repair new motor vehicles, parts, and accessories under a common name, trade name, trademark, or service mark of the manufacturer.

"Franchise" includes an oral or written contract and includes a dealer agreement, either expressed or implied, between a manufacturer and a new motor vehicle dealer that purports to fix the legal rights and liabilities between the parties and under which (a) the dealer is granted the right to purchase and resell motor vehicles manufactured, distributed, or imported by the manufacturer; (b) the dealer's business is associated with the trademark, trade name, commercial symbol, or advertisement designating the franchisor or the products distributed by the manufacturer; and (c) the dealer's business relies on the manufacturer for a continued supply of motor vehicles, parts, and accessories.

(4) "Good faith" means honesty in fact and fair dealing in the trade as defined and interpreted in RCW 62A.2-103.

(5) "Designated successor" means:

(a) The spouse, biological or adopted child, stepchild, grandchild, parent, brother, or sister of the owner of a new motor vehicle dealership who, in the case of the owner's death, is entitled to inherit the ownership interest in the new motor vehicle dealership under the terms of the owner's will or similar document, and if there is no such will or similar document, then under applicable intestate laws;

(b) A qualified person experienced in the business of a new motor vehicle dealer who has been nominated by the owner of a new motor vehicle dealership as the successor in a written, notarized, and witnessed instrument submitted to the manufacturer; or

(c) In the case of an incapacitated owner of a new motor vehicle dealership, the person who has been appointed by a court as the legal representative of the incapacitated owner's property.

(6) "Owner" means a person holding an ownership interest in the business entity operating as a new motor vehicle dealer and who is the designated dealer in the new motor vehicle franchise agreement.

(7) "Person" means every natural person, partnership, corporation, association, trust, estate, or any other legal entity.

(8) "Completed vehicle" means a vehicle that requires no further manufacturing operations to perform its intended function.

(9) "Dealer management computer system" means a computer hardware and software system that is owned or leased by a new motor vehicle dealer, including the dealer's use of internet applications, software, or hardware, whether located at an existing dealership facility or provided at a remote location, that provides access to customer records and transactions by a motor vehicle dealer located in this state, and that allows the new motor vehicle dealer timely information in order to sell vehicles, parts, or services through the existing dealership facility.

(10) "Dealer management computer system vendor" means a seller or reseller of dealer management computer systems, to the extent that the seller or reseller is engaged in such activities.

(11) "Final-stage manufacturer" means a person who purchases an incomplete vehicle from a licensed motor vehicle dealer and performs such manufacturing operations that the incomplete vehicle becomes a completed vehicle.

(12) "Incomplete vehicle" means an assemblage consisting of, at a minimum, chassis (including the frame) structure, power train, steering system, suspension system, and braking system, in the state that those systems are to be part of the completed vehicle, but requires further manufacturing operations to become a completed vehicle.

(13) "Security breach" means an incident of unauthorized access to and acquisition of records or data containing new motor vehicle dealer or dealer customer information where unauthorized use of the dealer's customer or dealer information has occurred or is reasonably likely to occur or that creates a material risk of harm to the dealer or dealer's customer. Any incident of unauthorized access to and acquisition of records or data containing dealer or dealer customer information, or any incident of disclosure of dealer customer information to one or more third parties that has not been specifically authorized by the dealer or dealer's customer, constitutes a security breach.

Sec. 3. RCW 46.96.060 and 1989 c 415 s 6 are each amended to read as follows:

(1) Notwithstanding the terms of a franchise or the terms of a waiver, and except as otherwise provided in RCW 46.96.070(2) (a) through (d), good cause exists for termination, cancellation, or nonrenewal when there is a failure by the new motor vehicle dealer to comply with a provision of the franchise that is both reasonable and of material significance to the franchise relationship, if the new motor vehicle dealer was notified of the failure within one hundred eighty days after the manufacturer first acquired knowledge of the failure and the new motor vehicle dealer did not correct the failure after being requested to do so.

If, however, the failure of the new motor vehicle dealer relates to the performance of the new motor vehicle dealer in sales, service, or level of customer satisfaction, good cause is the failure of the new motor vehicle dealer to comply with reasonable performance standards determined by the manufacturer in accordance with uniformly applied criteria, and:

(a) The new motor vehicle dealer was advised, in writing, by the manufacturer of the failure;

(b) The notice under this subsection stated that notice was provided of a failure of performance under this section;

(c) The manufacturer provided the new motor vehicle dealer with specific, reasonable goals or reasonable performance standards with which the dealer must comply, together with a suggested timetable or program for attaining those goals or standards, and the new motor vehicle dealer was given a reasonable opportunity, for a period not less than one hundred eighty days, to comply with the goals or standards; and

(d) The new motor vehicle dealer did not substantially comply with the manufacturer's performance standards during that period and the failure to demonstrate substantial compliance was not due to market or economic factors within the new motor vehicle dealer's relevant market area that were beyond the control of the dealer.

(2) If the new motor vehicle dealer claims insufficient allocation, a manufacturer does not have good cause for termination, cancellation, or nonrenewal, unless:

(a) The manufacturer or distributor allocated sufficient inventory in the new motor vehicle dealer's primary allocation, both in quantity and product mix, for

the dealers' assigned market area. The inventory must have been delivered in a manner that allowed the dealer to reasonably meet the manufacturer's performance standards; and

(b) The manufacturer provides to the new motor vehicle dealer, upon the dealers' request, documentation sufficient to develop a market analysis. This documentation must include, but is not limited to, the allocation of inventory to the dealer and other dealers in the same zone during the period established by the manufacturer, and must not be shared by the dealer with any party not involved in preparing a market analysis or otherwise engaged in the termination proceeding.

(3) The manufacturer has the burden of proof of establishing good cause and good faith for the termination, cancellation, or nonrenewal of the franchise under this section.

Sec. 4. RCW 46.96.080 and 2009 c 12 s 1 are each amended to read as follows:

(1) Upon the termination, cancellation, or nonrenewal of a franchise, the manufacturer shall pay the new motor vehicle dealer, at a minimum:

(a) Dealer cost plus any charges by the manufacturer for distribution, delivery, and taxes, less all allowances paid or credited to the dealer by the manufacturer, of unused, undamaged, and unsold new motor vehicles in the new motor vehicle dealer's inventory that were acquired from the manufacturer or another new motor vehicle dealer of the same line make in the ordinary course of business within the previous twelve months;

(b) Dealer cost for all unused, undamaged, and unsold supplies, parts, and accessories in original packaging, except that in the case of sheet metal, a comparable substitute for original packaging may be used, if the supply, part, or accessory was acquired from the manufacturer or from another new motor vehicle dealer ceasing operations as a part of the new motor vehicle dealer's initial inventory as long as the supplies, parts, and accessories appear in the manufacturer's current parts catalog, list, or current offering;

(c) Dealer cost for all unused, undamaged, and unsold inventory, whether vehicles, parts, or accessories, the purchase of which was required by the manufacturer;

(d) The fair market value of each undamaged sign owned by the new motor vehicle dealer that bears a common name, trade name, or trademark of the manufacturer, if acquisition of the sign was recommended or required by the manufacturer and the sign is in good and usable condition less reasonable wear and tear, and has not been depreciated by the dealer more than fifty percent of the value of the sign;

(e) The fair market value of all equipment, furnishings, and special tools owned or leased by the new motor vehicle dealer that were acquired from the manufacturer or sources approved by the manufacturer and that were recommended or required by the manufacturer and are in good and usable condition, less reasonable wear and tear. However, if the equipment, furnishings, or tools are leased by the new motor vehicle dealer, the manufacturer shall pay the new motor vehicle dealer such amounts that are required by the lessor to terminate the lease under the terms of the lease agreement; and

(f) The cost of transporting, handling, packing, and loading of new motor vehicles, supplies, parts, accessories, signs, special tools, equipment, and furnishings purchased from the manufacturer or manufacturer-approved vendor.

To the extent the franchise agreement provides for payment or reimbursement to the new motor vehicle dealer in excess of that specified in this section, the provisions of the franchise agreement shall control.

(2)(a) For the nonrenewal or termination of a franchise that is implemented as a result of the sale of assets or stock of the motor vehicle dealer, the party purchasing the assets or stock of the motor vehicle dealer may negotiate for the purchase or other transfer of some or all unused, undamaged, and unsold new motor vehicles in the selling new motor vehicle dealer's inventory that were acquired from the manufacturer or another new motor vehicle dealer of the same line make in the ordinary course of business within the previous twelve months.

(b) For the nonrenewal or termination of a franchise that is implemented as a result of the sale of assets or stock of the motor vehicle dealer, this section does not prohibit a manufacturer from negotiating with the purchasing party for the purchase or other transfer of some or all unused, undamaged, and unsold new motor vehicles in the selling new motor vehicle dealer's inventory that were acquired from the manufacturer or another new motor vehicle dealer of the same line make in the ordinary course of business within the previous twelve months.

(c) A manufacturer's obligation under (a) of this subsection extends only to vehicles not purchased or otherwise transferred to the party purchasing the assets or stock of the motor vehicle dealer.

(3) The manufacturer shall pay the new motor vehicle dealer the sums specified in subsection (1) of this section (a) within ninety days after the termination, cancellation, or nonrenewal of the franchise, if the new motor vehicle dealer has clear title to the property or can provide clear title to the property upon payment by the manufacturer and is in a position to convey that title to the manufacturer, or (b) on the date of delivery of the assets to the manufacturer, whichever is earlier.

(4) In the case of motor homes, this section applies only to manufacturer-initiated termination, cancellation, or nonrenewal of a franchise.

Sec. 5. RCW 46.96.090 and 2010 c 178 s 3 are each amended to read as follows:

(1) In the event of a termination, cancellation, or nonrenewal under this chapter, except for termination, cancellation, or nonrenewal under RCW 46.96.070(2) or a voluntary termination, cancellation, or nonrenewal initiated by the dealer, the manufacturer shall, at the request and option of the new motor vehicle dealer, also pay to the new motor vehicle dealer the dealer costs for any relocation, substantial alteration, or remodeling of a dealer's facilities required by a manufacturer for the granting of a franchise or the continuance or renewal of a franchise agreement completed within three years of the termination, cancellation, or nonrenewal and:

(a) A sum equivalent to rent for the unexpired term of the lease or one year, whichever is less, or such longer term as provided in the franchise, if the new motor vehicle dealer is leasing the new motor vehicle dealership facilities from a lessor other than the manufacturer; or

(b) A sum equivalent to the reasonable rental value of the new motor vehicle dealership facilities for one year or until the facilities are leased or sold,

whichever is less, if the new motor vehicle dealer owns the new motor vehicle dealership facilities.

(2) The rental payment required under subsection (1) of this section is only required to the extent that the facilities were used for activities under the franchise and only to the extent the facilities were not leased for unrelated purposes. If the rental payment under subsection (1) of this section is made, the manufacturer is entitled to possession and use of the new motor vehicle dealership facilities for the period rent is paid.

Sec. 6. RCW 46.96.105 and 2010 c 178 s 4 are each amended to read as follows:

(1) Each manufacturer shall specify in its franchise agreement, or in a separate written agreement, with each of its dealers licensed in this state, the dealer's obligation to perform warranty work or service on the manufacturer's products. Each manufacturer shall provide each of its dealers with a schedule of compensation to be paid to the dealer for any warranty work or service, including parts, labor, and diagnostic work, required of the dealer by the manufacturer in connection with the manufacturer's products. The schedule of compensation must not be less than the rates charged by the dealer for similar service to retail customers for nonwarranty service and repairs, and must not be less than the schedule of compensation for an existing dealer as of June 10, 2010.

(a) The rates charged by the dealer for nonwarranty service or work for parts means the price paid by the dealer for those parts, including all shipping and other charges, increased by the franchisee's average percentage markup. A dealer must establish and declare the dealer's average percentage markup by submitting to the manufacturer one hundred sequential customer-paid service repair orders or ninety days of customer-paid service repair orders, whichever is less, covering repairs made no more than one hundred eighty days before the submission. A change in a dealer's established average percentage markup takes effect thirty days following the submission. A manufacturer may not require a dealer to establish average percentage markup by another methodology. A manufacturer may not require information that the dealer believes is unduly burdensome or time consuming to provide, including, but not limited to, part-by-part or transaction-by-transaction calculations. In calculating the retail rate customarily charged by the dealer for parts and labor, the following work must not be included in the calculation:

(i) Repairs for manufacturer or distributor special events, specials, or promotional discounts for retail customer repairs;

(ii) Parts sold at wholesale or at reduced or specially negotiated rates for insurance repairs;

(iii) Routine maintenance not covered under warranty, such as fluids, filters, and belts not provided in the course of repairs;

(iv) Nuts, bolts, fasteners, and similar items that do not have an individual part number;

(v) Tires;

(vi) Batteries and light bulbs; and

(vii) Vehicle reconditioning.

(b) A manufacturer shall compensate a dealer for labor and diagnostic work at the rates charged by the dealer to its retail customers for such work and for any

documentation work required by the manufacturer to authorize or verify the work including, but not limited to, photographs, paperwork, and electronic data entry. However, a manufacturer is not required to compensate a dealer more than once for the same documentation work. If a manufacturer can demonstrate that the rates unreasonably exceed those of all other franchised motor vehicle dealers in the same relevant market area offering the same or a competitive motor vehicle line, the manufacturer is not required to honor the rate increase proposed by the dealer. If the manufacturer is not required to honor the rate increase proposed by the dealer, the dealer is entitled to resubmit a new proposed rate for labor and diagnostic work.

(c) A dealer may not be granted an increase in the average percentage markup or labor and diagnostic work rate more than ((~~twice~~)) once in one calendar year.

(2) All claims for warranty work for parts and labor made by dealers under this section ((~~shall~~)) must be submitted to the manufacturer within ((~~one year~~)) ninety days of the date the work was performed. All claims submitted must be paid by the manufacturer within thirty days following receipt, provided the claim has been approved by the manufacturer. The manufacturer has the right to audit claims for warranty work and to charge the dealer for any unsubstantiated, incorrect, or false claims for a period of ((~~one year~~)) nine months following payment. However, the manufacturer may audit and charge the dealer for any fraudulent claims during any period for which an action for fraud may be commenced under applicable state law.

(3) All claims submitted by dealers on the forms and in the manner specified by the manufacturer shall be either approved or disapproved within thirty days following their receipt. The manufacturer shall notify the dealer in writing of any disapproved claim, and shall set forth the reasons why the claim was not approved. Any claim not specifically disapproved in writing within thirty days following receipt is approved, and the manufacturer is required to pay that claim within thirty days of receipt of the claim.

(4) A manufacturer may not otherwise recover all or any portion of its costs for compensating its dealers licensed in this state for warranty parts and service either by reduction in the amount due to the dealer or by separate charge, surcharge, or other imposition.

Sec. 7. RCW 46.96.185 and 2010 c 178 s 6 are each amended to read as follows:

(1) Notwithstanding the terms of a franchise agreement, a manufacturer, distributor, factory branch, or factory representative, or an agent, officer, parent company, wholly or partially owned subsidiary, affiliated entity, or other person controlled by or under common control with a manufacturer, distributor, factory branch, or factory representative, shall not:

(a) Discriminate between new motor vehicle dealers by selling or offering to sell a like vehicle to one dealer at a lower actual price than the actual price offered to another dealer for the same model similarly equipped;

(b) Discriminate between new motor vehicle dealers by selling or offering to sell parts or accessories to one dealer at a lower actual price than the actual price offered to another dealer;

(c) Discriminate between new motor vehicle dealers by using a promotion plan, marketing plan, or other similar device that results in a lower actual price

on vehicles, parts, or accessories being charged to one dealer over another dealer;

(d) Discriminate between new motor vehicle dealers by adopting a method, or changing an existing method, for the allocation, scheduling, or delivery of new motor vehicles, parts, or accessories to its dealers that is not fair, reasonable, and equitable. Upon the request of a dealer, a manufacturer, distributor, factory branch, or factory representative shall disclose in writing to the dealer the method by which new motor vehicles, parts, and accessories are allocated, scheduled, or delivered to its dealers handling the same line or make of vehicles;

(e) Discriminate against a new motor vehicle dealer by preventing, offsetting, or otherwise impairing the dealer's right to request a documentary service fee on affinity or similar program purchases. This prohibition applies to, but is not limited to, any promotion plan, marketing plan, manufacturer or dealer employee or employee friends or family purchase programs, or similar plans or programs;

(f) Give preferential treatment to some new motor vehicle dealers over others by refusing or failing to deliver, in reasonable quantities and within a reasonable time after receipt of an order, to a dealer holding a franchise for a line or make of motor vehicles sold or distributed by the manufacturer, distributor, factory branch, or factory representative, a new vehicle, parts, or accessories, if the vehicle, parts, or accessories are being delivered to other dealers, or require a dealer to purchase unreasonable advertising displays or other materials, or unreasonably require a dealer to remodel or renovate existing facilities as a prerequisite to receiving a model or series of vehicles;

(g) Compete with a new motor vehicle dealer of any make or line by acting in the capacity of a new motor vehicle dealer, or by owning, operating, or controlling, whether directly or indirectly, a motor vehicle dealership in this state. It is not, however, a violation of this subsection for:

(i) A manufacturer, distributor, factory branch, or factory representative to own or operate a dealership for a temporary period, not to exceed two years, during the transition from one owner of the dealership to another where the dealership was previously owned by a franchised dealer and is currently for sale to any qualified independent person at a fair and reasonable price. The temporary operation may be extended for one twelve-month period on petition of the temporary operator to the department. The matter will be handled as an adjudicative proceeding under chapter 34.05 RCW. A dealer who is a franchisee of the petitioning manufacturer or distributor may intervene and participate in a proceeding under this subsection (1)(g)(i). The temporary operator has the burden of proof to show justification for the extension and a good faith effort to sell the dealership to an independent person at a fair and reasonable price;

(ii) A manufacturer, distributor, factory branch, or factory representative to own or operate a dealership in conjunction with an independent person in a bona fide business relationship for the purpose of broadening the diversity of its dealer body and enhancing opportunities for qualified persons who are part of a group who have historically been underrepresented in its dealer body, or other qualified persons who lack the resources to purchase a dealership outright, and where the independent person: (A) Has made, or within a period of two years from the date of commencement of operation will have made, a significant, bona fide capital investment in the dealership that is subject to loss; (B) has an

ownership interest in the dealership; and (C) operates the dealership under a bona fide written agreement with the manufacturer, distributor, factory branch, or factory representative under which he or she will acquire all of the ownership interest in the dealership within a reasonable period of time and under reasonable terms and conditions. The manufacturer, distributor, factory branch, or factory representative has the burden of proof of establishing that the acquisition of the dealership by the independent person was made within a reasonable period of time and under reasonable terms and conditions. Nothing in this subsection (1)(g)(ii) relieves a manufacturer, distributor, factory branch, or factory representative from complying with (a) through (f) of this subsection;

(iii) A manufacturer, distributor, factory branch, or factory representative to own or operate a dealership in conjunction with an independent person in a bona fide business relationship where the independent person: (A) Has made, or within a period of two years from the date of commencement of operation will have made, a significant, bona fide capital investment in the dealership that is subject to loss; (B) has an ownership interest in the dealership; and (C) operates the dealership under a bona fide written agreement with the manufacturer, distributor, factory branch, or factory representative under which he or she will acquire all of the ownership interest in the dealership within a reasonable period of time and under reasonable terms and conditions. The manufacturer, distributor, factory branch, or factory representative has the burden of proof of establishing that the acquisition of the dealership by the independent person was made within a reasonable period of time and under reasonable terms and conditions. The number of dealerships operated under this subsection (1)(g)(iii) may not exceed four percent rounded up to the nearest whole number of a manufacturer's total of new motor vehicle dealer franchises in this state. Nothing in this subsection (1)(g)(iii) relieves a manufacturer, distributor, factory branch, or factory representative from complying with (a) through (f) of this subsection;

(iv) A truck manufacturer to own, operate, or control a new motor vehicle dealership that sells only trucks of that manufacturer's line make with a gross vehicle weight rating of 12,500 pounds or more, and the truck manufacturer has been continuously engaged in the retail sale of the trucks at least since January 1, 1993; ((~~or~~))

(v) A manufacturer to own, operate, or control a new motor vehicle dealership trading exclusively in a single line make of the manufacturer if (A) the manufacturer does not own, directly or indirectly, in the aggregate, in excess of forty-five percent of the total ownership interest in the dealership, (B) at the time the manufacturer first acquires ownership or assumes operation or control of any such dealership, the distance between any dealership thus owned, operated, or controlled and the nearest new motor vehicle dealership trading in the same line make of vehicle and in which the manufacturer has no ownership or control is not less than fifteen miles and complies with the applicable provisions in the relevant market area sections of this chapter, (C) all of the manufacturer's franchise agreements confer rights on the dealer of that line make to develop and operate within a defined geographic territory or area, as many dealership facilities as the dealer and the manufacturer agree are appropriate, and (D) as of January 1, 2000, the manufacturer had no more than four new motor vehicle dealers of that manufacturer's line make in this state, and at least half of

those dealers owned and operated two or more dealership facilities in the geographic territory or area covered by their franchise agreements with the manufacturer;

(vi) A final-stage manufacturer to own, operate, or control a new motor vehicle dealership; or

(vii) A manufacturer that held a vehicle dealer license in this state on January 1, 2014, to own, operate, or control a new motor vehicle dealership that sells new vehicles that are only of that manufacturer's makes or lines and that are not sold new by a licensed independent franchise dealer, or to own, operate, or control or contract with companies that provide finance, leasing, or service for vehicles that are of that manufacturer's makes or lines;

(h) Compete with a new motor vehicle dealer by owning, operating, or controlling, whether directly or indirectly, a service facility in this state for the repair or maintenance of motor vehicles under the manufacturer's new car warranty and extended warranty. Nothing in this subsection (1)(h), however, prohibits a manufacturer, distributor, factory branch, or factory representative from owning or operating a service facility for the purpose of providing or performing maintenance, repair, or service work on motor vehicles that are owned by the manufacturer, distributor, factory branch, or factory representative;

(i) Use confidential or proprietary information obtained from a new motor vehicle dealer to unfairly compete with the dealer. For purposes of this subsection (1)(i), "confidential or proprietary information" means trade secrets as defined in RCW 19.108.010, business plans, marketing plans or strategies, customer lists, contracts, sales data, revenues, or other financial information;

(j)(i) Terminate, cancel, or fail to renew a franchise with a new motor vehicle dealer based upon any of the following events, which do not constitute good cause for termination, cancellation, or nonrenewal under RCW 46.96.060: (A) The fact that the new motor vehicle dealer owns, has an investment in, participates in the management of, or holds a franchise agreement for the sale or service of another make or line of new motor vehicles; (B) the fact that the new motor vehicle dealer has established another make or line of new motor vehicles or service in the same dealership facilities as those of the manufacturer or distributor; (C) that the new motor vehicle dealer has or intends to relocate the manufacturer or distributor's make or line of new motor vehicles or service to an existing dealership facility that is within the relevant market area, as defined in RCW 46.96.140, of the make or line to be relocated, except that, in any nonemergency circumstance, the dealer must give the manufacturer or distributor at least sixty days' notice of his or her intent to relocate and the relocation must comply with RCW 46.96.140 and 46.96.150 for any same make or line facility; or (D) the failure of a franchisee to change the location of the dealership or to make substantial alterations to the use or number of franchises on the dealership premises or facilities.

(ii) Notwithstanding the limitations of this section, a manufacturer may, for separate consideration, enter into a written contract with a dealer to exclusively sell and service a single make or line of new motor vehicles at a specific facility for a defined period of time. The penalty for breach of the contract must not exceed the amount of consideration paid by the manufacturer plus a reasonable rate of interest;

(k) Coerce or attempt to coerce a motor vehicle dealer to refrain from, or prohibit or attempt to prohibit a new motor vehicle dealer from acquiring, owning, having an investment in, participating in the management of, or holding a franchise agreement for the sale or service of another make or line of new motor vehicles or related products, or establishing another make or line of new motor vehicles or service in the same dealership facilities, if the prohibition against acquiring, owning, investing, managing, or holding a franchise for such additional make or line of vehicles or products, or establishing another make or line of new motor vehicles or service in the same dealership facilities, is not supported by reasonable business considerations. The burden of proving that reasonable business considerations support or justify the prohibition against the additional make or line of new motor vehicles or products or nonexclusive facilities is on the manufacturer;

(l) Require, by contract or otherwise, a new motor vehicle dealer to make a material alteration, expansion, or addition to any dealership facility, unless the required alteration, expansion, or addition is uniformly required of other similarly situated new motor vehicle dealers of the same make or line of vehicles and is reasonable in light of all existing circumstances, including economic conditions. In any proceeding in which a required facility alteration, expansion, or addition is an issue, the manufacturer or distributor has the burden of proof. Except for a program or any renewal or modification of a program that is in effect with one or more new motor vehicle dealers in this state on the effective date of this section, a manufacturer shall not require, coerce, or attempt to coerce any new motor vehicle dealer by program, policy, standard, or otherwise to change the location of the dealership or construct, replace, renovate, or make any substantial changes, alterations, or remodeling to a new motor vehicle dealer's sales or service facilities, except as necessary to comply with health or safety laws or to comply with technology requirements without which a dealer would be unable to service a vehicle the dealer has elected to sell, before the tenth anniversary of the date of issuance of the certificate of occupancy or the manufacturer's approval, whichever is later, from:

(i) The date construction of the dealership at that location was completed if the construction was in substantial compliance with standards or plans provided by a manufacturer, distributor, or representative or through a subsidiary or agent of the manufacturer, distributor, or representative; or

(ii) The date a prior change, alteration, or remodel of the dealership at that location was completed if the construction was in substantial compliance with standards or plans provided by a manufacturer, distributor, or representative or through a subsidiary or agent of the manufacturer, distributor, or representative;

(m) Prevent or attempt to prevent by contract or otherwise any new motor vehicle dealer from changing the executive management of a new motor vehicle dealer unless the manufacturer or distributor, having the burden of proof, can show that a proposed change of executive management will result in executive management by a person or persons who are not of good moral character or who do not meet reasonable, preexisting, and equitably applied standards of the manufacturer or distributor. If a manufacturer or distributor rejects a proposed change in the executive management, the manufacturer or distributor shall give written notice of its reasons to the dealer within sixty days after receiving written notice from the dealer of the proposed change and all related information

reasonably requested by the manufacturer or distributor, or the change in executive management must be considered approved; ((~~or~~))

(n) Condition the sale, transfer, relocation, or renewal of a franchise agreement or condition manufacturer, distributor, factory branch, or factory representative sales, services, or parts incentives upon the manufacturer obtaining site control, including rights to purchase or lease the dealer's facility, or an agreement to make improvements or substantial renovations to a facility. For purposes of this section, a substantial renovation has a gross cost to the dealer in excess of five thousand dollars;

(o) Fail to provide to a new motor vehicle dealer purchasing or leasing building materials or other facility improvements the right to purchase or lease franchisor image elements of like kind and quality from an alternative vendor selected by the dealer if the goods or services are to be supplied by a vendor selected, identified, or designated by the manufacturer or distributor. If the vendor selected by the manufacturer or distributor is the only available vendor of like kind and quality materials, the new motor vehicle dealer must be given the opportunity to purchase the franchisor image elements at a price substantially similar to the capitalized lease costs of the elements. This subsection (1)(o) must not be construed to allow a new motor vehicle dealer or vendor to gain additional intellectual property rights they are not otherwise entitled to or to impair or eliminate the intellectual property rights of the manufacturer or distributor or to permit a new motor vehicle dealer to erect or maintain signs that do not conform to the reasonable intellectual property usage guidelines of the manufacturer or distributor;

(p) Take any adverse action against a new motor vehicle dealer including, but not limited to, charge backs or reducing vehicle allocations, for sales and service performance within a designated area of primary responsibility unless that area is reasonable in light of proximity to relevant census tracts to the dealership and competing dealerships, highways and road networks, state borders, any natural or man-made barriers, demographics, including economic factors, and buyer behavior information; or

(q) Require, coerce, or attempt to coerce any new motor vehicle dealer by program, policy, facility guide, standard, or otherwise to order or accept delivery of any service or repair appliances, equipment, parts, or accessories, or any other commodity not required by law, which the dealer has not voluntarily ordered or which the dealer does not have the right to return unused for a full refund within ninety days or a longer period as mutually agreed upon by the dealer and manufacturer.

(2) Subsection (1)(a), (b), and (c) of this section do not apply to sales to a motor vehicle dealer: (a) For resale to a federal, state, or local government agency; (b) where the vehicles will be sold or donated for use in a program of driver's education; (c) where the sale is made under a manufacturer's bona fide promotional program offering sales incentives or rebates; (d) where the sale of parts or accessories is under a manufacturer's bona fide quantity discount program; or (e) where the sale is made under a manufacturer's bona fide fleet vehicle discount program. For purposes of this subsection, "fleet" means a group of fifteen or more new motor vehicles purchased or leased by a dealer at one time under a single purchase or lease agreement for use as part of a fleet, and

where the dealer has been assigned a fleet identifier code by the department of licensing.

(3) The following definitions apply to this section:

(a) "Actual price" means the price to be paid by the dealer less any incentive paid by the manufacturer, distributor, factory branch, or factory representative, whether paid to the dealer or the ultimate purchaser of the vehicle.

(b) "Control" or "controlling" means (i) the possession of, title to, or control of ten percent or more of the voting equity interest in a person, whether directly or indirectly through a fiduciary, agent, or other intermediary, or (ii) the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, through director control, by contract, or otherwise, except as expressly provided under the franchise agreement.

(c) "Motor vehicles" does not include trucks that are 14,001 pounds gross vehicle weight and above or recreational vehicles as defined in RCW 43.22.335.

(d) "Operate" means to manage a dealership, whether directly or indirectly.

(e) "Own" or "ownership" means to hold the beneficial ownership of one percent or more of any class of equity interest in a dealership, whether the interest is that of a shareholder, partner, limited liability company member, or otherwise. To hold an ownership interest means to have possession of, title to, or control of the ownership interest, whether directly or indirectly through a fiduciary, agent, or other intermediary.

(4) A violation of this section is deemed to affect the public interest and constitutes an unlawful and unfair practice under chapter 19.86 RCW. A person aggrieved by an alleged violation of this section may petition the department to have the matter handled as an adjudicative proceeding under chapter 34.05 RCW.

NEW SECTION. **Sec. 8.** A new section is added to chapter 46.96 RCW to read as follows:

(1) Notwithstanding the terms or conditions of any consent, authorization, release, novation, franchise, or other contract or agreement, whenever any manufacturer, factory branch, distributor, distributor branch, dealer management computer system vendor, or any third party acting on behalf of or through, or approved, referred, endorsed, authorized, certified, granted preferred status, or recommended by, any manufacturer, factory branch, distributor, distributor branch, or dealer management computer system vendor, requires that a new motor vehicle dealer provide any other new motor vehicle dealer, consumer, or customer data or information through direct access to the dealer's management computer system, the new motor vehicle dealer is not required to provide, and may not be required to consent to provide in any written agreement, such direct access to its management computer system.

However, the new motor vehicle dealer may provide any other new motor vehicle dealer, consumer, or customer data or information specified by the requesting party by timely obtaining and pushing or otherwise furnishing the requested data to the requesting party in a widely accepted file format, such as comma delimited, provided that when a new motor vehicle dealer would otherwise be required to provide direct access to its management computer system under the terms of a consent, authorization, release, novation, franchise, or other contract or agreement, a new motor vehicle dealer that elects to provide

data or information through other means may be charged a reasonable initial set-up fee and reasonable processing fee based on the actual incremental costs incurred by the party requesting the data for establishing and implementing the process for the dealer. Any term or provision contained in any consent, authorization, release, novation, franchise, or other contract or agreement that is inconsistent with this subsection is voidable at the option of the new motor vehicle dealer.

(2) Notwithstanding the terms or conditions of any consent, authorization, release, novation, franchise, or other contract or agreement, every manufacturer, factory branch, distributor, distributor branch, or any third party acting on behalf of or through any manufacturer, factory branch, distributor, or distributor branch, having electronic access to consumer or customer data or other information in a computer system utilized by a new motor vehicle dealer, or who has otherwise been provided consumer or customer data or information by the dealer, shall fully indemnify and hold harmless the dealer from whom it has acquired the consumer or customer data or other information from all damages, costs, and expenses incurred by the dealer including, but not limited to, judgments, settlements, fines, penalties, litigation costs, defense costs, court costs, costs related to the disclosure of security breaches, and attorneys' fees arising out of complaints, claims, security breaches, civil or administrative actions, and, to the fullest extent allowable under the law, governmental investigations and prosecutions to the extent caused by the manufacturer, factory branch, distributor, distributor branch, or third party acting on behalf of the manufacturer, factory branch, distributor, or distributor branch's access, storage, maintenance, use, sharing, disclosure, or retention of the dealer's consumer or customer data or other information, or maintenance or services provided to any computer system utilized by the dealer by the manufacturer, factory branch, distributor, distributor branch, or third party acting on behalf of or through the manufacturer, factory branch, distributor, or distributor branch.

(3) Notwithstanding the terms or conditions of any consent, authorization, release, novation, franchise, or other contract or agreement, a dealer management computer system vendor or any third party acting on behalf of or through any dealer management computer system vendor, having electronic access to consumer or customer data or other information in a computer system utilized by a new motor vehicle dealer, or who has otherwise been provided consumer or customer data or information by the dealer, shall fully indemnify and hold harmless the dealer from whom it has acquired the consumer or customer data or other information from all damages, costs, and expenses incurred by the dealer including, but not limited to, judgments, settlements, fines, penalties, litigation costs, defense costs, court costs, costs related to the disclosure of security breaches, and attorneys' fees arising out of complaints, claims, security breaches, civil or administrative actions, and, to the fullest extent allowable under the law, governmental investigations and prosecutions to the extent caused by the dealer management computer system vendor or any third party acting on behalf of the dealer management computer system vendor's access, storage, maintenance, use, sharing, disclosure, or retention of the dealer's consumer or customer data or other information, or maintenance or services provided to any computer system utilized by the dealer, by the dealer

management computer system vendor or third party acting on behalf of or through the dealer management computer system vendor.

NEW SECTION. **Sec. 9.** This act applies to all franchises and contracts between manufacturers and new motor vehicle dealers amended, renewed, or entered into after the effective date of this section. For purposes of chapter 46.96 RCW, an agreement between a manufacturer and new motor vehicle dealer entered into after the effective date of this section, addressing any issues governed by chapter 46.96 RCW, is considered an amendment to an existing franchise.

Passed by the Senate February 17, 2014.
Passed by the House March 6, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 215

[Engrossed Substitute Senate Bill 6436]

COLLEGE BOUND SCHOLARSHIP PROGRAM WORK GROUP

AN ACT Relating to creating a work group to make recommendations for the continued viability of the college bound scholarship program; creating new sections; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** The legislature finds that while the college bound scholarship program was created in 2007, the first cohort of scholarship recipients entered institutions of higher education in 2013 and emerging data shows that the program is a success. However, the legislature further finds that the program faces long-term challenges. Therefore, the legislature intends to create a work group to make recommendations to ensure the program is viable, productive, and effective.

NEW SECTION. **Sec. 2.** (1)(a) A college bound scholarship program work group is established. The work group shall consist of the following members:

(i) Two members of the house of representatives, with one member representing each of the major caucuses and appointed by the speaker of the house of representatives;

(ii) Two members of the senate, with one member representing each of the major caucuses and appointed by the president of the senate;

(iii) One representative of the four-year institutions of higher education as defined in RCW 28B.10.016, selected by the presidents of those institutions;

(iv) One representative of the state's community and technical college system, selected by the state board for community and technical colleges;

(v) One representative of a private, nonprofit higher education institution as defined in RCW 28B.07.020(4), selected by an association of independent nonprofit baccalaureate degree-granting institutions;

(vi) One representative from the student achievement council;

(vii) One representative from a college scholarship organization that is a private nonprofit corporation registered under Title 24 RCW and qualified as a tax-exempt entity under section 501(c)(3) of the federal internal revenue code, with expertise in managing scholarships and college advising;

(viii) One nonlegislative representative appointed by the governor; and

(ix) One representative from the middle school system.

(b) All members must be appointed by June 30, 2014.

(c) The work group shall appoint its own chair and vice chair and shall meet at least once but no more than five times in 2014.

(d) Legislative members of the work group shall serve without additional compensation, but shall be reimbursed in accordance with RCW 44.04.120 while attending meetings of the work group. Nonlegislative members of the work group may be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(2) The work group shall submit a report to the governor and the legislature by December 31, 2014, with recommendations for making the college bound scholarship program viable, including but not limited to funding.

(3) Staff support for the work group shall be jointly provided by senate committee services and the house of representatives office of program research, with the office of financial management presenting data as needed.

(4) This section expires July 1, 2015.

Passed by the Senate March 10, 2014.
Passed by the House March 6, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 216

[Engrossed Substitute Senate Bill 6440]

TAXES—LIQUIFIED NATURAL GAS AND COMPRESSED NATURAL GAS

AN ACT Relating to compressed natural gas and liquefied natural gas used for transportation purposes; amending RCW 82.38.030, 82.38.075, 82.80.010, 82.80.110, 82.80.120, 82.47.010, 46.16A.060, 46.37.467, 82.04.310, 82.04.120, 82.12.022, 82.14.230, 35.21.870, 82.14.030, 82.08.02565, 82.12.02565, 82.14.050, 82.14.060, 82.08.0261, and 80.28.280; adding a new section to chapter 82.16 RCW; adding a new section to chapter 82.32 RCW; adding a new section to chapter 43.135 RCW; adding a new section to chapter 39.42 RCW; creating new sections; providing an effective date; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

PART I
Tax Performance Statement

NEW SECTION. **Sec. 101.** (1) The legislature finds that current law taxes natural gas as a traditional home heating or electric generation fuel while not taking into account the benefits of natural gas use as a transportation fuel. The legislature further finds that the construction and operation of a natural gas liquefaction plant and compressed natural gas refueling stations as well as the ongoing use of compressed and liquefied natural gas will lead to positive job creation, economic development, environmental benefits, and lower fuel costs. The legislature further finds that it is sound tax policy to provide uniform tax treatment of natural gas used as a transportation fuel, regardless of whether the taxpayer providing the natural gas is a gas distribution business or not, so as to prevent any particular entity from receiving a competitive advantage solely through a structural inefficiency in the tax code.

(2)(a) This subsection is the tax performance statement for this act. The performance statement is only intended to be used for subsequent evaluation of the tax changes made in this act. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(b) The legislature categorizes the tax changes in this act as changes intended to accomplish the general purposes indicated in RCW 82.32.808(2) (c) and (d).

(c) It is the legislature's specific public policy objectives to promote job creation and positive economic development; lower carbon dioxide, sulfur dioxide, nitrogen dioxide, and particulate emissions; and secure optimal liquefied natural gas pricing for the state of Washington and other public entities.

(d) To measure the effectiveness of the exemption provided in this act in achieving the specific public policy objective described in (c) of this subsection, the joint legislative audit and review committee must evaluate the following:

(i) The number of employment positions and wages at a natural gas liquefaction facility located in Washington and operated by a gas distribution business where some or all of the liquefied natural gas is sold for use as a transportation fuel. If the average number of employment positions at the liquefaction facility once it is operationally complete equals or exceeds eighteen and average annual wages for employment positions at the facility exceed thirty-five thousand dollars, it is presumed that the public policy objective of job creation has been achieved.

(ii) The estimated total cost of construction of a liquefaction plant by a gas distribution company, including costs for machinery and equipment. If the total cost equals or exceeds two hundred fifty million dollars, it is presumed that the public policy objective of positive economic development has been achieved.

(iii) The estimated fuel savings by the Washington state ferry system and other public entities through the use of liquefied natural gas purchased from a gas distribution business.

(iv) The estimated reduction in carbon dioxide, sulfur dioxide, nitrogen dioxide, and particulate emissions, resulting from the use of liquefied natural gas and compressed natural gas as a transportation fuel where the natural gas is sold by a gas distribution business. The emissions of liquefied and compressed natural gas must be specifically compared with an equivalent amount of diesel fuel. If the estimated annual reduction in emissions exceeds the following benchmarks, it is presumed that the public policy objective of reducing emissions has been achieved:

(A) Three hundred million pounds of carbon dioxide;

(B) Two hundred thousand pounds of particulates;

(C) Four hundred thousand pounds of sulfur dioxide; and

(D) Four hundred fifty thousand pounds of nitrogen dioxide.

(e)(i) The following data sources are intended to provide the informational basis for the evaluation under (d) of this subsection:

(A) Employment data provided by the state employment security department;

(B) Ferry fuel purchasing data provided by the state department of transportation;

(C) Diesel and other energy pricing data found on the United States energy information administration's web site; and

(D) Information provided by a gas distribution business on the annual report required under RCW 82.32.534.

(ii) In addition to the data source described under (e)(i) of this subsection, the joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under (d) of this subsection.

(3) A gas distribution business claiming the exemption under RCW 82.08.02565 or 82.12.02565 must file the annual report under RCW 82.32.534 or any successor document. In addition to the information contained in the report, the report must also include the amount of liquefied natural gas and compressed natural gas sold by the gas distribution business as a transportation fuel. A gas distribution business is not required to file the annual survey under RCW 82.32.585, as would otherwise be required under RCW 82.32.808(5).

(4) The joint legislative audit and review committee must perform the review required in this section in a manner consistent with its tax preference review process under chapter 43.136 RCW. The committee must perform the review in calendar year 2025.

PART II
Fuel Taxes and Sales Taxes

Sec. 201. RCW 82.38.030 and 2013 c 225 s 103 are each amended to read as follows:

(1) There is levied and imposed upon fuel licensees a tax at the rate of twenty-three cents per each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature.

(2) Beginning July 1, 2003, an additional and cumulative tax rate of five cents per each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature is imposed on fuel licensees. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.

(3) Beginning July 1, 2005, an additional and cumulative tax rate of three cents per each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature is imposed on fuel licensees.

(4) Beginning July 1, 2006, an additional and cumulative tax rate of three cents per each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature is imposed on fuel licensees.

(5) Beginning July 1, 2007, an additional and cumulative tax rate of two cents per each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature is imposed on fuel licensees.

(6) Beginning July 1, 2008, an additional and cumulative tax rate of one and one-half cents per each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature is imposed on fuel licensees.

(7) Taxes are imposed when:

(a) Fuel is removed in this state from a terminal if the fuel is removed at the rack unless the removal is by a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is by a fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;

(b) Fuel is removed in this state from a refinery if either of the following applies:

(i) The removal is by bulk transfer and the refiner or the owner of the fuel immediately before the removal is not a licensed supplier; or

(ii) The removal is at the refinery rack unless the removal is to a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is to a licensed supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;

(c) Fuel enters into this state for sale, consumption, use, or storage, unless the fuel enters this state for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320, if either of the following applies:

(i) The entry is by bulk transfer and the importer is not a licensed supplier; or

(ii) The entry is not by bulk transfer;

(d) Fuel enters this state by means outside the bulk transfer-terminal system and is delivered directly to a licensed terminal unless the owner is a licensed distributor or supplier;

(e) Fuel is sold or removed in this state to an unlicensed entity unless there was a prior taxable removal, entry, or sale of the fuel;

(f) Blended fuel is removed or sold in this state by the blender of the fuel. The number of gallons of blended fuel subject to tax is the difference between the total number of gallons of blended fuel removed or sold and the number of gallons of previously taxed fuel used to produce the blended fuel;

(g) Dyed special fuel is used on a highway, as authorized by the internal revenue code, unless the use is exempt from the fuel tax;

(h) Dyed special fuel is held for sale, sold, used, or is intended to be used in violation of this chapter;

(i) Special fuel purchased by an international fuel tax agreement licensee under RCW 82.38.320 is used on a highway; and

(j) Fuel is sold by a licensed fuel supplier to a fuel distributor or fuel blender and the fuel is not removed from the bulk transfer-terminal system.

Sec. 202. RCW 82.38.075 and 2013 c 225 s 110 are each amended to read as follows:

(1) To encourage the use of nonpolluting fuels, an annual license fee in lieu of the tax imposed by RCW 82.38.030 is imposed upon the use of liquefied natural gas, compressed natural gas, or propane used in any motor vehicle. The annual license fee must be based upon the following schedule and formula:

VEHICLE TONNAGE (GVW)			FEE
0	-	6,000	$ 45
6,001	-	10,000	$ 45
10,001	-	18,000	$ 80
18,001	-	28,000	$110

28,001	-	36,000	$150
36,001	and above		$250

(2) To determine the annual license fee for a registration year, the appropriate dollar amount in the schedule is multiplied by the fuel tax rate per gallon effective on July 1st of the preceding calendar year and the product is divided by 12 cents.

(3) The department, in addition to the resulting fee, must charge an additional fee of five dollars as a handling charge for each license issued.

(4) The vehicle tonnage fee must be prorated so the annual license will correspond with the staggered vehicle licensing system.

(5) A decal or other identifying device issued upon payment of the annual fee must be displayed as prescribed by the department as authority to purchase this fuel.

(6) Persons selling or dispensing natural gas or propane may not sell or dispense this fuel for their own use or the use of others into tanks of vehicles powered by this fuel which do not display a valid decal or other identifying device.

(7) Commercial motor vehicles registered in a foreign jurisdiction under the provisions of the international registration plan are subject to the annual fee.

(8) Motor vehicles registered in a foreign jurisdiction, except those registered under the international registration plan under chapter 46.87 RCW, are exempt from this section.

(9) Vehicles registered in jurisdictions outside the state of Washington are exempt from this section.

(((~~(8)~~))) (10) Any person selling or dispensing liquefied natural gas, compressed natural gas, or propane into the tank of a motor vehicle powered by this fuel, except as prescribed in this chapter, is subject to the penalty provisions of this chapter.

Sec. 203. RCW 82.80.010 and 2013 c 225 s 641 are each amended to read as follows:

(1) ((~~For purposes of this section:~~)) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Distributor" means every person who imports, refines, manufactures, produces, or compounds motor vehicle fuel and special fuel as defined in RCW 82.38.020((~~, respectively,~~)) and sells or distributes the fuel into a county((~~;~~)).

(b) "Person" has the same meaning as in RCW 82.04.030.

(2) Subject to the conditions of this section, any county may levy, by approval of its legislative body and a majority of the registered voters of the county voting on the proposition at a general or special election, additional excise taxes equal to ten percent of the statewide ((~~motor vehicle fuel tax rate under RCW 82.38.030 on each gallon of motor vehicle fuel as defined in RCW 82.38.020 and on each gallon of special fuel~~)) fuel tax rates under RCW 82.38.030 on motor vehicle fuel and special fuel as defined in RCW 82.38.020 sold within the boundaries of the county. Vehicles paying an annual license fee under RCW 82.38.075 are exempt from the county fuel excise tax. An election held under this section must be held not more than twelve months before the date on which the proposed tax is to be levied. The ballot setting forth the proposition must state the tax rate that is proposed. The county's authority to

levy additional excise taxes under this section includes the incorporated and unincorporated areas of the county. The additional excise taxes are subject to the same exceptions and rights of refund as applicable to other motor vehicle fuel and special fuel excise taxes levied under chapter 82.38 RCW. The proposed tax may not be levied less than one month from the date the election results are certified by the county election officer. The commencement date for the levy of any tax under this section must be the first day of January, April, July, or October.

(3) The local option motor vehicle fuel tax on ((~~each gallon of~~)) motor vehicle fuel and on ((~~each gallon of~~)) special fuel is imposed upon the distributor of the fuel.

(4) A taxable event for the purposes of this section occurs upon the first distribution of the fuel within the boundaries of a county to a retail outlet, bulk fuel user, or ultimate user of the fuel.

(5) All administrative provisions in chapters 82.01, 82.03, and 82.32 RCW, insofar as they are applicable, apply to local option fuel taxes imposed under this section.

(6) Before the effective date of the imposition of the fuel taxes under this section, a county must contract with the department of revenue for the administration and collection of the taxes. The contract must provide that a percentage amount, not to exceed one percent of the taxes imposed under this section, will be deposited into the local tax administration account created in the custody of the state treasurer. The department of revenue may spend money from this account, upon appropriation, for the administration of the local taxes imposed under this section.

(7) The state treasurer must distribute monthly to the levying county and cities contained therein the proceeds of the additional excise taxes collected under this section, after the deductions for payments and expenditures as provided in RCW 46.68.090(1) (a) and (b) and under the conditions and limitations provided in RCW 82.80.080.

(8) The proceeds of the additional excise taxes levied under this section must be used strictly for transportation purposes in accordance with RCW 82.80.070.

(9) A county may not levy the tax under this section if they are levying the tax in RCW 82.80.110 or if they are a member of a regional transportation investment district levying the tax in RCW 82.80.120.

Sec. 204. RCW 82.80.110 and 2013 c 225 s 642 are each amended to read as follows:

(1) ((~~For purposes of this section:~~)) <u>The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.</u>

(a) "Distributor" means every person who imports, refines, manufactures, produces, or compounds motor vehicle fuel and special fuel as defined in RCW 82.38.020((~~, respectively,~~)) and sells or distributes the fuel into a county((~~;~~)).

(b) "Person" has the same meaning as in RCW 82.04.030.

(2) For purposes of dedication to a regional transportation investment district plan under chapter 36.120 RCW, subject to the conditions of this section, a county may levy additional excise taxes equal to ten percent of the statewide ((~~motor vehicle fuel tax rate under RCW 82.38.030 on each gallon of motor vehicle fuel as defined in RCW 82.38.020 and on each gallon of special fuel~~))

fuel tax rates under RCW 82.38.030 on motor vehicle fuel and special fuel as defined in RCW ((~~82.32.020 [82.38.020]~~)) 82.38.020 sold within the boundaries of the county. The additional excise tax is subject to the approval of the county's legislative body and a majority of the registered voters of the county voting on the proposition at a general or special election. An election held under this section must be held not more than twelve months before the date on which the proposed tax is to be levied. The ballot setting forth the proposition must state that the revenues from the tax will be used for a regional transportation investment district plan. The county's authority to levy additional excise taxes under this section includes the incorporated and unincorporated areas of the county. Vehicles paying an annual license fee under RCW 82.38.075 are exempt from the county fuel excise tax. The additional excise taxes are subject to the same exceptions and rights of refund as applicable to other motor vehicle fuel and special fuel excise taxes levied under chapter 82.38 RCW. The proposed tax may not be levied less than one month from the date the election results are certified by the county election officer. The commencement date for the levy of any tax under this section will be the first day of January, April, July, or October.

(3) The local option motor vehicle fuel tax on ((~~each gallon of~~)) motor vehicle fuel and on ((~~each gallon of~~)) special fuel is imposed upon the distributor of the fuel.

(4) A taxable event for the purposes of this section occurs upon the first distribution of the fuel within the boundaries of a county to a retail outlet, bulk fuel user, or ultimate user of the fuel.

(5) All administrative provisions in chapters 82.01, 82.03, and 82.32 RCW, insofar as they are applicable, apply to local option fuel taxes imposed under this section.

(6) Before the effective date of the imposition of the fuel taxes under this section, a county must contract with the department of revenue for the administration and collection of the taxes. The contract must provide that a percentage amount, not to exceed one percent of the taxes imposed under this section, will be deposited into the local tax administration account created in the custody of the state treasurer. The department of revenue may spend money from this account, upon appropriation, for the administration of the local taxes imposed under this section.

(7) The state treasurer must distribute monthly to the county levying the tax as part of a regional transportation investment plan, after the deductions for payments and expenditures as provided in RCW 46.68.090(1) (a) and (b).

(8) The proceeds of the additional taxes levied by a county in this section, to be used as a part of a regional transportation investment plan, must be used in accordance with chapter 36.120 RCW, but only for those areas that are considered "highway purposes" as that term is construed in Article II, section 40 of the state Constitution.

(9) A county may not levy the tax under this section if they are a member of a regional transportation investment district that is levying the tax in RCW 82.80.120 or the county is levying the tax in RCW 82.80.010.

Sec. 205. RCW 82.80.120 and 2013 c 225 s 643 are each amended to read as follows:

(1) ((~~For purposes of this section:~~)) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Distributor" means every person who imports, refines, manufactures, produces, or compounds motor vehicle fuel and special fuel as defined in RCW 82.38.020((~~, respectively,~~)) and sells or distributes the fuel into a county((~~:~~)).

(b) "Person" has the same meaning as in RCW 82.04.030;

(c) "District" means a regional transportation investment district under chapter 36.120 RCW.

(2) A regional transportation investment district under chapter 36.120 RCW, subject to the conditions of this section, may levy additional excise taxes equal to ten percent of the statewide ((~~motor vehicle fuel tax rate under RCW 82.38.030 on each gallon of motor vehicle fuel as defined in RCW 82.38.020 and on each gallon of special fuel~~)) fuel tax rates under RCW 82.38.030 on motor vehicle fuel and special fuel as defined in RCW 82.38.020 sold within the boundaries of the district. The additional excise tax is subject to the approval of a majority of the voters within the district boundaries. Vehicles paying an annual license fee under RCW 82.38.075 are exempt from the district's fuel excise tax. The additional excise taxes are subject to the same exceptions and rights of refund as applicable to other motor vehicle fuel and special fuel excise taxes levied under chapter 82.38 RCW. The proposed tax may not be levied less than one month from the date the election results are certified. The commencement date for the levy of any tax under this section will be the first day of January, April, July, or October.

(3) The local option motor vehicle fuel tax on ((~~each gallon of~~)) motor vehicle fuel and on ((~~each gallon of~~)) special fuel is imposed upon the distributor of the fuel.

(4) A taxable event for the purposes of this section occurs upon the first distribution of the fuel within the boundaries of the district to a retail outlet, bulk fuel user, or ultimate user of the fuel.

(5) All administrative provisions in chapters 82.01, 82.03, and 82.32 RCW, insofar as they are applicable, apply to local option fuel taxes imposed under this section.

(6) Before the effective date of the imposition of the fuel taxes under this section, a district must contract with the department of revenue for the administration and collection of the taxes. The contract must provide that a percentage amount, not to exceed one percent of the taxes imposed under this section, will be deposited into the local tax administration account created in the custody of the state treasurer. The department of revenue may spend money from this account, upon appropriation, for the administration of the local taxes imposed under this section.

(7) The state treasurer must distribute monthly to the district levying the tax as part of the regional transportation investment district plan, after the deductions for payments and expenditures as provided in RCW 46.68.090(1) (a) and (b).

(8) The proceeds of the additional taxes levied by a district in this section, to be used as a part of a regional transportation investment district plan, must be used in accordance with chapter 36.120 RCW, but only for those areas that are considered "highway purposes" as that term is construed in Article II, section 40 of the state Constitution.

(9) A district may only levy the tax under this section if the district is comprised of boundaries identical to the boundaries of a county or counties. A

district may not levy the tax in this section if a member county is levying the tax in RCW 82.80.010 or 82.80.110.

Sec. 206. RCW 82.47.010 and 1998 c 176 s 85 are each amended to read as follows:

((~~The definitions set forth in this section shall apply throughout this chapter unless the context clearly requires otherwise.~~

~~(1) "Motor vehicle fuel" has the meaning given in RCW 82.36.010.~~

~~(2) "Special fuel" has the meaning given in RCW 82.38.020.~~

~~(3) "Motor vehicle" has the meaning given in RCW 82.36.010.~~))

For purposes of this chapter, unless the context clearly requires otherwise, "fuel," "motor vehicle fuel," "special fuel," and "motor vehicle" have the meaning given in RCW 82.38.020.

Sec. 207. RCW 46.16A.060 and 2011 c 114 s 6 are each amended to read as follows:

(1) The department, county auditor or other agent, or subagent appointed by the director may not issue or renew a motor vehicle registration or change the registered owner of a registered vehicle for any motor vehicle required to be inspected under chapter 70.120 RCW, unless the application for issuance or renewal is: (a) Accompanied by a valid certificate of compliance or a valid certificate of acceptance issued as required under chapter 70.120 RCW; or (b) exempt, as described in subsection (2) of this section. The certificates must have a date of validation that is within twelve months of the assigned registration renewal date. Certificates for fleet or owner tested diesel vehicles may have a date of validation that is within twelve months of the assigned registration renewal date.

(2) The following motor vehicles are exempt from emission test requirements:

(a) Motor vehicles that are less than five years old or more than twenty-five years old;

(b) Motor vehicles that are a 2009 model year or newer;

(c) Motor vehicles powered exclusively by electricity, propane, compressed natural gas, liquefied natural gas, or liquid petroleum gas;

(d) Motorcycles as defined in RCW 46.04.330 and motor-driven cycles as defined in RCW 46.04.332;

(e) Farm vehicles as defined in RCW 46.04.181;

(f) Street rod vehicles as defined in RCW 46.04.572 and custom vehicles as defined in RCW 46.04.161;

(g) Used vehicles that are offered for sale by a motor vehicle dealer licensed under chapter 46.70 RCW;

(h) Classes of motor vehicles exempted by the director of the department of ecology; and

(i) Hybrid motor vehicles that obtain a rating by the environmental protection agency of at least fifty miles per gallon of gas during city driving. For purposes of this section, a hybrid motor vehicle is one that uses propulsion units powered by both electricity and gas.

(3) The department of ecology ((~~shall~~)) must provide information to motor vehicle owners:

(a) Regarding the boundaries of emission contributing areas and restrictions established under this section that apply to vehicles registered in such areas; and

(b) On the relationship between motor vehicles and air pollution and steps motor vehicle owners should take to reduce motor vehicle related air pollution.

(4) The department of licensing ((~~shall~~)) must:

(a) Notify all registered motor vehicle owners affected by the emission testing program that they must have an emission test to renew their registration;

(b) Adopt rules implementing and enforcing this section, except for subsection (2)(e) of this section, as specified in chapter 34.05 RCW.

(5) A motor vehicle may not be registered, leased, rented, or sold for use in the state, starting with the model year as provided in RCW 70.120A.010, unless the vehicle:

(a) Has seven thousand five hundred miles or more; or

(b)(i) Is consistent with the vehicle emission standards and carbon dioxide equivalent emission standards adopted by the department of ecology; and

(ii) Has a California certification label for all emission standards, and carbon dioxide equivalent emission standards necessary to meet fleet average requirements.

(6) The department of licensing, in consultation with the department of ecology, may adopt rules necessary to implement this section and may provide for reasonable exemptions to these requirements. The department of ecology may exempt public safety vehicles from meeting the standards where the department finds that vehicles necessary to meet the needs of public safety agencies are not otherwise reasonably available.

Sec. 208. RCW 46.37.467 and 1995 c 369 s 23 are each amended to read as follows:

(1) Every automobile, truck, motorcycle, motor home, or off-road vehicle that is fueled by an alternative fuel source ((~~shall~~)) must bear a reflective placard issued by the national fire protection association indicating that the vehicle is so fueled. Violation of this subsection is a traffic infraction.

(2) As used in this section "alternative fuel source" includes propane, compressed natural gas, liquefied natural gas, liquid petroleum gas, or any chemically similar gas but does not include gasoline or diesel fuel.

(3) If a placard for a specific alternative fuel source has not been issued by the national fire protection association, a placard issued by the chief of the Washington state patrol, through the director of fire protection, ((~~shall be~~)) is required. The chief of the Washington state patrol, through the director of fire protection, ((~~shall~~)) must develop rules for the design, size, and placement of the placard which ((~~shall~~)) remains effective until a specific placard is issued by the national fire protection association.

NEW SECTION. **Sec. 209.** (1) The department of licensing must convene a work group that includes, at a minimum, representatives from the department of transportation, the trucking industry, manufacturers of compressed natural gas and liquefied natural gas, and any other stakeholders as deemed necessary, for the following purposes:

(a) To evaluate the annual license fee in lieu of fuel tax under RCW 82.38.075 to determine a fee that more closely represents the average consumption of vehicles by weight and to make recommendations to the

transportation committees of the legislature by December 1, 2014, on an updated fee schedule.

(b) To develop a transition plan to move vehicles powered by liquefied natural gas and compressed natural gas from the annual license fee in lieu of fuel tax to the fuel tax under RCW 82.38.030. The transition plan must incorporate stakeholder feedback and must include draft legislation and cost and revenue estimates. The transition plan must be submitted to the transportation committees of the legislature by December 1, 2015.

(2) The department of revenue must convene a work group that includes, at a minimum, representatives from the department of transportation, the marine shipping industry, manufacturers of liquefied natural gas, and any other stakeholders as deemed necessary, for the purpose of examining the appropriate level and manner of taxing liquefied natural gas used for marine vessel transportation. The department must make recommendations to the fiscal committees of the legislature by December 1, 2025.

PART III
State and Local Business Taxes

NEW SECTION. **Sec. 301.** A new section is added to chapter 82.16 RCW to read as follows:

(1) The provisions of this chapter do not apply to sales by a gas distribution business of:

(a) Compressed natural gas or liquefied natural gas, where the compressed natural gas or liquefied natural gas is to be sold or used as transportation fuel; or

(b) Natural gas from which the buyer manufactures compressed natural gas or liquefied natural gas, where the compressed natural gas or liquefied natural gas is to be sold or used as transportation fuel.

(2) The exemption is available only when the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(3) For the purposes of this section, "transportation fuel" means fuel for the generation of power to propel a motor vehicle as defined in RCW 46.04.320, a vessel as defined in RCW 88.02.310, or a locomotive or railroad car.

Sec. 302. RCW 82.04.310 and 2007 c 58 s 1 are each amended to read as follows:

(1) This chapter ((~~shall~~)) does not apply to any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of chapter 82.16 RCW including amounts derived from activities for which a deduction is allowed under RCW 82.16.050. The exemption in this subsection does not apply to sales of natural gas, including compressed natural gas and liquefied natural gas, by a gas distribution business, if such sales are exempt from the tax imposed under chapter 82.16 RCW as provided in section 301 of this act.

(2) This chapter does not apply to amounts received by any person for the sale of electrical energy for resale within or outside the state.

(3)(a) This chapter does not apply to amounts received by any person for the sale of natural or manufactured gas in a calendar year if that person sells within the United States a total amount of natural or manufactured gas in that calendar

year that is no more than twenty percent of the amount of natural or manufactured gas that it consumes within the United States in the same calendar year.

(b) For purposes of determining whether a person has sold within the United States a total amount of natural or manufactured gas in a calendar year that is no more than twenty percent of the amount of natural or manufactured gas that it consumes within the United States in the same calendar year, the following transfers of gas are not considered to be the sale of natural or manufactured gas:

(i) The transfer of any natural or manufactured gas as a result of the acquisition of another business, through merger or otherwise; or

(ii) The transfer of any natural or manufactured gas accomplished solely to comply with federal regulatory requirements imposed on the pipeline transportation of such gas when it is shipped by a third-party manager of a person's pipeline transportation.

Sec. 303. RCW 82.04.120 and 2011 c 23 s 3 are each amended to read as follows:

(1) "To manufacture" embraces all activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials so that as a result thereof a new, different or useful substance or article of tangible personal property is produced for sale or commercial or industrial use, and includes:

(a) The production or fabrication of special made or custom made articles;

(b) The production or fabrication of dental appliances, devices, restorations, substitutes, or other dental laboratory products by a dental laboratory or dental technician;

(c) Cutting, delimbing, and measuring of felled, cut, or taken trees; ((~~and~~))

(d) Crushing and/or blending of rock, sand, stone, gravel, or ore; and

(e) The production of compressed natural gas or liquefied natural gas for use as a transportation fuel as defined in section 301 of this act.

(2) "To manufacture" does not include:

(a) Conditioning of seed for use in planting; cubing hay or alfalfa;

(b) Activities which consist of cutting, grading, or ice glazing seafood which has been cooked, frozen, or canned outside this state;

(c) The growing, harvesting, or producing of agricultural products;

(d) Packing of agricultural products, including sorting, washing, rinsing, grading, waxing, treating with fungicide, packaging, chilling, or placing in controlled atmospheric storage;

(e) The production of digital goods;

(f) The production of computer software if the computer software is delivered from the seller to the purchaser by means other than tangible storage media, including the delivery by use of a tangible storage media where the tangible storage media is not physically transferred to the purchaser; and

(g) Except as provided in subsection (1)(e) of this section, any activity that is integral to any public service business as defined in RCW 82.16.010 and with respect to which the gross income associated with such activity: (i) Is subject to tax under chapter 82.16 RCW; or (ii) would be subject to tax under chapter 82.16 RCW if such activity were conducted in this state or if not for an exemption or deduction.

(3) With respect to wastewater treatment facilities:

(a) "To manufacture" does not include the treatment of wastewater, the production of reclaimed water, and the production of class B biosolids; and

(b) "To manufacture" does include the production of class A or exceptional quality biosolids, but only with respect to the processing activities that occur after the biosolids have reached class B standards.

Sec. 304. RCW 82.12.022 and 2011 c 174 s 304 are each amended to read as follows:

(1) A use tax is levied on every person in this state for the privilege of using natural gas or manufactured gas, including compressed natural gas and liquefied natural gas, within this state as a consumer.

(2) The tax must be levied and collected in an amount equal to the value of the article used by the taxpayer multiplied by the rate in effect for the public utility tax on gas distribution businesses under RCW 82.16.020. The "value of the article used" does not include any amounts that are paid for the hire or use of a gas distribution business as defined in RCW 82.16.010(2) in transporting the gas subject to tax under this subsection if those amounts are subject to tax under that chapter.

(3) The tax levied in this section does not apply to the use of natural or manufactured gas delivered to the consumer by other means than through a pipeline.

(4) The tax levied in this section does not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax under RCW 82.16.020 with respect to the gas for which exemption is sought under this subsection.

(5)(a) The tax levied in this section does not apply to the use of natural or manufactured gas by an aluminum smelter as that term is defined in RCW 82.04.217 before January 1, 2017.

(b) A person claiming the exemption provided in this subsection (5) must file a complete annual report with the department under RCW 82.32.534.

(6) The tax imposed by this section does not apply to the use of natural gas, compressed natural gas, or liquefied natural gas, if the consumer uses the gas for transportation fuel as defined in section 301 of this act.

(7) There is a credit against the tax levied under this section in an amount equal to any tax paid by:

(a) The person who sold the gas to the consumer when that tax is a gross receipts tax similar to that imposed pursuant to RCW 82.16.020 by another state with respect to the gas for which a credit is sought under this subsection; or

(b) The person consuming the gas upon which a use tax similar to the tax imposed by this section was paid to another state with respect to the gas for which a credit is sought under this subsection.

(((~~(7)~~))) (8) The use tax imposed in this section must be paid by the consumer to the department.

(((~~(8)~~))) (9) There is imposed a reporting requirement on the person who delivered the gas to the consumer to make a quarterly report to the department. Such report must contain the volume of gas delivered, name of the consumer to whom delivered, and such other information as the department may require by rule.

(((~~(9)~~))) (10) The department may adopt rules under chapter 34.05 RCW for the administration and enforcement of sections 1 through 6, chapter 384, Laws of 1989.

Sec. 305. RCW 82.14.230 and 2010 c 127 s 5 are each amended to read as follows:

(1) The governing body of any city, while not required by legislative mandate to do so, may, by resolution or ordinance for the purposes authorized by this chapter, fix and impose on every person a use tax for the privilege of using natural gas or manufactured gas in the city as a consumer.

(2) The tax is imposed in an amount equal to the value of the article used by the taxpayer multiplied by the rate in effect for the tax on natural gas businesses under RCW 35.21.870 in the city in which the article is used. The "value of the article used," does not include any amounts that are paid for the hire or use of a natural gas business in transporting the gas subject to tax under this subsection if those amounts are subject to tax under RCW 35.21.870.

(3) The tax imposed under this section does not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax under RCW 35.21.870 with respect to the gas for which exemption is sought under this subsection.

(4) There is a credit against the tax levied under this section in an amount equal to any tax paid by:

(a) The person who sold the gas to the consumer when that tax is a gross receipts tax similar to that imposed pursuant to RCW 35.21.870 by another municipality or other unit of local government with respect to the gas for which a credit is sought under this subsection; or

(b) The person consuming the gas upon which a use tax similar to the tax imposed by this section was paid to another municipality or other unit of local government with respect to the gas for which a credit is sought under this subsection.

(5) The use tax imposed must be paid by the consumer. The administration and collection of the tax imposed is pursuant to RCW 82.14.050.

(6) The tax authorized by this section does not apply to the use of natural gas, compressed natural gas, or liquefied natural gas, if the consumer uses the gas for transportation fuel as defined in section 301 of this act.

Sec. 306. RCW 35.21.870 and 1984 c 225 s 6 are each amended to read as follows:

(1) No city or town may impose a tax on the privilege of conducting an electrical energy, natural gas, steam energy, or telephone business at a rate which exceeds six percent unless the rate is first approved by a majority of the voters of the city or town voting on such a proposition.

(2)(a) If a city or town is imposing a rate of tax under subsection (1) of this section in excess of six percent on April 20, 1982, the city or town ((~~shall~~)) must decrease the rate to a rate of six percent or less by reducing the rate each year on or before November 1st by ordinances to be effective on January 1st of the succeeding year, by an amount equal to one-tenth the difference between the tax rate on April 20, 1982, and six percent.

(b) Nothing in this subsection prohibits a city or town from reducing its rates by amounts greater than the amounts required in this subsection.

(3) Voter approved rate increases under subsection (1) of this section ((~~shall~~)) may not be included in the computations under this subsection.

(4) No city or town may impose a tax on the privilege of conducting a natural gas business with respect to sales that are exempt from the tax imposed under chapter 82.16 RCW as provided in section 301 of this act at a rate higher than its business and occupation tax rate on the sale of tangible personal property or, if the city or town does not impose a business and occupation tax on the sale of tangible personal property, at a rate greater than .002.

Sec. 307. RCW 82.14.030 and 2008 c 86 s 101 are each amended to read as follows:

(1) The governing body of any county or city, while not required by legislative mandate to do so, may, by resolution or ordinance for the purposes authorized by this chapter, impose a sales and use tax in accordance with the terms of this chapter. Such tax ((~~shall~~)) must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW, upon the occurrence of any taxable event within the county or city as the case may be. ((~~Except as provided in RCW 82.14.230,~~)) This sales and use tax ((~~shall~~)) does not apply to natural or manufactured gas, except for natural gas that is used as a transportation fuel as defined in section 301 of this act and is taxable by the state under chapters 82.08 and 82.12 RCW. The rate of such tax imposed by a county ((~~shall be~~)) is five-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). The rate of such tax imposed by a city ((~~shall~~)) may not exceed five-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). However, in the event a county imposes a sales and use tax under this subsection, the rate of such tax imposed under this subsection by any city therein ((~~shall~~)) may not exceed four hundred and twenty-five one-thousandths of one percent.

(2) In addition to the tax authorized in subsection (1) of this section, the governing body of any county or city may by resolution or ordinance impose an additional sales and use tax in accordance with the terms of this chapter. Such additional tax ((~~shall~~)) must be collected upon the same taxable events upon which the tax imposed under subsection (1) of this section is imposed. The rate of such additional tax imposed by a county ((~~shall be~~)) is up to five-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). The rate of such additional tax imposed by a city ((~~shall be~~)) is up to five-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). However, in the event a county imposes a sales and use tax under the authority of this subsection at a rate equal to or greater than the rate imposed under the authority of this subsection by a city within the county, the county ((~~shall~~)) must receive fifteen percent of the city tax. In the event that the county imposes a sales and use tax under the authority of this subsection at a rate which is less than the rate imposed under this subsection by a city within the county, the county ((~~shall~~)) must receive that amount of revenues from the city tax equal to fifteen percent of the rate of tax imposed by the county under the authority of this subsection. The authority to impose a tax under this subsection is intended in part to compensate local government for any losses from the phase-out of the property tax on business inventories.

PART IV
Export and Machinery and Equipment Sales and Use Tax Exemptions

Sec. 401. RCW 82.08.02565 and 2011 c 23 s 2 are each amended to read as follows:

(1)(a) The tax levied by RCW 82.08.020 does not apply to sales to a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to sales to a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

(b) Except as provided in (c) of this subsection, sellers making tax-exempt sales under this section must obtain from the purchaser an exemption certificate in a form and manner prescribed by the department by rule. The seller must retain a copy of the certificate for the seller's files.

(c)(i) The exemption under this section is in the form of a remittance for a gas distribution business, as defined in RCW 82.16.010, claiming the exemption for machinery and equipment used for the production of compressed natural gas or liquefied natural gas for use as a transportation fuel.

(ii) A gas distribution business claiming an exemption from state and local tax in the form of a remittance under this section must pay the tax under RCW 82.08.020 and all applicable local sales taxes. Beginning July 1, 2017, the gas distribution business may then apply to the department for remittance of state and local sales and use taxes. A gas distribution business may not apply for a remittance more frequently than once a quarter. The gas distribution business must specify the amount of exempted tax claimed and the qualifying purchases for which the exemption is claimed. The gas distribution business must retain, in adequate detail, records to enable the department to determine whether the business is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.

(iii) The department must determine eligibility under this section based on the information provided by the gas distribution business, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying businesses who submitted applications during the previous quarter.

(iv) Beginning July 1, 2028, a gas distribution business may not apply for a refund under this section or RCW 82.12.02565.

(2) For purposes of this section and RCW 82.12.02565:

(a) "Machinery and equipment" means industrial fixtures, devices, and support facilities, and tangible personal property that becomes an ingredient or component thereof, including repair parts and replacement parts. "Machinery and equipment" includes pollution control equipment installed and used in a manufacturing operation, testing operation, or research and development operation to prevent air pollution, water pollution, or contamination that might otherwise result from the manufacturing operation, testing operation, or research and development operation. "Machinery and equipment" also includes digital goods.

(b) "Machinery and equipment" does not include:

(i) Hand-powered tools;

(ii) Property with a useful life of less than one year;

(iii) Buildings, other than machinery and equipment that is permanently affixed to or becomes a physical part of a building; and

(iv) Building fixtures that are not integral to the manufacturing operation, testing operation, or research and development operation that are permanently affixed to and become a physical part of a building, such as utility systems for heating, ventilation, air conditioning, communications, plumbing, or electrical.

(c) Machinery and equipment is "used directly" in a manufacturing operation, testing operation, or research and development operation if the machinery and equipment:

(i) Acts upon or interacts with an item of tangible personal property;

(ii) Conveys, transports, handles, or temporarily stores an item of tangible personal property at the manufacturing site or testing site;

(iii) Controls, guides, measures, verifies, aligns, regulates, or tests tangible personal property at the site or away from the site;

(iv) Provides physical support for or access to tangible personal property;

(v) Produces power for, or lubricates machinery and equipment;

(vi) Produces another item of tangible personal property for use in the manufacturing operation, testing operation, or research and development operation;

(vii) Places tangible personal property in the container, package, or wrapping in which the tangible personal property is normally sold or transported; or

(viii) Is integral to research and development as defined in RCW 82.63.010.

(d) "Manufacturer" means a person that qualifies as a manufacturer under RCW 82.04.110. "Manufacturer" also includes a person that prints newspapers or other materials.

(e) "Manufacturing" means only those activities that come within the definition of "to manufacture" in RCW 82.04.120 and are taxed as manufacturing or processing for hire under chapter 82.04 RCW, or would be taxed as such if such activity were conducted in this state or if not for an exemption or deduction. "Manufacturing" also includes printing newspapers or other materials. An activity is not taxed as manufacturing or processing for hire under chapter 82.04 RCW if the activity is within the purview of chapter 82.16 RCW.

(f) "Manufacturing operation" means the manufacturing of articles, substances, or commodities for sale as tangible personal property. A manufacturing operation begins at the point where the raw materials enter the manufacturing site and ends at the point where the processed material leaves the manufacturing site. With respect to the production of class A or exceptional quality biosolids by a wastewater treatment facility, the manufacturing operation begins at the point where class B biosolids undergo additional processing to achieve class A or exceptional quality standards. Notwithstanding anything to the contrary in this section, the term also includes that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the preparation of food products on the premises of a person selling food products at retail.

(g) "Cogeneration" means the simultaneous generation of electrical energy and low-grade heat from the same fuel.

(h) "Research and development operation" means engaging in research and development as defined in RCW 82.63.010 by a manufacturer or processor for hire.

(i) "Testing" means activities performed to establish or determine the properties, qualities, and limitations of tangible personal property.

(j) "Testing operation" means the testing of tangible personal property for a manufacturer or processor for hire. A testing operation begins at the point where the tangible personal property enters the testing site and ends at the point where the tangible personal property leaves the testing site. The term also includes the testing of tangible personal property for use in that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the testing of tangible personal property for use in the production of electricity by a light and power business as defined in RCW 82.16.010 or the preparation of food products on the premises of a person selling food products at retail.

Sec. 402. RCW 82.12.02565 and 2003 c 5 s 5 are each amended to read as follows:

(1) The provisions of this chapter ((~~shall~~)) do not apply in respect to the use by a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to the use by a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to the use of labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

(2) The definitions, conditions, and requirements in RCW 82.08.02565 apply to this section.

Sec. 403. RCW 82.14.050 and 2012 1st sp.s. c 9 s 1 are each amended to read as follows:

(1) The counties, cities, and transportation authorities under RCW 82.14.045, public facilities districts under chapters 36.100 and 35.57 RCW, public transportation benefit areas under RCW 82.14.440, regional transportation investment districts, and transportation benefit districts under chapter 36.73 RCW must contract, prior to the effective date of a resolution or ordinance imposing a sales and use tax, the administration and collection to the state department of revenue, which must deduct a percentage amount, as provided by contract, not to exceed two percent of the taxes collected for administration and collection expenses incurred by the department. The remainder of any portion of any tax authorized by this chapter that is collected by the department of revenue must be deposited by the state department of revenue in the local sales and use tax account hereby created in the state treasury. Beginning January 1, 2013, the department of revenue must make deposits in the local sales and use tax account on a monthly basis on the last business day of the month in which distributions required in (a) of this subsection are due. Moneys in the local sales and use tax account may be withdrawn only for:

(a) Distribution to counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts imposing a sales and use tax; and

(b) Making refunds of taxes imposed under the authority of this chapter and RCW 81.104.170 and exempted under RCW 82.08.962 ((~~and~~)), 82.12.962, 82.08.02565, and 82.12.02565.

(2) All administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be amended, insofar as they are applicable to state sales and use taxes, are applicable to taxes imposed pursuant to this chapter.

(3) Counties, cities, transportation authorities, public facilities districts, and regional transportation investment districts may not conduct independent sales or use tax audits of sellers registered under the streamlined sales tax agreement.

(4) Except as provided in RCW 43.08.190 and subsection (5) of this section, all earnings of investments of balances in the local sales and use tax account must be credited to the local sales and use tax account and distributed to the counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts monthly.

(5) Beginning January 1, 2013, the state treasurer must determine the amount of earnings on investments that would have been credited to the local sales and use tax account if the collections had been deposited in the account over the prior month. When distributions are made under subsection (1)(a) of this section, the state treasurer must transfer this amount from the state general fund to the local sales and use tax account and must distribute such sums to the counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts.

Sec. 404. RCW 82.14.060 and 2009 c 469 s 108 are each amended to read as follows:

(1)(a) Monthly, the state treasurer must distribute from the local sales and use tax account to the counties, cities, transportation authorities, public facilities districts, and transportation benefit districts the amount of tax collected on behalf of each taxing authority, less:

(i) The deduction provided for in RCW 82.14.050; and

(ii) The amount of any refunds of local sales and use taxes exempted under RCW 82.08.962 ((~~and~~)), 82.12.962, 82.08.02565, and 82.12.02565, which must be made without appropriation.

(b) The state treasurer ((~~shall~~)) must make the distribution under this section without appropriation.

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

Sec. 405. RCW 82.08.0261 and 1980 c 37 s 28 are each amended to read as follows:

(1) Except as otherwise provided in this section, the tax levied by RCW 82.08.020 ((~~shall~~)) does not apply to sales of tangible personal property (other than the type referred to in RCW 82.08.0262) for use by the purchaser in connection with the business of operating as a private or common carrier by air, rail, or water in interstate or foreign commerce((~~: PROVIDED, That~~)). However, any actual use of such property in this state ((~~shall~~)) is, at the time of such actual use, ((~~be~~)) subject to the tax imposed by chapter 82.12 RCW.

(2)(a) With respect to the sale of liquefied natural gas to a business operating as a private or common carrier by water in interstate or foreign commerce, the buyer is entitled to a partial exemption from the tax levied by RCW 82.08.020 and the associated local sales taxes. The exemption under this subsection (2) is for the state and local retail sales taxes on ninety percent of the amount of the liquefied natural gas transported and consumed outside this state by the buyer.

(b) Sellers are relieved of the obligation to collect the state and local retail sales taxes on sales eligible for the partial exemption provided in this subsection (2) to buyers who are registered with the department if the seller:

(i) Obtains a completed exemption certificate from the buyer, which must include the buyer's tax registration number with the department; or

(ii) Captures the relevant data elements as allowed under the streamlined sales and use tax agreement, including the buyer's tax registration number with the department.

(c) Buyers entitled to a partial exemption under this subsection (2) must either:

(i) Pay the full amount of state and local retail sales tax to the seller on the sale, including the amount of tax qualifying for exemption under this subsection (2), and then request a refund of the exempted portion of the tax from the department within the time allowed for making refunds under RCW 82.32.060; or

(ii) If the seller did not collect the retail sales tax from the buyer, remit to the department the state and local retail sales taxes due on all liquefied natural gas consumed in this state and on ten percent of the liquefied natural gas that is transported and consumed outside of this state.

(3) This section does not apply to the sale of liquefied natural gas on or after July 1, 2028, for use as fuel in any marine vessel.

NEW SECTION. **Sec. 406.** A new section is added to chapter 82.32 RCW to read as follows:

(1) By the last workday of the second and fourth calendar quarters, the state treasurer must transfer the amount specified in subsection (2) of this section from the general fund to the motor vehicle fund established under RCW 46.68.070. The first transfer under this subsection must occur by December 31, 2017.

(2) By December 15th and by June 15th of each year, the department must estimate the increase in state general fund revenues from the taxes collected under RCW 82.08.0261(2)(a) on the nonexempt portion of liquefied natural gas sales in the current and prior calendar quarters and notify the state treasurer of the increase.

(3) This section expires July 1, 2028.

NEW SECTION. **Sec. 407.** A new section is added to chapter 43.135 RCW to read as follows:

(1) RCW 43.135.034(4) does not apply to the transfers under section 406 of this act.

(2) This section expires July 1, 2028.

NEW SECTION. **Sec. 408.** A new section is added to chapter 39.42 RCW to read as follows:

(1) The purpose of eliminating a portion of the sales tax exemption under RCW 82.08.0261 for liquefied natural gas sold for use as a marine vessel transportation fuel is to support the Washington state ferries and other state highway system needs. For this reason, general state revenues transferred under section 406 of this act to the motor vehicle fund are excluded from the calculation of general state revenues for purposes of Article VIII, section 1 of the state Constitution and RCW 39.42.130 and 39.42.140.

(2) This section expires July 1, 2028.

PART V
Utility Law Change

Sec. 501. RCW 80.28.280 and 1991 c 199 s 216 are each amended to read as follows:

(1) The legislature finds that compressed natural gas and liquefied natural gas offers significant potential to reduce vehicle and vessel emissions and to significantly decrease dependence on petroleum-based fuels. The legislature also finds that well-developed and convenient refueling systems are imperative if compressed natural gas ((~~is~~)) and liquefied natural gas are to be widely used by the public. The legislature declares that the development of compressed natural gas ((~~refueling stations are in the public interest.~~)) and liquefied natural gas motor vehicle refueling stations and vessel refueling facilities are in the public interest. Except as provided in subsection (2) of this section, nothing in this section and RCW 80.28.290 is intended to alter the regulatory practices of the commission or allow the subsidization of one ratepayer class by another.

(2) When a liquefied natural gas facility owned by a natural gas company serves both a private customer operating marine vessels and the Washington state ferries or any other public entity, the rate charged by the natural gas company to the Washington state ferries or other public entity may not be more than the rate charged to the private customer operating marine vessels.

PART VI
Miscellaneous Provisions

NEW SECTION. **Sec. 601.** This act takes effect July 1, 2015.

Passed by the Senate March 12, 2014.
Passed by the House March 12, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 217

[Engrossed Second Substitute Senate Bill 6552]

K-12 EDUCATION—INSTRUCTIONAL HOUR AND GRADUATION REQUIREMENTS

AN ACT Relating to improving student success by modifying instructional hour and graduation requirements; amending RCW 28A.700.070, 28A.230.097, 28A.230.010, 28A.150.220, 28A.230.090, 28A.230.097, 28A.320.240, and 28A.150.260; adding a new section to chapter 28A.305 RCW; adding a new section to chapter 43.06B RCW; creating new sections; providing effective dates; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** The legislature recognizes that preparing students to be successful in postsecondary education, gainful employment, and citizenship requires increased rigor and achievement, including attaining a meaningful high school diploma with the opportunity to earn twenty-four credits. The legislature finds that an investment was made in the 2013-2015 omnibus appropriations act to implement an increase in instructional hours in the 2014-2015 school year. School districts informed the legislature that the funding as provided in the 2013-2015 omnibus appropriations act would result in only a few minutes being added onto each class period and would not result in a meaningful increase in instruction that would have the positive impact on student learning that the legislature expects. The school districts suggested that it would be a better educational policy to use the funds to implement the requirement of twenty-four credits for high school graduation, which will result in a meaningful increase of instructional hours. Based on input from school districts across the state, the legislature recognizes the need to provide flexibility for school districts to implement the increase in instructional hours while still moving towards an increase in the high school graduation requirements. Therefore, the legislature intends to shift the focus and intent of the investments from compliance with the minimum instructional hours offering to assisting school districts to provide an opportunity for students to earn twenty-four credits for high school graduation and obtain a meaningful diploma, beginning with the graduating class of 2019, with the opportunity for school districts to request a waiver for up to two years.

PART I
CAREER AND TECHNICAL EQUIVALENCIES

Sec. 101. RCW 28A.700.070 and 2008 c 170 s 201 are each amended to read as follows:

(1) The office of the superintendent of public instruction shall support school district efforts under RCW 28A.230.097 to adopt course equivalencies for career and technical courses by:

(a) Recommending career and technical curriculum suitable for course equivalencies;

(b) Publicizing best practices for high schools and school districts in developing and adopting course equivalencies; and

(c) In consultation with the Washington association for career and technical education, providing professional development, technical assistance, and guidance for school districts seeking to expand their lists of equivalent courses.

(2) The office of the superintendent of public instruction shall provide professional development, technical assistance, and guidance for school districts to develop career and technical course equivalencies that also qualify as advanced placement courses.

(3) The office of the superintendent of public instruction, in consultation with one or more technical working groups convened for this purpose, shall develop curriculum frameworks for a selected list of career and technical courses that may be offered by high schools or skill centers whose content in science, technology, engineering, and mathematics is considered equivalent in full or in part to science or mathematics courses that meet high school graduation requirements. The content of the courses must be aligned with state essential academic learning requirements in mathematics as adopted by the superintendent of public instruction in July 2011 and the essential academic learning requirements in science as adopted in October 2013, and industry standards. The office shall submit the list of equivalent career and technical courses and their curriculum frameworks to the state board of education for review, an opportunity for public comment, and approval. The first list of courses under this subsection must be developed and approved before the 2015-16 school year. Thereafter, the office may periodically update or revise the list of courses using the process in this subsection.

(4) Subject to funds appropriated for this purpose, the office of the superintendent of public instruction shall allocate grant funds to school districts to increase the integration and rigor of academic instruction in career and technical courses. Grant recipients are encouraged to use grant funds to support teams of academic and technical teachers using a research-based professional development model supported by the national research center for career and technical education. The office of the superintendent of public instruction may require that grant recipients provide matching resources using federal Carl Perkins funds or other fund sources.

Sec. 102. RCW 28A.230.097 and 2013 c 241 s 2 are each amended to read as follows:

(1) Each high school or school district board of directors shall adopt course equivalencies for career and technical high school courses offered to students in high schools and skill centers. A career and technical course equivalency may be for whole or partial credit. Each school district board of directors shall develop a course equivalency approval procedure. Boards of directors must approve AP computer science courses as equivalent to high school mathematics or science, and must denote on a student's transcript that AP computer science qualifies as a math-based quantitative course for students who take the course in their senior year. In order for a board to approve AP computer science as equivalent to high school mathematics, the student must be concurrently enrolled in or have successfully completed algebra II. Beginning no later than the 2015-16 school year, a school district board of directors must, at a minimum, grant academic course equivalency in mathematics or science for a high school career and technical course from the list of courses approved by the state board of education under RCW 28A.700.070, but is not limited to the courses on the list. If the list of courses is revised after the 2015-16 school year, the school district board of directors must grant academic course equivalency based on the revised list beginning with the school year immediately following the revision.

(2) Career and technical courses determined to be equivalent to academic core courses, in full or in part, by the high school or school district shall be accepted as meeting core requirements, including graduation requirements, if the courses are recorded on the student's transcript using the equivalent academic high school department designation and title. Full or partial credit shall be recorded as appropriate. The high school or school district shall also issue and keep record of course completion certificates that demonstrate that the career and technical courses were successfully completed as needed for industry certification, college credit, or preapprenticeship, as applicable. The certificate shall be either part of the student's high school and beyond plan or the student's culminating project, as determined by the student. The office of the superintendent of public instruction shall develop and make available electronic samples of certificates of course completion.

Sec. 103. RCW 28A.230.010 and 2003 c 49 s 1 are each amended to read as follows:

(1) School district boards of directors shall identify and offer courses with content that meet or exceed: ((~~(1)~~)) (a) The basic education skills identified in RCW 28A.150.210; ((~~(2)~~)) (b) the graduation requirements under RCW 28A.230.090; ((~~(3)~~)) (c) the courses required to meet the minimum college entrance requirements under RCW 28A.230.130; and ((~~(4)~~)) (d) the course options for career development under RCW 28A.230.130. Such courses may be applied or theoretical, academic, or vocational.

(2) School district boards of directors must provide high school students with the opportunity to access at least one career and technical education course that is considered equivalent to a mathematics course or at least one career and technical education course that is considered equivalent to a science course as determined by the office of the superintendent of public instruction and the state board of education in RCW 28A.700.070. Students may access such courses at high schools, interdistrict cooperatives, skill centers or branch or satellite skill centers, or through online learning or applicable running start vocational courses.

(3) School district boards of directors of school districts with fewer than two thousand students may apply to the state board of education for a waiver from the provisions of subsection (2) of this section.

NEW SECTION. **Sec. 104.** A new section is added to chapter 28A.305 RCW to read as follows:

The state board of education may grant a waiver from the provisions of RCW 28A.230.010(2) based on an application from a board of directors of a school district with fewer than two thousand students.

PART II
INSTRUCTIONAL HOURS AND HIGH SCHOOL GRADUATION CREDIT REQUIREMENTS

Sec. 201. RCW 28A.150.220 and 2013 2nd sp.s. c 9 s 2 are each amended to read as follows:

(1) In order for students to have the opportunity to develop the basic education knowledge and skills under RCW 28A.150.210, school districts must provide instruction of sufficient quantity and quality and give students the

opportunity to complete graduation requirements that are intended to prepare them for postsecondary education, gainful employment, and citizenship. The program established under this section shall be the minimum instructional program of basic education offered by school districts.

(2) Each school district shall make available to students the following minimum instructional offering each school year:

(a) For students enrolled in grades one through twelve, at least a district-wide annual average of one thousand hours, which shall be increased beginning in the 2015-16 school year to at least one thousand eighty instructional hours for students enrolled in ((~~each of~~)) grades ((~~seven~~)) nine through twelve and at least one thousand instructional hours for students in ((~~each of~~)) grades one through ((~~six according to an implementation schedule adopted by the legislature, but not before the 2014-15 school year~~)) eight, all of which may be calculated by a school district using a district-wide annual average of instructional hours over grades one through twelve; and

(b) For students enrolled in kindergarten, at least four hundred fifty instructional hours, which shall be increased to at least one thousand instructional hours according to the implementation schedule under RCW 28A.150.315.

(3) The instructional program of basic education provided by each school district shall include:

(a) Instruction in the essential academic learning requirements under RCW 28A.655.070;

(b) Instruction that provides students the opportunity to complete twenty-four credits for high school graduation, ((~~subject to a phased-in implementation of the twenty-four credits as established by the legislature~~)) beginning with the graduating class of 2019 or as otherwise provided in RCW 28A.230.090. Course distribution requirements may be established by the state board of education under RCW 28A.230.090;

(c) If the essential academic learning requirements include a requirement of languages other than English, the requirement may be met by students receiving instruction in one or more American Indian languages;

(d) Supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065;

(e) Supplemental instruction and services for eligible and enrolled students and exited students whose primary language is other than English through the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080;

(f) The opportunity for an appropriate education at public expense as defined by RCW 28A.155.020 for all eligible students with disabilities as defined in RCW 28A.155.020; and

(g) Programs for highly capable students under RCW 28A.185.010 through 28A.185.030.

(4) Nothing contained in this section shall be construed to require individual students to attend school for any particular number of hours per day or to take any particular courses.

(5)(a) Each school district's kindergarten through twelfth grade basic educational program shall be accessible to all students who are five years of age,

as provided by RCW 28A.225.160, and less than twenty-one years of age and shall consist of a minimum of one hundred eighty school days per school year in such grades as are conducted by a school district, and one hundred eighty half-days of instruction, or equivalent, in kindergarten, to be increased to a minimum of one hundred eighty school days per school year according to the implementation schedule under RCW 28A.150.315. ((~~However,~~))

(b) Schools administering the Washington kindergarten inventory of developing skills may use up to three school days at the beginning of the school year to meet with parents and families as required in the parent involvement component of the inventory. ((~~In addition, effective May 1, 1979,~~))

(c) In the case of students who are graduating from high school, a school district may schedule the last five school days of the one hundred ((~~and~~)) eighty day school year for noninstructional purposes ((~~in the case of students who are graduating from high school,~~)) including, but not limited to, the observance of graduation and early release from school upon the request of a student((~~, and~~)). All such students may be claimed as a full-time equivalent student to the extent they could otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260. Any hours scheduled by a school district for noninstructional purposes during the last five school days for such students shall count toward the instructional hours requirement in subsection (2)(a) of this section.

(6) Nothing in this section precludes a school district from enriching the instructional program of basic education, such as offering additional instruction or providing additional services, programs, or activities that the school district determines to be appropriate for the education of the school district's students.

(7) The state board of education shall adopt rules to implement and ensure compliance with the program requirements imposed by this section, RCW 28A.150.250 and 28A.150.260, and such related supplemental program approval requirements as the state board may establish.

Sec. 202. RCW 28A.230.090 and 2011 c 203 s 2 are each amended to read as follows:

(1) The state board of education shall establish high school graduation requirements or equivalencies for students, except as provided in RCW 28A.230.122 and except those equivalencies established by local high schools or school districts under RCW 28A.230.097. The purpose of a high school diploma is to declare that a student is ready for success in postsecondary education, gainful employment, and citizenship, and is equipped with the skills to be a lifelong learner.

(a) Any course in Washington state history and government used to fulfill high school graduation requirements shall consider including information on the culture, history, and government of the American Indian peoples who were the first inhabitants of the state.

(b) The certificate of academic achievement requirements under RCW 28A.655.061 or the certificate of individual achievement requirements under RCW 28A.155.045 are required for graduation from a public high school but are not the only requirements for graduation.

(c) Any decision on whether a student has met the state board's high school graduation requirements for a high school and beyond plan shall remain at the local level. Effective with the graduating class of 2015, the state board of

education may not establish a requirement for students to complete a culminating project for graduation.

(d)(i) The state board of education shall adopt rules to implement the career and college ready graduation requirement proposal adopted under board resolution on November 10, 2010, and revised on January 9, 2014, to take effect beginning with the graduating class of 2019 or as otherwise provided in this subsection (1)(d). The rules must include authorization for a school district to waive up to two credits for individual students based on unusual circumstances and in accordance with written policies that must be adopted by each board of directors of a school district that grants diplomas. The rules must also provide that the content of the third credit of mathematics and the content of the third credit of science may be chosen by the student based on the student's interests and high school and beyond plan with agreement of the student's parent or guardian or agreement of the school counselor or principal.

(ii) School districts may apply to the state board of education for a waiver to implement the career and college ready graduation requirement proposal beginning with the graduating class of 2020 or 2021 instead of the graduating class of 2019. In the application, a school district must describe why the waiver is being requested, the specific impediments preventing timely implementation, and efforts that will be taken to achieve implementation with the graduating class proposed under the waiver. The state board of education shall grant a waiver under this subsection (1)(d) to an applying school district at the next subsequent meeting of the board after receiving an application.

(2)(a) In recognition of the statutory authority of the state board of education to establish and enforce minimum high school graduation requirements, the state board shall periodically reevaluate the graduation requirements and shall report such findings to the legislature in a timely manner as determined by the state board.

(b) The state board shall reevaluate the graduation requirements for students enrolled in vocationally intensive and rigorous career and technical education programs, particularly those programs that lead to a certificate or credential that is state or nationally recognized. The purpose of the evaluation is to ensure that students enrolled in these programs have sufficient opportunity to earn a certificate of academic achievement, complete the program and earn the program's certificate or credential, and complete other state and local graduation requirements.

(c) The state board shall forward any proposed changes to the high school graduation requirements to the education committees of the legislature for review and to the quality education council established under RCW 28A.290.010. The legislature shall have the opportunity to act during a regular legislative session before the changes are adopted through administrative rule by the state board. Changes that have a fiscal impact on school districts, as identified by a fiscal analysis prepared by the office of the superintendent of public instruction, shall take effect only if formally authorized and funded by the legislature through the omnibus appropriations act or other enacted legislation.

(3) Pursuant to any requirement for instruction in languages other than English established by the state board of education or a local school district, or both, for purposes of high school graduation, students who receive instruction in American sign language or one or more American Indian languages shall be

considered to have satisfied the state or local school district graduation requirement for instruction in one or more languages other than English.

(4) If requested by the student and his or her family, a student who has completed high school courses before attending high school shall be given high school credit which shall be applied to fulfilling high school graduation requirements if:

(a) The course was taken with high school students, if the academic level of the course exceeds the requirements for seventh and eighth grade classes, and the student has successfully passed by completing the same course requirements and examinations as the high school students enrolled in the class; or

(b) The academic level of the course exceeds the requirements for seventh and eighth grade classes and the course would qualify for high school credit, because the course is similar or equivalent to a course offered at a high school in the district as determined by the school district board of directors.

(5) Students who have taken and successfully completed high school courses under the circumstances in subsection (4) of this section shall not be required to take an additional competency examination or perform any other additional assignment to receive credit.

(6) At the college or university level, five quarter or three semester hours equals one high school credit.

NEW SECTION. **Sec. 203.** The Washington state school directors' association shall adopt a model policy and procedure that school districts may use for granting waivers to individual students of up to two credits required for high school graduation based on unusual circumstances. The purpose of the model policy and procedure is to assist school districts in providing all students the opportunity to complete graduation requirements without discrimination and without disparate impact on groups of students. The model policy must take into consideration the unique limitations of a student that may be associated with such circumstances as homelessness, limited English proficiency, medical conditions that impair a student's opportunity to learn, or disabilities, regardless of whether the student has an individualized education program or a plan under section 504 of the federal rehabilitation act of 1973. The model policy must also address waivers if the student has not been provided with an opportunity to retake classes or enroll in remedial classes free of charge during the first four years of high school. The Washington state school directors' association must distribute the model policy and procedure to all school districts in the state that grant high school diplomas by June 30, 2015.

Sec. 204. RCW 28A.230.097 and 2013 c 241 s 2 are each amended to read as follows:

(1) Each high school or school district board of directors shall adopt course equivalencies for career and technical high school courses offered to students in high schools and skill centers. A career and technical course equivalency may be for whole or partial credit. Each school district board of directors shall develop a course equivalency approval procedure. Boards of directors must approve AP computer science courses as equivalent to high school mathematics or science, and must denote on a student's transcript that AP computer science qualifies as a math-based quantitative course for students who take the course in their senior year. In order for a board to approve AP computer science as

equivalent to high school mathematics, the student must be concurrently enrolled in or have successfully completed algebra II.

(2) Career and technical courses determined to be equivalent to academic core courses, in full or in part, by the high school or school district shall be accepted as meeting core requirements, including graduation requirements, if the courses are recorded on the student's transcript using the equivalent academic high school department designation and title. Full or partial credit shall be recorded as appropriate. The high school or school district shall also issue and keep record of course completion certificates that demonstrate that the career and technical courses were successfully completed as needed for industry certification, college credit, or preapprenticeship, as applicable. The certificate shall be ((~~either~~)) part of the student's high school and beyond plan ((~~or the student's culminating project, as determined by the student~~)). The office of the superintendent of public instruction shall develop and make available electronic samples of certificates of course completion.

Sec. 205. RCW 28A.320.240 and 2006 c 263 s 914 are each amended to read as follows:

(1) The purpose of this section is to identify quality criteria for school library media programs that support the student learning goals under RCW 28A.150.210, the essential academic learning requirements under RCW 28A.655.070, and high school graduation requirements adopted under RCW 28A.230.090.

(2) Every board of directors shall provide for the operation and stocking of such libraries as the board deems necessary for the proper education of the district's students or as otherwise required by law or rule of the superintendent of public instruction.

(3) "Teacher-librarian" means a certified teacher with a library media endorsement under rules adopted by the professional educator standards board.

(4) "School-library media program" means a school-based program that is staffed by a certificated teacher-librarian and provides a variety of resources that support student mastery of the essential academic learning requirements in all subject areas and the implementation of the district's school improvement plan.

(5) The teacher-librarian, through the school-library media program, shall collaborate as an instructional partner to help all students meet the content goals in all subject areas, and assist high school students completing ((~~the culminating project and~~)) high school and beyond plans required for graduation.

Sec. 206. RCW 28A.150.260 and 2011 1st sp.s. c 27 s 2 are each amended to read as follows:

The purpose of this section is to provide for the allocation of state funding that the legislature deems necessary to support school districts in offering the minimum instructional program of basic education under RCW 28A.150.220. The allocation shall be determined as follows:

(1) The governor shall and the superintendent of public instruction may recommend to the legislature a formula for the distribution of a basic education instructional allocation for each common school district.

(2) The distribution formula under this section shall be for allocation purposes only. Except as may be required under chapter 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and regulations, nothing in this

section requires school districts to use basic education instructional funds to implement a particular instructional approach or service. Nothing in this section requires school districts to maintain a particular classroom teacher-to-student ratio or other staff-to-student ratio or to use allocated funds to pay for particular types or classifications of staff. Nothing in this section entitles an individual teacher to a particular teacher planning period.

(3)(a) To the extent the technical details of the formula have been adopted by the legislature and except when specifically provided as a school district allocation, the distribution formula for the basic education instructional allocation shall be based on minimum staffing and nonstaff costs the legislature deems necessary to support instruction and operations in prototypical schools serving high, middle, and elementary school students as provided in this section. The use of prototypical schools for the distribution formula does not constitute legislative intent that schools should be operated or structured in a similar fashion as the prototypes. Prototypical schools illustrate 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 various categories of school staff. It is the intent that the funding allocations to school districts be adjusted from the school prototypes based on the actual number of annual average full-time equivalent students in each grade level at each school in the district and not based on the grade-level configuration of the school to the extent that data is available. The allocations shall be further adjusted from the school prototypes with minimum allocations for small schools and to reflect other factors identified in the omnibus appropriations act.

(b) For the purposes of this section, prototypical schools are defined as follows:

(i) A prototypical high school has six hundred average annual full-time equivalent students in grades nine through twelve;

(ii) A prototypical middle school has four hundred thirty-two average annual full-time equivalent students in grades seven and eight; and

(iii) A prototypical elementary school has four hundred average annual full-time equivalent students in grades kindergarten through six.

(4)(a)(i) The minimum allocation for each level of prototypical school shall be based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours under RCW 28A.150.220 and provide at least one teacher planning period per school day, and based on the following general education average class size of full-time equivalent students per teacher:

	General education average class size
Grades K-3	25.23
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74

(ii) The minimum class size allocation for each prototypical high school shall also provide for enhanced funding for class size reduction for two laboratory science classes within grades nine through twelve per full-time

equivalent high school student multiplied by a laboratory science course factor of 0.0833, based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours in RCW 28A.150.220, and providing at least one teacher planning period per school day:

	Laboratory science average class size
Grades 9-12	19.98

(b) During the 2011-2013 biennium and beginning with schools with the highest percentage of students eligible for free and reduced-price meals in the prior school year, the general education average class size for grades K-3 shall be reduced until the average class size funded under this subsection (4) is no more than 17.0 full-time equivalent students per teacher beginning in the 2017-18 school year.

(c) The minimum allocation for each prototypical middle and high school shall also provide for full-time equivalent classroom teachers based on the following number of full-time equivalent students per teacher in career and technical education:

	Career and technical education average class size
Approved career and technical education offered at the middle school and high school level	26.57
Skill center programs meeting the standards established by the office of the superintendent of public instruction	22.76

(d) In addition, the omnibus appropriations act shall at a minimum specify:

(i) A high-poverty average class size in schools where more than fifty percent of the students are eligible for free and reduced-price meals; and

(ii) A specialty average class size for ((~~laboratory science,~~)) advanced placement((~~,~~)) and international baccalaureate courses.

(5) The minimum allocation for each level of prototypical school shall include allocations for the following types of staff in addition to classroom teachers:

	Elementary School	Middle School	High School
Principals, assistant principals, and other certificated building-level administrators	1.253	1.353	1.880
Teacher librarians, a function that includes information literacy, technology, and media to support school library media programs	0.663	0.519	0.523
Health and social services:			
School nurses	0.076	0.060	0.096

Social workers	0.042	0.006	0.015
Psychologists	0.017	0.002	0.007
Guidance counselors, a function that includes parent outreach and graduation advising	0.493	1.116	((~~1.909~~)) 2.539
Teaching assistance, including any aspect of educational instructional services provided by classified employees	0.936	0.700	0.652
Office support and other noninstructional aides	2.012	2.325	3.269
Custodians	1.657	1.942	2.965
Classified staff providing student and staff safety	0.079	0.092	0.141
Parent involvement coordinators	0.00	0.00	0.00

(6)(a) The minimum staffing allocation for each school district to provide district-wide support services shall be allocated per one thousand annual average full-time equivalent students in grades K-12 as follows:

	Staff per 1,000 K-12 students
Technology	0.628
Facilities, maintenance, and grounds	1.813
Warehouse, laborers, and mechanics	0.332

(b) The minimum allocation of staff units for each school district to support certificated and classified staffing of central administration shall be 5.30 percent of the staff units generated under subsections (4)(a) and (b) and (5) of this section and (a) of this subsection.

(7) The distribution formula shall include staffing allocations to school districts for career and technical education and skill center administrative and other school-level certificated staff, as specified in the omnibus appropriations act.

(8)(a) Except as provided in (b) and (c) of this subsection, the minimum allocation for each school district shall include allocations per annual average full-time equivalent student for the following materials, supplies, and operating costs, to be adjusted for inflation from the 2008-09 school year:

	Per annual average full-time equivalent student in grades K-12
Technology	$54.43
Utilities and insurance	$147.90
Curriculum and textbooks	$58.44
Other supplies and library materials	$124.07
Instructional professional development for certified and classified staff	$9.04

Facilities maintenance. $73.27
Security and central office $50.76

(b) During the 2011-2013 biennium, the minimum allocation for maintenance, supplies, and operating costs shall be increased as specified in the omnibus appropriations act. The following allocations, adjusted for inflation from the 2007-08 school year, are provided in the 2015-16 school year, after which the allocations shall be adjusted annually for inflation as specified in the omnibus appropriations act:

	Per annual average full-time equivalent student in grades K-12
Technology	$113.80
Utilities and insurance	$309.21
Curriculum and textbooks	$122.17
Other supplies and library materials	$259.39
Instructional professional development for certificated and classified staff	$18.89
Facilities maintenance	$153.18
Security and central office administration	$106.12

(c) In addition to the amounts provided in (a) and (b) of this subsection, beginning in the 2014-15 school year, the omnibus appropriations act shall provide the following minimum allocation for each annual average full-time equivalent student in grades nine through twelve for the following materials, supplies, and operating costs, to be adjusted annually for inflation:

	Per annual average full-time equivalent student in grades 9-12
Technology	$36.35
Curriculum and textbooks	$39.02
Other supplies and library materials	$82.84
Instructional professional development for certificated and classified staff	$6.04

(9) In addition to the amounts provided in subsection (8) of this section, the omnibus appropriations act shall provide an amount based on full-time equivalent student enrollment in each of the following:

(a) Exploratory career and technical education courses for students in grades seven through twelve;

(b) ((~~Laboratory science courses for students in grades nine through twelve; (c)~~)) Preparatory career and technical education courses for students in grades nine through twelve offered in a high school; and

(((~~(d)~~))) (c) Preparatory career and technical education courses for students in grades eleven and twelve offered through a skill center.

(10) In addition to the allocations otherwise provided under this section, amounts shall be provided to support the following programs and services:

(a) To provide supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005

through 28A.165.065, allocations shall be based on the district percentage of students in grades K-12 who were eligible for free or reduced-price meals in the prior school year. The minimum allocation for the program shall provide for each level of prototypical school resources to provide, on a statewide average, 1.5156 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher.

(b) To provide supplemental instruction and services for students whose primary language is other than English, allocations shall be based on the head count number of students in each school who are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080. The minimum allocation for each level of prototypical school shall provide resources to provide, on a statewide average, 4.7780 hours per week in extra instruction with fifteen transitional bilingual instruction program students per teacher. Notwithstanding other provisions of this subsection (10), the actual per-student allocation may be scaled to provide a larger allocation for students needing more intensive intervention and a commensurate reduced allocation for students needing less intensive intervention, as detailed in the omnibus appropriations act.

(c) To provide additional allocations to support programs for highly capable students under RCW 28A.185.010 through 28A.185.030, allocations shall be based on two and three hundred fourteen one-thousandths percent of each school district's full-time equivalent basic education enrollment. The minimum allocation for the programs shall provide resources to provide, on a statewide average, 2.1590 hours per week in extra instruction with fifteen highly capable program students per teacher.

(11) The allocations under subsections (4)(a) and (b), (5), (6), and (8) of this section shall be enhanced as provided under RCW 28A.150.390 on an excess cost basis to provide supplemental instructional resources for students with disabilities.

(12)(a) For the purposes of allocations for prototypical high schools and middle schools under subsections (4) and (10) of this section that are based on the percent of students in the school who are eligible for free and reduced-price meals, the actual percent of such students in a school shall be adjusted by a factor identified in the omnibus appropriations act to reflect underreporting of free and reduced-price meal eligibility among middle and high school students.

(b) Allocations or enhancements provided under subsections (4), (7), and (9) of this section for exploratory and preparatory career and technical education courses shall be provided only for courses approved by the office of the superintendent of public instruction under chapter 28A.700 RCW.

(13)(a) This formula for distribution of basic education funds shall be reviewed biennially by the superintendent and governor. The recommended formula shall be subject to approval, amendment or rejection by the legislature.

(b) In the event the legislature rejects the distribution formula recommended by the governor, without adopting a new distribution formula, the distribution formula for the previous school year shall remain in effect.

(c) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the first school day of each month, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do

not reside within the servicing school district. The definition of full-time equivalent student shall be determined by rules of the superintendent of public instruction and shall be included as part of the superintendent's biennial budget request. The definition shall be based on the minimum instructional hour offerings required under RCW 28A.150.220. Any revision of the present definition shall not take effect until approved by the house ways and means committee and the senate ways and means committee.

(d) The office of financial management shall make a monthly review of the superintendent's reported full-time equivalent students in the common schools in conjunction with RCW 43.62.050.

***NEW SECTION.** Sec. 207. A new section is added to chapter 43.06B RCW to read as follows:*

(1) The office of the education ombuds shall convene a task force on success for students with special needs to:

(a) Define and assess barriers that students with special needs face in earning a high school diploma and fully accessing the educational program provided by the public schools, including but not limited to students with disabilities, dyslexia, and other physical or emotional conditions for which students do not have an individualized education program or section 504 plan but that create limitations to their ability to succeed in school;

(b) Outline recommendations for systemic changes to address barriers identified and successful models for the delivery of education and supportive services for students with special needs;

(c) Recommend steps for coordination of delivery of early learning through postsecondary education and career preparation for students with special needs through ongoing efforts of various state and local education and workforce agencies, including strategies for earlier assessment and identification of disabilities or barriers to learning in early learning programs and in kindergarten through third grade; and

(d) Identify options for state assistance to help school districts develop course equivalencies for competency-based education or similar systems of personalized learning where students master specific knowledge and skills at their own pace.

(2) The task force shall be composed of at least the following members:

(a) One representative each from the office of the superintendent of public instruction, the workforce training and education coordinating board, the Washington state school directors' association, a statewide organization representing teachers and other certificated instructional staff, the student achievement council, the state board of education, the department of early learning, the educational opportunity gap oversight and accountability committee, a nonprofit organization providing professional development and resources for educators and parents regarding dyslexia, a nonprofit organization of special education parents and teachers, and the Washington association for career and technical education, each to be selected by the appropriate agency or organization; and

(b) At least one faculty member from a public institution of higher education, at least one special education teacher, at least one general education teacher, and at least three parent representatives from special needs families, each to be appointed by the education ombuds.

(3) The office of the education ombuds shall submit an initial report to the superintendent of public instruction, the governor, and the legislature by December 15, 2014, and December 15th of each year thereafter until 2016 detailing its recommendations, including recommendations for specific strategies, programs, and potential changes to funding or accountability systems that are designed to close the opportunity gap, increase high school graduation rates, and assure students with special needs are fully accessing the educational program provided by the public schools.

(4) This section expires June 30, 2017.

***Sec. 207 was vetoed. See message at end of chapter.**

NEW SECTION. **Sec. 208.** Sections 103 and 104 of this act take effect September 1, 2015.

NEW SECTION. **Sec. 209.** Section 206 of this act takes effect September 1, 2014.

Passed by the Senate March 13, 2014.
Passed by the House March 12, 2014.
Approved by the Governor April 3, 2014, with the exception of certain items that were vetoed.
Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 207, Engrossed Second Substitute Senate Bill No. 6552 entitled:

"AN ACT Relating to improving student success by modifying instructional hour and graduation requirements."

Section 207 of the bill directs the Office of the Education Ombuds to convene a three-year task force on students with special needs to examine barriers to earning a diploma.

Later this week I will sign the 2014 supplemental budget, Engrossed Substitute Senate Bill 6002, which includes a similar directive for the Office of Education Ombuds. As that provision of the budget is implemented, it is important that my ombuds office work closely with the Office of the Superintendent of Public Instruction and stakeholders to improve education programs and support success for special education students—and all students. Section 207 creates unnecessary duplication.

For these reasons I have vetoed Section 207 of Engrossed Second Substitute Senate Bill No. 6552.

With the exception of Section 207, Engrossed Second Substitute Senate Bill No. 6552 is approved."

CHAPTER 218

[Senate Bill 6573]

AGED, BLIND, AND DISABLED PROGRAM—
HOUSING AND ESSENTIAL NEEDS PROGRAM—EFFECTIVE DATE

AN ACT Relating to changing the effective date of modifications to the aged, blind, and disabled and the housing and essential needs programs; and amending 2013 2nd sp.s. c 10 s 10 (uncodified).

Be it enacted by the Legislature of the State of Washington:

Sec. 1. 2013 2nd sp.s. c 10 s 10 (uncodified) is amended to read as follows:

Section 2 of this act takes effect July 1, ((~~2015~~)) 2014.

Passed by the Senate March 4, 2014.
Passed by the House March 12, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 219

[Second Substitute Senate Bill 6163]

K-12 EDUCATION—EXPANDED LEARNING OPPORTUNITIES

AN ACT Relating to expanded learning opportunities; adding new sections to chapter 28A.630 RCW; creating a new section; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** (1) The legislature finds that studies have documented that many students experience learning losses when they do not engage in educational activities during the summer. The legislature further finds that research shows that summer learning loss contributes to educational opportunity gaps between students, and that falling behind in academics can be a predictor of whether a student will drop out of school. The legislature recognizes that such academic regression has a disproportionate impact on low-income students.

(2) The legislature further finds that expanded learning opportunities, including those offered by partnerships between schools and community-based organizations, create enriching experiences for youth, with activities that complement and support classroom-based instruction. The legislature acknowledges that access to quality expanded learning opportunities during the school year and summer helps mitigate summer learning loss and improves academic performance, attendance, on-time grade advancement, and classroom behaviors.

(3) Therefore the legislature intends to build capacity, identify best practices, leverage local resources, and promote a sustainable expanded learning opportunities system by providing an infrastructure that helps coordinate expanded learning opportunities throughout the state. To the extent funds are provided for this purpose, the legislature also intends to authorize a pilot program specifically to combat summer learning loss through expanded learning opportunities, which will provide the opportunity to evaluate the effectiveness of an extended school year in improving student achievement, closing the educational opportunity gap, and providing successful models for other districts to follow.

NEW SECTION. **Sec. 2.** DEFINITION OF EXPANDED LEARNING OPPORTUNITIES. As used in this section and sections 3 through 7 of this act, "expanded learning opportunities" means:

(1) Culturally responsive enrichment and learning activities, which may focus on academic and nonacademic areas; the arts; civic engagement; service-learning; science, technology, engineering, and mathematics; and competencies for college and career readiness;

(2) School-based programs that provide extended learning and enrichment for students beyond the traditional school day, week, or calendar; and

(3) Structured, intentional, and creative learning environments outside the traditional school day that are provided by community-based organizations in partnership with schools and align in-school and out-of-school learning through activities that complement classroom-based instruction.

NEW SECTION. **Sec. 3.** CREATION OF COUNCIL. (1) The expanded learning opportunities council is established to advise the governor, the legislature, and the superintendent of public instruction regarding a comprehensive expanded learning opportunities system, with particular attention paid to solutions to summer learning loss.

(2) The council shall provide a vision, guidance, assistance, and advice related to potential improvement and expansion of summer learning opportunities, school year calendar modifications that will help reduce summer learning loss, increasing partnerships between schools and community-based organizations to deliver expanded learning opportunities, and other current or proposed programs and initiatives across the spectrum of early elementary through secondary education that could contribute to a statewide system of expanded learning opportunities.

(3) The council shall identify fiscal, resource, and partnership opportunities; coordinate policy development; set quality standards; promote evidence-based strategies; and develop a comprehensive action plan designed to implement expanded learning opportunities, address summer learning loss, provide academic supports, build strong partnerships between schools and community-based organizations, and track performance of expanded learning opportunities in closing the opportunity gap.

(4) When making recommendations regarding evidence-based strategies, the council shall consider the best practices on the state menus developed in accordance with RCW 28A.165.035 and 28A.655.235.

(5) The superintendent of public instruction shall convene the expanded learning opportunities council. The members of the council must have experience with expanded learning opportunities and include groups and agencies representing diverse student interests and geographical locations across the state. Up to fifteen participants, agencies, organizations, or individuals may be invited to participate in the council, and the membership shall include the following:

(a) Three representatives from nonprofit community-based organizations;

(b) One representative from regional work force development councils;

(c) One representative from each of the following organizations or agencies:

(i) The Washington state school directors' association;

(ii) The state-level association of school administrators;

(iii) The state-level association of school principals;

(iv) The state board of education;

(v) The statewide association representing certificated classroom teachers and educational staff associates;

(vi) The office of the superintendent of public instruction;

(vii) The state-level parent–teacher association;

(viii) Higher education; and

(ix) A nonprofit organization with statewide experience in expanded learning opportunities frameworks.

(6) Staff support for the expanded learning opportunity council shall be provided by the office of the superintendent of public instruction and other state agencies as necessary. Appointees of the council shall be selected by May 30, 2014. The council shall hold its first meeting before August 1, 2014. At the first meeting, the council shall determine regularly scheduled meeting times and locations.

NEW SECTION. **Sec. 4.** REPORTS FROM COUNCIL. (1) The expanded learning opportunities council shall provide a report to the governor and the legislature by December 1, 2014, and each December 1st thereafter until December 1, 2018, that summarizes accomplishments, measures progress, and contains recommendations regarding continued development of an expanded learning opportunities system and reducing summer learning loss.

(2) If funds are appropriated for a summer knowledge improvement pilot program as provided under sections 5 through 7 of this act or other initiatives to reduce summer learning loss or increase expanded learning opportunities, the expanded learning opportunities council shall monitor the progress of the program or initiative and serve as a resource for participating schools and community-based organizations. The council shall also oversee an evaluation of the effectiveness of the program or initiative in reducing summer learning loss and improving student academic progress.

(3) If new funds are not appropriated for a summer knowledge improvement pilot program or other initiatives to reduce summer learning loss, the first report from the council, and any subsequent reports as necessary, shall include recommendations for a framework and action plan for a program to reduce summer learning loss through the provision of state funds for additional student learning days in elementary schools with significant populations of low-income students. The council may also recommend additional strategies to reduce summer learning loss, including through expanded learning opportunities offered in partnership between schools and community-based organizations.

NEW SECTION. **Sec. 5.** SUMMER KNOWLEDGE IMPROVEMENT PILOT PROGRAM. (1) Subject to funds being appropriated for this specific purpose, the summer knowledge improvement pilot program is created to provide state funding for an additional twenty student learning days for three consecutive school years in selected schools for students to receive academic instruction outside of the school year established for other schools in the school district.

(2) If appropriated, state funding for each school in the pilot program shall be equal to twenty days of the average daily per student amount of all basic education and nonbasic education funding provided by the state to the school for the regular one hundred eighty-day school year, including for pupil transportation. Nonstate-provided funds may also be used to support the pilot program.

(3) The purpose of the pilot program is to implement an extended school year to combat summer learning loss and provide an opportunity to evaluate the effectiveness of an extended school year in improving student achievement, closing the educational opportunity gap, and providing successful models for other districts to follow.

NEW SECTION. **Sec. 6.** PLAN PROCESS AND COMPONENTS. (1) Any school district with an eligible school may submit a plan to the office of the superintendent of public instruction to participate in the summer knowledge improvement pilot program. A plan may address one or more eligible schools. The office shall establish timelines for submitting and reviewing applications.

(2) For the purposes of this section, "eligible school" means any school that provides instruction to students in at least grades kindergarten through five where at least seventy-five percent of the enrolled students qualify for free and reduced-price meals.

(3) The school district board of directors must solicit input on the design of the plan from staff at the school, parents, and the community, including at an open public meeting. The final plan must be adopted by the school district board of directors at a subsequent open public meeting before the plan is submitted to the office of the superintendent of public instruction.

(4) A plan must include, but is not limited to, the following components:

(a) Proposed best practices and evidence-based strategies, curriculum, and materials for improving student achievement and closing the educational opportunity gap to be implemented over the extra twenty days for all students enrolled in the school. The best practices and evidence-based strategies, curriculum, and materials must be comparable to or higher in academic rigor than those used during the regular school year;

(b) A description of when the additional twenty days will be provided;

(c) Identification of the measures that the school district will use in assessing student achievement;

(d) Evidence that the principal of the school and at least seventy percent of the certificated and classified staff who work in the school at least two days per week agree to the plan;

(e) Whether the school will collaborate with community-based organizations to provide support for students during the additional twenty days and for the rest of the summer, and if so, the details of this collaboration; and

(f) An agreement to provide information necessary for a program evaluation.

NEW SECTION. **Sec. 7.** SELECTION OF SCHOOLS AND DISTRICTS. (1) The office of the superintendent of public instruction must review the plans submitted in accordance with section 6 of this act and select up to ten schools for participation in the pilot program, or as many schools as can be supported through the appropriated funds. To the extent practicable, the selected school districts shall be from diverse geographic regions of the state and include different sizes of school districts and schools.

(2) The selection criteria must include, but are not limited to, the following determinations:

(a) All of the required plan components are completed;

(b) The likelihood that the proposed best practices and evidence-based strategies, curriculum, and materials will improve student achievement and close the educational opportunity gap; and

(c) Any additional criteria that the office of the superintendent of public instruction deems necessary to ensure a high quality pilot program.

NEW SECTION. **Sec. 8.** Sections 2 through 7 of this act are each added to chapter 28A.630 RCW.

NEW SECTION. **Sec. 9.** This act expires August 31, 2019.

Passed by the Senate March 10, 2014.
Passed by the House March 6, 2014.
Approved by the Governor April 3, 2014.
Filed in Office of Secretary of State April 4, 2014.

CHAPTER 220

[Engrossed Substitute Senate Bill 6265]
HEALTH CARE INFORMATION

AN ACT Relating to state and local agencies that obtain patient health care information; amending RCW 70.02.290, 43.70.052, 43.71.075, 70.02.010, 70.02.020, 70.02.050, 70.02.200, 70.02.210, 70.02.230, 70.02.270, 70.02.280, 70.02.310, 70.02.340, 71.05.445, 70.02.030, and 70.02.045; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70.02.290 and 2013 c 200 s 13 are each amended to read as follows:

(1) All state or local agencies obtaining patient health care information pursuant to RCW 70.02.050 and 70.02.200 through 70.02.240 that are not health care facilities or providers shall adopt rules establishing their record acquisition, retention, destruction, and security policies that are consistent with this chapter.

(2) State and local agencies that are not health care facilities or providers that have not requested health care information and are not authorized to receive this information under this chapter:

(a) Must not use or disclose this information unless permitted under this chapter; and

(b) Must destroy the information in accordance with the policy developed under subsection (1) of this section or return the information to the entity that provided the information to the state or local agency if the entity is a health care facility or provider and subject to this chapter.

(3) A person who has health care information disclosed in violation of subsection (2)(a) of this section, must be informed of the disclosure by the state or local agency improperly making the disclosure. State and local agencies that are not health care facilities or providers must develop a policy to establish a reasonable notification period and what information must be included in the notice, including whether the name of the entity that originally provided the information to the agency must be included.

(4) Rules or policies adopted under this section must be available through each agency's web site.

Sec. 2. RCW 43.70.052 and 2012 c 98 s 1 are each amended to read as follows:

(1) To promote the public interest consistent with the purposes of chapter 492, Laws of 1993 as amended by chapter 267, Laws of 1995, the department shall continue to require hospitals to submit hospital financial and patient discharge information, which shall be collected, maintained, analyzed, and disseminated by the department. The department shall, if deemed cost-effective

and efficient, contract with a private entity for any or all parts of data collection. Data elements shall be reported in conformance with a uniform reporting system established by the department. This includes data elements identifying each hospital's revenues, expenses, contractual allowances, charity care, bad debt, other income, total units of inpatient and outpatient services, and other financial and employee compensation information reasonably necessary to fulfill the purposes of this section. Data elements relating to use of hospital services by patients shall be the same as those currently compiled by hospitals through inpatient discharge abstracts. The department shall encourage and permit reporting by electronic transmission or hard copy as is practical and economical to reporters.

(2) In identifying financial reporting requirements, the department may require both annual reports and condensed quarterly reports from hospitals, so as to achieve both accuracy and timeliness in reporting, but shall craft such requirements with due regard of the data reporting burdens of hospitals.

(3)(a) Beginning with compensation information for 2012, unless a hospital is operated on a for-profit basis, the department shall require a hospital licensed under chapter 70.41 RCW to annually submit employee compensation information. To satisfy employee compensation reporting requirements to the department, a hospital shall submit information as directed in (a)(i) or (ii) of this subsection. A hospital may determine whether to report under (a)(i) or (ii) of this subsection for purposes of reporting.

(i) Within one hundred thirty-five days following the end of each hospital's fiscal year, a nonprofit hospital shall file the appropriate schedule of the federal internal revenue service form 990 that identifies the employee compensation information with the department. If the lead administrator responsible for the hospital or the lead administrator's compensation is not identified on the schedule of form 990 that identifies the employee compensation information, the hospital shall also submit the compensation information for the lead administrator as directed by the department's form required in (b) of this subsection.

(ii) Within one hundred thirty-five days following the end of each hospital's calendar year, a hospital shall submit the names and compensation of the five highest compensated employees of the hospital who do not have any direct patient responsibilities. Compensation information shall be reported on a calendar year basis for the calendar year immediately preceding the reporting date. If those five highest compensated employees do not include the lead administrator for the hospital, compensation information for the lead administrator shall also be submitted. Compensation information shall include base compensation, bonus and incentive compensation, other payments that qualify as reportable compensation, retirement and other deferred compensation, and nontaxable benefits.

(b) To satisfy the reporting requirements of this subsection (3), the department shall create a form and make it available no later than August 1, 2012. To the greatest extent possible, the form shall follow the format and reporting requirements of the portion of the internal revenue service form 990 schedule relating to compensation information. If the internal revenue service substantially revises its schedule, the department shall update its form.

(4) The health care data collected, maintained, and studied by the department shall only be available for retrieval in original or processed form to public and private requestors pursuant to subsection (7) of this section and shall be available within a reasonable period of time after the date of request. The cost of retrieving data for state officials and agencies shall be funded through the state general appropriation. The cost of retrieving data for individuals and organizations engaged in research or private use of data or studies shall be funded by a fee schedule developed by the department that reflects the direct cost of retrieving the data or study in the requested form.

(5) The department shall, in consultation and collaboration with the federally recognized tribes, urban or other Indian health service organizations, and the federal area Indian health service, design, develop, and maintain an American Indian-specific health data, statistics information system. ((~~The department rules regarding confidentiality shall apply to safeguard the information from inappropriate use or release.~~))

(6) All persons subject to the data collection requirements of this section shall comply with departmental requirements established by rule in the acquisition of data.

(7) The department must maintain the confidentiality of patient discharge data it collects under subsection (1) of this section. Patient discharge data that includes direct and indirect identifiers is not subject to public inspection and the department may only release such data as allowed for in this section. Any agency that receives patient discharge data under (a) or (b) of this subsection must also maintain the confidentiality of the data and may not release the data except as consistent with subsection (8)(b) of this section. The department may release the data as follows:

(a) Data that includes direct and indirect patient identifiers, as specifically defined in rule, may be released to:

(i) Federal, state, and local government agencies upon receipt of a signed data use agreement with the department; and

(ii) Researchers with approval of the Washington state institutional review board upon receipt of a signed confidentiality agreement with the department.

(b) Data that does not contain direct patient identifiers but may contain indirect patient identifiers may be released to agencies, researchers, and other persons upon receipt of a signed data use agreement with the department.

(c) Data that does not contain direct or indirect patient identifiers may be released on request.

(8) Recipients of data under subsection (7)(a) and (b) of this section must agree in a written data use agreement, at a minimum, to:

(a) Take steps to protect direct and indirect patient identifying information as described in the data use agreement; and

(b) Not re-disclose the data except as authorized in their data use agreement consistent with the purpose of the agreement.

(9) Recipients of data under subsection (7)(b) and (c) of this section must not attempt to determine the identity of persons whose information is included in the data set or use the data in any manner that identifies individuals or their families.

(10) For the purposes of this section:

(a) "Direct patient identifier" means information that identifies a patient; and

(b) "Indirect patient identifier" means information that may identify a patient when combined with other information.

(11) The department must adopt rules necessary to carry out its responsibilities under this section. The department must consider national standards when adopting rules.

Sec. 3. RCW 43.71.075 and 2012 c 87 s 25 are each amended to read as follows:

(1) A person or entity functioning as a navigator consistent with the requirements of section 1311(i) of P.L. 111-148 of 2010, as amended, shall not be considered soliciting or negotiating insurance as stated under chapter 48.17 RCW.

(2)(a) A person or entity functioning as a navigator may only request health care information that is relevant to the specific assessment and recommendation of health plan options. Any health care information received by a navigator may not be disclosed to any third party that is not part of the enrollment process and must be destroyed after enrollment has been completed.

(b) If a person's health care information is received and disclosed to a third party in violation of (a) of this subsection, the navigator must notify the person of the breach. The exchange must develop a policy to establish a reasonable notification period and what information must be included in the notice. This policy and information on the exchange's confidentiality policies must be made available on the exchange's web site.

(3) For the purposes of this section, "health care information" has the meaning provided in RCW 70.02.010.

Sec. 4. RCW 70.02.010 and 2013 c 200 s 1 are each amended to read as follows:

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

(1) "Admission" has the same meaning as in RCW 71.05.020.

(2) "Audit" means an assessment, evaluation, determination, or investigation of a health care provider by a person not employed by or affiliated with the provider to determine compliance with:

(a) Statutory, regulatory, fiscal, medical, or scientific standards;

(b) A private or public program of payments to a health care provider; or

(c) Requirements for licensing, accreditation, or certification.

(3) "Commitment" has the same meaning as in RCW 71.05.020.

(4) "Custody" has the same meaning as in RCW 71.05.020.

(5) "Deidentified" means health information that does not identify an individual and with respect to which there is no reasonable basis to believe that the information can be used to identify an individual.

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

(7) "Designated mental health professional" has the same meaning as in RCW 71.05.020 or 71.34.020, as applicable.

(8) "Detention" or "detain" has the same meaning as in RCW 71.05.020.

(9) "Directory information" means information disclosing the presence, and for the purpose of identification, the name, location within a health care facility,

and the general health condition of a particular patient who is a patient in a health care facility or who is currently receiving emergency health care in a health care facility.

(10) "Discharge" has the same meaning as in RCW 71.05.020.

(11) "Evaluation and treatment facility" has the same meaning as in RCW 71.05.020 or 71.34.020, as applicable.

(12) "Federal, state, or local law enforcement authorities" means an officer of any agency or authority in the United States, a state, a tribe, a territory, or a political subdivision of a state, a tribe, or a territory who is empowered by law to: (a) Investigate or conduct an official inquiry into a potential criminal violation of law; or (b) prosecute or otherwise conduct a criminal proceeding arising from an alleged violation of law.

(13) "General health condition" means the patient's health status described in terms of "critical," "poor," "fair," "good," "excellent," or terms denoting similar conditions.

(14) "Health care" means any care, service, or procedure provided by a health care provider:

(a) To diagnose, treat, or maintain a patient's physical or mental condition; or

(b) That affects the structure or any function of the human body.

(15) "Health care facility" means a hospital, clinic, nursing home, laboratory, office, or similar place where a health care provider provides health care to patients.

(16) "Health care information" means any information, whether oral or recorded in any form or medium, that identifies or can readily be associated with the identity of a patient and directly relates to the patient's health care, including a patient's deoxyribonucleic acid and identified sequence of chemical base pairs. The term includes any required accounting of disclosures of health care information.

(17) "Health care operations" means any of the following activities of a health care provider, health care facility, or third-party payor to the extent that the activities are related to functions that make an entity a health care provider, a health care facility, or a third-party payor:

(a) Conducting: Quality assessment and improvement activities, including outcomes evaluation and development of clinical guidelines, if the obtaining of generalizable knowledge is not the primary purpose of any studies resulting from such activities; population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, contacting of health care providers and patients with information about treatment alternatives; and related functions that do not include treatment;

(b) Reviewing the competence or qualifications of health care professionals, evaluating practitioner and provider performance and third-party payor performance, conducting training programs in which students, trainees, or practitioners in areas of health care learn under supervision to practice or improve their skills as health care providers, training of nonhealth care professionals, accreditation, certification, licensing, or credentialing activities;

(c) Underwriting, premium rating, and other activities relating to the creation, renewal, or replacement of a contract of health insurance or health benefits, and ceding, securing, or placing a contract for reinsurance of risk

relating to claims for health care, including stop-loss insurance and excess of loss insurance, if any applicable legal requirements are met;

(d) Conducting or arranging for medical review, legal services, and auditing functions, including fraud and abuse detection and compliance programs;

(e) Business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the health care facility or third-party payor, including formulary development and administration, development, or improvement of methods of payment or coverage policies; and

(f) Business management and general administrative activities of the health care facility, health care provider, or third-party payor including, but not limited to:

(i) Management activities relating to implementation of and compliance with the requirements of this chapter;

(ii) Customer service, including the provision of data analyses for policy holders, plan sponsors, or other customers, provided that health care information is not disclosed to such policy holder, plan sponsor, or customer;

(iii) Resolution of internal grievances;

(iv) The sale, transfer, merger, or consolidation of all or part of a health care provider, health care facility, or third-party payor with another health care provider, health care facility, or third-party payor or an entity that following such activity will become a health care provider, health care facility, or third-party payor, and due diligence related to such activity; and

(v) Consistent with applicable legal requirements, creating deidentified health care information or a limited dataset for the benefit of the health care provider, health care facility, or third-party payor.

(18) "Health care provider" means a person who is licensed, certified, registered, or otherwise authorized by the law of this state to provide health care in the ordinary course of business or practice of a profession.

(19) "Human immunodeficiency virus" or "HIV" has the same meaning as in RCW 70.24.017.

(20) "Imminent" has the same meaning as in RCW 71.05.020.

(21) "Information and records related to mental health services" means a type of health care information that relates to all information and records((~~, including mental health treatment records,~~)) compiled, obtained, or maintained in the course of providing services by a mental health service agency((~~, as defined in this section~~)) or mental health professional to persons who are receiving or have received services for mental illness. The term includes mental health information contained in a medical bill, registration records, as defined in RCW 71.05.020, and all other records regarding the person maintained by the department, by regional support networks and their staff, and by treatment facilities. ((~~This may~~)) The term further includes documents of legal proceedings under chapter 71.05, 71.34, or 10.77 RCW, or somatic health care information. For health care information maintained by a hospital as defined in RCW 70.41.020 or a health care facility or health care provider that participates with a hospital in an organized health care arrangement defined under federal law, "information and records related to mental health services" is limited to information and records of services provided by a mental health professional or information and records of services created by a hospital-operated community

mental health program as defined in RCW 71.24.025(6). The term does not include psychotherapy notes.

(22) "Information and records related to sexually transmitted diseases" means a type of health care information that relates to the identity of any person upon whom an HIV antibody test or other sexually transmitted infection test is performed, the results of such tests, and any information relating to diagnosis of or treatment for any confirmed sexually transmitted infections.

(23) "Institutional review board" means any board, committee, or other group formally designated by an institution, or authorized under federal or state law, to review, approve the initiation of, or conduct periodic review of research programs to assure the protection of the rights and welfare of human research subjects.

(24) "Legal counsel" has the same meaning as in RCW 71.05.020.

(25) "Local public health officer" has the same meaning as in RCW 70.24.017.

(26) "Maintain," as related to health care information, means to hold, possess, preserve, retain, store, or control that information.

(27) "Mental health professional" ((~~has the same meaning as in RCW 71.05.020~~)) means a psychiatrist, psychologist, psychiatric advanced registered nurse practitioner, psychiatric nurse, or social worker, and such other mental health professionals as may be defined by rules adopted by the secretary of social and health services under chapter 71.05 RCW, whether that person works in a private or public setting.

(28) "Mental health service agency" means a public or private agency that provides services to persons with mental disorders as defined under RCW 71.05.020 or 71.34.020 and receives funding from public sources. This includes evaluation and treatment facilities as defined in RCW 71.34.020, community mental health service delivery systems, or community mental health programs, as defined in RCW 71.24.025, and facilities conducting competency evaluations and restoration under chapter 10.77 RCW.

(29) ((~~"Mental health treatment records" include registration records, as defined in RCW 71.05.020, and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by regional support networks and their staff, and by treatment facilities. "Mental health treatment records" include mental health information contained in a medical bill including, but not limited to, mental health drugs, a mental health diagnosis, provider name, and dates of service stemming from a medical service. "Mental health treatment records" do not include notes or records maintained for personal use by a person providing treatment services for the department, regional support networks, or a treatment facility if the notes or records are not available to others.~~

~~(30)~~)) "Minor" has the same meaning as in RCW 71.34.020.

(((~~(31)~~))) (30) "Parent" has the same meaning as in RCW 71.34.020.

(((~~(32)~~))) (31) "Patient" means an individual who receives or has received health care. The term includes a deceased individual who has received health care.

(((~~(33)~~))) (32) "Payment" means:

(a) The activities undertaken by:

(i) A third-party payor to obtain premiums or to determine or fulfill its responsibility for coverage and provision of benefits by the third-party payor; or

(ii) A health care provider, health care facility, or third-party payor, to obtain or provide reimbursement for the provision of health care; and

(b) The activities in (a) of this subsection that relate to the patient to whom health care is provided and that include, but are not limited to:

(i) Determinations of eligibility or coverage, including coordination of benefits or the determination of cost-sharing amounts, and adjudication or subrogation of health benefit claims;

(ii) Risk adjusting amounts due based on enrollee health status and demographic characteristics;

(iii) Billing, claims management, collection activities, obtaining payment under a contract for reinsurance, including stop-loss insurance and excess of loss insurance, and related health care data processing;

(iv) Review of health care services with respect to medical necessity, coverage under a health plan, appropriateness of care, or justification of charges;

(v) Utilization review activities, including precertification and preauthorization of services, and concurrent and retrospective review of services; and

(vi) Disclosure to consumer reporting agencies of any of the following health care information relating to collection of premiums or reimbursement:

(A) Name and address;

(B) Date of birth;

(C) Social security number;

(D) Payment history;

(E) Account number; and

(F) Name and address of the health care provider, health care facility, and/or third-party payor.

((~~(34)~~)) (33) "Person" means an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

((~~(35)~~)) (34) "Professional person" has the same meaning as in RCW 71.05.020.

((~~(36)~~)) (35) "Psychiatric advanced registered nurse practitioner" has the same meaning as in RCW 71.05.020.

((~~(37)~~)) (36) "Psychotherapy notes" means notes recorded, in any medium, by a mental health professional documenting or analyzing the contents of conversations during a private counseling session or group, joint, or family counseling session, and that are separated from the rest of the individual's medical record. The term excludes mediation prescription and monitoring, counseling session start and stop times, the modalities and frequencies of treatment furnished, results of clinical tests, and any summary of the following items: Diagnosis, functional status, the treatment plan, symptoms, prognosis, and progress to date.

(37) "Reasonable fee" means the charges for duplicating or searching the record, but shall not exceed sixty-five cents per page for the first thirty pages and fifty cents per page for all other pages. In addition, a clerical fee for searching and handling may be charged not to exceed fifteen dollars. These amounts shall be adjusted biennially in accordance with changes in the consumer price index,

all consumers, for Seattle-Tacoma metropolitan statistical area as determined by the secretary of health. However, where editing of records by a health care provider is required by statute and is done by the provider personally, the fee may be the usual and customary charge for a basic office visit.

(38) "Release" has the same meaning as in RCW 71.05.020.

(39) "Resource management services" has the same meaning as in RCW 71.05.020.

(40) "Serious violent offense" has the same meaning as in RCW 71.05.020.

(41) "Sexually transmitted infection" or "sexually transmitted disease" has the same meaning as "sexually transmitted disease" in RCW 70.24.017.

(42) "Test for a sexually transmitted disease" has the same meaning as in RCW 70.24.017.

(43) "Third-party payor" means an insurer regulated under Title 48 RCW authorized to transact business in this state or other jurisdiction, including a health care service contractor, and health maintenance organization; or an employee welfare benefit plan, excluding fitness or wellness plans; or a state or federal health benefit program.

(44) "Treatment" means the provision, coordination, or management of health care and related services by one or more health care providers or health care facilities, including the coordination or management of health care by a health care provider or health care facility with a third party; consultation between health care providers or health care facilities relating to a patient; or the referral of a patient for health care from one health care provider or health care facility to another.

Sec. 5. RCW 70.02.020 and 2013 c 200 s 2 are each amended to read as follows:

(1) Except as authorized elsewhere in this chapter, a health care provider, an individual who assists a health care provider in the delivery of health care, or an agent and employee of a health care provider may not disclose health care information about a patient to any other person without the patient's written authorization. A disclosure made under a patient's written authorization must conform to the authorization.

(2) ((~~A patient has a right to receive an accounting of all disclosures of mental health treatment records except disclosures made under RCW 71.05.425. (3)~~)) A patient has a right to receive an accounting of disclosures of health care information((~~, except for mental health treatment records which are addressed in subsection (2) of this section,~~)) made by a health care provider or a health care facility in the six years before the date on which the accounting is requested, except for disclosures:

(a) To carry out treatment, payment, and health care operations;

(b) To the patient of health care information about him or her;

(c) Incident to a use or disclosure that is otherwise permitted or required;

(d) Pursuant to an authorization where the patient authorized the disclosure of health care information about himself or herself;

(e) Of directory information;

(f) To persons involved in the patient's care;

(g) For national security or intelligence purposes if an accounting of disclosures is not permitted by law;

(h) To correctional institutions or law enforcement officials if an accounting of disclosures is not permitted by law; and

(i) Of a limited data set that excludes direct identifiers of the patient or of relatives, employers, or household members of the patient.

Sec. 6. RCW 70.02.050 and 2013 c 200 s 3 are each amended to read as follows:

(1) A health care provider or health care facility may disclose health care information, except for information and records related to sexually transmitted diseases which are addressed in RCW 70.02.220, about a patient without the patient's authorization to the extent a recipient needs to know the information, if the disclosure is:

(a) To a person who the provider or facility reasonably believes is providing health care to the patient;

(b) To any other person who requires health care information for health care education, or to provide planning, quality assurance, peer review, or administrative, legal, financial, actuarial services to, or other health care operations for or on behalf of the health care provider or health care facility; or for assisting the health care provider or health care facility in the delivery of health care and the health care provider or health care facility reasonably believes that the person:

(i) Will not use or disclose the health care information for any other purpose; and

(ii) Will take appropriate steps to protect the health care information;

(c) To any person if the health care provider or health care facility reasonably believes that disclosure will avoid or minimize an imminent danger to the health or safety of the patient or any other individual, however there is no obligation under this chapter on the part of the provider or facility to so disclose. The fact of admission to a provider for mental health services and all information and records compiled, obtained, or maintained in the course of providing mental health services to either voluntary or involuntary recipients of services at public or private agencies is not subject to disclosure unless disclosure is permitted in RCW 70.02.230; or

(d) ((~~To an official of a penal or other custodial institution in which the patient is detained; or~~

~~(e)~~)) For payment, including information necessary for a recipient to make a claim, or for a claim to be made on behalf of a recipient for aid, insurance, or medical assistance to which he or she may be entitled.

(2) A health care provider shall disclose health care information, except for information and records related to sexually transmitted diseases, unless otherwise authorized in RCW 70.02.220, about a patient without the patient's authorization if the disclosure is:

(a) To federal, state, or local public health authorities, to the extent the health care provider is required by law to report health care information; when needed to determine compliance with state or federal licensure, certification or registration rules or laws, or to investigate unprofessional conduct or ability to practice with reasonable skill and safety under chapter 18.130 RCW. Any health care information obtained under this subsection is exempt from public inspection and copying pursuant to chapter 42.56 RCW; or

(b) When needed to protect the public health.

Sec. 7. RCW 70.02.200 and 2013 c 200 s 4 are each amended to read as follows:

(1) In addition to the disclosures authorized by RCW 70.02.050 and 70.02.210, a health care provider or health care facility may disclose health care information, except for information and records related to sexually transmitted diseases and information related to mental health services which are addressed by RCW 70.02.220 through 70.02.260, about a patient without the patient's authorization, to:

(a) Any other health care provider or health care facility reasonably believed to have previously provided health care to the patient, to the extent necessary to provide health care to the patient, unless the patient has instructed the health care provider or health care facility in writing not to make the disclosure;

(b) Immediate family members of the patient, including a patient's state registered domestic partner, or any other individual with whom the patient is known to have a close personal relationship, if made in accordance with good medical or other professional practice, unless the patient has instructed the health care provider or health care facility in writing not to make the disclosure;

(c) A health care provider or health care facility who is the successor in interest to the health care provider or health care facility maintaining the health care information;

(d) A person who obtains information for purposes of an audit, if that person agrees in writing to:

(i) Remove or destroy, at the earliest opportunity consistent with the purpose of the audit, information that would enable the patient to be identified; and

(ii) Not to disclose the information further, except to accomplish the audit or report unlawful or improper conduct involving fraud in payment for health care by a health care provider or patient, or other unlawful conduct by the health care provider;

(e) Provide directory information, unless the patient has instructed the health care provider or health care facility not to make the disclosure;

(f) Fire, police, sheriff, or other public authority, that brought, or caused to be brought, the patient to the health care facility or health care provider if the disclosure is limited to the patient's name, residence, sex, age, occupation, condition, diagnosis, estimated or actual discharge date, or extent and location of injuries as determined by a physician, and whether the patient was conscious when admitted;

(g) Federal, state, or local law enforcement authorities and the health care provider, health care facility, or third-party payor believes in good faith that the health care information disclosed constitutes evidence of criminal conduct that occurred on the premises of the health care provider, health care facility, or third-party payor; ((~~and~~))

(h) Another health care provider, health care facility, or third-party payor for the health care operations of the health care provider, health care facility, or third-party payor that receives the information, if each entity has or had a relationship with the patient who is the subject of the health care information being requested, the health care information pertains to such relationship, and the disclosure is for the purposes described in RCW 70.02.010(17) (a) and (b)**:** and

(i) An official of a penal or other custodial institution in which the patient is detained.

(2) In addition to the disclosures required by RCW 70.02.050 and 70.02.210, a health care provider shall disclose health care information, except for information related to sexually transmitted diseases and information related to mental health services which are addressed by RCW 70.02.220 through 70.02.260, about a patient without the patient's authorization if the disclosure is:

(a) To federal, state, or local law enforcement authorities to the extent the health care provider is required by law;

(b) To federal, state, or local law enforcement authorities, upon receipt of a written or oral request made to a nursing supervisor, administrator, or designated privacy official, in a case in which the patient is being treated or has been treated for a bullet wound, gunshot wound, powder burn, or other injury arising from or caused by the discharge of a firearm, or an injury caused by a knife, an ice pick, or any other sharp or pointed instrument which federal, state, or local law enforcement authorities reasonably believe to have been intentionally inflicted upon a person, or a blunt force injury that federal, state, or local law enforcement authorities reasonably believe resulted from a criminal act, the following information, if known:

(i) The name of the patient;

(ii) The patient's residence;

(iii) The patient's sex;

(iv) The patient's age;

(v) The patient's condition;

(vi) The patient's diagnosis, or extent and location of injuries as determined by a health care provider;

(vii) Whether the patient was conscious when admitted;

(viii) The name of the health care provider making the determination in (b)(v), (vi), and (vii) of this subsection;

(ix) Whether the patient has been transferred to another facility; and

(x) The patient's discharge time and date;

(c) Pursuant to compulsory process in accordance with RCW 70.02.060.

Sec. 8. RCW 70.02.210 and 2013 c 200 s 5 are each amended to read as follows:

(1)(a) A health care provider or health care facility may disclose 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 for use in a research project that an institutional review board has determined:

(((~~(a)~~))) (i) Is of sufficient importance to outweigh the intrusion into the privacy of the patient that would result from the disclosure;

(((~~(b)~~))) (ii) Is impracticable without the use or disclosure of the health care information in individually identifiable form;

(((~~(c)~~))) (iii) Contains reasonable safeguards to protect the information from redisclosure;

(((~~(d)~~))) (iv) Contains reasonable safeguards to protect against identifying, directly or indirectly, any patient in any report of the research project; and

(((~~(e)~~))) (v) Contains procedures to remove or destroy at the earliest opportunity, consistent with the purposes of the project, information that would

enable the patient to be identified, unless an institutional review board authorizes retention of identifying information for purposes of another research project.

(b) Disclosure under (a) of this subsection may include health care information and records of treatment programs related to chemical dependency addressed in chapter 70.96A RCW and as authorized by federal law.

(2) In addition to the disclosures required by RCW 70.02.050 and 70.02.200, a health care provider or health care facility shall disclose health care information about a patient without the patient's authorization if:

(a) The disclosure is to county coroners and medical examiners for the investigations of deaths;

(b) The disclosure is to a procurement organization or person to whom a body part passes for the purpose of examination necessary to assure the medical suitability of the body part; or

(c) The disclosure is to a person subject to the jurisdiction of the federal food and drug administration in regards to a food and drug administration-regulated product or activity for which that person has responsibility for quality, safety, or effectiveness of activities.

Sec. 9. RCW 70.02.230 and 2013 c 200 s 7 are each amended to read as follows:

(1) Except as provided in this section, RCW 70.02.050, 71.05.445, 70.96A.150, 74.09.295, 70.02.210, 70.02.240, 70.02.250, and 70.02.260, or pursuant to a valid authorization under RCW 70.02.030, the fact of admission to a provider for mental health services and all information and records compiled, obtained, or maintained in the course of providing mental health services to either voluntary or involuntary recipients of services at public or private agencies must be confidential.

(2) Information and records related to mental health services, other than those obtained through treatment under chapter 71.34 RCW, may be disclosed only:

(a) In communications between qualified professional persons to meet the requirements of chapter 71.05 RCW, in the provision of services or appropriate referrals, or in the course of guardianship proceedings if provided to a professional person:

(i) Employed by the facility;

(ii) Who has medical responsibility for the patient's care;

(iii) Who is a designated mental health professional;

(iv) Who is providing services under chapter 71.24 RCW;

(v) Who is employed by a state or local correctional facility where the person is confined or supervised; or

(vi) Who is providing evaluation, treatment, or follow-up services under chapter 10.77 RCW;

(b) When the communications regard the special needs of a patient and the necessary circumstances giving rise to such needs and the disclosure is made by a facility providing services to the operator of a facility in which the patient resides or will reside;

(c)(i) When the person receiving services, or his or her guardian, designates persons to whom information or records may be released, or if the person is a minor, when his or her parents make such a designation;

(ii) A public or private agency shall release to a person's next of kin, attorney, personal representative, guardian, or conservator, if any:

(A) The information that the person is presently a patient in the facility or that the person is seriously physically ill;

(B) A statement evaluating the mental and physical condition of the patient, and a statement of the probable duration of the patient's confinement, if such information is requested by the next of kin, attorney, personal representative, guardian, or conservator; and

(iii) Other information requested by the next of kin or attorney as may be necessary to decide whether or not proceedings should be instituted to appoint a guardian or conservator;

(d)(i) To the courts as necessary to the administration of chapter 71.05 RCW or to a court ordering an evaluation or treatment under chapter 10.77 RCW solely for the purpose of preventing the entry of any evaluation or treatment order that is inconsistent with any order entered under chapter 71.05 RCW.

(ii) To a court or its designee in which a motion under chapter 10.77 RCW has been made for involuntary medication of a defendant for the purpose of competency restoration.

(iii) Disclosure under this subsection is mandatory for the purpose of the federal health insurance portability and accountability act;

(e)(i) When a mental health professional is requested by a representative of a law enforcement or corrections agency, including a police officer, sheriff, community corrections officer, a municipal attorney, or prosecuting attorney to undertake an investigation or provide treatment under RCW 71.05.150, 10.31.110, or 71.05.153, the mental health professional shall, if requested to do so, advise the representative in writing of the results of the investigation including a statement of reasons for the decision to detain or release the person investigated. The written report must be submitted within seventy-two hours of the completion of the investigation or the request from the law enforcement or corrections representative, whichever occurs later.

(ii) Disclosure under this subsection is mandatory for the purposes of the federal health insurance portability and accountability act;

(f) To the attorney of the detained person;

(g) To the prosecuting attorney as necessary to carry out the responsibilities of the office under RCW 71.05.330(2), 71.05.340(1)(b), and 71.05.335. The prosecutor must be provided access to records regarding the committed person's treatment and prognosis, medication, behavior problems, and other records relevant to the issue of whether treatment less restrictive than inpatient treatment is in the best interest of the committed person or others. Information must be disclosed only after giving notice to the committed person and the person's counsel;

(h)(i) To appropriate law enforcement agencies and to a person, when the identity of the person is known to the public or private agency, whose health and safety has been threatened, or who is known to have been repeatedly harassed, by the patient. The person may designate a representative to receive the disclosure. The disclosure must be made by the professional person in charge of the public or private agency or his or her designee and must include the dates of commitment, admission, discharge, or release, authorized or unauthorized absence from the agency's facility, and only any other information that is

pertinent to the threat or harassment. The agency or its employees are not civilly liable for the decision to disclose or not, so long as the decision was reached in good faith and without gross negligence.

(ii) Disclosure under this subsection is mandatory for the purposes of the federal health insurance portability and accountability act;

(i)(i) To appropriate corrections and law enforcement agencies all necessary and relevant information in the event of a crisis or emergent situation that poses a significant and imminent risk to the public. The mental health service agency or its employees are not civilly liable for the decision to disclose or not so long as the decision was reached in good faith and without gross negligence.

(ii) Disclosure under this subsection is mandatory for the purposes of the health insurance portability and accountability act;

(j) To the persons designated in RCW 71.05.425 for the purposes described in those sections;

(k) Upon the death of a person. The person's next of kin, personal representative, guardian, or conservator, if any, must be notified. Next of kin who are of legal age and competent must be notified under this section in the following order: Spouse, parents, children, brothers and sisters, and other relatives according to the degree of relation. Access to all records and information compiled, obtained, or maintained in the course of providing services to a deceased patient are governed by RCW 70.02.140;

(l) To mark headstones or otherwise memorialize patients interred at state hospital cemeteries. The department of social and health services shall make available the name, date of birth, and date of death of patients buried in state hospital cemeteries fifty years after the death of a patient;

(m) To law enforcement officers and to prosecuting attorneys as are necessary to enforce RCW 9.41.040(2)(a)(ii). The extent of information that may be released is limited as follows:

(i) Only the fact, place, and date of involuntary commitment, an official copy of any order or orders of commitment, and an official copy of any written or oral notice of ineligibility to possess a firearm that was provided to the person pursuant to RCW 9.41.047(1), must be disclosed upon request;

(ii) The law enforcement and prosecuting attorneys may only release the information obtained to the person's attorney as required by court rule and to a jury or judge, if a jury is waived, that presides over any trial at which the person is charged with violating RCW 9.41.040(2)(a)(ii);

(iii) Disclosure under this subsection is mandatory for the purposes of the federal health insurance portability and accountability act;

(n) When a patient would otherwise be subject to the provisions of this section and disclosure is necessary for the protection of the patient or others due to his or her unauthorized disappearance from the facility, and his or her whereabouts is unknown, notice of the disappearance, along with relevant information, may be made to relatives, the department of corrections when the person is under the supervision of the department, and governmental law enforcement agencies designated by the physician or psychiatric advanced registered nurse practitioner in charge of the patient or the professional person in charge of the facility, or his or her professional designee;

(o) Pursuant to lawful order of a court;

(p) To qualified staff members of the department, to the director of regional support networks, to resource management services responsible for serving a patient, or to service providers designated by resource management services as necessary to determine the progress and adequacy of treatment and to determine whether the person should be transferred to a less restrictive or more appropriate treatment modality or facility;

(q) Within the ((~~treatment facility~~)) mental health service agency where the patient is receiving treatment, confidential information may be disclosed to persons employed, serving in bona fide training programs, or participating in supervised volunteer programs, at the facility when it is necessary to perform their duties;

(r) Within the department as necessary to coordinate treatment for mental illness, developmental disabilities, alcoholism, or drug abuse of persons who are under the supervision of the department;

(s) To a licensed physician or psychiatric advanced registered nurse practitioner who has determined that the life or health of the person is in danger and that treatment without the information and records related to mental health services ((~~contained in the mental health treatment records~~)) could be injurious to the patient's health. Disclosure must be limited to the portions of the records necessary to meet the medical emergency;

(t) Consistent with the requirements of the federal health information portability and accountability act, to a licensed mental health professional or a health care professional licensed under chapter 18.71, 18.71A, 18.57, 18.57A, 18.79, or 18.36A RCW who is providing care to a person, or to whom a person has been referred for evaluation or treatment, to assure coordinated care and treatment of that person. Psychotherapy notes((~~, as defined in 45 C.F.R. Sec. 164.501,~~)) may not be released without authorization of the person who is the subject of the request for release of information;

(u) To administrative and office support staff designated to obtain medical records for those licensed professionals listed in (t) of this subsection;

(v) To a facility that is to receive a person who is involuntarily committed under chapter 71.05 RCW, or upon transfer of the person from one evaluation and treatment facility to another. The release of records under this subsection is limited to the ((~~mental health treatment records~~)) information and records related to mental health services required by law, a record or summary of all somatic treatments, and a discharge summary. The discharge summary may include a statement of the patient's problem, the treatment goals, the type of treatment which has been provided, and recommendation for future treatment, but may not include the patient's complete treatment record;

(w) To the person's counsel or guardian ad litem, without modification, at any time in order to prepare for involuntary commitment or recommitment proceedings, reexaminations, appeals, or other actions relating to detention, admission, commitment, or patient's rights under chapter 71.05 RCW;

(x) To staff members of the protection and advocacy agency or to staff members of a private, nonprofit corporation for the purpose of protecting and advocating the rights of persons with mental disorders or developmental disabilities. Resource management services may limit the release of information to the name, birthdate, and county of residence of the patient, information regarding whether the patient was voluntarily admitted, or involuntarily

committed, the date and place of admission, placement, or commitment, the name and address of a guardian of the patient, and the date and place of the guardian's appointment. Any staff member who wishes to obtain additional information must notify the patient's resource management services in writing of the request and of the resource management services' right to object. The staff member shall send the notice by mail to the guardian's address. If the guardian does not object in writing within fifteen days after the notice is mailed, the staff member may obtain the additional information. If the guardian objects in writing within fifteen days after the notice is mailed, the staff member may not obtain the additional information;

(y) To all current treating providers of the patient with prescriptive authority who have written a prescription for the patient within the last twelve months. For purposes of coordinating health care, the department may release without written authorization of the patient, information acquired for billing and collection purposes as described in RCW 70.02.050(1)((~~(c)~~)) (d). The department shall notify the patient that billing and collection information has been released to named providers, and provide the substance of the information released and the dates of such release. The department may not release counseling, inpatient psychiatric hospitalization, or drug and alcohol treatment information without a signed written release from the client;

(z)(i) To the secretary of social and health services for either program evaluation or research, or both so long as the secretary adopts rules for the conduct of the evaluation or research, or both. Such rules must include, but need not be limited to, the requirement that all evaluators and researchers sign an oath of confidentiality substantially as follows:

"As a condition of conducting evaluation or research concerning persons who have received services from (fill in the facility, agency, or person) I, ..., agree not to divulge, publish, or otherwise make known to unauthorized persons or the public any information obtained in the course of such evaluation or research regarding persons who have received services such that the person who received such services is identifiable.

I recognize that unauthorized release of confidential information may subject me to civil liability under the provisions of state law.

/s/ . . . . . ."

(ii) Nothing in this chapter may be construed to prohibit the compilation and publication of statistical data for use by government or researchers under standards, including standards to assure maintenance of confidentiality, set forth by the secretary.

(3) Whenever federal law or federal regulations restrict the release of information contained in the ((~~treatment records~~)) information and records related to mental health services of any patient who receives treatment for chemical dependency, the department may restrict the release of the information as necessary to comply with federal law and regulations.

(4) Civil liability and immunity for the release of information about a particular person who is committed to the department of social and health services under RCW 71.05.280(3) and 71.05.320(3)(c) after dismissal of a sex offense as defined in RCW 9.94A.030, is governed by RCW 4.24.550.

(5) The fact of admission to a provider of mental health services, as well as all records, files, evidence, findings, or orders made, prepared, collected, or maintained pursuant to chapter 71.05 RCW are not admissible as evidence in any legal proceeding outside that chapter without the written authorization of the person who was the subject of the proceeding except as provided in RCW 70.02.260, in a subsequent criminal prosecution of a person committed pursuant to RCW 71.05.280(3) or 71.05.320(3)(c) on charges that were dismissed pursuant to chapter 10.77 RCW due to incompetency to stand trial, in a civil commitment proceeding pursuant to chapter 71.09 RCW, or, in the case of a minor, a guardianship or dependency proceeding. The records and files maintained in any court proceeding pursuant to chapter 71.05 RCW must be confidential and available subsequent to such proceedings only to the person who was the subject of the proceeding or his or her attorney. In addition, the court may order the subsequent release or use of such records or files only upon good cause shown if the court finds that appropriate safeguards for strict confidentiality are and will be maintained.

(6)(a) Except as provided in RCW 4.24.550, any person may bring an action against an individual who has willfully released confidential information or records concerning him or her in violation of the provisions of this section, for the greater of the following amounts:

(i) One thousand dollars; or

(ii) Three times the amount of actual damages sustained, if any.

(b) It is not a prerequisite to recovery under this subsection that the plaintiff suffered or was threatened with special, as contrasted with general, damages.

(c) Any person may bring an action to enjoin the release of confidential information or records concerning him or her or his or her ward, in violation of the provisions of this section, and may in the same action seek damages as provided in this subsection.

(d) The court may award to the plaintiff, should he or she prevail in any action authorized by this subsection, reasonable attorney fees in addition to those otherwise provided by law.

(e) If an action is brought under this subsection, no action may be brought under RCW 70.02.170.

Sec. 10. RCW 70.02.270 and 2013 c 200 s 11 are each amended to read as follows:

(1) No person who receives health care information for health care education, or to provide planning, quality assurance, peer review, or administrative, legal, financial, or actuarial services, or other health care operations for or on behalf of a health care provider or health care facility, may use or disclose any health care information received from the health care provider or health care facility in any manner that ((~~is inconsistent with the duties of the health care provider or health care facility under this chapter~~)) would violate the requirements of this chapter if performed by the health care provider or health care facility.

(2) A health care provider or health care facility that has a contractual relationship with a person to provide services described under subsection (1) of this section ((~~must~~)) may terminate the contractual relationship with the person if the health care provider or health care facility learns that the person has engaged in a pattern of activity that violates the person's duties under subsection

(1) of this section, unless the person took reasonable steps to correct the breach of confidentiality or has discontinued the violating activity.

Sec. 11. RCW 70.02.280 and 2013 c 200 s 12 are each amended to read as follows:

A health care provider, health care facility, and their assistants, employees, agents, and contractors may not:

(1) Use or disclose health care information for marketing or fund-raising purposes, unless permitted by federal law; or

(2) ((~~Sell health care information to a third party, except in a form that is deidentified and aggregated; or~~

~~(3)~~)) Sell health care information to a third party, except ((~~for the following purposes~~)):

(a) For purposes of treatment or payment;

(b) For purposes of sale, transfer, merger, or consolidation of a business;

(c) For purposes of remuneration to a third party for services;

(d) As disclosures are required by law;

(e) For purposes of providing access to or accounting of disclosures to an individual;

(f) For public health purposes;

(g) For research;

(h) With an individual's authorization;

(i) Where a reasonable cost-based fee is paid to prepare and transmit health information, where authority to disclose the information is provided in this chapter; or

(j) In a format that is deidentified and aggregated.

Sec. 12. RCW 70.02.310 and 2013 c 200 s 15 are each amended to read as follows:

(1) Resource management services shall establish procedures to provide reasonable and timely access to information and records related to mental health services for an individual ((~~mental health treatment records~~)). However, access may not be denied at any time to records of all medications and somatic treatments received by the person.

(2) Following discharge, a person who has received mental health services has a right to a complete record of all medications and somatic treatments prescribed during evaluation, admission, or commitment and to a copy of the discharge summary prepared at the time of his or her discharge. A reasonable and uniform charge for reproduction may be assessed.

(3) ((~~Mental health treatment records~~)) Information and records related to mental health services may be modified prior to inspection to protect the confidentiality of other patients or the names of any other persons referred to in the record who gave information on the condition that his or her identity remain confidential. Entire documents may not be withheld to protect such confidentiality.

(4) At the time of discharge resource management services shall inform all persons who have received mental health services of their rights as provided in this chapter and RCW 71.05.620.

Sec. 13. RCW 70.02.340 and 2013 c 200 s 18 are each amended to read as follows:

The department of social and health services shall adopt rules related to the disclosure of ((~~mental health treatment records~~)) information and records related to mental health services in this chapter.

Sec. 14. RCW 71.05.445 and 2013 c 200 s 31 are each amended to read as follows:

(1)(a) When a mental health service provider conducts its initial assessment for a person receiving court-ordered treatment, the service provider shall inquire and shall be told by the offender whether he or she is subject to supervision by the department of corrections.

(b) When a person receiving court-ordered treatment or treatment ordered by the department of corrections discloses to his or her mental health service provider that he or she is subject to supervision by the department of corrections, the mental health service provider shall notify the department of corrections that he or she is treating the offender and shall notify the offender that his or her community corrections officer will be notified of the treatment, provided that if the offender has received relief from disclosure pursuant to RCW 9.94A.562, 70.96A.155, or 71.05.132 and the offender has provided the mental health service provider with a copy of the order granting relief from disclosure pursuant to RCW 9.94A.562, 70.96A.155, or 71.05.132, the mental health service provider is not required to notify the department of corrections that the mental health service provider is treating the offender. The notification may be written or oral and shall not require the consent of the offender. If an oral notification is made, it must be confirmed by a written notification. For purposes of this section, a written notification includes notification by e-mail or facsimile, so long as the notifying mental health service provider is clearly identified.

(2) The information to be released to the department of corrections shall include all relevant records and reports, as defined by rule, necessary for the department of corrections to carry out its duties.

(3) The department and the department of corrections, in consultation with regional support networks, mental health service providers as defined in RCW 71.05.020, mental health consumers, and advocates for persons with mental illness, shall adopt rules to implement the provisions of this section related to the type and scope of information to be released. These rules shall:

(a) Enhance and facilitate the ability of the department of corrections to carry out its responsibility of planning and ensuring community protection with respect to persons subject to sentencing under chapter 9.94A or 9.95 RCW, including accessing and releasing or disclosing information of persons who received mental health services as a minor; and

(b) Establish requirements for the notification of persons under the supervision of the department of corrections regarding the provisions of this section.

(4) The information received by the department of corrections under this section shall remain confidential and subject to the limitations on disclosure outlined in chapter 71.05 RCW, except as provided in RCW 72.09.585.

(5) No mental health service provider or individual employed by a mental health service provider shall be held responsible for information released to or used by the department of corrections under the provisions of this section or rules adopted under this section.

(6) Whenever federal law or federal regulations restrict the release of information ((~~contained in the treatment records of~~)) and records related to mental health services for any patient who receives treatment for alcoholism or drug dependency, the release of the information may be restricted as necessary to comply with federal law and regulations.

(7) This section does not modify the terms and conditions of disclosure of information related to sexually transmitted diseases under chapter 70.24 RCW.

(8) The department shall, subject to available resources, electronically, or by the most cost-effective means available, provide the department of corrections with the names, last dates of services, and addresses of specific regional support networks and mental health service providers that delivered mental health services to a person subject to chapter 9.94A or 9.95 RCW pursuant to an agreement between the departments.

Sec. 15. RCW 70.02.030 and 2005 c 468 s 3 are each amended to read as follows:

(1) A patient may authorize a health care provider or health care facility to disclose the patient's health care information. A health care provider or health care facility shall honor an authorization and, if requested, provide a copy of the recorded health care information unless the health care provider or health care facility denies the patient access to health care information under RCW 70.02.090.

(2) A health care provider or health care facility may charge a reasonable fee for providing the health care information and is not required to honor an authorization until the fee is paid.

(3) To be valid, a disclosure authorization to a health care provider or health care facility shall:

(a) Be in writing, dated, and signed by the patient;

(b) Identify the nature of the information to be disclosed;

(c) Identify the name and institutional affiliation of the person or class of persons to whom the information is to be disclosed;

(d) Identify the provider or class of providers who are to make the disclosure;

(e) Identify the patient; and

(f) Contain an expiration date or an expiration event that relates to the patient or the purpose of the use or disclosure.

(4) Unless disclosure without authorization is otherwise permitted under RCW 70.02.050 or the federal health insurance portability and accountability act of 1996 and its implementing regulations, an authorization may permit the disclosure of health care information to a class of persons that includes:

(a) Researchers if the health care provider or health care facility obtains the informed consent for the use of the patient's health care information for research purposes; or

(b) Third-party payors if the information is only disclosed for payment purposes.

(5) Except as provided by this chapter, the signing of an authorization by a patient is not a waiver of any rights a patient has under other statutes, the rules of evidence, or common law.

(6) When an authorization permits the disclosure of health care information to a financial institution or an employer of the patient for purposes other than

payment, the authorization as it pertains to those disclosures shall expire ((~~ninety days~~)) one year after the signing of the authorization, unless the authorization is renewed by the patient.

(7) A health care provider or health care facility shall retain the original or a copy of each authorization or revocation in conjunction with any health care information from which disclosures are made.

(8) Where the patient is under the supervision of the department of corrections, an authorization signed pursuant to this section for health care information related to mental health or drug or alcohol treatment expires at the end of the term of supervision, unless the patient is part of a treatment program that requires the continued exchange of information until the end of the period of treatment.

Sec. 16. RCW 70.02.045 and 2000 c 5 s 2 are each amended to read as follows:

Third-party payors shall not release health care information disclosed under this chapter, except ((~~to the extent that health care providers are authorized to do so under RCW 70.02.050~~)) as permitted under this chapter.

***Sec. 16 was vetoed. See message at end of chapter.**

NEW SECTION. **Sec. 17.** Sections 1 through 7 and 9 through 16 of this act take effect July 1, 2014.

NEW SECTION. **Sec. 18.** Section 8 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate March 12, 2014.

Passed by the House March 11, 2014.

Approved by the Governor April 4, 2014, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 16, Engrossed Substitute Senate Bill No. 6265 entitled:

"AN ACT Relating to state and local agencies that obtain patient health care information."

This bill is the result of a multi-year effort by stakeholders and legislators to consolidate and strengthen patient privacy protections and standards. It includes a Department of Health request bill for hospital data that are important for research and health improvement.

The measure establishes protocols for entities not covered by the Health Insurance Portability and Accountability Act — popularly known as HIPAA — if they inadvertently receive patient health information **and** prohibits them from disclosing the information. Among a number of provisions, the measure provides exceptions to the right of a patient to receive an accounting of all disclosures of information and records related to *mental* health that are the same as the exceptions for *general* health care information.

However, I am vetoing Section 16 due to an error that would create an ambiguity in law concerning how third-party payors share health care data necessary to process claim payments. The intent of the Legislature was clearly to apply the same exception process for third-party payors as is available under chapter 70.02 RCW for health care providers, but Section 16 inadvertently deletes "health care providers," which is a critical cross-reference term to apply the exception. The ambiguity could be disruptive for many self-insured employers and their third-party payors.

I am grateful to Sen. Frockt and Rep. Cody for their outstanding work on this bill.

For these reasons I have vetoed Section 16 of Engrossed Substitute Senate Bill No. 6265.

With the exception of Section 16, Engrossed Substitute Senate Bill No. 6265 is approved."

CHAPTER 221

[Engrossed Substitute Senate Bill 6002]

OPERATING BUDGET—SUPPLEMENTAL

AN ACT Relating to fiscal matters; amending RCW 36.28A.300, 36.28A.320, 41.05.130, 43.19.025, 43.43.839, 43.79.480, 43.101.220, 43.350.070, 50.16.010, 67.70.260, 77.36.170, and 82.08.160; amending 2013 2nd sp.s. c 4 ss 101, 102, 103, 104, 105, 106, 107, 108, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 147, 148, 149, 150, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 401, 402, 501, 502, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 701, 702, 703, 704, 706, 710, 714, 801, 802, 803, 804, 805, 903, 932, 933, 937, 939, and 943 (uncodified); amending 2013 2nd sp.s. c 35 s 39 (uncodified); amending 2007 c 465 s 3 (uncodified); amending 2009 c 520 s 96 (uncodified); adding new sections to 2013 2nd sp.s. c 4 (uncodified); adding a new section to chapter 28A.710 RCW; repealing 2013 2nd sp.s. c 4 ss 715 and 720 (uncodified); repealing 2013 2nd sp.s. c 35 s 40 (uncodified); making appropriations; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

PART I
GENERAL GOVERNMENT

Sec. 101. 2013 2nd sp.s. c 4 s 101 (uncodified) is amended to read as follows:

FOR THE HOUSE OF REPRESENTATIVES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$30,789,000~~)) $30,923,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$31,075,000~~)) $30,810,000

Motor Vehicle Account—State Appropriation $1,765,000

TOTAL APPROPRIATION . . . . . ((~~$63,629,000~~)) $63,498,000

The appropriations in this section are subject to the following conditions and limitations: A joint select task force on nuclear energy is created to study the generation of energy in the region through the use of nuclear power. The task force must report any findings and recommendations to the legislature by December 1, 2014.

(1) In its deliberations, the task force must consider the greatest amount of environmental benefit for each dollar spent based on the life-cycle cost of any nuclear power technology. Life-cycle costs must include the storage and disposal of any nuclear wastes.

(2) The task force must consist of eight members that serve on the legislative standing committees with primary jurisdiction over energy issues. The president of the senate shall appoint two members from the majority caucus, two members from the minority caucus, and an alternate. The speaker of the

house of representatives shall appoint two members from each caucus and an alternate.

(3) The members of the task force shall select from among their members a chair and other officers as the task force deems appropriate.

(4) The task force must hold no more than four meetings, with two of those meetings in Richland, Washington.

(5) The task force must be staffed by senate committee services and the office of program research of the house of representatives.

(6) The task force terminates December 15, 2014.

Sec. 102. 2013 2nd sp.s. c 4 s 102 (uncodified) is amended to read as follows:

FOR THE SENATE

General Fund—State Appropriation (FY 2014) . . . . . ((~~$21,150,000~~)) $21,240,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$23,405,000~~)) $23,216,000

Motor Vehicle Account—State Appropriation $1,514,000

TOTAL APPROPRIATION . . . . . ((~~$46,069,000~~)) $45,970,000

The appropriations in this section are subject to the following conditions and limitations: A joint select task force on nuclear energy is created to study the generation of energy in the region through the use of nuclear power. The task force must report any findings and recommendations to the legislature by December 1, 2014.

(1) In its deliberations, the task force must consider the greatest amount of environmental benefit for each dollar spent based on the life-cycle cost of any nuclear power technology. Life-cycle costs must include the storage and disposal of any nuclear wastes.

(2) The task force must consist of eight members that serve on the legislative standing committees with primary jurisdiction over energy issues. The president of the senate shall appoint two members from the majority caucus, two members from the minority caucus, and an alternate. The speaker of the house of representatives shall appoint two members from each caucus and an alternate.

(3) The members of the task force shall select from among their members a chair and other officers as the task force deems appropriate.

(4) The task force must hold no more than four meetings, with two of those meetings in Richland, Washington.

(5) The task force must be staffed by senate committee services and the office of program research of the house of representatives.

(6) The task force terminates December 15, 2014.

***Sec. 103.** 2013 2nd sp.s. c 4 s 103 (uncodified) is amended to read as follows:

FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund—State Appropriation (FY 2014) $62,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$111,000~~)) $85,000

Performance Audits of Government Account—State Appropriation. $5,641,000
Medical Aid Account—State Appropriation $332,000
Accident Account—State Appropriation $332,000
TOTAL APPROPRIATION . . . . . ((~~$6,478,000~~))
$6,452,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Notwithstanding the provisions of this section, the joint legislative audit and review committee may adjust the due dates for projects included on the committee's 2013-15 work plan as necessary to efficiently manage workload.

(2) $332,000 of the medical aid account—state appropriation and $332,000 of the accident account—state appropriation are provided for the purposes of chapter 37, Laws of 2011 (workers' compensation).

(3) $323,000 of the performance audits of government account—state appropriation is provided for consultant and staff costs related to the economic analysis of tax preferences as directed by chapter 43.136 RCW.

(4) The joint legislative audit and review committee shall conduct an audit of Washington's state research universities. The purpose of the audit is to identify cost and profit centers within, and in partnership with, the research universities. The audit must focus on public funds; student fees, in particular tuition; and auxiliary enterprises, which for the purposes of the audit at the University of Washington includes University of Washington medical center, the internal lending program, the W fund, and the center for commercialization. The audit at each university much achieve the following:

(a) Assess the university's policies and practices for tracking per-student expenditures for instruction and identify the average amount per student that the university has spent on instruction for undergraduate students in each of the past five fiscal years;

(b) Obtain the university's definition of auxiliary enterprises and determine the number of auxiliary enterprises, including the University of Washington medical center, the University of Washington internal lending program, the W fund, and the center for commercialization, that exist in the university system, the methods the university uses to track revenue and expenditures of auxiliary enterprises, and the policies and practices the university has in place to ensure that state funding is not used to supplement or guarantee projects or programs authorized by auxiliary enterprises;

(c) Identify how much money is being spent on undergraduate education and to what extent undergraduate education is subsidizing graduate education; and

(d) Determine how tuition funds are being used and to what extent they are being used to fund the University of Washington medical center, the University of Washington internal lending program, the W fund, and the center for commercialization and to back bonds authorized by the university.

(5) The committee shall conduct a study of the current methods of collecting legal financial obligations and compare those methods with other debt collection methods, including contracting for debt collection of legal financial obligations. The study shall include analysis of the costs and revenues of current methods

and compare those to alternatives, and include analysis of the impact of current methods and alternatives to revenues received by the state. Included shall be an examination of costs and revenue generation before and after the implementation of chapter 379, Laws of 2003 (SSB 5990) and chapter 362, Laws of 2005 (SSB 5256) and analysis of whether these changes met the legislative goals of reducing costs and increasing collections. A report on the results of the analysis shall be presented to the appropriate committees of the legislature by December 2014.

(6) The committee shall conduct a study of economic development programs and projects supported by the state general fund in the department of commerce. The study shall first review the extent to which these programs: (a) Included specific economic development targets; (b) monitored economic development targets; (c) required for programs which provided support or services through contracts, whether the contracts were structured such that if economic development targets were not met, contracts were reviewed or revised; and (d) changed the economic development targets of associate development organizations relative to funding increases since 2007. The study will include the feasibility of determining how to isolate other factors, such as general economic trends, from the impacts of economic development programs. The costs and options for conducting future analysis of the outcomes specific to economic development programs shall be included and a briefing report shall be provided to the appropriate committees of the legislature by December 1, 2013. A complete report with study data and conclusions shall be provided to the appropriate committees of the legislature by December 1, 2014.

(7) The committee shall analyze the incidence and level of taxation and business incentives available to the financial services industry in Washington State, and identify the relative differences in taxes and business incentives compared to California. A report shall be provided to the appropriate committees of the legislature by December 1, 2014.

(8) The committee shall conduct an analysis of how school districts use school days. The analysis must include:

(a) How school districts define classroom time, nonclassroom time, instructional time, noninstructional time, and any other definitions of how the school day is divided or used;

(b) Estimates of time in each category;

(c) How noninstructional time is distributed over the annual number of school days;

(d) When noninstructional hours occur;

(e) How noninstructional hours are used, including how much noninstructional time is devoted to professional development for the purposes of teacher and principal evaluation training or common core state standards training; and

(f) The extent to which the use of each category of time is identified or defined in collective bargaining agreements.

To the extent data is not available at the statewide level, the committee may use case studies or other methods to conduct the analysis. The committee shall submit a report of its findings to the education committees of the legislature by December 1, 2014.

(9) The committee shall review funding enhancement formulas that provide minimum staffing unit funding to small school districts and districts with school plants that have been judged by the state board of education to be remote and necessary. The committee will make an assessment of the current formulas and report any recommended adjustments to the legislative fiscal committees of the senate and the house of representatives by November 1, 2014. In assessing the current formulas, the committee may consider: Enhancements being made to basic education funding in the 2013-2015 omnibus appropriations act and committed to under Engrossed Substitute House Bill No. 2261 (chapter 548, Laws of 2009) and Substitute House Bill No. 2776 (chapter 236, Laws of 2010); developments in technology or educational service delivery since the formulas were established; practices in other states; districts' ability to provide students with access to a program of education; and inter-district equity.

((~~(12)~~)) (10) In carrying out the report required by RCW 44.28.157, the committee shall include by December 2014, an analysis of the impacts of using the Washington health benefit exchange established in chapter 43.71 RCW as a mechanism for providing health insurance for part-time certificated and classified K-12 public school employees. The analysis shall be conducted in coordination with the health care authority and shall include a review of how the exchange, federal health premium tax credits and subsidies for out-of-pocket expenses administered through the exchange, and Medicaid expansion have impacted, or could impact, health care costs for individuals, school districts, and the state. The analysis shall also include a review of the cost of stand-alone dental plans.

(11) The committee shall conduct an analysis of the changes to modifying the medicaid dispensing methods for contraceptive drugs in section 213(48) chapter 4, Laws of 2013 2nd special session. The analysis must include:

(a) Whether the changes to contraceptive methods are achieving the assumed budget savings; and

(b) A determination of whether a twelve-month supply is an optimal level of supply to achieve assumed savings at the lowest state cost.

***Sec. 103 was partially vetoed. See message at end of chapter.**

Sec. 104. 2013 2nd sp.s. c 4 s 104 (uncodified) is amended to read as follows:

FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,653,000~~)) $1,642,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,811,000~~)) $1,788,000

TOTAL APPROPRIATION . . . . . ((~~$3,464,000~~)) $3,430,000

Sec. 105. 2013 2nd sp.s. c 4 s 105 (uncodified) is amended to read as follows:

FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund—State Appropriation (FY 2014) . . . . . ((~~$8,004,000~~)) $8,062,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$7,973,000~~)) $7,976,000
TOTAL APPROPRIATION . . . . . ((~~$15,977,000~~)) $16,038,000

***Sec. 106.** 2013 2nd sp.s. c 4 s 106 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE STATE ACTUARY
General Fund—State Appropriation (FY 2015) ***$163,000***
General Fund—Federal Appropriation ***$163,000***
State Health Care Administration Account—State Appropriation ***$227,000***
Department of Retirement Systems Expense Account—State Appropriation . . . . . ((~~$3,529,000~~)) $3,527,000
TOTAL APPROPRIATION $4,080,000

The appropriations in this section are subject to the following conditions and limitations: $163,000 of the general fund—state appropriation for fiscal year 2015, $163,000 of the general fund—federal appropriation, and $227,000 of the state health care administration account appropriation are provided to improve the legislature's access to independent and objective health care actuarial analysis for the state medicaid and public employee benefits programs.

***Sec. 106 was partially vetoed. See message at end of chapter.**

Sec. 107. 2013 2nd sp.s. c 4 s 107 (uncodified) is amended to read as follows:

FOR THE STATUTE LAW COMMITTEE
General Fund—State Appropriation (FY 2014) . . . . . ((~~$3,895,000~~)) $3,896,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$4,102,000~~)) $4,053,000
TOTAL APPROPRIATION . . . . . ((~~$7,997,000~~)) $7,949,000

Sec. 108. 2013 2nd sp.s. c 4 s 108 (uncodified) is amended to read as follows:

FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES
General Fund—State Appropriation (FY 2014) . . . . . ((~~$3,686,000~~)) $3,558,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$3,684,000~~)) $3,820,000
TOTAL APPROPRIATION . . . . . ((~~$7,370,000~~)) $7,378,000

Sec. 109. 2013 2nd sp.s. c 4 s 110 (uncodified) is amended to read as follows:

FOR THE SUPREME COURT
General Fund—State Appropriation (FY 2014) . . . . . ((~~$6,911,000~~)) $7,028,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$6,836,000~~)) $6,813,000
TOTAL APPROPRIATION . . . . . ((~~$13,747,000~~)) $13,841,000

Sec. 110. 2013 2nd sp.s. c 4 s 111 (uncodified) is amended to read as follows:

FOR THE LAW LIBRARY
General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,481,000~~)) $1,484,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,468,000~~)) $1,457,000
TOTAL APPROPRIATION . . . . . ((~~$2,949,000~~)) $2,941,000

Sec. 111. 2013 2nd sp.s. c 4 s 112 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON JUDICIAL CONDUCT
General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,068,000~~)) $1,071,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$994,000~~)) $997,000
TOTAL APPROPRIATION . . . . . ((~~$2,062,000~~)) $2,068,000

Sec. 112. 2013 2nd sp.s. c 4 s 113 (uncodified) is amended to read as follows:

FOR THE COURT OF APPEALS
General Fund—State Appropriation (FY 2014) . . . . . ((~~$15,691,000~~)) $15,865,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$15,685,000~~)) $15,811,000
TOTAL APPROPRIATION . . . . . ((~~$31,376,000~~)) $31,676,000

Sec. 113. 2013 2nd sp.s. c 4 s 114 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS
General Fund—State Appropriation (FY 2014) . . . . . ((~~$51,085,000~~)) $51,403,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$50,771,000~~)) $50,987,000
General Fund—Federal Appropriation . . . . . ((~~$2,125,000~~)) $2,123,000
General Fund—Private/Local Appropriation . . . . . ((~~$658,000~~)) $657,000
Judicial Information Systems Account—State Appropriation . . . . . ((~~$46,611,000~~)) $53,517,000
Judicial Stabilization Trust Account—State Appropriation $6,691,000

TOTAL APPROPRIATION . . . . . ((~~$157,941,000~~))
$165,378,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $1,500,000 of the judicial information systems account—state appropriation is provided solely for development and implementation of the information network hub project.

(2) $2,138,000 of the judicial information systems account—state appropriation is provided solely for replacement of computer equipment, including servers, routers, and storage system upgrades.

(((~~(4)~~))) (3) The distributions made under this subsection and distributions from the county criminal justice assistance account made pursuant to section 801 of this act constitute appropriate reimbursement for costs for any new programs or increased level of service for purposes of RCW 43.135.060.

(((~~(5)~~))) (4) $1,199,000 of the judicial information systems account—state appropriation is provided solely for replacing computer equipment at state courts and state judicial agencies.

(((~~(6)~~))) (5) ((~~$108,000 of the general fund—state appropriation for fiscal year 2014 and~~)) $108,000 of the general fund—state appropriation for fiscal year 2015 ((~~are~~)) is provided solely for the implementation of chapter 210, Laws of 2013 (Senate Bill No. 5052) (superior court judges Whatcom county). The funds provided in this subsection shall be expended only if the fourth superior court judge position in Whatcom county is appointed and serving on the bench.

(((~~(7)~~))) (6) ((~~$108,000 of the general fund—state appropriation for fiscal year 2014 and~~)) $108,000 of the general fund—state appropriation for fiscal year 2015 ((~~are~~)) is provided solely for the implementation of chapter 142, Laws of 2013 (House Bill No. 1175) (superior court judges Benton/Franklin counties). The funds provided in this subsection shall be expended only if the seventh superior court judge position in Benton and Franklin counties jointly is appointed and serving on the bench.

(((~~(8) $11,300,000 of the judicial information systems account—state appropriation is provided solely for continued implementation of the superior court case management system project. The administrative office of the courts, in consultation with the judicial information systems committee, the superior court case management system project steering committee, and the office of the chief information officer shall develop a revised charter to implement the next phases of the superior court case management system. The revised charter shall insure that the superior court case management system project steering committee continues to provide contract oversight, in collaboration with the judicial information system committee, through the implementation period and various phases of the project. Oversight responsibilities throughout the various phases of the project must include, but are not limited to, vendor management, contract and deliverable management, and assuring satisfaction of the business and technical needs at the local level. The superior court case management system project steering committee may solicit input from user groups as deemed appropriate. The revised charter shall be approved by the judicial information systems committee~~)) (7) $16,606,000 of the judicial information systems account—state appropriation is provided solely for continued implementation of

the superior court case management system project. The administrative office of the courts, in consultation with the judicial information systems committee and the office of the chief information officer shall develop a revised superior court case management steering committee charter to implement the next phases of the superior court case management system. The steering committee members shall be appointed by the judicial information systems committee and shall consist of two members representing each of the following groups: Court administrators, superior court judges, county clerks, and the administrative office of the courts. The revised charter shall insure that voting members of the steering committee represent the administrative office of the courts and those courts that have implemented, or have committed to implement, the statewide superior court vendor solution as selected by the judicial information systems committee. The revised charter shall also insure that the superior court case management system project steering committee continues to provide contract oversight in collaboration with the judicial information system committee through the implementation period. Oversight responsibilities of the steering committee throughout the various phases of the project must include, but are not limited to, vendor management, contract and deliverable management, assuring reasonable satisfaction of the business and technical needs at the local level, receipt of stakeholder feedback, and communication between the various stakeholder groups and the judicial information systems committee. Issues of significant scope, schedule or budget changes, and risk mitigation strategies must be escalated to the judicial information systems committee for consideration. In the event that a majority of the steering committee members cannot reach a decision, the issue must be escalated to the judicial information systems committee for consideration. The superior court case management system project steering committee may solicit input from user groups as deemed appropriate. The revised charter shall be approved by the judicial information systems committee.

(((~~(9)~~))) (8) $1,399,000 of the general fund—state appropriation for fiscal year 2014 and $1,399,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for school districts for petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. The administrator for the courts shall develop an interagency agreement with the superintendent of public instruction to allocate the funding provided in this subsection. Allocation of this money to school districts shall be based on the number of petitions filed. This funding includes amounts school districts may expend on the cost of serving petitions filed under RCW 28A.225.030 by certified mail or by personal service or for the performance of service of process for any hearing associated with RCW 28A.225.030.

(((~~(10)~~))) (9)(a) $7,313,000 of the general fund—state appropriation for fiscal year 2014 and $7,313,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The administrator for the courts, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

(b) Each fiscal year during the 2013-2015 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing truancy, children in need of services, and at-risk youth petitions. Counties shall submit the reports to the administrator for the courts no later than 45 days after the end of the fiscal year. The administrator for the courts shall electronically transmit this information to the chairs and ranking minority members of the house of representatives and senate fiscal committees no later than 60 days after a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

(((~~(11)~~))) (10) $274,000 of the general fund—state appropriation for fiscal year 2014 and $274,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the office of public guardianship to continue guardianship services for those low-income incapacitated persons who were receiving services on June 30, 2013.

(((~~(12) $333,000~~))) (11) $1,426,000 of the judicial information systems account—state appropriation is provided solely for the content management system for the appellate courts.

(12) The administrative office of the courts and the judicial information systems committee shall develop statewide superior court data collection and exchange standards. Upon implementation, these standards must be met by each superior court in order to continue to receive judicial information systems account funding or equipment and services funded by the account. For those courts that do not use the statewide superior court vendor solution as chosen by the judicial information systems committee, judicial information systems account funds may not be allocated for (a) the costs to meet the data collection and exchange standards developed by administrative office of the courts and judicial information systems committee, and (b) the costs to develop and implement local court case management systems.

(13) $200,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the office of public guardianship for the purpose of providing guardianship services to low income and indigent alleged or actual incapacitated persons.

Sec. 114. 2013 2nd sp.s. c 4 s 115 (uncodified) is amended to read as follows:

FOR THE OFFICE OF PUBLIC DEFENSE

General Fund—State Appropriation (FY 2014) . . . . . (($~~$30,410,000~~)) $30,912,000

General Fund—State Appropriation (FY 2015) . . . . . (($~~$33,719,000~~)) $35,475,000

Judicial Stabilization Trust Account—State Appropriation $3,648,000

General Fund—Federal Appropriation . . . . . (($~~$152,000~~)) $304,000

TOTAL APPROPRIATION . . . . . (($~~$67,929,000~~)) $70,339,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The amounts provided include funding for expert and investigative services in death penalty personal restraint petitions.

(2) $3,378,000 of the general fund—state appropriation for fiscal year 2015 is provided solely to expand the parents representation program into Asotin, Columbia, Garfield, King, Whatcom, and Whitman counties.

(3) $225,000 of the general fund—state appropriation for fiscal year 2014 and $1,721,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for parents representation program costs related to increased parental rights termination filings from the department of social and health services permanency initiative.

(4) $50,000 of the general fund—state appropriation for fiscal year 2014 and $50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the immigration consequences advisement program at the Washington defenders association.

Sec. 115. 2013 2nd sp.s. c 4 s 116 (uncodified) is amended to read as follows:

FOR THE OFFICE OF CIVIL LEGAL AID

General Fund—State Appropriation (FY 2014) . . . . . ((~~$10,862,000~~)) $10,910,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$10,870,000~~)) $12,105,000

Judicial Stabilization Trust Account—State Appropriation. . . . . ((~~$1,454,000~~)) $1,453,000

TOTAL APPROPRIATION . . . . . ((~~$23,186,000~~)) $24,468,000

The appropriations in this section are subject to the following conditions and limitations:

(1) An amount not to exceed $40,000 of the general fund—state appropriation for fiscal year 2014 and an amount not to exceed $40,000 of the general fund—state appropriation for fiscal year 2015 may be used to provide telephonic legal advice and assistance to otherwise eligible persons who are sixty years of age or older on matters authorized by RCW 2.53.030(2) (a) through (k) regardless of household income or asset level.

(2) $48,000 of the general fund—state appropriation for fiscal year 2014 and $956,000 of the general fund—state appropriation for fiscal year 2015 is provided solely to implement Engrossed Second Substitute Senate Bill No. 6126 (representation of children in dependency matters) and to fund the cost of legal services. The office is authorized to include in its contracts with counties provisions to reduce reimbursement levels, impose case funding limits or other measures to remain within appropriated amounts. If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

***Sec. 116.** 2013 2nd sp.s. c 4 s 117 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE GOVERNOR

General Fund—State Appropriation (FY 2014) . . . . . ((~~$5,509,000~~)) $5,565,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$5,217,000~~)) $5,225,000
Economic Development Strategic Reserve Account—State Appropriation. $4,000,000
TOTAL APPROPRIATION . . . . . ((~~$14,726,000~~)) $14,790,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $4,000,000 of the economic development strategic reserve account appropriation is provided solely for efforts to assist with currently active industrial recruitment efforts that will bring new jobs to the state or will retain headquarter locations of major companies currently housed in the state.

(2) $684,000 of the general fund—state appropriation for fiscal year 2014 and $684,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the office of the education ombudsman.

(3) $258,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5802 (greenhouse gas emissions). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(4) $35,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the implementation of Second Substitute House Bill No. 1709 (foreign language interpreters). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(5) $50,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the office of the education ombuds to provide special education ombuds services. Beginning in fiscal year 2015, the superintendent of public instruction must enter into an interagency agreement with the office of the education ombuds to provide support for additional special education ombuds services.

(6) Within appropriated funds, the office of the education ombuds shall develop a scope of work and proposed plan for a task force on success for students with special needs that will: (a) Define and assess barriers that students placed or qualified to be placed in special education and students with a plan for accommodation under section 504 of the federal rehabilitation act of 1973 face in earning a high school diploma and fully accessing the educational program provided by the public schools; and (b) outline recommendations for systemic changes and successful models for education and service delivery, including improved coordination of early learning through postsecondary education and career preparation. With input from interested parents, educators, state agencies, and organizations representing students placed or qualified to be placed in special education and students with a section 504 plan, the office of the education ombuds shall invite representative individuals to participate in the task force. The office of the education ombuds shall submit the scope of work and proposed task force plan to the education and fiscal committees of the legislature by December 1, 2014, along with a request for additional funds necessary to implement the plan. To the extent possible within appropriated funds, the office of the education ombuds may convene the task force and commence its work before June 30, 2015.

***Sec. 116 was partially vetoed. See message at end of chapter.**

Sec. 117. 2013 2nd sp.s. c 4 s 118 (uncodified) is amended to read as follows:

FOR THE LIEUTENANT GOVERNOR

General Fund—State Appropriation (FY 2014) $654,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$658,000~~)) $657,000
General Fund—Private/Local Appropriation $90,000
TOTAL APPROPRIATION . . . . . ((~~$1,402,000~~)) $1,401,000

Sec. 118. 2013 2nd sp.s. c 4 s 119 (uncodified) is amended to read as follows:

FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$2,082,000~~)) $2,084,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$2,015,000~~)) $2,044,000
TOTAL APPROPRIATION . . . . . ((~~$4,097,000~~)) $4,128,000

Sec. 119. 2013 2nd sp.s. c 4 s 120 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund—State Appropriation (FY 2014) . . . . . ((~~$11,356,000~~)) $11,813,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$9,535,000~~)) $9,440,000
General Fund—Federal Appropriation . . . . . ((~~$7,419,000~~)) $7,428,000
General Fund—Private/Local Appropriation $20,000
Public Records Efficiency, Preservation, and Access Account—State Appropriation . . . . . ((~~$7,361,000~~)) $8,336,000
Charitable Organization Education Account—State Appropriation. $364,000
Local Government Archives Account—State Appropriation. . . . . ((~~$8,467,000~~)) $8,485,000
Election Account—Federal Appropriation . . . . . ((~~$12,016,000~~)) $12,006,000
Washington State Heritage Center Account—State Appropriation. $8,860,000
TOTAL APPROPRIATION . . . . . ((~~$65,378,000~~)) $66,752,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$3,301,000~~)) $3,767,000 of the general fund—state appropriation for fiscal year 2014 is provided solely to reimburse counties for the state's share of primary and general election costs and the costs of conducting mandatory

recounts on state measures. Counties shall be reimbursed only for those odd-year election costs that the secretary of state validates as eligible for reimbursement.

(2)(a) $1,847,000 of the general fund—state appropriation for fiscal year 2014 and $1,926,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for contracting with a nonprofit organization to produce gavel-to-gavel television coverage of state government deliberations and other events of statewide significance during the 2013-2015 fiscal biennium. The funding level for each year of the contract shall be based on the amount provided in this subsection. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in this subsection have been satisfactorily documented.

(b) The legislature finds that the commitment of on-going funding is necessary to ensure continuous, autonomous, and independent coverage of public affairs. For that purpose, the secretary of state shall enter into a contract with the nonprofit organization to provide public affairs coverage.

(c) The nonprofit organization shall prepare an annual independent audit, an annual financial statement, and an annual report, including benchmarks that measure the success of the nonprofit organization in meeting the intent of the program.

(d) No portion of any amounts disbursed pursuant to this subsection may be used, directly or indirectly, for any of the following purposes:

(i) Attempting to influence the passage or defeat of any legislation by the legislature of the state of Washington, by any county, city, town, or other political subdivision of the state of Washington, or by the congress, or the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency;

(ii) Making contributions reportable under chapter 42.17 RCW; or

(iii) Providing any: (A) Gift; (B) honoraria; or (C) travel, lodging, meals, or entertainment to a public officer or employee.

(3) Any reductions to funding for the Washington talking book and Braille library may not exceed in proportion any reductions taken to the funding for the library as a whole.

(4) It is the intent of the legislature to consider during the 2014 legislative session funding for the publication and distribution of a primary election voters pamphlet.

(5) $771,000 of the general fund—state appropriation for fiscal year 2014 and $772,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the state library to purchase statewide on-line access to the information technology academy to allow public access to on-line courses and learning resources through public libraries.

(6) The legislature finds that the volume of state records retained in paper format continues to grow, increasing the records storage costs for the state. The secretary of state shall convene a work group to study methods for retaining records in electronic formats and for shorter periods of time, with the goal of reducing the volume of stored paper records by ten percent by the end of 2016, and an additional ten percent by the end of 2018. The following state agencies

shall participate in the work group, which shall report to the appropriate committees of the legislature by December 31, 2014, and December 31, 2015:

(a) Office of the secretary of state;
(b) Office of the attorney general;
(c) Office of the state auditor;
(d) Office of financial management;
(e) Department of corrections;
(f) Department of social and health services;
(g) Department of health; and
(h) Department of transportation.

Sec. 120. 2013 2nd sp.s. c 4 s 121 (uncodified) is amended to read as follows:

FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund—State Appropriation (FY 2014) . . . . . (((~~$253,000~~)) $249,000
General Fund—State Appropriation (FY 2015) . . . . . (((~~$248,000~~)) $250,000
TOTAL APPROPRIATION . . . . . (((~~$501,000~~)) $499,000

The appropriations in this section are subject to the following conditions and limitations: The office shall assist the department of enterprise services on providing the government-to-government training sessions for federal, state, local, and tribal government employees. The training sessions shall cover tribal historical perspectives, legal issues, tribal sovereignty, and tribal governments. Costs of the training sessions shall be recouped through a fee charged to the participants of each session. The department of enterprise services shall be responsible for all of the administrative aspects of the training, including the billing and collection of the fees for the training.

Sec. 121. 2013 2nd sp.s. c 4 s 122 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS

General Fund—State Appropriation (FY 2014) . . . . . (((~~$213,000~~)) $210,000
General Fund—State Appropriation (FY 2015) . . . . . (((~~$207,000~~)) $208,000
TOTAL APPROPRIATION . . . . . (((~~$420,000~~)) $418,000

Sec. 122. 2013 2nd sp.s. c 4 s 123 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER

State Treasurer's Service Account—State
Appropriation. . . . . (((~~$14,924,000~~)) $14,872,000

The appropriation in this section is subject to the following conditions and limitations: $150,000 of the state treasurer's service account—state appropriation is provided solely for legal fees related to additional legal

assistance due to changes in federal financial regulations and an increase in complex and high profile litigation.

Sec. 123. 2013 2nd sp.s. c 4 s 124 (uncodified) is amended to read as follows:

FOR THE STATE AUDITOR

General Fund—State Appropriation (FY 2014) . . . . . ((~~$728,000~~)) $755,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$733,000~~)) $754,000

State Auditing Services Revolving Account—State Appropriation. . . . . ((~~$9,573,000~~)) $9,821,000

((~~Performance Audits of Government Account—State Appropriation. . . . . $56,000~~))

TOTAL APPROPRIATION . . . . . ((~~$11,090,000~~)) $11,330,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$728,000~~)) $755,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$733,000~~)) $754,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for staff and related costs to verify the accuracy of reported school district data submitted for state funding purposes; conduct school district program audits of state funded public school programs; establish the specific amount of state funding adjustments whenever audit exceptions occur and the amount is not firmly established in the course of regular public school audits; and to assist the state special education safety net committee when requested.

(2)(a) $300,000 of the state auditing services revolving account—state appropriation is provided solely to contract with a private firm with accounting expertise to conduct an audit of the use of dedicated local and operating fee accounts by the state's public institutions of higher education. For the purpose of this audit, the public institutions of higher education means the state's colleges and universities as defined in RCW 28B.15.005, one public community and technical college selected by the state auditor that offers applied baccalaureate programs, and one public community and technical college selected by the state auditor that does not offer applied baccalaureate programs.

(b) The legislature intends that tuition revenue be expended in support of instruction and student support services and that other dedicated fees are expended for the purposes for which they are charged. As a result, the legislature directs this audit to examine the accounting of these accounts; to provide clarity regarding the use of these accounts; and to make recommendations for improvement that will support the ongoing clarity, transparency, and accurate accounting of the use of these accounts in accordance with legislative intent. The final audit must include:

(i) For the 2007-2009 through the 2011-2013 fiscal biennia, a thorough examination of the accounting, as required by governmental accounting standards board requirements that govern accounting functions of the office of financial management, of:

(A) All revenue into these accounts;

(B) All expenditures out of these accounts; and

(C) All transfers to, from, and within these accounts;

(ii) A narrative summary of the management and uses of these accounts by the institutions of higher education, including an explanation of the reserve policies implemented by the institutions of higher education that govern fund balances in these accounts; and

(iii) Recommendations to improve current practices that will support the ongoing clarity, transparency, and accurate accounting of the use of these accounts in a manner that satisfies the governmental accounting standards board requirements that govern accounting functions of the office of financial management and that aligns with the legislature's intended use of these accounts.

(c) The final audit shall be submitted to the governor and the appropriate committees of the legislature by January 1, 2015. The state auditor shall recover the costs of this audit, which may not exceed the amount provided in this subsection, from the state's colleges and universities and the state board for community and technical colleges.

(d) With any funds remaining from the audit required by this subsection, the state auditor shall review other issues of significance in support of the goal of achieving transparency in the use of funding sources available to institutions of higher education.

Sec. 124. 2013 2nd sp.s. c 4 s 125 (uncodified) is amended to read as follows:

FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$141,000~~)) $138,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$171,000~~)) $170,000

TOTAL APPROPRIATION . . . . . ((~~$312,000~~)) $308,000

***Sec. 125.** 2013 2nd sp.s. c 4 s 126 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

General Fund—State Appropriation (FY 2014) . . . . . ((~~$10,456,000~~)) $11,019,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$10,132,000~~)) $10,803,000

General Fund—Federal Appropriation $7,114,000

New Motor Vehicle Arbitration Account—State Appropriation . . . . . ((~~$997,000~~)) $990,000

Legal Services Revolving Account—State Appropriation . . . . . ((~~$191,286,000~~)) $205,174,000

Tobacco Prevention and Control Account—State Appropriation $271,000

Medicaid Fraud Penalty Account—State Appropriation . . . . . ((~~$2,279,000~~))
$2,333,000

Public Services Revolving Account—State
Appropriation. . . . . ((~~$2,093,000~~))
$2,106,000

TOTAL APPROPRIATION . . . . . ((~~$224,628,000~~))
$239,810,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The attorney general shall report each fiscal year on actual legal services expenditures and actual attorney staffing levels for each agency receiving legal services. The report shall be submitted to the office of financial management and the fiscal committees of the senate and house of representatives no later than ninety days after the end of each fiscal year. As part of its by agency report to the legislative fiscal committees and the office of financial management, the office of the attorney general shall include information detailing the agency's expenditures for its agency-wide overhead and a breakdown by division of division administration expenses.

(2) Prior to entering into any negotiated settlement of a claim against the state that exceeds five million dollars, the attorney general shall notify the director of financial management and the chairs of the senate committee on ways and means and the house of representatives committee on appropriations.

(3) The attorney general shall annually report to the fiscal committees of the legislature all new *cy pres* awards and settlements and all new accounts, disclosing their intended uses, balances, the nature of the claim or account, proposals, and intended timeframes for the expenditure of each amount. The report shall be distributed electronically and posted on the attorney general's web site. The report shall not be printed on paper or distributed physically.

(4) The executive ethics board shall: (a) Develop a statewide plan, with performance measures, to provide overall direction and accountability in all executive branch agencies and statewide elected offices; (b) coordinate and work with the commission on judicial conduct and the legislative ethics board; (c) assess and evaluate each agency's ethical culture through employee and stakeholder surveys, review Washington state quality award feedback reports, and publish an annual report on the results to the public; and (d) solicit outside evaluations, studies, and recommendations for improvements from academics, nonprofit organizations, the public disclosure commission, or other entities with expertise in ethics, integrity, and the public sector.

(5) $424,000 of the legal services revolving account—state appropriation is provided solely for replacement of a portion of the agency's personal computers. The amount provided in this subsection is conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer and section 945 of this act, personal computer acquisition and replacement.

(6) $609,000 of the legal services revolving account—state appropriation is provided solely for upgrades to software programs. The amount provided in this subsection is conditioned on the department satisfying the requirements of the

project management oversight standards and policies established by the office of the chief information officer.

(7) $150,000 of the legal services revolving account—state appropriation is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5405 (extended foster care). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(8) $50,000 of the general fund—state appropriation for fiscal year 2014 and $50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of Engrossed Substitute House Bill No. 1341 (wrongful imprisonment). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(9) $189,000 of the legal services revolving account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1420 (transportation improvement projects). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(10) $2,093,000 of the public service revolving account—state appropriation is provided solely for the work of the public counsel section of the office of the attorney general.

(11) $353,000 of the general fund—state appropriation for fiscal year 2014 and $353,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a grant to the Washington coalition of crime victim advocates to provide training, certification, and technical assistance for crime victim service center advocates.

(12) $69,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for implementation of Substitute House Bill No. 2171 (veterans, military personnel). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(13) $182,000 of the general fund—state appropriation for fiscal year 2015, $13,000 of the public service revolving account—state appropriation, $54,000 of the medicaid fraud penalty account—state appropriation, and $3,128,000 of the legal services revolving account—state appropriation are provided solely for the purposes of salary adjustments addressing recruitment and retention issues for assistant attorneys general in the first six years of their employment with the attorney general's office.

(14) $80,000 of the legal services revolving account—state appropriation is provided solely for implementation of Engrossed Third Substitute Senate Bill No. 5887 (medical and recreational marijuana). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

***Sec. 125 was partially vetoed. See message at end of chapter.**

****Sec. 126. 2013 2nd sp.s. c 4 s 127 (uncodified) is amended to read as follows:***

FOR THE CASELOAD FORECAST COUNCIL

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,260,000~~)) $1,211,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,230,000~~)) $1,192,000

TOTAL APPROPRIATION . . . . . ((~~$2,490,000~~)) $2,403,000

***Sec. 126 was vetoed. See message at end of chapter.**

Sec. 127. 2013 2nd sp.s. c 4 s 128 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

General Fund—State Appropriation (FY 2014) . . . . . ((~~$63,076,000~~)) $61,546,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$60,151,000~~)) $63,394,000

General Fund—Federal Appropriation . . . . . ((~~$265,004,000~~)) $266,732,000

General Fund—Private/Local Appropriation . . . . . ((~~$5,638,000~~)) $5,595,000

Public Works Assistance Account—State Appropriation . . . . . ((~~$3,036,000~~)) $3,013,000

Drinking Water Assistance Administrative Account—State Appropriation . . . . . ((~~$445,000~~)) $442,000

Lead Paint Account—State Appropriation $147,000

Building Code Council Account—State Appropriation $13,000

Home Security Fund Account—State Appropriation . . . . . ((~~$25,452,000~~)) $25,457,000

Affordable Housing for All Account—State Appropriation . . . . . ((~~$11,915,000~~)) $11,908,000

Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account—State Appropriation . . . . . ((~~$969,000~~)) $1,166,000

Low-Income Weatherization and Structural Rehabilitation Assistance Account—State Appropriation . . . . . ((~~$1,882,000~~)) $1,879,000

Community and Economic Development Fee Account—State Appropriation . . . . . ((~~$5,303,000~~)) $5,298,000

Washington Housing Trust Account—State Appropriation . . . . . ((~~$19,592,000~~)) $18,481,000

Prostitution Prevention and Intervention Account—State Appropriation $98,000

Public Facility Construction Loan Revolving Account—State Appropriation . . . . . ((~~$758,000~~)) $752,000

Washington Community Technology Opportunity Account—Private/Local Appropriation $10,000

Liquor Revolving Account—State Appropriation $5,605,000

TOTAL APPROPRIATION . . . . . ((~~$469,094,000~~)) $471,536,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Repayments of outstanding mortgage and rental assistance program loans administered by the department under RCW 43.63A.640 shall be remitted to the department, including any current revolving account balances. The department shall collect payments on outstanding loans, and deposit them into the state general fund. Repayments of funds owed under the program shall be remitted to the department according to the terms included in the original loan agreements.

(2) $500,000 of the general fund—state appropriation for fiscal year 2014 and $500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a grant to resolution Washington to building statewide capacity for alternative dispute resolution centers and dispute resolution programs that guarantee that citizens have access to low-cost resolution as an alternative to litigation.

(3) $306,000 of the general fund—state appropriation for fiscal year 2014 and $306,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a grant to the retired senior volunteer program.

(4) The department shall administer its growth management act technical assistance and pass-through grants so that smaller cities and counties receive proportionately more assistance than larger cities or counties.

(5) $375,000 of the general fund—state appropriation for fiscal year 2014 and $375,000 of the general fund—state appropriation for fiscal year 2015 are provided solely as pass-through funding to Walla Walla Community College for its water and environmental center.

(6) $1,800,000 of the home security fund—state appropriation is provided for transitional housing assistance or partial payments for rental assistance under the independent youth housing program.

(7) $5,000,000 of the home security fund—state appropriation is for the operation, repair, and staffing of shelters in the homeless family shelter program.

(8) $198,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$198,000~~)) $396,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington new Americans program.

(9) $2,949,000 of the general fund—state appropriation for fiscal year 2014 and $2,949,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for associate development organizations. During the 2013-2015 fiscal biennium, the department shall consider an associate development organization's total resources when making contracting and fund allocation decisions, in addition to the schedule provided in RCW 43.330.086.

(10) $234,000 of the general fund—state appropriation for fiscal year 2014 and $233,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington asset building coalitions.

(11) $5,605,000 of the liquor revolving account—state appropriation is provided solely for the department to contract with the municipal research and services center of Washington.

(12) $500,000 of the general fund—state appropriation for fiscal year 2014 and $500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the purposes of purchasing contracted services to expand and promote the tourism industry in the state of Washington.

(a) The department must contract with the Washington tourism alliance. Expenditure of state moneys is contingent upon the contractor providing a dollar

for dollar cash or in-kind match. Funding must be provided for the following services:

(i) Serving as a central point of contact through developing and maintaining a web portal for Washington tourism, operating a call center, and mailing travel guides;

(ii) Promoting Washington as a tourism destination to national and international markets, with emphasis on markets in Europe and Asia;

(iii) Providing information to businesses and local communities on tourism opportunities that could expand local revenues; and

(iv) Conducting tourism-related research, including market research and measuring the return on investment of funded activities.

(b) The department may not use more than 4 percent of the funds to administer, monitor, and report the outcomes of the services. The department must electronically submit performance metrics by January 1, 2014, and report the outcomes of the services by January 1, 2015, to the economic development committees of the legislature.

(c) The department has the authority to designate one or more alternative contractors if necessary due to performance or other significant issues. Such change must only be made after consultation with the Washington tourism alliance, the governor's office, and the chairs and ranking members of the economic development committees of the legislature.

(13) $72,000 of the prostitution prevention and intervention account is provided solely for implementation of Engrossed Substitute House Bill No. 1291 (sex trade victims). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(14) $49,000 of the general fund—state appropriation for fiscal year 2014 and $49,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of House Bill No. 1818 (business and government streamlining). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(15) $36,000 of the general fund—state appropriation for fiscal year 2014 and $37,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to develop an economic cluster strategy to leverage the state's unique maritime assets, geography, history, and infrastructure. Goals include growing employment, targeted economic activity, environmental considerations, tax revenue to state and local governments, and quality of life associated with the maritime sector by working with the industry to understand workforce needs, parity considerations with Oregon and British Columbia, and tax structure and regulatory barriers. The department will report its findings to the appropriate committees of the legislature no later than December 1, 2014.

(16) $2,000,000 of the Washington housing trust account—state appropriation is provided solely for the department of commerce for services to homeless families through the Washington families fund.

(17) $5,000,000 of the home security account—state appropriation is provided solely for the department of commerce to provide emergency assistance to homeless families in the temporary assistance for needy families program.

(18) $75,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the economic development commission to retain one current administrative position. The department shall convene a work group, chaired by the current chair of the economic development commission, of representatives of associate development organizations and the economic development commission to recommend: (1) Changes to the economic development commission's purpose and source and amount of funding; (2) objective benchmarks and outcome-based performance measures for evaluating state investments in economic development; (3) high priority regulatory reforms to foster a favorable business climate for long-term private sector job creation and competitiveness; and (4) organizational roles responsibilities and structures to strengthen cohesive planning, streamline execution, and improve outcomes. The work group shall be comprised of representatives from no less than eight associate development organizations representing both urban and rural counties and counties on both sides of the Cascade range. The department shall submit a report of the work group's recommendation to the fiscal and economic development policy committees of the legislature by December 15, 2013.

(19) ((~~$4,000,000~~)) $2,515,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$850,000~~)) $3,779,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for purposes of creating and operating a community health care and education and innovation center at the Pacific Medical Center in Seattle. Amounts provided in this subsection must be used for lease, maintenance, operations, and other required related expenses for Seattle community colleges allied health programs and other related uses identified by the department of commerce. The department is authorized to enter into a thirty-year lease for the Pacific Medical Center property.

(20) Within the appropriations in this section, the department shall, by December 1, 2013, develop a comprehensive start-up Washington strategy to facilitate the growth of start-ups and enhance the state's competitiveness in recruiting and retaining businesses that start up in Washington. This shall include but is not limited to: Business and occupation tax relief, capital investment, regulatory burdens, workforce and infrastructure needs and support. Start-up businesses interactions with state government and other public entities as a customer shall also be considered.

(21) $700,000 of the general fund—state appropriation for fiscal year 2014 and $700,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to identify and invest in strategic growth areas, support key sectors, and align existing economic development programs and priorities. The department must consider Washington's position as the most trade dependent state when identifying priority investments. The department must engage states and provinces in the northwest as well as associate development organizations, small business development centers, chambers of commerce, ports, and other partners to leverage the funds provided. For each dollar expended the department must receive a one hundred percent match. The match may be provided by the department through nongeneral fund sources, or any partnering governments or organizations. Sector leads established by the department must include the industries of: (a) Tourism; (b) agriculture, wood products, and other natural resource industries; and (c) clean technology and renewable and nonrenewable energy. The department may establish these sector

leads by hiring new staff, expanding the duties of current staff, or working with partner organizations and or other agencies to serve in the role of sector lead. The department must develop performance metrics and milestones. The department must electronically submit the performance metrics and performance-to-date by January 1, 2014, to the economic development committees of the legislature.

(22) The department is authorized to suspend issuing any nonstatutorily required grants or contracts of an amount less than $1,000,000 per year.

(23) The department is authorized to require an applicant to pay an application fee to cover the cost of reviewing the project and preparing an advisory opinion on whether a proposed electric generation project or conservation resource qualifies to meet mandatory conservation targets.

(24) $25,000 of the general fund—state appropriation for fiscal year 2014 and $25,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the economic impact and infrastructure cost study for Covington town center.

(25) The department is directed to work with innovation partnership zone administrators to review the existing grant program, including the criteria for designation as an innovation partnership zone and the grant funding criteria. The department shall submit its report to the legislature by December 1, 2013.

(26) Within existing resources, the department shall provide administrative and other indirect support to the developmental disabilities council.

(27) $306,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the long-term care ombuds program to improve ombuds access to long-term care residents in community-based settings such as adult family homes and assisted living facilities.

(28) $26,000 of the home security fund—state appropriation is provided solely for the department to establish a pilot program to provide a certification of homeless status for persons who may need a physical or mailing address for purposes of employment. The department must choose one county within which to implement the program, based on the support of local homeless housing and service providers, community leaders, and businesses willing to partner with the department. The department must establish a homeless status form that requires sufficient information to verify a person's homeless status and to provide the address and location of a homeless housing or service provider to be used as the person's own address. The department must develop a procedure for collecting and maintaining the information provided on the homeless status forms and convene regular meetings with homeless housing and service providers, community leaders, homeless persons, and businesses interested in implementing the program. The department must submit a report to the appropriate legislative committees that includes the number of persons who filed a homeless status form, the number of persons who obtained employment with use of the certification, the involvement of partners within the community in implementing the program, and an evaluation and recommendation of the opportunities and impediments for expanding the program statewide. The evaluation and recommendation should include input from statewide homeless housing and service provider networks and business associations.

(29) $466,000 of the Washington housing trust account—state appropriation is provided solely for the department to provide one-time funding to the Tacoma

housing authority to offset expenses associated with remediating units of low-income housing that have been contaminated by the manufacture or use of methamphetamine. The Tacoma housing authority must provide sufficient documentation to verify the costs associated with remediating units of low-income housing that have been contaminated by the manufacture or use of methamphetamine for which they request support. The department may make full or partial payment once sufficient documentation has been provided.

(30) Within existing resources, the department must conduct a data-based evaluation of the effectiveness of the department's international trade services. The report must include comparative data from other states and detail the possible advantages and disadvantages of contracting these services to a nonstate entity. The department must present its findings to the economic development committees of the legislature no later than January 15, 2015.

Sec. 128. 2013 2nd sp.s. c 4 s 129 (uncodified) is amended to read as follows:

FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund—State Appropriation (FY 2014) . . . . . (~~($764,000)~~) $758,000

General Fund—State Appropriation (FY 2015) . . . . . (~~($802,000)~~) $805,000

Lottery Administrative Account—State Appropriation $50,000

TOTAL APPROPRIATION . . . . . (~~($1,616,000)~~) $1,613,000

Sec. 129. 2013 2nd sp.s. c 4 s 130 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund—State Appropriation (FY 2014) . . . . . (~~($18,414,000)~~) $17,942,000

General Fund—State Appropriation (FY 2015) . . . . . (~~($17,542,000)~~) $17,539,000

General Fund—Federal Appropriation . . . . . (~~($31,340,000)~~) $34,336,000

General Fund—Private/Local Appropriation $370,000

Economic Development Strategic Reserve Account—State Appropriation. . . . . (~~($289,000)~~) $288,000

Personnel Service Fund—State Appropriation. . . . . (~~($8,656,000)~~) $8,592,000

Data Processing Revolving Account—State Appropriation. . . . . (~~($6,015,000)~~) $6,552,000

Higher Education Personnel Services Account—State Appropriation. $1,497,000

Performance Audits of Government Account—State Appropriation. $4,000,000

TOTAL APPROPRIATION . . . . . (~~($88,123,000)~~) $91,116,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The office of financial management shall prepare a report outlining alternative methods of procuring health benefits for home care workers, including individual providers and agency providers. In preparing the report, the office of financial management shall consult with the department of social and health services, representatives of individual home care providers, and agency home care providers.

Along with a summary of the current method of providing benefits, the report must include an analysis of the policy and fiscal implications of accessing health benefits through the Washington health benefits exchange. The report must also provide an analysis of a medicaid section 1115 waiver with the federal centers for medicare and medicaid services that would provide additional medicaid matching funds for individual provider home care workers who are provided with health care benefits through a collective bargaining agreement negotiated with the state under chapter 74.39A RCW, but would otherwise be eligible for medicaid under the federal expanded eligibility provisions that take effect January 1, 2014.

The report must be submitted to the appropriate fiscal committees of the legislature by January 6, 2014.

(2) $350,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5802 (greenhouse gas emissions). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(3) $536,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for a study of the state's medical and public assistance eligibility systems and infrastructure with the goal of simplifying procedures, improving customer service, and reducing state expenditures. The study must also examine which state entities play various roles in the eligibility and data verification processes in order to determine if eligibility processes can be further streamlined in light of changes related to the federal affordable care act. The study must identify how costs will be allocated between state and federal funding sources and options for maximizing federal participation. The office of financial management shall provide a report on its findings and recommendations to the relevant policy and fiscal committees of the legislature by January 1, 2014.

(4)(a) The legislature finds that the state's nationally recognized student achievement initiative has led to significant improvements at two-year institutions of higher education. With the goal of creating such efficiencies within the four-year institutions of higher education, the office of financial management shall convene, in coordination with the joint committee on higher education and the student achievement council, a technical incentive funding model task force to propose an incentive funding model for the four-year institutions of higher education. The model will provide new incentive funding to four-year institutions of higher education that demonstrate improvement on existing performance measures and control resident undergraduate tuition growth. Participation in the program is voluntary; however, funding appropriated for this program shall only be available to those institutions that have chosen to participate in the program.

(b) The task force must include the following members:

(i) One representative from the student achievement council;

(ii) One representative from the education data center created in RCW 43.41.400; and

(iii) One representative from each of the four-year institutions of higher education.

(c) The program shall include, but shall not be limited to:

(i) A system for allocating new incentive funding to participating institutions based on an institution's:

(A) Performance in specific metrics;

(B) Control and reduction where possible of resident undergraduate and graduate tuition; and

(C) Efficient utilization of classrooms, laboratories, and online and other high technology instructional methods;

(ii) A methodology for allocating funding for performance as specified in (c)(i)(A) of this subsection that is based on performance metrics reported in the accountability monitoring and reporting system established in RCW 28B.77.090 and that recognizes each institution's unique mission by measuring each institution's performance in these metrics against its past performance;

(iii) A methodology for investing any unallocated incentive funds to the state need grant program created in chapter 28B.92 RCW to expand access to low-income and underserved student populations; and

(iv) A methodology for establishing a baseline level of state funding that:

(A) Fully supports the state's need for an increasing portion of its citizens to gain post-secondary education and qualifications;

(B) Recognizes the acute need of the state's high-technology economy for a sufficient number of graduates in high employer demand programs of study;

(C) Achieves a more equitable share of support between the state and students and their families; and

(D) Provides for funding enhancements based on demonstrated improvements in institutional performance within the educational achievement and tuition reduction incentive program.

(d) The workgroup shall submit a final report containing an incentive funding model to the governor and higher education and fiscal committees of the legislature by December 31, 2013.

(5) $37,000 of the data processing revolving account—state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 2192 (state agency permitting). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(6) $262,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the implementation of Substitute House Bill No. 2739 (student success in schools). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(7) Within amounts provided in this section, the office of the chief information officer must survey and review agency security policies and standards including, but not limited to (a) compliance with employee information technology security training policies; (b) agency standards and policies for decommissioning personal computers; and (c) the security plans of the provider one system and other health information technology systems within the health care authority and the department of social and health services to

ensure compliance with federal health information portability and accountability act rules and the council for affordable quality healthcare committee on operating rules for information exchange. The office must report to the legislature by December 1, 2014, with findings and recommendations from the survey and review.

(8) In conjunction with the office of the chief information officer's prioritization of proposed information technology expenditures, agency budget requests for proposed information technology expenditures shall include the following: The agency's priority ranking of each information technology request; the estimated cost for the current biennium; the estimated total cost of the request over all biennia; and expected timeline to complete the request. The office of the chief information officer and the office of financial management may request agencies to include additional information on proposed information technology expenditure requests.

(9) $300,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for an analysis of statewide jail needs and how operational costs are incurred among local governments. The analysis must examine, among other things, how regional capacity is currently being utilized at the state and local level including, but not limited to: Historical and current utilization, level of security, ability to provide medical and mental health care, and availability of programming. The analysis must examine the financial impact to counties of providing felon and juvenile detention. In addition, the analysis must include the identification of barriers and solutions for the use of local jails in lieu of prison beds including: For individuals who would otherwise be transferred to department of corrections for a short-term stay; for violator population billing and tracking; and for long-term stays in jail in lieu of prison. A report of findings and recommendations must be provided to the governor and legislative fiscal committees by November 1, 2014.

(10) $46,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the education data center to:

(a) Collect and publish on its web site by October 1, 2014, short-term and long-term earnings and employment data for completers of higher education degrees, apprenticeships, and certificates awarded by institutions of higher education as defined in RCW 28B.10.016 for each institution;

(b) With the assistance of the legislative evaluation and accountability program committee, make publicly available on its web site a detailed inventory of the data that are contained in the data warehouse. The data center and its contributors shall continue to expand efforts to improve the integrity of the information and web site displays to maximize value and utility. The education data center shall also collaborate with the legislative evaluation and accountability program committee to broadly disseminate meaningful information on the publicly accessible web sites by expanding and increasing interactive web-based reporting; and

(c) In consultation with the state board for community and technical colleges, the workforce training and education coordinating board, representatives of the public four-year institutions of higher education, and the legislative evaluation and accountability program committee, prepare, or contract with an entity to prepare, an economic success metrics report of employment and earnings outcomes for degrees, apprenticeships, and

certificates earned at institutions of higher education. The final report shall be published on the education data center web site and delivered to the governor and the higher education and fiscal committees of the legislature by November 1, 2014.

Sec. 130. 2013 2nd sp.s. c 4 s 131 (uncodified) is amended to read as follows:

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account—State
Appropriation. . . . . ((~~$37,772,000~~))
$38,011,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $151,000 of the administrative hearings revolving account—state appropriation is provided solely for replacement of computer equipment, including servers, routers, and storage system upgrades. The amount provided in this subsection is conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(2) $137,000 of the administrative hearings revolving account—state appropriation is provided solely for replacement of a portion of the agency's personal computers. The amount provided in this subsection is conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) Within the amounts provided in this section, the office shall improve the timeliness of its hearings and report the progress of its efforts to the office of financial management and the fiscal committees of the legislature by November 1, 2014.

Sec. 131. 2013 2nd sp.s. c 4 s 132 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE LOTTERY

Lottery Administrative Account—State
Appropriation. . . . . ((~~$25,696,000~~))
$25,607,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $596,000 of the lottery administrative account—state appropriation is provided solely for the replacement of the lottery's gaming systems vendor contract.

(2) No portion of this appropriation may be used for acquisition of gaming system capabilities that violates state law.

Sec. 132. 2013 2nd sp.s. c 4 s 133 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$238,000~~))
$235,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$235,000~~)) $238,000
TOTAL APPROPRIATION $473,000

Sec. 133. 2013 2nd sp.s. c 4 s 134 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS
General Fund—State Appropriation (FY 2014) . . . . . ((~~$233,000~~)) $238,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$224,000~~)) $233,000
TOTAL APPROPRIATION . . . . . ((~~$457,000~~)) $471,000

Sec. 134. 2013 2nd sp.s. c 4 s 135 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—OPERATIONS
Department of Retirement Systems Expense Account—State Appropriation . . . . . ((~~$50,728,000~~)) $50,599,000

The appropriation in this section is subject to the following conditions and limitations: $57,000 of the department of retirement systems expense account—state appropriation is provided solely for the purposes of Senate Bill No. 6201 (optional life annuities for LEOFF 2 members). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

***Sec. 135.** 2013 2nd sp.s. c 4 s 136 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE
General Fund—State Appropriation (FY 2014) . . . . . ((~~$107,985,000~~)) $108,115,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$106,301,000~~)) $105,511,000
Timber Tax Distribution Account—State Appropriation . . . . . ((~~$6,102,000~~)) $6,083,000
Waste Reduction/Recycling/Litter Control—State Appropriation . . . . . ((~~$132,000~~)) $131,000
State Toxics Control Account—State Appropriation . . . . . ((~~$93,000~~)) $92,000
((~~Master License Fund—State Appropriation . . . . . $17,082,000~~))
Business License Account—State Appropriation $17,043,000
Data Processing Revolving Account—State Appropriation $6,751,000
TOTAL APPROPRIATION . . . . . ((~~$244,446,000~~)) $243,726,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department of revenue is authorized to increase the master application fee to nineteen dollars and the renewal fee to eleven dollars consistent with RCW 19.02.075.

(2) $6,751,000 of the data processing revolving account—state appropriation and $4,853,000 of the master license fund—state appropriation are provided solely for the replacement of the department's legacy business systems. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) $495,000 of the general fund—state appropriation for fiscal year 2014 and $431,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of House Bill No. 1971 or Senate Bill No. 5873 (communications services reform). If neither bill is enacted by June 30, 2013, the amounts provided in the subsection shall lapse.

(4) $641,000 of the general fund—state appropriation for fiscal year 2014 and $297,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of Senate Bill No. 5882 or House Bill No. 2081 (tax preferences and transparency). If neither bill is enacted by June 30, 2013, the amounts provided in the subsection shall lapse.

(5) $78,000 of the general fund—state appropriation for fiscal year 2014 and $262,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Substitute Senate Bill No. 5360 (unpaid wage collection). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(6) $8,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of Second Engrossed Second Substitute House Bill No. 2493 (land use/horticulture). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(7) $14,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for implementation of Engrossed Substitute House Bill No. 1287 (Indian tribes/property tax). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(8) $25,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for implementation of Substitute House Bill No. 1634 (property tax levy limit). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(9) The department must consult with counties it determines to be directly affected by the United States open golf championship held in June 2015 in Washington state for the purpose of establishing metrics to estimate the additional state sales tax revenue attributable to that event. The department must report the additional state sales tax revenue attributable to the United States open golf championship to the fiscal committees of the legislature not later than December 1, 2015.

***Sec. 135 was partially vetoed. See message at end of chapter.**

Sec. 136. 2013 2nd sp.s. c 4 s 137 (uncodified) is amended to read as follows:

FOR THE BOARD OF TAX APPEALS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,217,000~~)) $1,203,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,178,000~~)) $1,174,000
TOTAL APPROPRIATION . . . . . ((~~$2,395,000~~)) $2,377,000

Sec. 137. 2013 2nd sp.s. c 4 s 138 (uncodified) is amended to read as follows:

FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES
OMWBE Enterprises Account—State Appropriation . . . . . ((~~$4,077,000~~)) $3,999,000

The appropriation in this section is subject to the following conditions and limitations: ((~~$200,000 of the minority and women's business enterprises account—state appropriation is provided for implementation of a certification program for small business enterprises.~~))

(1) The agency will collaborate with the department of transportation to certify small businesses as small business enterprises. Funding for this work is provided through interagency agreement with the state department of transportation.

(2) The agency must engage in the stakeholder process with the department of transportation, cities, counties, ports, transit agencies, and other entities that rely on the agency for federal certification as a small business enterprise, disadvantaged business enterprise, or airport concessionaire disadvantaged business enterprise to determine an equitable manner to fully recover from users the agency's costs for providing this statewide service. Cost to be reviewed include, but are not limited to, business outreach, certification application and renewal processing, investigations and audits, and appeals from denials and decertifications.

***Sec. 138.** 2013 2nd sp.s. c 4 s 139 (uncodified) is amended to read as follows:

FOR THE INSURANCE COMMISSIONER
General Fund—State Appropriation (FY 2014) $300,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$100,000~~)) $227,000
General Fund—Federal Appropriation . . . . . ((~~$4,495,000~~)) $4,486,000
Health Benefit Exchange Account—State Appropriation $676,000
Insurance Commissioners Regulatory Account—State Appropriation . . . . . ((~~$49,555,000~~)) $50,145,000
TOTAL APPROPRIATION . . . . . ((~~$55,126,000~~)) $55,834,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $676,000 of the health benefit exchange account—state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1947 (Washington health benefit exchange). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(2) The office of the insurance commissioner shall not curtail functions relating to solvency, rates and forms, and consumer protection.

(3) $498,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of Substitute House Bill No. 2461 (insurance company solvency). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(4) Appropriations in this section, as previously appropriated by the legislature in section 144, chapter 564, Laws of 2009 for the implementation of chapter 298, Laws of 2009, are sufficient to implement Engrossed Substitute Senate Bill No. 6511 (prior authorization).

***Sec. 138 was partially vetoed. See message at end of chapter.**

Sec. 139. 2013 2nd sp.s. c 4 s 140 (uncodified) is amended to read as follows:

FOR THE STATE INVESTMENT BOARD

State Investment Board Expense Account—State Appropriation. . . . . ((~~$36,035,000~~)) $35,967,000

***Sec. 140.** 2013 2nd sp.s. c 4 s 141 (uncodified) is amended to read as follows:

FOR THE LIQUOR CONTROL BOARD

Dedicated Marijuana Fund—State Appropriation $8,136,000

Liquor Revolving Account—State Appropriation . . . . . ((~~$65,146,000~~)) $57,268,000

General Fund—Federal Appropriation. $945,000

General Fund—Private/Local Appropriation $25,000

TOTAL APPROPRIATION . . . . . ((~~$66,116,000~~)) $66,374,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$2,494,000 of the liquor revolving account—state appropriation is provided solely for the liquor control board to implement Initiative Measure No. 502.~~

~~(2)~~))(a) The liquor control board must work with the department of health and the department of revenue to develop recommendations for the legislature regarding the interaction of medical marijuana regulations and the provisions of Initiative Measure No. 502. At a minimum, the recommendations must include provisions addressing the following:

(i) Age limits;

(ii) Authorizing requirements for medical marijuana;

(iii) Regulations regarding health care professionals;

(iv) Collective gardens;

(v) Possession amounts;

(vi) Location requirements;

(vii) Requirements for medical marijuana producing, processing, and retail licensing;

(viii) Taxation of medical marijuana in relation to recreational marijuana; and

(ix) The state agency that should be the regulatory body for medical cannabis.

(b) The board must submit its recommendations to the appropriate committees of the legislature by January 1, 2014.

(2) For the purposes of RCW 43.88.110(7), any initial cash deficit in the dedicated marijuana fund must be liquidated over the remainder of the 2013-2015 fiscal biennium.

(3) $786,000 of the dedicated marijuana fund—state appropriation is provided solely for implementation of Engrossed Third Substitute Senate Bill No. 5887 (medical and recreational marijuana). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

***Sec. 140 was partially vetoed. See message at end of chapter.**

Sec. 141. 2013 2nd sp.s. c 4 s 142 (uncodified) is amended to read as follows:

FOR THE UTILITIES AND TRANSPORTATION COMMISSION

General Fund—Federal Appropriation $150,000

General Fund—Private/Local Appropriation . . . . . ((~~$11,228,000~~)) $11,217,000

Public Service Revolving Account—State Appropriation . . . . . ((~~$29,893,000~~)) $29,850,000

Pipeline Safety Account—State Appropriation . . . . . ((~~$4,411,000~~)) $4,407,000

Pipeline Safety Account—Federal Appropriation . . . . . ((~~$1,938,000~~)) $1,929,000

TOTAL APPROPRIATION . . . . . ((~~$47,620,000~~)) $47,553,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The commission shall work with the Idaho public utilities commission and the public utility commission of Oregon to identify common regulatory functions that can be performed jointly, with the goal of formalizing an agreement that protects essential services while increasing regulatory effectiveness and efficiencies through economies of scale. The commission is authorized to enter into an agreement with such other state public utility commissions to work jointly in administering specified respective regulatory functions.

(2) Up to $200,000 of the total appropriation is provided for the commission to continue to evaluate the regulatory processes for energy companies and identify and implement administrative actions to improve those processes. The commission shall develop and adopt a schedule for such administrative actions.

Sec. 142. 2013 2nd sp.s. c 4 s 143 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,880,000~~)) $1,833,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,846,000~~)) $1,640,000
General Fund—Federal Appropriation . . . . . ((~~$140,135,000~~)) $140,024,000
Enhanced 911 Account—State Appropriation . . . . . ((~~$58,514,000~~)) $58,392,000
Disaster Response Account—State Appropriation . . . . . ((~~$14,531,000~~)) $20,223,000
Disaster Response Account—Federal Appropriation . . . . . ((~~$53,253,000~~)) $69,625,000
Military Department Rent and Lease Account—State Appropriation $615,000
Worker and Community Right-to-Know Account—State Appropriation . . . . . ((~~$2,794,000~~)) $3,180,000
TOTAL APPROPRIATION . . . . . ((~~$273,568,000~~)) $295,532,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$14,531,000~~)) $20,223,000 of the disaster response account—state appropriation and ((~~$53,253,000~~)) $69,625,000 of the disaster response account—federal appropriation may be spent only on disasters declared by the governor and with the approval of the office of financial management. The military department shall submit a report to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2014-2015 biennium based on current revenue and expenditure patterns.

(2) ((~~$75,000,000~~)) $60,000,000 of the general fund—federal appropriation is provided solely for homeland security, subject to the following conditions:

(a) Any communications equipment purchased by local jurisdictions or state agencies shall be consistent with standards set by the Washington state interoperability executive committee; and

(b) The department shall submit an annual report to the office of financial management and the legislative fiscal committees detailing the governor's domestic security advisory group recommendations; homeland security revenues and expenditures, including estimates of total federal funding for the state; and incremental changes from the previous estimate.

(3) $388,000 of the worker and community right-to-know account—state appropriation is provided solely for the department's equipment replacement plan. Prior to using appropriated funds for the purchase of server or other related equipment, the department shall create a plan, in consultation with consolidated technology services and the office of the chief information officer, to migrate the department's existing data center to the state data center located in the 1500 Jefferson building and use services provided by consolidated technology services instead of purchasing new servers or other related equipment. If the department has specific service or performance requirements for locating servers

outside the state data center, the agency will submit a waiver request to the office of the chief information officer as required in RCW 43.41A.150.

Sec. 143. 2013 2nd sp.s. c 4 s 144 (uncodified) is amended to read as follows:

FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,977,000~~)) $1,993,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$2,036,000~~)) $2,058,000

Higher Education Personnel Services Account—State Appropriation. $521,000

Personnel Service Account—State Appropriation . . . . . ((~~$3,300,000~~)) $3,319,000

TOTAL APPROPRIATION . . . . . ((~~$7,834,000~~)) $7,891,000

Sec. 144. 2013 2nd sp.s. c 4 s 145 (uncodified) is amended to read as follows:

FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account—State Appropriation. . . . . ((~~$2,699,000~~)) $2,680,000

Sec. 145. 2013 2nd sp.s. c 4 s 147 (uncodified) is amended to read as follows:

FOR THE HORSE RACING COMMISSION

Horse Racing Commission Operating Account—State Appropriation. . . . . ((~~$3,552,000~~)) $3,436,000

The appropriation in this section is subject to the following conditions and limitations: Pursuant to RCW 43.135.055, the commission is authorized to increase licensing fees by up to five percent in fiscal year 2014 and up to five percent in fiscal year 2015; and background check fees by up to one dollar in fiscal year 2014, and up to one dollar in fiscal year 2015.

***Sec. 146.** 2013 2nd sp.s. c 4 s 148 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$3,654,000~~)) $3,661,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$3,628,000~~)) $5,863,000

Building Code Council Account—State Appropriation . . . . . ((~~$1,227,000~~)) $1,223,000

Data Processing Revolving Account—State Appropriation. $7,062,000

Enterprise Services Account—State Appropriation $2,400,000

TOTAL APPROPRIATION . . . . . ((~~$8,509,000~~)) $20,209,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $3,287,000 of the general fund—state appropriation for fiscal year 2014 and $3,286,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, and joint legislative systems committee. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall maintain an interagency agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.

(2) In accordance with RCW 46.08.172 and 43.135.055, the department is authorized to increase parking fees in fiscal years 2014 and 2015 as necessary to meet the actual costs of conducting business.

(3) The building code council account appropriation is provided solely for the operation of the state building code council as required by statute and modified by the standards established by executive order 10-06. The council shall not consider any proposed code amendment or take any other action not authorized by statute or in compliance with the standards established in executive order 10-06. No member of the council may receive compensation, per diem, or reimbursement for activities other than physical attendance at those meetings of the state building code council or the council's designated committees, at which the opportunity for public comment is provided generally and on all agenda items upon which the council proposes to take action. The building code council shall comply with chapter 19.85 RCW, known as the regulatory fairness act, by including with all proposed substantial code amendments an analysis addressing cost effectiveness, net benefits, payback periods, and life-cycle costs.

((~~(5)~~)) (4) The department of enterprise services shall purchase flags needed for ceremonial occasions on the capitol campus in order to fully represent the countries that have an international consulate in Washington state.

((~~(6)~~)) (5) Before any agency may purchase a passenger motor vehicle as defined in RCW 43.19.560, the agency must have written approval from the director of the department of enterprise services.

((~~(7)~~)) (6) $2,400,000 of the ((~~data processing revolving account~~)) enterprise services account—state appropriation is provided solely for the implementation of a pilot program to implement a strategy and action plan to modernize the state's enterprise financial and administrative systems. The department, the office of financial management, and the office of the chief information officer, will lead the planning effort and establish advisory committees composed of key stakeholders. The plan will include an assessment of the readiness of state government to conduct a business transformation and system replacement project of this scale. The plan shall incorporate the objectives of lean management and should include recommendations on: Project scope, phasing and timeline, expected outcomes and measures of success,

product strategy, budget and financing strategy options, risk mitigation, staffing and organization, and strategies to close readiness gaps. The department shall submit the implementation plan to the fiscal committees of the legislature by December 15, ((~~2013~~)) 2014.

The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(((~~(8) $8,013,000~~))) (7) $7,062,000 of the data processing revolving account—state appropriation is provided solely for the implementation of a pilot program to implement a time, leave, and attendance enterprise system. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(((~~(9)~~))) (8) From the fee charged to master contract vendors, the department shall transfer to the office of minority and women's business enterprises in equal monthly installments $2,039,000 in fiscal year 2014 and $2,038,000 in fiscal year 2015.

(((~~(10)~~))) (9) The legislature intends to review for purchase parcel number one and surrounding property on McNeil Island. The department shall coordinate with the federal government to obtain an appraisal determining the fair market value and shall provide an estimate to the legislative fiscal committees by October 1, 2013.

(10) Appropriations to state agencies in this act have been reduced to reflect the following changes and reductions in services provided by the department. The department shall revise its central services rates charged to state agencies to implement these changes in services and policy: Small agency client services shall be transferred to the office of financial management on July 1, 2014; small agency human resources services shall cease on July 1, 2014; and costs for the print and imaging program shall be fully recovered through rates charged to state agencies and other government and nonprofit entities for this service.

(11) On a one-time basis, $2,250,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for incremental costs to facilitate the purchasing of electricity for use in state government operations from in-state alternative power sources consisting of high-efficiency cogeneration from woody biomass that is at least sixty-five percent energy efficient based upon low heat value, coal transition power, and solar energy facilities. This funding shall be provided on a temporary basis to assist state agencies to make purchases from in-state alternative power sources. The department may solicit proposals from local electric utilities that currently serve state operations.

***Sec. 146 was partially vetoed. See message at end of chapter.**

Sec. 147. 2013 2nd sp.s. c 4 s 149 (uncodified) is amended to read as follows:

FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS

Volunteer Firefighters' and Reserve Officers'

Administrative Account—State Appropriation . . . . . ((~~$1,044,000~~)) $959,000

Sec. 148. 2013 2nd sp.s. c 4 s 150 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,293,000~~)) $1,271,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,242,000~~)) $1,258,000

General Fund—Federal Appropriation . . . . . ((~~$1,950,000~~)) $1,944,000

General Fund—Private/Local Appropriation $14,000

TOTAL APPROPRIATION . . . . . ((~~$4,499,000~~)) $4,487,000

PART II
HUMAN SERVICES

Sec. 201. 2013 2nd sp.s. c 4 s 201 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

(1) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.

(2) The department of social and health services shall not initiate any services that require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation providing appropriation authority, and an equal amount of appropriated state general fund moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(3)(a) The health care authority and the department are authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage medicaid expenditures for the aged and disabled population. Under the Washington medicaid integration partnership (WMIP) and the medicare integrated care project (MICP), the health care authority and the department may combine and transfer such medicaid funds appropriated under sections 204, 206, 208, and 213 of this act as may be

necessary to finance a unified health care plan for the WMIP and the MICP program enrollment. The WMIP pilot projects shall not exceed a daily enrollment of 6,000 persons, nor expand beyond one county during the 2013-2015 fiscal biennium. The amount of funding assigned from each program may not exceed the average per capita cost assumed in this act for individuals covered by that program, actuarially adjusted for the health condition of persons enrolled, times the number of clients enrolled. In implementing the WMIP and the MICP, the health care authority and the department may: (i) Withhold from calculations of "available resources" as set forth in RCW 71.24.025 a sum equal to the capitated rate for enrolled individuals; and (ii) employ capitation financing and risk-sharing arrangements in collaboration with health care service contractors licensed by the office of the insurance commissioner and qualified to participate in both the medicaid and medicare programs.

(b) If Washington has been selected to participate in phase two of the federal demonstration project for persons dually-eligible for both medicare and medicaid, the department and the authority may initiate the MICP. Participation in the project shall be limited to persons who are eligible for both medicare and medicaid and to counties in which the county legislative authority has agreed to the terms and conditions under which it will operate. The purpose of the project shall be to demonstrate and evaluate ways to improve care while reducing state expenditures for persons enrolled both in medicare and medicaid. To that end, prior to initiating the project, the department and the authority shall assure that state expenditures shall be no greater on either a per person or total basis than the state would otherwise incur. Individuals who are solely eligible for medicaid may also participate if their participation is agreed to by the health care authority, the department, and the county legislative authority.

(4) The legislature finds that medicaid payment rates, as calculated by the department pursuant to the appropriations in this act, bear a reasonable relationship to the costs incurred by efficiently and economically operated facilities for providing quality services and will be sufficient to enlist enough providers so that care and services are available to the extent that such care and services are available to the general population in the geographic area. The legislature finds that cost reports, payment data from the federal government, historical utilization, economic data, and clinical input constitute reliable data upon which to determine the payment rates.

(5) The department shall to the maximum extent practicable use the same system for delivery of spoken-language interpreter services for social services appointments as the one established for medical appointments in section 213 of this act. When contracting directly with an individual to deliver spoken language interpreter services, the department shall only contract with language access providers who are working at a location in the state and who are state-certified or state-authorized, except that when such a provider is not available, the department may use a language access provider who meets other certifications or standards deemed to meet state standards, including interpreters in other states.

(6) The department shall facilitate enrollment under the medicaid expansion for clients applying for or receiving state funded services from the department and its contractors. Prior to open enrollment, the department shall coordinate with the health care authority to provide referrals to the Washington health

benefit exchange for clients that will be ineligible for the medicaid expansion but are enrolled in coverage that will be eliminated in the transition to the medicaid expansion.

(7)(a) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. However, after May 1, 2014, unless specifically prohibited by this act, the department may transfer general fund—state appropriations for fiscal year 2014 among programs after approval by the director of financial management. However, the department shall not transfer state moneys that are provided solely for a specified purpose except as expressly provided in (b) of this subsection.

(b) To the extent that transfers under (a) of this subsection are insufficient to fund actual expenditures in excess of fiscal year 2014 caseload forecasts and utilization assumptions in the long-term care, foster care, adoptions support, medicaid personal care, and child support programs, the department may transfer state moneys that are provided solely for a specified purpose. The department shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

***Sec. 202.** 2013 2nd sp.s. c 4 s 202 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—CHILDREN AND FAMILY SERVICES PROGRAM

General Fund—State Appropriation (FY 2014) . . . . . ((~~$296,676,000~~)) $297,837,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$297,641,000~~)) $298,132,000

General Fund—Federal Appropriation . . . . . ((~~$489,939,000~~)) $495,189,000

General Fund—Private/Local Appropriation $1,354,000

Home Security Fund Account—State Appropriation $10,741,000

Domestic Violence Prevention Account—State Appropriation $1,240,000

Child and Family Reinvestment Account—State Appropriation . . . . . ((~~$6,491,000~~)) $2,647,000

TOTAL APPROPRIATION . . . . . ((~~$1,104,082,000~~)) $1,107,140,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Within amounts provided for the foster care and adoption support programs, the department shall control reimbursement decisions for foster care and adoption support cases such that the aggregate average cost per case for

foster care and for adoption support does not exceed the amounts assumed in the projected caseload expenditures.

(2) $668,000 of the general fund—state appropriation for fiscal year 2014 and $668,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to contract for the operation of one pediatric interim care center. The center shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the center must be in need of special care as a result of substance abuse by their mothers. The center shall also provide on-site training to biological, adoptive, or foster parents. The center shall provide at least three months of consultation and support to the parents accepting placement of children from the center. The center may recruit new and current foster and adoptive parents for infants served by the center. The department shall not require case management as a condition of the contract.

(3) $538,500 of the general fund—state appropriation for fiscal year 2014, $539,500 of the general fund—state appropriation for fiscal year 2015, $656,000 of the general fund—private/local appropriation, and $253,000 of the general fund—federal appropriation are provided solely for children's administration to contract with an educational advocacy provider with expertise in foster care educational outreach. The amounts in this subsection are provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems and to assure a focus on education during the transition to performance based contracts. Funding shall be prioritized to regions with high numbers of foster care youth and/or regions where backlogs of youth that have formerly requested educational outreach services exist. The department shall utilize private matching funds to maintain educational advocacy services.

(4) $10,741,000 of the home security fund—state appropriation is provided solely for the department to contract for services pursuant to RCW 13.32A.030 and 74.15.220. The department shall contract and collaborate with service providers in a manner that maintains the availability and geographic representation of secure and semi-secure crisis residential centers and HOPE centers. To achieve efficiencies and increase utilization, the department shall allow the co-location of these centers, except that a youth may not be placed in a secure facility or the secure portion of a co-located facility except as specifically authorized by chapter 13.32A RCW. The reductions to appropriations in this subsection related to semi-secure crisis residential centers reflect a reduction to the number of beds for semi-secure crisis residential centers and not a reduction in rates. Any secure crisis residential center or semi-secure crisis residential center bed reduction shall not be based solely upon bed utilization. The department is to exercise its discretion in reducing the number of beds but to do so in a manner that maintains availability and geographic representation of semi-secure and secure crisis residential centers.

(5) $125,000 of the general fund—state appropriation for fiscal year 2014 and $125,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a community-based organization that has innovated, developed, and replicated a foster care delivery model that includes a licensed hub home. The community-based organization will provide training and technical assistance to the children's administration to develop five hub home

models in region 2 that will improve child outcomes, support foster parents, and encourage the least restrictive community placements for children.

(6) $73,000 of the general fund—state appropriation for fiscal year 2014, $20,000 of the general fund—state appropriation for fiscal year 2015, and $31,000 of the general fund—federal appropriation are provided solely for implementation of Second Substitute House Bill No. 1566 (youth in out-of-home care). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(7) $88,000 of the general fund—state appropriation for fiscal year 2014, $2,000 of the general fund—state appropriation for fiscal year 2015, and $28,000 of the general fund—federal appropriation are provided solely for implementation of Engrossed Substitute House Bill No. 1774 (child welfare system). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(8) $1,698,000 of the general fund—state appropriation for fiscal year 2014, $2,788,000 of the general fund—state appropriation for fiscal year 2015, and $1,894,000 of the general fund—federal appropriation are provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5405 (extended foster care). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(9) $579,000 of the general fund—state appropriation for fiscal year 2014, $579,000 of the general fund—state appropriation for fiscal year 2015, and $109,000 of the general fund—federal appropriation are provided solely for a receiving care center east of the Cascade mountains.

(10)(a) $446,000 of the general fund—state appropriation for fiscal year 2014 and $446,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a contract with a nongovernmental entity or entities to establish one demonstration site in a school district or group of school districts in western Washington.

(b) The children's administration and the nongovernmental entity or entities shall collaboratively select the demonstration site. The demonstration site should be a school district or group of school districts with a significant number of students who are dependent pursuant to chapter 13.34 RCW.

(c) The demonstration site established under this subsection must be selected by September 1, 2013.

(d) The purpose of the demonstration site is to improve the educational outcomes of students who are dependent pursuant to chapter 13.34 RCW by providing individualized education services and monitoring and supporting dependent youths' completion of educational milestones, remediation needs, and special education needs.

(e) The demonstration site established under this subsection must facilitate the educational progress and graduation of dependent youth. The contract must be performance-based with a stated goal of improving the graduation rates of foster youth by two percent per year over five school year periods, starting with the 2014-15 school year and ending with the 2019-20 school year. The demonstration site must develop and provide services aimed at improving the educational outcomes of foster youth. These services must include:

(i) Direct advocacy for foster youth to eliminate barriers to educational access and success;

(ii) Consultation with department of social and health services case workers to develop educational plans for and with participating youth;

(iii) Monitoring education progress of participating youth;

(iv) Providing participating youth with school and local resources that may assist in educational access and success; and

(v) Coaching youth, caregivers, and social workers to advocate for dependent youth in the educational system.

(f) The contracted nongovernmental entity or entities must report demonstration site outcomes to the department of social and health services and the office of public instruction by June 30, 2014, for the 2013-14 school year, and by June 30, 2015, for the 2014-15 school year.

(g) The children's administration must proactively refer all students fifteen years or older, within the demonstration site area, to the selected nongovernmental entity for educational services.

(h) The children's administration must report quarterly to the legislature on the number of eligible youth and number of youth referred for services beginning at the close of the second quarter of fiscal year 2014 and through the final quarter of fiscal year 2015.

(i) The contracted nongovernmental entity or entities shall report to the legislature by June 30, 2015, on the effectiveness of the demonstration site in increasing graduation rates for dependent youth.

(11) $50,000 of the general fund—state appropriation for fiscal year 2014, and $50,000 of the general fund—state appropriation for fiscal year 2015, and $256,000 of the general fund—federal appropriation are provided solely for implementation of Substitute Senate Bill No. 5315 (Powell fatality team). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(12) $670,000 of the general fund—state appropriation for fiscal year 2014 and $670,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for services provided through children's advocacy centers.

(13)(a) $22,695,000 of the general fund—state appropriation for fiscal year 2014, $22,695,000 of the general fund—state appropriation for fiscal year 2015, and $28,450,000 of the general fund—federal appropriation are provided solely for services for children and families. Prior to approval of contract services pursuant to RCW 74.13B.020, the amounts provided in this section shall be allotted on a monthly basis and expenditures shall not exceed allotments based on a three-month rolling average without approval of the office of financial management following notification to the legislative fiscal committees.

(b) The department shall provide these services to safely reduce the number of children in out-of-home care, the time spent in out-of-home care prior to achieving permanency, and the number of children returning to out-of-home care following permanency.

(14) $494,000 of the general fund—state appropriation for fiscal year 2014, ((~~$1,783,000~~)) $6,332,000 of the general fund—state appropriation for fiscal year 2015, ((~~$6,491,000~~)) $2,647,000 of the child and family reinvestment account—state appropriation, and ((~~$8,274,000~~)) $9,474,000 of the general fund—federal appropriation, are provided solely for the implementation and operations of the family assessment response program.

(15) $35,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for a rate add-on paid to residential facilities providing behavioral rehabilitation service placements to children or youth who have been assessed as needing mental health services through the mental health division's children's long-term inpatient program and are waiting for an available placement. In no case shall the department decrease any rates paid to such residential facilities as a result of this subsection.

(16) $329,000 of the general fund—state appropriation for fiscal year 2015 and $48,000 of the general fund—federal appropriation are provided solely for a tiered reimbursement pilot project for family home and center child care providers who participate in the early achievers quality and improvement system. The tiered reimbursement rates shall be consistent with those established by the department of early learning.

(17) $150,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for training, technical assistance, and fidelity oversight for an open source parenting program developed by a university-based child welfare research entity. Expenditure of the amount provided in this subsection is contingent upon the availability of private or local funds necessary for the research entity to develop the open source parenting curriculum. The children's administration must make the open source parenting program available to parents with an open child welfare case beginning January 1, 2015.

(18) Effective January 2015, in addition to the youth eligible for extended foster care services under RCW 13.34.267 and 74.13.031, the department is authorized to provide extended foster care services to nonminor dependents who are engaged in employment for eighty hours or more per month. $83,000 of the general fund—state appropriation for fiscal year 2015 and $23,000 of the general fund—federal appropriation are provided solely for such services.

***Sec. 202 was partially vetoed. See message at end of chapter.**

Sec. 203. 2013 2nd sp.s. c 4 s 203 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—JUVENILE REHABILITATION PROGRAM

General Fund—State Appropriation (FY 2014) . . . . . ((~~$89,967,000~~)) $89,505,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$90,255,000~~)) $88,778,000

General Fund—Federal Appropriation $3,464,000

General Fund—Private/Local Appropriation . . . . . ((~~$1,981,000~~)) $1,978,000

Washington Auto Theft Prevention Authority Account—State Appropriation $196,000

Reinvesting in Youth—State Appropriation $383,000

Juvenile Accountability Incentive Account—Federal Appropriation. $2,801,000

TOTAL APPROPRIATION . . . . . ((~~$189,047,000~~)) $187,105,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $331,000 of the general fund—state appropriation for fiscal year 2014 and $331,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

(2) $2,716,000 of the general fund—state appropriation for fiscal year 2014 and $2,716,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

(3) $3,482,000 of the general fund—state appropriation for fiscal year 2014 and $3,482,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

(4) $1,130,000 of the general fund—state appropriation for fiscal year 2014 and $1,130,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

(5) $3,123,000 of the general fund—state appropriation for fiscal year 2014 and $3,123,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for grants to county juvenile courts for the following programs identified by the Washington state institute for public policy (institute) in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Functional family therapy, multi-systemic therapy, aggression replacement training and interagency coordination programs, or other programs with a positive benefit-cost finding in the institute's report. County juvenile courts shall apply to the juvenile rehabilitation administration for funding for program-specific participation and the administration shall provide grants to the courts consistent with the per-participant treatment costs identified by the institute.

(6) $1,537,000 of the general fund—state appropriation for fiscal year 2014 and $1,537,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for expansion of the following treatments and therapies in juvenile rehabilitation administration programs identified by the Washington state institute for public policy in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Multidimensional treatment foster care, family

integrated transitions, and aggression replacement training, or other programs with a positive benefit-cost finding in the institute's report. The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

(7)(a) The juvenile rehabilitation administration shall administer a block grant, rather than categorical funding, of consolidated juvenile service funds, community juvenile accountability act grants, the chemical dependency disposition alternative funds, the mental health disposition alternative, and the sentencing disposition alternative for the purpose of serving youth adjudicated in the juvenile justice system. In making the block grant, the juvenile rehabilitation administration shall follow the following formula and will prioritize evidence-based programs and disposition alternatives and take into account juvenile courts program-eligible youth in conjunction with the number of youth served in each approved evidence-based program or disposition alternative: (i) Thirty-seven and one-half percent for the at-risk population of youth ten to seventeen years old; (ii) fifteen percent for moderate and high-risk youth; (iii) twenty-five percent for evidence-based program participation; (iv) seventeen and one-half percent for minority populations; (v) three percent for the chemical dependency disposition alternative; and (vi) two percent for the mental health and sentencing dispositional alternatives. Funding for the special sex offender disposition alternative (SSODA) shall not be included in the block grant, but allocated on the average daily population in juvenile courts. Funding for the evidence-based expansion grants shall be excluded from the block grant formula. Funds may be used for promising practices when approved by the juvenile rehabilitation administration and juvenile courts, through the community juvenile accountability act committee, based on the criteria established in consultation with Washington state institute for public policy and the juvenile courts.

(b) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee is to assess the ongoing implementation of the block grant funding formula, utilizing data-driven decision making and the most current available information. The committee will be cochaired by the juvenile rehabilitation administration and the juvenile courts, who will also have the ability to change members of the committee as needed to achieve its purpose. Initial members will include one juvenile court representative from the finance committee, the community juvenile accountability act committee, the risk assessment quality assurance committee, the executive board of the Washington association of juvenile court administrators, the Washington state center for court research, and a representative of the superior court judges association; two representatives from the juvenile rehabilitation administration headquarters program oversight staff, two representatives of the juvenile rehabilitation administration regional office staff, one representative of the juvenile rehabilitation administration fiscal staff and a juvenile rehabilitation administration division director. The committee may make changes to the formula categories other than the evidence-based program and disposition alternative categories if it is determined the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition alternative resulting in increased cost benefit savings to the state. Long-term

cost benefit must be considered. Percentage changes may occur in the evidence-based program or disposition alternative categories of the formula should it be determined the changes will increase evidence-based program or disposition alternative delivery and increase the cost benefit to the state. These outcomes will also be considered in determining when evidence-based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

(c) The juvenile courts and administrative office of the courts shall be responsible for collecting and distributing information and providing access to the data systems to the juvenile rehabilitation administration and the Washington state institute for public policy related to program and outcome data. The juvenile rehabilitation administration and the juvenile courts will work collaboratively to develop program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(8) The juvenile courts and administrative office of the courts shall collect and distribute information related to program outcome and provide access to these data systems to the juvenile rehabilitation administration and Washington state institute for public policy. The agreements between administrative office of the courts, the juvenile courts, and the juvenile rehabilitation administration shall be executed to ensure that the juvenile rehabilitation administration receives the data that the juvenile rehabilitation administration identifies as needed to comply with this subsection. This includes, but is not limited to, information by program at the statewide aggregate level, individual court level, and individual client level for the purpose of the juvenile rehabilitation administration providing quality assurance and oversight for the locally committed youth block grant and associated funds and at times as specified by the juvenile rehabilitation administration as necessary to carry out these functions. The data shall be provided in a manner that reflects the collaborative work the juvenile rehabilitation administration and juvenile courts have developed regarding program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(9) $445,000 of the general fund—state appropriation for fiscal year 2014 and $445,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for funding of the teamchild project.

(10) $178,000 of the general fund—state appropriation for fiscal year 2014 and $178,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the juvenile detention alternatives initiative.

(11) $250,000 of the general fund—state appropriation for fiscal year 2014 and $250,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a grant program focused on criminal street gang prevention and intervention. The Washington state partnership council on juvenile justice may award grants under this subsection. The council shall give priority to applicants who have demonstrated the greatest problems with criminal street gangs. Applicants composed of, at a minimum, one or more local governmental entities and one or more nonprofit, nongovernmental organizations that have a documented history of creating and administering effective criminal street gang prevention and intervention programs may apply for funding under this subsection.

(12) $400,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for competitive grants to community-based organizations to provide at-risk youth intervention services, including but not limited to, case management, employment services, educational services, and street outreach intervention programs. Projects funded should focus on preventing, intervening, and suppressing behavioral problems and violence while linking at-risk youth to pro-social activities. The costs of administration may not exceed four percent of appropriated funding for each grant recipient. Each entity receiving funds must report to the juvenile rehabilitation administration on the number and types of youth served, the services provided, and the impact of those services upon the youth and the community.

Sec. 204. 2013 2nd sp.s. c 4 s 204 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—MENTAL HEALTH PROGRAM

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$327,467,000~~)) $328,527,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$308,723,000~~)) $329,208,000

General Fund—Federal Appropriation . . . . . ((~~$561,394,000~~)) $666,113,000

General Fund—Private/Local Appropriation $17,864,000

TOTAL APPROPRIATION . . . . . ((~~$1,215,448,000~~)) $1,341,712,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) $104,999,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$85,895,000~~)) $88,895,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for persons and services not covered by the medicaid program. To the extent possible, levels of regional support network spending shall be maintained in the following priority order: Crisis and commitment services; community inpatient services; and residential care services, including personal care and emergency housing assistance. This is a reduction in flexible nonmedicaid funding of $4,343,000 for fiscal year 2014 and ((~~$23,446,000~~)) $20,446,000 for fiscal year 2015. This reduction reflects offsets in state funding related to services that will now be funded with federal dollars through the affordable care act medicaid expansion. This reduction shall be distributed as follows:

(i) The $4,343,000 reduction in fiscal year 2014 and ((~~$11,723,000~~)) $10,223,000 of the reduction in fiscal year 2015 must be distributed among regional support networks based on a formula that equally weights each regional support networks proportion of individuals who become newly eligible and enroll in medicaid under the expansion provisions of the affordable care act in fiscal year 2014 and each regional support network's spending of flexible nonmedicaid funding on services that would be reimbursable for federal medicaid matching funds if provided to medicaid enrollees in the 2011-2013 fiscal biennium.

(ii) The remaining ((~~$11,723,000~~)) $10,223,000 reduction in fiscal year 2015 must be distributed among regional support networks based on each regional support network's proportion of individuals who become newly eligible and enroll in medicaid under the expansion provisions of the affordable care act through fiscal year 2015.

(b) $6,590,000 of the general fund—state appropriation for fiscal year 2014, $6,590,000 of the general fund—state appropriation for fiscal year 2015, and $7,620,000 of the general fund—federal appropriation are provided solely for the department and regional support networks to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to regional support networks with PACT teams, the department shall consider the differences between regional support networks in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The department may allow regional support networks which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under section 204(1)(a) of this act. The department and regional support networks shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

(c) $5,850,000 of the general fund—state appropriation for fiscal year 2014, $5,850,000 of the general fund—state appropriation for fiscal year 2015, and $1,300,000 of the general fund—federal appropriation are provided solely for the western Washington regional support networks to provide either community- or hospital campus-based services for persons who require the level of care previously provided by the program for adaptive living skills (PALS) at western state hospital.

(d) The number of nonforensic beds allocated for use by regional support networks at eastern state hospital shall be 192 per day. The number of nonforensic beds allocated for use by regional support networks at western state hospital shall be 557 per day.

(e) From the general fund—state appropriations in this subsection, the secretary of social and health services shall assure that regional support networks reimburse the aging and disability services administration for the general fund—state cost of medicaid personal care services that enrolled regional support network consumers use because of their psychiatric disability.

(f) The department is authorized to continue to contract directly, rather than through contracts with regional support networks, for children's long-term inpatient facility services.

(g) $750,000 of the general fund—state appropriation for fiscal year 2014 and $750,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to continue performance-based incentive contracts to provide appropriate community support services for individuals with severe mental illness who were discharged from the state hospitals as part of the expanding community services initiative. These funds will be used to enhance community residential and support services provided by regional support networks through other state and federal funding.

(h) $1,125,000 of the general fund—state appropriation for fiscal year 2014 and $1,125,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Spokane regional support network to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

(i) High intensity treatment team for persons who are high utilizers of psychiatric inpatient services, including those with co-occurring disorders and other special needs;

(ii) Crisis outreach and diversion services to stabilize in the community individuals in crisis who are at risk of requiring inpatient care or jail services;

(iii) Mental health services provided in nursing facilities to individuals with dementia, and consultation to facility staff treating those individuals; and

(iv) Services at the sixteen-bed evaluation and treatment facility.

At least annually, the Spokane regional support network shall assess the effectiveness of these services in reducing utilization at eastern state hospital, identify services that are not optimally effective, and modify those services to improve their effectiveness.

(i) $1,529,000 of the general fund—state appropriation for fiscal year 2014 and $1,529,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day commitment hearings at the state psychiatric hospitals.

(j) Regional support networks may use local funds to earn additional federal medicaid match, provided the locally matched rate does not exceed the upper-bound of their federally allowable rate range, and provided that the enhanced funding is used only to provide medicaid state plan or waiver services to medicaid clients. Additionally, regional support networks may use a portion of the state funds allocated in accordance with (a) of this subsection to earn additional medicaid match, but only to the extent that the application of such funds to medicaid services does not diminish the level of crisis and commitment, community inpatient, residential care, and outpatient services presently available to persons not eligible for medicaid.

(k) $3,436,000 of the general fund—state appropriation for fiscal year 2014 and $2,291,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement.

(l) $523,000 of the general fund—state appropriation for fiscal year 2014, $775,000 of the general fund—state appropriation for fiscal year 2015, and $854,000 of the general fund—federal appropriation are provided solely for implementation of sections 3 through 5 of chapter 289, Laws of 2013 (E2SHB 1114). Regional support networks must use this funding for the development of intensive community programs that allow individuals to be diverted or transitioned from the state hospitals in accordance with plans approved by the department.

(m) $5,986,000 of the general fund—state appropriation for fiscal year 2014, $11,592,000 of the general fund—state appropriation for fiscal year 2015, and $10,160,000 of the general fund—federal appropriation are provided solely for implementation of chapter 335, Laws of 2013 (ESSB 5480). Regional support networks must use this funding for the development of intensive

community programs that allow individuals to be diverted or transitioned from the state hospitals in accordance with plans approved by the department.

(n) Due to recent approval of federal medicaid matching funds for the disability lifeline and the alcohol and drug abuse treatment support act programs, the department shall charge regional support networks for only the state share rather than the total cost of community psychiatric hospitalization for persons enrolled in those programs.

(o) The legislature finds that the circumstances of the Chelan-Douglas regional support network (CD-RSN) make it necessary for CD-RSN to undergo restructuring in order to provide mental health services essential to the health and wellness of the citizens within its service area. The legislature intends to provide additional temporary financial relief to the CD-RSN while it undergoes internal restructuring or negotiates a merger with another regional support network.

The department shall negotiate relief for outstanding fiscal year 2013 reimbursements owed by CD-RSN to the state provided that the CD-RSN has a plan in place that is approved by the department by August 1, 2013, that demonstrates how CD-RSN will maintain financial viability and stability or will merge with another regional support network.

For the period of July 1, 2013, through December 31, 2013, the department may alter collection of reimbursement from CD-RSN for overuse of state hospital beds. To receive a reduction to the required reimbursement for overuse of state hospital beds, CD-RSN must continue to prioritize services that reduce its utilization and census at eastern state hospital and be actively implementing an approved plan to maintain financial viability or pursuing a future merger with another regional support network. Up to $298,000 of the general fund—state appropriation for fiscal year 2014 is for the department to provide payments to regional support networks in eastern Washington which have used less than their allocated or contracted patient days of care at the state hospital to replace the share of the reimbursements from CD-RSN that the regional support networks would have received under RCW 71.24.320.

(p) $266,000 of the general fund—state appropriation for fiscal year 2014 ((~~is~~)) and $1,500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to maintain services for the King county regional support network as it works to transition services to settings that are eligible for federal participation for individuals covered under the medicaid program.

(q) Within the amounts appropriated in this section, funding is provided for the department to develop and phase in intensive mental health services for high needs youth consistent with the settlement agreement in *T.R. v. Dreyfus and Porter*.

(r) $7,281,000 of the general fund—state appropriation for fiscal year 2015 and $4,589,000 of the general fund—federal appropriation are provided solely for enhancement of community mental health services. The department must contract these funds for the operation of community programs in which the department determines there is a need for capacity that allows individuals to be diverted or transitioned from the state hospitals including but not limited to: (i) Community hospital or free standing evaluation and treatment services providing short-term detention and commitment services under the involuntary treatment act to be located in the geographic areas of the King regional support

network, the Spokane regional support network outside of Spokane county, and the Thurston Mason regional support network; (ii) one new full program of an assertive community treatment team in the King regional support network and two new half programs of assertive community treatment teams in the Spokane regional support network and the Pierce regional support network; and (iii) three new recovery support services programs in the Grays Harbor regional support network, the greater Columbia regional support network, and the north sound regional support network. In contracting for community evaluation and treatment services, the department may not use these resources in facilities that meet the criteria to be classified under federal law as institutions for mental diseases. If the department is unable to come to a contract agreement with a designated regional support network for any of the services identified above, it may consider contracting for that service in another regional support network that has the need for such service.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$135,246,000~~)) $137,913,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$131,863,000~~)) $130,754,000

General Fund—Federal Appropriation . . . . . ((~~$150,863,000~~)) $158,952,000

General Fund—Private/Local Appropriation . . . . . ((~~$63,097,000~~)) $58,844,000

TOTAL APPROPRIATION . . . . . ((~~$481,069,000~~)) $486,463,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The state psychiatric hospitals may use funds appropriated in this subsection to purchase goods and supplies through hospital group purchasing organizations when it is cost-effective to do so.

(b) $231,000 of the general fund—state appropriation for fiscal year 2014 and $231,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood.

(c) $45,000 of the general fund—state appropriation for fiscal year 2014 and $45,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

(d) $20,000,000 of the general fund—state appropriation for fiscal year 2014 and $20,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to maintain staffed capacity to serve an average daily census in forensic wards at western state hospital of 270 patients per day.

(e) ((~~$2,068,000~~)) $2,994,000 of the general fund—state appropriation for fiscal year 2014, ((~~$2,066,000~~)) $5,266,000 of the general fund—state

appropriation for fiscal year 2015, and $240,000 of the general fund—federal appropriation are provided solely for the state psychiatric hospitals to plan, procure, and implement the core elements of an electronic medical record system that is compliant with the international classification of diseases (ICD-10) by October 1, 2014. These funds must only be used for an electronic medical record system that meets federal criteria for electronic sharing of patient information and clinical care summaries with doctors' offices, hospitals, and health systems which use federally certified electronic health record systems. The procurement and implementation shall be conducted to allow for these services to be expanded to the department of corrections. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,609,000~~)) $1,612,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,610,000~~)) $452,000

General Fund—Federal Appropriation $6,286,000

TOTAL APPROPRIATION . . . . . ((~~$9,505,000~~)) $8,350,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) $1,161,000 of the general fund—state appropriation for fiscal year 2014 ((~~and $1,161,000 of the general fund—state appropriation for fiscal year 2015 are~~)) is provided solely for children's evidence-based mental health services.

(b) $446,000 of the general fund—state appropriation for fiscal year 2014, $446,000 of the general fund—state appropriation for fiscal year 2015, and $178,000 of the general fund—federal appropriation are provided solely for the University of Washington's evidence-based practice institute which supports the identification, evaluation, and implementation of evidence-based or promising practices. The institute must work with the department to develop a plan to seek private, federal, or other grant funding in order to reduce the need for state general funds. The institute and the department must submit this plan to the office of financial management and the fiscal committees of the legislature by December 1, 2013.

(4) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2014) . . . . . ((~~$5,287,000~~)) $5,807,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$4,777,000~~)) $7,418,000

General Fund—Federal Appropriation . . . . . ((~~$7,711,000~~)) $10,030,000

General Fund—Private/Local Appropriation $502,000

TOTAL APPROPRIATION . . . . . ((~~$18,277,000~~)) $23,757,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to adopt license and certification fees in fiscal years 2014 and 2015 to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower costs of licensing for these programs than for other organizations which are not accredited.

(b) $74,000 of the general fund—state appropriation for fiscal year 2014, $74,000 of the general fund—state appropriation for fiscal year 2015, and $78,000 of the general fund—federal appropriation are provided solely for implementation of chapter 335, Laws of 2013 (ESSB 5480).

(c) $160,000 of the general fund—state appropriation for fiscal year 2014 and $80,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of chapter 284, Laws of 2013 (ESSB 5551).

(d) In developing the new medicaid managed care rates under which the public mental health managed care system will operate, the department must seek to estimate the reasonable and necessary cost of efficiently and effectively providing a comparable set of medically necessary mental health benefits to persons of different acuity levels regardless of where in the state they live. The department must report to the office of financial management and to the relevant fiscal and policy committees of the legislature on its proposed new mental health managed care rate-setting approach by August 1, 2013, and again at least sixty days prior to implementation of new capitation rates.

(e) $349,000 of the general fund—state appropriation for fiscal year 2014, $212,000 of the general fund—state appropriation for fiscal year 2015, and $302,000 of the general fund—federal appropriation are provided solely to implement chapter 320, Laws of 2013 (ESHB 1519) and chapter 338, Laws of 2013 (2SSB 5732).

(f) The department shall work cooperatively with the health care authority to explore the feasibility of incentivizing small, rural hospitals to convert, in part or fully, some of their beds to psychiatric treatment beds. No later than December 31, 2014, the department shall report to the appropriate fiscal committees of the legislature on the feasibility of such conversion. The report shall consider rate enhancements and the ability to claim federal medicaid matching funds on converted beds.

(g) $75,000 of the general fund—state appropriation for fiscal year 2014 and $21,000 of the general fund—federal appropriation are provided for implementation of section 9, chapter 197, Laws of 2013 (ESHB 1336). The department must utilize these funds for mental health first aid training targeted at teachers and educational staff in accordance with the training model developed by the department of psychology in Melbourne, Australia.

(h) Within the amounts appropriated in this section, funding is provided for the department to continue to develop the child adolescent needs and strengths assessment tool and build workforce capacity to provide evidence based wraparound services for children, consistent with the ((~~anticipated~~)) settlement agreement in *T.R. v. Dreyfus and Porter.*

(i) $144,000 of the general fund—state appropriation for fiscal year 2014, $466,000 of the general fund—state appropriation for fiscal year 2015, and $687,000 of the general fund—federal appropriation are provided solely for the implementation of Engrossed Substitute Senate Bill No. 6312 (mental health, chemical dependency) and Engrossed Substitute House Bill No. 2315 (suicide prevention). If Substitute Senate Bill No. 6312 (mental health, chemical dependency) is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(j) $120,000 of the general fund—state appropriation for fiscal year 2014, $780,000 of the general fund—state appropriation for fiscal year 2015, and $900,000 of the general fund—federal appropriation are provided solely for contracted actuarial services required for integrating treatment services into managed care contracts in accordance with Second Substitute Senate Bill No. 6312 (mental health, chemical dependency). This includes the development of integrated rates for mental health and chemical dependency services that can be used for contracts with behavioral health and recovery organizations effective April 1, 2016, and for integrated physical health and behavioral health contracts with early adopters. The department shall collaborate with the health care authority, the office of the state actuary, and legislative staff on the establishment of these rates. Contracts for these actuarial services must require the contractors to provide information in response to questions from the health care authority, the office of the state actuary, and legislative staff. By November 1, 2014, the department shall provide a preliminary progress report on the rate setting process to the behavioral health task force established in chapter 338, Laws of 2013, and to the appropriate policy and fiscal committees of the legislature. The department shall provide an updated report to the same entities by June 30, 2015.

***Sec. 205.** 2013 2nd sp.s. c 4 s 205 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—DEVELOPMENTAL DISABILITIES PROGRAM

(1) COMMUNITY SERVICES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$439,963,000~~)) $444,370,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$458,131,000~~)) $470,359,000

General Fund—Federal Appropriation . . . . . ((~~$820,769,000~~)) $835,386,000

General Fund—Private/Local Appropriation . . . . . ((~~$21,000~~)) $535,000

TOTAL APPROPRIATION . . . . . ((~~$1,718,884,000~~)) $1,750,650,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) Individuals receiving services as supplemental security income (SSI) state supplemental payments shall not become eligible for medical assistance under RCW 74.09.510 due solely to the receipt of SSI state supplemental payments.

(b) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and 43.135.055, the department is authorized to increase nursing facility, assisted living facility, and adult family home fees as necessary to fully support the actual costs of conducting the licensure, inspection, and regulatory programs. The license fees may not exceed the department's annual licensing and oversight activity costs and shall include the department's cost of paying providers for the amount of the license fee attributed to medicaid clients.

(i) The current annual renewal license fee for adult family homes shall be increased to $225 per bed beginning in fiscal year 2014 and $225 per bed beginning in fiscal year 2015. A processing fee of $2,750 shall be charged to each adult family home when the home is initially licensed. This fee is nonrefundable.

(ii) The current annual renewal license fee for assisted living facilities shall be increased to $106 per bed beginning in fiscal year 2014 and $106 per bed beginning in fiscal year 2015.

(iii) The current annual renewal license fee for nursing facilities shall be increased to $359 per bed beginning in fiscal year 2014 and $359 per bed beginning in fiscal year 2015.

(c) $13,301,000 of the general fund—state appropriation for fiscal year 2014, $20,607,000 of the general fund—state appropriation for fiscal year 2015, and $33,910,000 of the general fund—federal appropriation are provided solely for the implementation of the agreement reached between the governor and the service employees international union healthcare 775nw through an interest arbitration decision under the provisions of chapters 74.39A and 41.56 RCW for the 2013-2015 fiscal biennium.

(d) $6,244,000 of the general fund—state appropriation for fiscal year 2014 and $6,244,000 of the general fund—state appropriation for fiscal year 2015 are appropriated solely for the individual and family support program. Within these amounts, the department shall expand the current number of clients receiving services and focus on extending services to individuals with developmental disabilities who are not otherwise receiving paid services from the department.

(e) The department shall reimburse with the exceptional care rate adult family homes that provided care solely to clients with HIV/AIDS on or before January 1, 2000, and continue to provide care solely to clients with HIV/AIDS. The department shall not reduce the exceptional care rate from the rate paid on October 1, 2013.

(f) ((~~$1,547,000~~)) $774,000 of the general fund—state appropriation for fiscal year 2015, and ((~~$4,790,000~~)) $2,395,000 of the general fund—federal appropriation are provided solely for a payment system that satisfies medicaid requirements regarding time reporting for W-2 providers. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(g) $1,707,000 of the general fund—state appropriation for fiscal year 2014, $2,670,000 of the general fund—state appropriation for fiscal year 2015, and

$4,376,000 of the general fund—federal appropriation are provided solely for the homecare agency parity impacts of the service employees international union healthcare 775nw arbitration award.

(h) The department is authorized to establish limited exemption criteria in rule to address RCW 74.39A.325 when a landline phone is not available to the employee.

(i) $91,000 of the general fund—state appropriation for fiscal year 2015 is provided solely to implement Substitute House Bill No. 2310 (provider safety equipment). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(j) The department may authorize a one-time waiver of all or any portion of the licensing and processing fees required under RCW 70.128.060 in any case in which the department determines that an adult family home is being relicensed because of exceptional circumstances, such as death or incapacity of a provider, and that to require the full payment of the licensing and processing fees would present a hardship to the applicant. In these situations the department is also granted the authority to waive the required residential administrator training for a period of 120 days if necessary to ensure continuity of care during the relicensing process.

(k) The department of social and health services shall increase the benchmark rates for community residential service businesses providing supported living, group home, and licensed staff residential services for people with developmental disabilities by thirty cents starting July 1, 2014.

(l) By January 1, 2015, the developmental disabilities administration of the department of social and health services shall identify stakeholders to participate in work groups, at their own expense, to complete the following and report to the appropriate committees of the legislature on issues raised in the July 31, 2013, state auditor's report which includes:

(i) Providing various community funding scenarios to phase in serving the fifteen thousand people on the no paid services waitlist caseload;

(ii) Developing strategies to expand data gathered during the initial developmental disabilities application process to improve waitlist management;

(iii) Identifying ways to streamline the eligibility and assessment processes that ensure fairness for services provided by the developmental disabilities administration;

(iv) Providing different options that address the need for more community crisis and respite support for individuals and families;

(v) Identifying the resources and models needed to expand community peer support networks so that they can provide greater support to people receiving limited services or waiting for services;

(vi) Reviewing how other states use shared support hours for community living;

(vii) Identifying additional community residential options;

(viii) Identifying strategies to increase employment hours and wages for individuals employed;

(ix) Reviewing current community access rules and identifying ways to increase hours of service;

(x) Developing strategies to address retaining an adequate workforce;

(xi) Identifying ways to streamline the developmental disabilities system to make it easier and more accessible to navigate;

(xii) Identifying mechanisms for improved contract monitoring and quality assurance;

(xiii) Researching and analyzing moving the developmental disabilities system to a managed care approach and to more self-direction; and

(xiv) Identifying the various medicaid waiver and state plan options that could make better use of state funds while making the service delivery system more accessible to people in need of the services.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$85,261,000~~)) $86,005,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$84,980,000~~)) $84,806,000

General Fund—Federal Appropriation . . . . . ((~~$160,021,000~~)) $160,310,000

General Fund—Private/Local Appropriation $23,041,000

TOTAL APPROPRIATION . . . . . ((~~$353,303,000~~)) $354,162,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) Individuals receiving services as supplemental security income (SSI) state supplemental payments shall not become eligible for medical assistance under RCW 74.09.510 due solely to the receipt of SSI state supplemental payments.

(b) $721,000 of the general fund—state appropriation for fiscal year 2014 and $721,000 of the general fund—state appropriation for fiscal year 2015 are for the department to fulfill its contracts with the school districts under chapter 28A.190 RCW to provide transportation, building space, and other support services as are reasonably necessary to support the educational programs of students living in residential habilitation centers.

(3) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,943,000~~)) $1,975,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,993,000~~)) $2,074,000

General Fund—Federal Appropriation . . . . . ((~~$1,957,000~~)) $2,102,000

TOTAL APPROPRIATION . . . . . ((~~$5,893,000~~)) $6,151,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) $68,000 of the general fund—state appropriation for fiscal year 2015 and $46,000 of the general fund—federal appropriation are provided solely for the purposes of designing and implementing the community first choice option benefit pursuant to either Engrossed Substitute House Bill No. 2746 (medicaid personal care) or Substitute Senate Bill No. 6387 (eliminating waiting for

individuals with developmental disabilities). If neither of these bills is enacted by June 30, 2014, the amounts provided in this subsection (3)(a) shall lapse.

(b) It is the intent of the legislature to use savings from the community first choice option to make needed investments in home and community-based services for seniors and people with disabilities, including potential investments recommended by the joint legislative executive committee on aging and disability and a development and implementation council that the department of social and health services must convene prior to submitting the proposed community first choice option to the centers for medicare and medicaid services. At a minimum, the final report to the legislature from the joint legislative executive committee on aging and disability must explore the cost and benefit of rate enhancements for providers of long-term services and supports, restoration of hours for in-home clients, additional investment in the family caregiver support program, and additional investment in the individual and family services program or other medicaid services to support individuals with developmental disabilities.

(4) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,400,000~~)) $1,403,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,400,000~~)) $1,403,000

General Fund—Federal Appropriation . . . . . ((~~$1,200,000~~)) $1,206,000

TOTAL APPROPRIATION . . . . . ((~~$4,000,000~~)) $4,012,000

***Sec. 205 was partially vetoed. See message at end of chapter.**

Sec. 206. 2013 2nd sp.s. c 4 s 206 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—AGING AND ADULT SERVICES PROGRAM

General Fund—State Appropriation (FY 2014) . . . . . ((~~$869,628,000~~)) $860,198,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$923,218,000~~)) $913,984,000

General Fund—Federal Appropriation . . . . . ((~~$1,934,089,000~~)) $1,898,401,000

General Fund—Private/Local Appropriation . . . . . ((~~$30,122,000~~)) $33,471,000

Traumatic Brain Injury Account—State Appropriation . . . . . ((~~$3,393,000~~)) $3,392,000

Skilled Nursing Facility Safety Net Trust Account—State Appropriation. . . . . ((~~$88,000,000~~)) $110,681,000

TOTAL APPROPRIATION . . . . . ((~~$3,848,450,000~~)) $3,820,127,000

The appropriations in this section are subject to the following conditions and limitations:

(1) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed $171.35 for fiscal year 2014 and shall not exceed ((~~$171.58~~)) $178.82 for fiscal year 2015, including the rate add-ons described in (a) ((~~and~~)), (b), and (g) of this subsection. However, if the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment is for any reason disapproved, the weighted average nursing facility payment rate shall not exceed $162.43 for fiscal year 2014 and shall not exceed $163.58 for fiscal year 2015. There will be no adjustments for economic trends and conditions in fiscal years 2014 and 2015. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the component rate allocations established in accordance with chapter 74.46 RCW. When no economic trends and conditions factor for either fiscal year is defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

(a) For fiscal year 2014 and 2015 within the funds provided, the department shall continue to provide an add-on per medicaid resident day per facility not to exceed $1.57. The add-on shall be used to increase wages, benefits, and/or staffing levels for certified nurse aides; or to increase wages and/or benefits for dietary aides, housekeepers, laundry aides, or any other category of worker whose statewide average dollars-per-hour wage was less than $15 in calendar year 2008, according to cost report data. The add-on may also be used to address resulting wage compression for related job classes immediately affected by wage increases to low-wage workers. For fiscal year 2015 within funds provided, the department shall provide an additional add-on per medicaid resident day per facility not to exceed the industry weighted average rate of $2.44. The add-on shall be used to increase wages, benefits, and/or staffing levels for certified nurse aides; or to increase wages and/or benefits for dietary aides, housekeepers, laundry aides, or any other category of worker whose statewide average dollars-per-hour wage was less than $17 in calendar year 2012, according to cost report data. The department shall continue reporting requirements and a settlement process to ensure that the funds are spent according to this subsection.

(b) The department shall do a comparative analysis of the facility-based payment rates calculated on July 1, ((~~2013~~)) 2014, using the payment methodology defined in chapter 74.46 RCW and as funded in the omnibus appropriations act, excluding the low wage worker add-on found in (a) of this subsection, the rate add-ons for direct care, support services, and therapy care found in (g) of this subsection, the comparative add-on, acuity add-on, and safety net reimbursement, to the facility-based payment rates in effect June 30, 2010. If the facility-based payment rate calculated on July 1, ((~~2013~~)) 2014, is smaller than the facility-based payment rate on June 30, 2010, then the difference shall be provided to the individual nursing facilities as an add-on payment per medicaid resident day.

(c) During the comparative analysis performed in subsection (b) of this section, if it is found that the direct care rate for any facility calculated using the

payment methodology defined in chapter 74.46 RCW and as funded in the omnibus appropriations act, excluding the low wage worker add-on found in (a) of this subsection, the rate add-ons for direct care, support services, and therapy care found in (g) of this subsection, the comparative add-on, acuity add-on, and safety net reimbursement, is greater than the direct care rate in effect on June 30, 2010, then the facility shall receive a ten percent direct care rate add-on to compensate that facility for taking on more acute clients than they have in the past.

(d) The department shall provide a medicaid rate add-on to reimburse the medicaid share of the skilled nursing facility safety net assessment as a medicaid allowable cost. The nursing facility safety net rate add-on may not be included in the calculation of the annual statewide weighted average nursing facility payment rate.

(e) The rate add-on provided in (c) of this subsection is subject to the reconciliation and settlement process provided in RCW 74.46.022(6).

(f) If the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment is for any reason disapproved, (b), (c), ((~~and~~)) (d), (g), and the fiscal year 2015 additional add-on in (a) of this subsection do not apply.

(g) For fiscal year 2015, the department shall provide the following rate add-ons per medicaid resident day:

(i) A direct care rate add-on of $3.63 per medicaid resident day;

(ii) A support services rate add-on of $1.12 per medicaid resident day; and

(iii) A therapy care rate add-on of $0.05 per patient day.

This subsection (1)(g) is subject to the reconciliation and settlement process provided in RCW 74.46.022(6).

(2) In accordance with chapter 74.46 RCW, the department shall issue no additional certificates of capital authorization for fiscal year 2014 and no new certificates of capital authorization for fiscal year 2015 and shall grant no rate add-ons to payment rates for capital improvements not requiring a certificate of need and a certificate of capital authorization for fiscal years 2014 and 2015.

(3) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and 43.135.055, the department is authorized to increase nursing facility, assisted living facility, and adult family home fees as necessary to fully support the actual costs of conducting the licensure, inspection, and regulatory programs. The license fees may not exceed the department's annual licensing and oversight activity costs and shall include the department's cost of paying providers for the amount of the license fee attributed to medicaid clients.

(a) The current annual renewal license fee for adult family homes shall be increased to $225 per bed beginning in fiscal year 2014 and $225 per bed beginning in fiscal year 2015. A processing fee of $2,750 shall be charged to each adult family home when the home is initially licensed. This fee is nonrefundable.

(b) The current annual renewal license fee for assisted living facilities shall be increased to $106 per bed beginning in fiscal year 2014 and $106 per bed beginning in fiscal year 2015.

(c) The current annual renewal license fee for nursing facilities shall be increased to $359 per bed beginning in fiscal year 2014 and $359 per bed beginning in fiscal year 2015.

(4) The department is authorized to place long-term care clients residing in nursing homes and paid for with state only funds into less restrictive community care settings while continuing to meet the client's care needs.

(5) $30,640,000 of the general fund—state appropriation for fiscal year 2014, $48,633,000 of the general fund—state appropriation for fiscal year 2015, and $79,273,000 of the general fund—federal appropriation are provided solely for the implementation of the agreement reached between the governor and the service employees international union healthcare 775nw through an interest arbitration decision under the provisions of chapters 74.39A and 41.56 RCW for the 2013-2015 fiscal biennium.

(6) $1,840,000 of the general fund—state appropriation for fiscal year 2014 and $1,877,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for operation of the volunteer services program. Funding shall be prioritized towards serving populations traditionally served by long-term care services to include senior citizens and persons with disabilities.

(7) ((~~$4,894,000~~)) $2,447,000 of the general fund—state appropriation for fiscal year 2015, and ((~~$15,150,000~~)) $7,575,000 of the general fund—federal appropriation are provided solely for a payment system that satisfies medicaid requirements regarding time reporting for W-2 providers. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(8) The department is authorized to establish limited exemption criteria in rule to address RCW 74.39A.325 when a landline phone is not available to the employee.

(9) Within the amounts appropriated in this section, in a report to the appropriate fiscal committees of the legislature that must be submitted by December 1, 2013, the department of social and health services must describe the process for establishing medicaid rates for assisted living and adult family homes. The report must include information about licensing and physical plant standards, contracting provisions, and per capita and biennial expenditures for assisted living and adult family homes.

(10) $10,800,000 of the general fund—state appropriation for fiscal year 2014, $17,768,000 of the general fund—state appropriation for fiscal year 2015, and $28,567,000 of the general fund—federal appropriation are provided solely for the homecare agency parity impacts of the service employees international union healthcare 775nw arbitration award.

(11) $33,000 of the general fund—state appropriation for fiscal year 2014, $17,000 of the general fund—state appropriation for fiscal year 2015, and $50,000 of the general fund—federal appropriation are provided solely for staffing and other expenses associated with the work of the joint legislative executive committee on planning for aging and disability issues that is established by this subsection.

(a) A joint legislative executive committee on aging and disability is established, with members as provided in this subsection.

(i) Four members of the senate, with the leaders of the two largest caucuses each appointing two members. Four members of the house of representatives, with the leaders of the two largest caucuses each appointing two members;

(ii) A member from the office of the governor, appointed by the governor;

(iii) The secretary of the department of social and health services or his or her designee;

(iv) The director of the health care authority or his or her designee; and

(v) The director of the department of retirement systems or his or her designee.

(b) The committee must convene by September 1, 2013. At the first meeting, the committee will select cochairs from among its members who are legislators. All meetings of the committee are open to the public.

(c) The purpose of the committee is to identify key strategic actions to prepare for the aging of the population in Washington, including state budget and policy options, by conducting at least, but not limited to, the following tasks:

(i) Establish a profile of Washington's current population of older people and people with disabilities and a projection of population growth through 2030;

(ii) Establish an inventory of services and supports currently available to older people and people with disabilities from the health care and long-term services and support systems and other community resources such as housing, transportation, income support, and protection for vulnerable adults;

(iii) Identify state budget and policy options to more effectively use state, federal and private resources to, over time, reduce the growth rate in state expenditures that would otherwise occur by continuing current policy in light of significant population growth;

(iv) Identify strategies to better serve the health care needs of an aging population and people with disabilities, and promote healthy living;

(v) Identify policy options to create financing mechanisms for long-term services and supports that will promote additional private responsibility for individuals and families to meet their needs for service;

(vi) Identify policies to promote financial security in retirement, support people who wish to stay in the workplace longer, and expand the availability of workplace retirement savings plans; and

(vii) Identify policy options to help communities adapt to the aging demographic in planning for housing, land use and transportation.

(d) The committee shall consult with the office of the insurance commissioner, the caseload forecast council, health care authority, and other appropriate entities with specialized knowledge of the needs and growth trends of the aging population and people with disabilities.

(e) Staff support for the committee shall be provided by the office of program research, senate committee services, the office of financial management, and the department of social and health services.

(f) Within existing appropriations, the cost of meetings must be paid jointly by the senate, house of representatives, and the office of financial management. Joint committee expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees. The joint committee members may be reimbursed for travel expenses as authorized under RCW 43.03.050 and 43.03.060, and chapter 44.04 RCW as appropriate. Advisory committee members may not receive compensation or reimbursement for travel and expenses.

(g) The committee shall issue an interim report to the legislature by December 10, 2013, and issue final recommendations to the governor and relevant standing committees of the legislature by December 10, 2014.

(12) $240,000 of the general fund—state appropriation for fiscal year 2014, $1,342,000 of the general fund—state appropriation for fiscal year 2015, and $1,468,000 of the general fund—federal appropriation are provided solely to implement chapter 320, Laws of 2013 (ESHB 1519) and chapter 338, Laws of 2013 (2SSB 5732).

(13) The department shall review the capital add-on rate established by RCW 74.39A.320 for effectiveness in incentivizing assisted living facilities to serve Medicaid eligible clients. Upon completing its review, the department shall submit its findings along with recommendations for alternatives to the office of financial management and the fiscal committees of the legislature by December 1, 2013. The department is encouraged to engage stakeholders in developing alternatives.

(14) $239,000 of the general fund—state appropriation for fiscal year 2014, $160,000 of the general fund—state appropriation for fiscal year 2015, and $398,000 of the general fund—federal appropriation are provided solely to implement chapter 300, Laws of 2013 (SSB 5630).

(15) $3,000 of the general fund—state appropriation for fiscal year 2015 is provided solely to implement Substitute House Bill No. 2310 (provider safety equipment). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(16) $296,000 of the general fund—state appropriation for fiscal year 2015 and $296,000 of the general fund—federal appropriation are provided solely for the purposes of designing and implementing the community first choice option benefit pursuant to either Engrossed Substitute House Bill No. 2746 (medicaid personal care) or Substitute Senate Bill No. 6387 (eliminating waiting for individuals with developmental disabilities). If neither of these bills is enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(17) $5,094,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for services and support to individuals who are deaf, hard of hearing, or deaf-blind.

(18) The department may authorize a one-time waiver of all or any portion of the licensing and processing fees required under RCW 70.128.060 in any case in which the department determines that an adult family home is being relicensed because of exceptional circumstances, such as death or incapacity of a provider, and that to require the full payment of the licensing and processing fees would present a hardship to the applicant. In these situations the department is also granted the authority to waive the required residential administrator training for a period of 120 days if necessary to ensure continuity of care during the relicensing process.

(19) It is the intent of the legislature to use savings from the community first choice option to make needed investments in home and community-based services for seniors and people with disabilities, including potential investments recommended by the joint legislative executive committee on aging and disability and the development and implementation council that the department of social and health services must convene prior to submitting the proposed community first choice option to the centers for medicare and medicaid services.

At a minimum, the final report to the legislature from the joint legislative executive committee on aging and disability must explore the cost and benefit of rate enhancements for providers of long-term services and supports, restoration of hours for in-home clients, additional investment in the family caregiver support program, and additional investment in the individual and family services program or other medicaid services to support individuals with developmental disabilities.

(20) The department shall reimburse with the exceptional care rate adult family homes that provided care solely to clients with HIV/AIDS on or before January 1, 2000, and continue to provide care solely to clients with HIV/AIDS. The department shall not reduce the exceptional care rate from the rate paid on October 1, 2013.

(21) $30,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the department to contract with area agencies on aging to convene a work group to include first responders and companies providing life alert or other emergency alert services and to develop a proposal on how vulnerable adults who have life alert services might be made known to first responders in the event of a long-term power or telecommunications outage. The work group shall review methods for information sharing to include:

(a) Protocols and conditions in which information would be shared;

(b) A process whereby vulnerable life alert and emergency alert customers may provide permission for their information to be shared in the event of an emergency;

(c) Privacy protections for participants in the program; and

(d) Liability protections for agencies that collect, maintain, and track information.

The work group shall develop recommendations and provide them to the office of financial management and to the appropriate legislative committees by November 15, 2014.

(22) Within existing appropriations, the department is authorized to implement the fully capitated demonstration project for individuals who are dually eligible for medicare and medicaid. Savings realized from this implementation may be used to offset any general fund—state costs incurred by the department.

Sec. 207. 2013 2nd sp.s. c 4 s 207 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ECONOMIC SERVICES PROGRAM

General Fund—State Appropriation (FY 2014) . . . . . ((~~$402,504,000~~)) $371,738,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$405,019,000~~)) $374,979,000

General Fund—Federal Appropriation . . . . . ((~~$1,211,774,000~~)) $1,235,362,000

General Fund—Private/Local Appropriation . . . . . ((~~$30,594,000~~)) $36,450,000

Administrative Contingency Account—State Appropriation. $5,000,000

TOTAL APPROPRIATION . . . . . ((~~$2,049,891,000~~)) $2,023,529,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) ((~~$178,757,000~~)) $145,315,000 of the general fund—state appropriation for fiscal year 2014, ((~~$172,999,000~~)) $146,136,000 of the general fund—state appropriation for fiscal year 2015, $5,000,000 of the administrative contingency account—state appropriation, and ((~~$732,881,000~~)) $770,440,000 of the general fund—federal appropriation are provided solely for all components of the WorkFirst program. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families. The department must create a WorkFirst budget structure that allows for transparent tracking of budget units and subunits of expenditures where these units and subunits are mutually exclusive from other department budget units. The budget structure must include budget units for the following: Cash assistance, child care, WorkFirst activities, and administration of the program. Within these budget units, the department must develop program index codes for specific activities and develop allotments and track expenditures using these codes. The department shall report to the office of financial management and the relevant fiscal and policy committees of the legislature prior to adopting the new structure. The secretary of the department of social and health services, working with WorkFirst partner agencies and in collaboration with the WorkFirst oversight task force, shall develop a plan for maximizing the following outcomes and shall report back to the legislature by November 1, 2013. The outcomes to be measured are: (i) Increased employment; (ii) completion of education or post-secondary training; (iii) completion of barrier removal activity including drug and alcohol or mental health treatment; (iv) housing stability; (v) child care or education stability for the children of temporary assistance for needy families recipients; (vi) reduced rate of return after exit from the WorkFirst program; and (vii) work participation requirements.

(b) ((~~$406,818,000~~)) $374,455,000 of the amounts in (a) of this subsection are provided solely for assistance to clients, including grants, diversion cash assistance, and additional diversion emergency assistance including but not limited to assistance authorized under RCW 74.08A.210. The department may use state funds to provide support to working families that are eligible for temporary assistance for needy families but otherwise not receiving cash assistance.

(c) ((~~$168,019,000~~)) $171,893,000 of the amounts in (a) of this subsection are provided solely for WorkFirst job search, education and training activities, barrier removal services, limited English proficiency services, and tribal assistance under RCW 74.08A.040. The department must allocate this funding based on client outcomes and cost effectiveness measures.

(d) ((~~$367,676,000~~)) $352,085,000 of the amounts in (a) of this subsection are provided solely for the working connections child care program under RCW 43.215.135. The amounts provided in this subsection (d) are provided conditioned on the department of social and health services and the department of early learning taking additional actions to identify and reduce the backlog of

overpayment cases related to public assistance programs, including the working connections child care program. The departments shall collaborate and create a plan to triage overpayment cases in a manner that identifies and prioritizes cases with large overpayments and likelihood of fraudulent activity. The departments shall provide a quarterly report to the appropriate policy and fiscal committees of the legislature detailing the specific actions taken as a result of this subsection (d). The department of social and health services shall also establish an interagency agreement with the state auditor's office to conduct an independent performance audit of the office of fraud and accountability recovery. The audit shall include an analysis of the data reporting elements used by the office, current methods for determining the closing of cases, workload allocation, and issues associated with coordination between the two departments. $300,000 of the amount provided in this subsection (d) is provided solely for this performance audit.

(e) (($~~$142,124,000~~$)) $168,456,000 of the amounts in (a) of this subsection are provided solely for WorkFirst and working connections child care administration and overhead.

(f) The amounts in (b) through (($~~(d)~~$)) (e) of this subsection shall be expended for the programs and in the amounts specified. However, the department may transfer up to 10 percent of funding between (b) through (($~~(d)~~$)) (e) of this subsection(($~~, but only if the funding is available or necessary to transfer solely due to utilization, caseload changes, or underperformance in terms of client outcomes~~$)). The department shall provide notification prior to any transfer to the office of financial management and to the appropriate legislative committees and the legislative-executive WorkFirst oversight task force. The approval of the director of financial management is required prior to any transfer under this subsection.

(2) $1,657,000 of the general fund—state appropriation for fiscal year 2014 and $1,657,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for naturalization services.

(3) $2,366,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for employment services for refugees and immigrants, of which $1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services; and $2,366,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for employment services for refugees and immigrants, of which $1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services.

(4) On December 1, 2013, and annually thereafter, the department must report to the legislature on all sources of funding available for both refugee and immigrant services and naturalization services during the current fiscal year and the amounts expended to date by service type and funding source. The report must also include the number of clients served and outcome data for the clients.

(5) To ensure expenditures remain within available funds appropriated in this section, the legislature establishes the benefit under the state food assistance program, pursuant to RCW 74.08A.120, to be no less than seventy-five percent and no more than one hundred percent of the federal supplemental nutrition assistance program benefit amount.

(6) $18,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of section 1, chapter 337, Laws of 2013 (2SSB 5595).

(7) $4,729,000 of the general fund—state appropriation for fiscal year 2014 and $4,729,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of the telephone assistance program and the Washington information network 211 organization pursuant to Substitute House Bill No. 1971 (communication services). Of these funds, $500,000 of the general fund—state appropriation for fiscal year 2014 and $500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for operational support of the Washington information network 211 organization. If Substitute House Bill No. 1971 (communication services) is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(8) The department shall review clients receiving services through the aged, blind, or disabled assistance program, to determine whether they would benefit from assistance in becoming naturalized citizens, and thus be eligible to receive federal supplemental security income benefits. Those cases shall be given high priority for naturalization funding through the department.

(9) The department shall continue the interagency agreement with the department of veterans' affairs to establish a process for referral of veterans who may be eligible for veterans' services. This agreement must include out-stationing department of veterans' affairs staff in selected community service office locations in King and Pierce counties to facilitate applications for veterans' services.

(10) $500,000 of the general fund—state appropriation for fiscal year 2014 and $1,500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Substitute House Bill No. 2069 (safety net benefits). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

Sec. 208. 2013 2nd sp.s. c 4 s 208 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ALCOHOL AND SUBSTANCE ABUSE PROGRAM

General Fund—State Appropriation (FY 2014) . . . . . ((~~$72,650,000~~))
$73,021,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$61,855,000~~))
$63,535,000

General Fund—Federal Appropriation . . . . . ((~~$277,248,000~~))
$279,090,000

General Fund—Private/Local Appropriation . . . . . ((~~$13,554,000~~))
$16,301,000

Criminal Justice Treatment Account—State Appropriation. . . . . ((~~$14,568,000~~))
$14,284,000

Problem Gambling Account—State Appropriation . . . . . ((~~$1,450,000~~))
$1,449,000

TOTAL APPROPRIATION . . . . . ((~~$441,325,000~~))
$447,680,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Within the amounts appropriated in this section, the department may contract with the University of Washington and community-based providers for the provision of the parent-child assistance program or other specialized chemical dependency case management providers for pregnant, post-partum, and parenting women. For all contractors: (a) Service and other outcome data must be provided to the department by request; (b) program modifications needed to maximize access to federal medicaid matching funds will be phased in over the course of the 2013-2015 fiscal biennium; and (c) indirect charges for administering the program shall not exceed ten percent of the total contract amount.

(2) Within the amounts appropriated in this section, the department shall continue to provide for chemical dependency treatment services for adult medicaid eligible, pregnant and parenting women, disability lifeline, and alcoholism and drug addiction treatment and support act, and medical care services clients.

(3) In accordance with RCW 70.96A.090 and 43.135.055, the department is authorized to adopt fees for the review and approval of treatment programs in fiscal years 2014 and 2015 as necessary to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower cost of licensing for these programs than for other organizations which are not accredited.

(4) $3,500,000 of the general fund—federal appropriation (from the substance abuse prevention and treatment federal block grant) is provided solely for the continued funding of existing county drug and alcohol use prevention programs.

(5) $2,600,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the department to transition 128 beds from settings that are considered institutions for mental diseases to facilities with no more than 16 beds that are able to claim federal match for services provided to medicaid clients or individuals covered under the department's section 1115 medicaid waiver. The department may conduct a request for proposal process to fulfill this requirement and adopt rates that are comparable to the pilot projects implemented in the 2011-13 fiscal biennium. The department may use these funds to assist with the costs of providers in setting up or converting to 16-bed facilities. This funding may also be used for providers that are developing new capacity for clients who will become eligible for services under the affordable care act medicaid expansion. The number of beds available for pregnant and parenting women must not be reduced.

(6) ((~~$283,000~~)) $141,000 of the ((~~criminal justice treatment account~~)) general fund—state appropriation ((~~is~~)) for fiscal year 2014 and $142,000 of the

general fund—state appropriation for fiscal year 2015 are provided solely for transitional funding for the family drug court in Pierce county.

(7) Within the amounts appropriated in this section, the department shall review differential rates paid for alcohol and substance abuse assessment and treatment services for medicaid and nonmedicaid clients and the impact to providers as previously uninsured clients become eligible for services through the medicaid expansion under the federal patient protection and affordable care act. By December 1, 2014, the department must submit a report to the legislature which provides: (a) The estimated impact on providers for each type of medicaid reimbursable service as newly eligible clients shift from nonmedicaid to medicaid rates; (b) identification of which types of providers will be most significantly impacted by these shifts; (c) identification of the estimated annual costs for increasing rates for each level of service; and (d) a summary of federal requirements that must be considered in determining how any future rate increase must be implemented.

(8) $33,000 of the general fund—state appropriation for fiscal year 2015 and $29,000 of the general fund—federal appropriation are provided solely to expand access to a program located in a county with a population over 700,000 that provides case management and coordinating services for low-income women who are pregnant or parenting and have a suspected history of alcohol or drug abuse.

(9) Within existing appropriations, the department shall prioritize the prevention and treatment of intravenous, opiate-based drug use.

Sec. 209. 2013 2nd sp.s. c 4 s 209 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—VOCATIONAL REHABILITATION PROGRAM

General Fund—State Appropriation (FY 2014) . . . . . ((~~$16,478,000~~))
$16,568,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$16,459,000~~))
$11,083,000
General Fund—Federal Appropriation . . . . . ((~~$99,413,000~~))
$99,397,000
TOTAL APPROPRIATION . . . . . ((~~$132,350,000~~))
$127,048,000

The appropriations in this section are subject to the following conditions and limitations: $5,006,000 of the general fund—state appropriation for fiscal year 2014 ((~~and $5,094,000 of the general fund—state appropriation for fiscal year 2015 are~~)) is provided solely for services and support to individuals who are deaf, hard of hearing, or deaf-blind.

Sec. 210. 2013 2nd sp.s. c 4 s 210 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—SPECIAL COMMITMENT PROGRAM

General Fund—State Appropriation (FY 2014) . . . . . ((~~$36,420,000~~))
$37,796,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$35,813,000~~)) $36,492,000

TOTAL APPROPRIATION . . . . . ((~~$72,233,000~~)) $74,288,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department of social and health services shall transfer the stewardship of McNeil Island to the department of corrections industries program, effective September 1, 2013. The transferred responsibilities shall include marine operations, waste water treatment, water treatment, road maintenance, and any other general island maintenance that is not site specific to the operations of the special commitment center or the Pierce county secure community transition facility. Facility maintenance within the perimeter of the special commitment center shall remain the responsibility of the department of social and health services. Capital repairs and maintenance necessary to maintain the special commitment center on McNeil Island shall be managed by the department of social and health services. The legislature directs both departments to enter into an interagency agreement by August 1, 2013. The office of financial management shall oversee the negotiations of the interagency agreement. The interagency agreement must describe equipment that will transfer between the departments, warehouse space that will be shared by the departments, and occupancy requirements for any shops outside the perimeter of the special commitment center. The office of financial management will make the final determination on any disagreements between the departments on the details of the interagency agreement.

(2) ((~~$3,120,000~~)) $3,042,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$3,120,000~~)) $3,024,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for operational costs specific to island operations of the special commitment center and the Pierce county secure community transition facility. The department shall establish an accounting structure that enables it to track and report on costs specific to island operations.

(3) All employees of the department of social and health services engaged in performing the powers, functions, and duties transferred to the department of corrections industries program under this subsection, are transferred to the department of corrections.

(4) All classified employees of the department of social and health services assigned to the department of corrections under this subsection whose positions are within an existing bargaining unit description at the department of corrections shall become a part of the existing bargaining unit at the department of corrections and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

(5) By November 1, 2014, the department of social and health services shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's costs for certain medical and pharmacy costs for its residents within the special commitment center. The department as part of its evaluation shall consult with the health care authority, the health benefits exchange, and the department of

corrections. At a minimum, the report should look at the following items: (a) Obtaining medicaid eligibility for residents; (b) feasibility of obtaining insurance for residents through the health benefit exchange; (c) utilizing multistate consortiums for the purchase of pharmaceuticals to reduce costs; and (d) consolidating contracts for medical inpatient and outpatient services with western state hospital.

Sec. 211. 2013 2nd sp.s. c 4 s 211 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ADMINISTRATION AND SUPPORTING SERVICES PROGRAM

General Fund—State Appropriation (FY 2014) . . . . . ((~~$30,127,000~~)) $29,773,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$29,333,000~~)) $28,313,000

General Fund—Federal Appropriation . . . . . ((~~$37,150,000~~)) $37,067,000

General Fund—Private/Local Appropriation $654,000

TOTAL APPROPRIATION . . . . . ((~~$97,264,000~~)) $95,807,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $395,000 of the general fund—state appropriation for fiscal year 2014, $228,000 of the general fund—state appropriation for fiscal year 2015, and $335,000 of the general fund—federal appropriation are provided solely to implement chapter 320, Laws of 2013 (ESHB 1519) and chapter 338, Laws of 2013 (2SSB 5732).

(2) $300,000 of the general fund—state appropriation for fiscal year 2014 and $300,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state mentors program to continue its public-private partnerships to provide technical assistance and training to mentoring programs that serve at-risk youth.

(3) $82,000 of the general fund—state appropriation for fiscal year 2014, $44,000 of the general fund—state appropriation for fiscal year 2015, and $28,000 of the general fund—federal appropriation are provided solely to develop a report on state efforts to prevent and control diabetes. The department, the health care authority, and the department of health shall submit a coordinated report to the governor and the appropriate committees of the legislature by December 31, 2014, on the following:

(a) The financial impacts and reach that diabetes of all types and undiagnosed gestational diabetes are having on the programs administered by each agency and individuals, including children with mothers with undiagnosed gestational diabetes, enrolled in those programs. Items in this assessment must include: (i) The number of lives with diabetes and undiagnosed gestational diabetes impacted or covered by the programs administered by each agency; (ii) the number of lives with diabetes, or at risk for diabetes, and family members impacted by prevention and diabetes control programs implemented by each agency; (iii) the financial toll or impact diabetes and its complications, and undiagnosed gestational diabetes and the complications experienced during

labor to children of mothers with gestational diabetes places on these programs in comparison to other chronic diseases and conditions; and (iv) the financial toll or impact diabetes and its complications, and diagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs;

(b) An assessment of the benefits of implemented and existing programs and activities aimed at controlling all types of diabetes and preventing the disease. This assessment must also document the amount and source for any funding directed to each agency for the programs and activities aimed at reaching those with diabetes of all types;

(c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all types of diabetes and its complications;

(d) The development or revision of detailed policy-related action plans and budget recommendations for battling diabetes and undiagnosed gestational diabetes that includes a range of actionable items for consideration by the legislature. The plans and budget recommendations must identify proposed action steps to reduce the impact of diabetes, prediabetes, related diabetes complications, and undiagnosed gestational diabetes. The plans and budget recommendations must also identify expected outcomes of the action steps proposed in the following biennium while also establishing benchmarks for controlling and preventing all types of diabetes; and

(e) An estimate of savings, efficiencies, costs, and budgetary savings and resources required to implement the plans and budget recommendations identified in (d) of this subsection (5).

Sec. 212. 2013 2nd sp.s. c 4 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER AGENCIES PROGRAM

General Fund—State Appropriation (FY 2014) . . . . . ((~~$60,470,000~~)) $62,822,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$60,511,000~~)) $65,716,000

General Fund—Federal Appropriation . . . . . ((~~$55,264,000~~)) $58,340,000

TOTAL APPROPRIATION . . . . . ((~~$176,245,000~~)) $186,878,000

Sec. 213. 2013 2nd sp.s. c 4 s 213 (uncodified) is amended to read as follows:

FOR THE STATE HEALTH CARE AUTHORITY

General Fund—State Appropriation (FY 2014) . . . . . ((~~$2,131,026,000~~)) $2,144,827,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$2,114,731,000~~)) $2,161,903,000

General Fund—Federal Appropriation . . . . . ((~~$7,245,749,000~~)) $7,908,155,000

General Fund—Private/Local Appropriation . . . . . ((~~$57,780,000~~)) $56,400,000

Emergency Medical Services and Trauma Care Systems Trust Account—State Appropriation. $15,082,000
Hospital Safety Net Assessment Fund—State Appropriation. . . . . ((~~$669,381,000~~)) $669,380,000
Health Benefit Exchange Account—State Appropriation . . . . . ((~~$17,277,000~~)) $16,580,000
State Health Care Authority Administration Account—State Appropriation . . . . . ((~~$34,809,000~~)) $35,328,000
Medical Aid Account—State Appropriation $528,000
Medicaid Fraud Penalty Account—State Appropriation $21,206,000
TOTAL APPROPRIATION . . . . . ((~~$12,307,569,000~~)) $13,029,389,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$1,143,994,000~~)) $1,900,484,000 of the general fund—federal appropriation is provided solely to implement the medicaid expansion as defined in the social security act, section 1902(a)(10)(A)(i)(VIII), subject to the conditions and limitations in this subsection. If the federal medical assistance percentage for the medicaid expansion falls below the percentages in section 1905(y) of the social security act as of July 1, 2013, the authority shall ensure that the state does not incur any additional state costs above what would have been incurred had the federal medical assistance percentages remained at the percentages in section 1905(y) as of July 1, 2013. The director is authorized to make any necessary program adjustments to comply with this requirement, including adding or adjusting premiums, modifying benefits, or reducing optional programs. To the extent a waiver is needed to accomplish this, the director shall promptly apply for such waiver. If a necessary waiver is not approved, the medicaid expansion program shall be terminated upon appropriate notification to the legislature and enrollees.

(2) The requirements of this subsection apply to the basic health plan. This subsection is null and void and has no further effect upon implementation of the medicaid expansion under subsection (1) of this section.

(a) Within amounts appropriated in this section and sections 205 and 206 of this act, the health care authority shall continue to provide an enhanced basic health plan subsidy for foster parents licensed under chapter 74.15 RCW and workers in state-funded home care programs. Under this enhanced subsidy option, foster parents eligible to participate in the basic health plan as subsidized enrollees and home care workers with family incomes below 200 percent of the federal poverty level shall be allowed to enroll in the basic health plan at the minimum premium amount charged to enrollees with incomes below sixty-five percent of the federal poverty level.

(b) The health care authority shall require organizations and individuals that are paid to deliver basic health plan services and that choose to sponsor enrollment in the subsidized basic health plan to pay 133 percent of the premium amount which would otherwise be due from the sponsored enrollees.

(c) The administrator shall take at least the following actions to assure that persons participating in the basic health plan are eligible for the level of assistance they receive: (a) Require submission of (i) income tax returns, and recent pay history, from all applicants, or (ii) other verifiable evidence of earned and unearned income from those persons not required to file income tax returns; (b) check employment security payroll records at least once every twelve months on all enrollees; (c) require enrollees whose income as indicated by payroll records exceeds that upon which their subsidy is based to document their current income as a condition of continued eligibility; (d) require enrollees for whom employment security payroll records cannot be obtained to document their current income at least once every six months; (e) not reduce gross family income for self-employed persons by noncash-flow expenses such as, but not limited to, depreciation, amortization, and home office deductions, as defined by the United States internal revenue service; and (f) pursue repayment and civil penalties from persons who have received excessive subsidies, as provided in RCW 70.47.060(9).

(d) Enrollment in the subsidized basic health plan shall be limited to only include persons who qualify as subsidized enrollees as defined in RCW 70.47.020 and who (a) qualify for services under 1115 medicaid demonstration project number 11-W-00254/10; or (b) are foster parents licensed under chapter 74.15 RCW.

(3) The legislature finds that medicaid payment rates, as calculated by the health care authority pursuant to the appropriations in this act, bear a reasonable relationship to the costs incurred by efficiently and economically operated facilities for providing quality services and will be sufficient to enlist enough providers so that care and services are available to the extent that such care and services are available to the general population in the geographic area. The legislature finds that the cost reports, payment data from the federal government, historical utilization, economic data, and clinical input constitute reliable data upon which to determine the payment rates.

(4) Based on quarterly expenditure reports and caseload forecasts, if the health care authority estimates that expenditures for the medical assistance program will exceed the appropriations, the health care authority shall take steps including but not limited to reduction of rates or elimination of optional services to reduce expenditures so that total program costs do not exceed the annual appropriation authority.

(5) In determining financial eligibility for medicaid-funded services, the health care authority is authorized to disregard recoveries by Holocaust survivors of insurance proceeds or other assets, as defined in RCW 48.104.030.

(6) The legislature affirms that it is in the state's interest for Harborview medical center to remain an economically viable component of the state's health care system.

(7) When a person is ineligible for medicaid solely by reason of residence in an institution for mental diseases, the health care authority shall provide the person with the same benefits as he or she would receive if eligible for medicaid, using state-only funds to the extent necessary.

(8) $4,261,000 of the general fund—state appropriation for fiscal year 2014, $4,261,000 of the general fund—state appropriation for fiscal year 2015, and

$8,522,000 of the general fund—federal appropriation are provided solely for low-income disproportionate share hospital payments.

(9) $400,000 of the general fund—state appropriation for fiscal year 2014, ((~~$400,000~~)) $200,000 of the general fund—state appropriation for fiscal year 2015, and ((~~$800,000~~)) $600,000 of the general fund—federal appropriation are provided solely for disproportionate share hospital payments to rural hospitals certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011 that do not participate in the certified public expenditures program. The authority shall discontinue these payments on January 1, 2015.

(10) $100,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$100,000~~)) $50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for grants to rural hospitals in Clallam county that were certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011. The authority shall discontinue these payments on January 1, 2015.

(11) $100,000 of the general fund—state appropriation for fiscal year 2015 and $100,000 of the general fund—federal appropriation are provided solely for disproportionate share hospital payments beginning on January 1, 2015, to rural hospitals in Lewis county that were certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011. The authority shall discontinue these payments after June 30, 2015.

(12) $150,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for grants to rural public hospitals in Grant county that were certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011. The authority shall discontinue these payments after June 30, 2015.

(13) Within the amounts appropriated in this section, the health care authority shall provide disproportionate share hospital payments to hospitals that provide services to children in the children's health program who are not eligible for services under Title XIX or XXI of the federal social security act due to their citizenship status.

((~~(12)~~)) (14) $6,000,000 of the general fund—federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare

cost reports. The timing of the interim and final cost settlements shall be at the health care authority's discretion. During either the interim cost settlement or the final cost settlement, the health care authority shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The health care authority shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

(((~~(13)~~))) (15) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2013-2015 fiscal biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The health care authority shall submit reports to the governor and legislature by November 1, 2013, and by November 1, 2014, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the health care authority shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2014 and fiscal year 2015, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2013-2015 biennial operating appropriations act and in effect on July 1, 2013, (b) one-half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2013-2015 fiscal biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the

state when requested. ((~~$3,860,000~~)) $11,928,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$1,137,000~~)) $14,821,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for state grants for the participating hospitals.

(((~~14~~))) (16) The health care authority shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

(((~~15~~))) (17) The health care authority shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race. The health care authority shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the health care authority shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.

(((~~16~~))) (18) $170,000 of the general fund—state appropriation for fiscal year 2014, $121,000 of the general fund—state appropriation for fiscal year 2015, and $292,000 of the general fund—federal appropriation are provided solely to implement Engrossed Substitute House Bill No. 1519 (service coordination organizations) and Second Substitute Senate Bill No. 5732 (behavioral health services). If neither of the bills is enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(((~~17~~))) (19) $57,000 of the general fund—state appropriation for fiscal year 2014, $40,000 of the general fund—state appropriation for fiscal year 2015, and $55,000 of the general fund—federal appropriation are provided solely to develop a report on state efforts to prevent and control diabetes. The authority, the department of social and health services, and the department of health shall submit a coordinated report to the governor and the appropriate committees of the legislature by December 31, 2014, on the following:

(a) The financial impacts and reach that diabetes of all types and undiagnosed gestational diabetes are having on the programs administered by each agency and individuals, including children with mothers with undiagnosed gestational diabetes, enrolled in those programs. Items in this assessment must include: (i) The number of lives with diabetes and undiagnosed gestational diabetes impacted or covered by the programs administered by each agency; (ii) the number of lives with diabetes, or at risk for diabetes, and family members impacted by prevention and diabetes control programs implemented by each agency; (iii) the financial toll or impact diabetes and its complications, and undiagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs in comparison to other chronic diseases and conditions; and (iv) the financial toll or impact diabetes and its complications, and diagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs;

(b) An assessment of the benefits of implemented and existing programs and activities aimed at controlling all types of diabetes and preventing the

disease. This assessment must also document the amount and source for any funding directed to each agency for the programs and activities aimed at reaching those with diabetes of all types;

(c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all types of diabetes and its complications;

(d) The development or revision of detailed policy-related action plans and budget recommendations for battling diabetes and undiagnosed gestational diabetes that includes a range of actionable items for consideration by the legislature. The plans and budget recommendations must identify proposed action steps to reduce the impact of diabetes, prediabetes, related diabetes complications, and undiagnosed gestational diabetes. The plans and budget recommendations must also identify expected outcomes of the action steps proposed in the following biennium while also establishing benchmarks for controlling and preventing all types of diabetes; and

(e) An estimate of savings, efficiencies, costs, and budgetary savings and resources required to implement the plans and budget recommendations identified in (d) of this subsection (17).

(((~~(18)~~))) (20) Within the amounts appropriated in this section, the authority shall identify strategies to improve patient adherence to treatment plans for diabetes and implement these strategies as a pilot through one health home program to be identified by the authority. The authority shall report to the governor and the legislature in December 2014 on the progress of strategy implementation. The authority shall report to the governor and legislature in December 2015 on patient outcomes and cost savings derived from new adherence strategies in the health home model and make recommendations for improving the strategies.

(((~~(19)~~))) (21) Effective January 1, 2014, managed care contracts must incorporate accountability measures that monitor patient health and improved health outcomes, and shall include an expectation that each patient receive a wellness examination that documents the baseline health status and allows for monitoring of health improvements and outcome measures.

(((~~(20)~~))) (22) $25,000 of the general fund—state appropriation for fiscal year 2014 and $25,000 of the general fund—federal appropriation are provided solely for the development of recommendations for funding integrated school nursing and outreach services. The authority shall collaborate with the office of the superintendent of public instruction to develop recommendations for increasing federal financial participation for providing nursing services in schools with the goals of integrating nursing and outreach services and supporting one nurse for every four hundred fifty students in elementary schools and one nurse for every seven hundred fifty students in secondary schools. In developing these recommendations, the authority shall inquire with the federal centers for medicare and medicaid services about state plan amendment or waiver options for receiving additional federal matching funds for school nursing services provided to children enrolled in apple health for kids. The recommendations shall include proposals for funding training and reimbursement for nurses that provide outreach services to help eligible students enroll in apple health for kids and other social services programs. The authority and the office of the

superintendent of public instruction shall provide these recommendations to the governor and the legislature by December 1, 2013.

(((~~(21)~~))) (23) $430,000 of the general fund—state appropriation for fiscal year 2014 and $500,000 of the general fund—federal appropriation are provided solely to complete grant requirements for the health information exchange.

(((~~(22)~~))) (24) $143,000 of the medicaid fraud penalty account—state appropriation and $423,000 of the general fund—federal appropriation are provided solely for the rebasing of outpatient and inpatient payment methods.

(((~~(23)~~))) (25) $1,163,000 of the medicaid fraud penalty account—state appropriation and $9,710,000 of the general fund—federal appropriation are provided solely to implement the conversion to the tenth version of the world health organization's international classification of diseases.

(((~~(24)~~))) (26) $111,000 of the general fund—state appropriation for fiscal year 2014, $35,000 of the general fund—state appropriation for fiscal year 2015, and $359,000 of the general fund—federal appropriation are provided solely to update the medicaid information technology architecture state self-assessment and to develop the five year road map for the medicaid information technology architecture architect.

(((~~(25)~~))) (27) $62,000 of the general fund—state appropriation for fiscal year 2014, $62,000 of the general fund—state appropriation for fiscal year 2015, and $126,000 of the general fund—federal appropriation are provided solely to support the Robert Bree collaborative's efforts to disseminate evidence-based best practices for preventing and treating health problems.

(((~~(26)~~))) (28) Within the amounts appropriated in this section, the authority shall increase reimbursement rates for primary care services provided by independent nurse practitioners to medicare levels for the period from July 1, 2013, to December 31, 2014.

(((~~(27)~~))) (29) The authority shall seek a medicaid state plan amendment to create a professional services supplemental payment managed care program for professional services delivered to managed care recipients by University of Washington medicine and other public professional providers. This program shall be effective as soon as administratively possible and shall operate concurrently with the existing professional services supplemental payment program. The authority shall apply federal rules for identifying the difference between average commercial rates and fee-for-service medicaid payments. This difference will be multiplied by the number of managed care encounters and incorporated into the managed care plan capitation rates by a certified actuary. The managed care plans will pay the providers the difference attributable to the increased capitation rate. Participating providers shall be solely responsible for providing the local funds required to obtain federal matching funds. Any incremental costs incurred by the authority in the development, implementation, and maintenance of this program shall be the responsibility of the participating providers. Participating providers shall retain the full amount of supplemental payments provided under this program, net of any costs related to the program that are disallowed due to audits or litigation against the state.

(((~~(28)~~))) (30) Sufficient amounts are appropriated in this section for the authority to provide an adult dental benefit beginning January 1, 2014.

(((~~(29)~~))) (31) To the extent allowed under federal law, the authority shall require an adult client to enroll in full medicaid coverage instead of family planning-only coverage unless the client is at risk of domestic violence.

(((~~(30)~~))) (32) The authority shall facilitate enrollment under the medicaid expansion for clients applying for or receiving state funded services from the authority and its contractors. Prior to open enrollment, the authority shall coordinate with the department of social and health services to provide referrals to the Washington health benefit exchange for clients that will be ineligible for the medicaid expansion but are enrolled in coverage that will be eliminated in the transition to the medicaid expansion.

(((~~(31)~~))) (33) $90,000 of the general fund—state appropriation for fiscal year 2014, $90,000 of the general fund—state appropriation for fiscal year 2015, and $180,000 of the general fund—federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free hotline that assists families to learn about and enroll in the apple health for kids program.

(((~~(32)~~))) (34) Within the amounts appropriated in this section, the authority shall reduce premiums for children with family incomes above 200 percent of the federal poverty level in the state-funded children's health program who are not eligible for coverage under the federal children's health insurance program. Premiums in the state and federal children's health insurance program shall be equal.

(((~~(33)~~))) (35) The appropriations in this section reflect savings and efficiencies by transferring children receiving medical care provided through fee-for-service to medical care provided through managed care.

(((~~(34)~~))) (36) $150,000 of the general fund—state appropriation for fiscal year 2014, $436,000 of the general fund—state appropriation for fiscal year 2015, and $170,561,000 of the general fund—federal appropriation are provided solely for the provider incentive program and other initiatives related to the health information technology medicaid plan.

(37) ((~~$1,531,000~~)) $1,528,000 of the general fund—state appropriation for fiscal year 2014, ((~~$280,000~~)) $2,206,000 of the general fund—state appropriation for fiscal year 2015, and ((~~$10,803,000~~)) $17,912,000 of the general fund—federal appropriation are provided solely to implement phase two of the project to create a single provider payment system that consolidates medicaid medical and social services payments and replaces the social service payment system. The amounts provided in this subsection are conditioned on the authority satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(38) Within the amounts appropriated in this section, the health care authority and the department of social and health services shall implement the state option to provide health homes for enrollees with chronic conditions under section 2703 of the federal affordable care act. The total state match for enrollees who are dually-eligible for both medicare and medicaid and not enrolled in managed care shall be no more than the net savings to the state from the enhanced match rate for its medicaid-only managed care enrollees under section 2703.

(39) The health care authority shall not initiate any services that require expenditure of state general fund moneys unless expressly authorized in this act or other law. The health care authority may seek, receive, and spend, under

RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the health care authority receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation providing appropriation authority, and an equal amount of appropriated state general fund moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(40) Within the amounts appropriated in this section, the authority shall reimburse for primary care services provided by naturopathic physicians.

(41) Within amounts appropriated, the health care authority shall conduct a review of its management and staffing structure to identify efficiencies and opportunities to reduce full time equivalent employees and other administrative costs. A report summarizing the review and the authority's recommendations to reduce costs and full time equivalent employees must be submitted to the governor and legislature by November 1, 2013.

(42) ((~~$17,279,000~~)) $16,580,000 of the health benefit exchange account—state appropriation and ((~~$2,721,000~~)) $3,409,000 of the general fund—federal appropriation are provided solely to support the operations of the Washington health benefit exchange from January 1, 2015, to June 30, 2015. The Washington state health insurance pool administrator shall transfer $20,838,000 of pool contributions to the treasurer for deposit into the health benefit exchange account in calendar year 2014. The receipt and use of medicaid funds provided to the health benefit exchange from the health care authority are subject to compliance with state and federal regulations and policies governing the Washington apple health programs, including timely and proper application, eligibility, and enrollment procedures. Within the amounts provided in this subsection, $321,000 of the health benefit exchange account—state appropriation and $688,000 of the general fund—federal appropriation are provided solely for print services and postage for modified adjusted gross income medicaid eligibility correspondence sent from the health benefit exchange.

(43) Within the amounts appropriated in this section, the authority shall continue to provide coverage after December 31, 2013, for pregnant teens that qualify under existing pregnancy medical programs, but whose eligibility for pregnancy related services would otherwise end due to the application of the new modified adjusted gross income eligibility standard.

(44) ((~~Upon implementation of the medicaid expansion under subsection (1) of this section, the breast and cervical cancer treatment program is eliminated. To maintain continuity of coverage, the authority shall offer the option to stay in a fee-for-service program to clients that are already enrolled in the breast and cervical cancer treatment program and will be transitioned into the new adult group upon implementation of the medicaid expansion. The authority will continue to provide coverage to clients that are already enrolled in the breast and cervical cancer treatment program at the time of program elimination until their courses of treatment are completed~~)) Sufficient amounts are appropriated in this

section to restore medicaid coverage under the breast and cervical cancer treatment program.

(45) $40,000 of the general fund—state appropriation for fiscal year 2014 and $40,000 of the general fund—federal appropriation are provided solely for the authority to create a new position to provide adequate oversight and assistance to managed care organizations, rural health clinics, and federally qualified health centers under a new administratively streamlined payment methodology. Effective July 1, 2013, or upon obtaining any necessary federal approval, but in no case during the first quarter of a calendar year, the authority shall implement an administratively streamlined payment methodology for federally qualified health centers and rural health clinics. The authority's payments to managed care organizations shall include the full encounter payment comprised of both the standard and enhancement payments for federally qualified health centers and rural health clinics as defined in the medicaid state plan and in accordance with section 1902(bb) of the social security act (42 U.S.C. 1396a(bb)). At no time will a managed care organization be at risk for or have any claim to the supplemental payment portion of the rate which will be reconciled to ensure accurate payment and full pass through of the obligated funds. For any services eligible for encounter payments, as defined in the medicaid state plan, managed care organizations shall be required to pay at least the full published encounter rates directly to each clinic or center, and payments will be reconciled on at least an annual basis between the managed care organization and the authority, with final review and approval by the authority. At the option of any clinic, the enhancement payment can be received from the managed care organization on a per member per month basis for all assigned managed care enrollees in an amount prescribed by the authority. Nothing in this section is intended to disrupt mutually agreeable contractual arrangements between managed care organizations and clinics that impact how the standard payment for services is paid. The authority will require participating managed care organizations to reimburse federally qualified health centers and rural health clinics for clean claims in strict adherence to the timeliness of payment standards established under contract and specified for the medicaid fee-for-service program in section 1902(a)(37) of the social security act (42 U.S.C. 1396a(a)(37)), 42 C.F.R. Sec. 447.46, and specified for health carriers in WAC 284-43-321. The authority shall exercise all necessary options under its existing sanctions policy to enforce timely payment of claims. The authority shall ensure necessary staff and resources are identified to actively monitor and enforce the timeliness and accuracy of payments to federally qualified health centers and rural health clinics. By January 1, 2014, and after collaboration with federally qualified health centers, rural health clinics, managed care plans, and the centers for medicare and medicaid services, the authority will produce a report that provides options for a new payment methodology that rewards innovation and outcomes over volume of services delivered, and which maintains the integrity of the rural health clinic and federally qualified health center programs as outlined under federal law. The report will detail necessary federal authority for implementation and provide the benefits and drawbacks of each option.

(46) $3,605,000 of the general fund—state appropriation for fiscal year 2014 is provided solely to proportionally reduce the amounts that rural health clinics owe the state under the calendar year 2009 recoupment.

(47) Sufficient amounts are appropriated in this section to remove the mental health visit limit and to provide the shingles vaccine and screening, brief intervention, and referral to treatment benefits that are available in the medicaid alternative benefit plan in the current medicaid benefit plan beginning January 1, 2014. ((~~The authority shall monitor the costs of the habilitative benefit as part of the forecasting process but shall not provide this benefit in the current medicaid benefit plan without a direct appropriation in the omnibus appropriations act.~~))

(48) The appropriations in this section reflect savings and efficiencies achieved by modifying dispensing methods of contraceptive drugs. The authority must make arrangements for all medicaid programs offered through managed care plans or fee-for-service programs to require dispensing of contraceptive drugs with a one-year supply provided at one time unless a patient requests a smaller supply or the prescribing physician instructs that the patient must receive a smaller supply. Contracts with managed care plans must allow on-site dispensing of the prescribed contraceptive drugs at family planning clinics. Dispensing practices must follow clinical guidelines for appropriate prescribing and dispensing to ensure the health of the patient while maximizing access to effective contraceptive drugs.

(49)(a) $75,000 of the general fund—state appropriation for fiscal year 2014 and $75,000 of the general fund—federal appropriation are provided solely for preparing options with an expert consultant for possible implementation of a targeted premium assistance program and possible implementation of the federal basic health option. $75,000 of the amounts appropriated in this subsection is provided solely for the development of options related to the targeted premium assistance program. The authority shall develop options for a waiver request to the federal centers for medicare and medicaid services to implement a targeted premium assistance program for the expansion adults, identified in section 1902(a)(10)(A)(i)(VIII) of the social security act, with incomes above one hundred percent of the federal poverty level, and for children covered in the children's health insurance program with incomes above two hundred percent of the federal poverty level, with a goal of providing seamless coverage through the health benefit exchange and improving opportunities for families to be covered in the same health plans. The options must include the possibility of applying premiums for individuals and cost-sharing that may exceed the five percent of family income cap under federal law, and the options must include recommendations to make the targeted premium assistance program cost neutral. The authority shall submit a report on the options to the legislature and the governor by January 1, 2014. The authority is encouraged to be creative, use subject matter experts, and exhaust all possible options to achieve cost neutrality. The report shall also include a detailed plan and timeline. $75,000 of the amounts appropriated in this subsection is provided solely for the development of options related to the federal basic health option. The authority shall prepare options for implementing the federal basic health option as federal guidance becomes available. The authority shall submit a report on the options to the legislature and the governor by January 1, 2014, or ninety days following the release of federal guidance. The report must include a comparison of the

premiums and cost-sharing under the federal basic health option with the premium assistance options described in this subsection, options for implementing the federal basic health option in combination with a premium assistance program, a detailed fiscal analysis for each coverage approach, including the estimated costs for system design and implementation, and information about impacted populations.

(b) Where possible, the authority shall leverage the same expert consultants to review each proposal and compare and contrast the approaches to ensure seamless coordination with the health benefit exchange.

(c) The authority shall collaborate with the joint select committee on health care oversight in the development of these options.

(50) $171,000 of the general fund—state appropriation for fiscal year 2015 and $145,000 of the general fund—federal appropriation are provided solely to implement Second Substitute Senate Bill No. 6312 (mental health, chemical dependency) and Engrossed Second Substitute House Bill No. 2315 (suicide prevention). If Second Substitute Senate Bill No. 6312 (mental health, chemical dependency) is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(51) $604,000 of the general fund—state appropriation for fiscal year 2014, $597,000 of the general fund—state appropriation for fiscal year 2015, and $18,320,000 of the general fund—federal appropriation are provided solely to implement Engrossed Second Substitute House Bill No. 2572 (health care purchasing, delivery). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(52) $306,000 of the general fund—state appropriation for fiscal year 2015 and $306,000 of the general fund—federal appropriation are provided solely to implement Substitute House Bill No. 2310 (provider safety equipment). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(53) $390,000 of the general fund—state appropriation for fiscal year 2015 and $3,510,000 of the general fund—federal appropriation are provided solely for medicaid clients to select the medicaid managed care organization of their choice within the Washington healthplanfinder online marketplace.

(54) $561,000 of the general fund—state appropriation for fiscal year 2015, $2,000 of the general fund—local appropriation, and $693,000 of the general fund—federal appropriation are provided solely for the authority to add autism screenings for children age eighteen months beginning July 1, 2014.

(55) By December 1, 2014, the authority shall report to the legislative fiscal committees with options for reducing payments to hospital owned physician practices or clinics that are higher than the maximum resource based relative value scale fee rates received by nonhospital owned physician practices or clinics for the same procedures. The authority shall include options for exempting certain hospital owned clinics from the reductions and the fiscal impacts of those options. The authority shall not enter into or renew any contracts under RCW 74.60.160 that would restrict the authority's ability to implement any of these options in the 2015-2017 fiscal biennium.

(56) The appropriations to the authority in this act shall be expended for the purposes and in the amounts specified in this act. To the extent that appropriations in this section are insufficient to fund actual expenditures in

excess of caseload forecasts and utilization assumptions, the authority, after May 1, 2014, may transfer general fund—state appropriations for fiscal year 2014 that are provided solely for a specified purpose. The authority shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

Sec. 214. 2013 2nd sp.s. c 4 s 214 (uncodified) is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$2,077,000~~)) $2,059,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,996,000~~)) $2,027,000

General Fund—Federal Appropriation . . . . . ((~~$2,185,000~~)) $2,171,000

TOTAL APPROPRIATION . . . . . ((~~$6,258,000~~)) $6,257,000

The appropriations in this section are subject to the following conditions and limitations: $218,000 of the general fund—federal appropriation is provided for additional financial resources from the U.S. department of housing and urban development for the investigation of discrimination cases involving service animals.

Sec. 215. 2013 2nd sp.s. c 4 s 215 (uncodified) is amended to read as follows:

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account—State Appropriation. $10,000

Accident Account—State Appropriation . . . . . ((~~$19,763,000~~)) $19,678,000

Medical Aid Account—State Appropriation . . . . . ((~~$19,763,000~~)) $19,678,000

TOTAL APPROPRIATION . . . . . ((~~$39,536,000~~)) $39,366,000

Sec. 216. 2013 2nd sp.s. c 4 s 216 (uncodified) is amended to read as follows:

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$14,257,000~~)) $14,535,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$14,159,000~~)) $14,062,000

General Fund—Private/Local Appropriation . . . . . ((~~$3,059,000~~)) $4,380,000
Death Investigations Account—State Appropriation $148,000
Municipal Criminal Justice Assistance Account—
State Appropriation $460,000
Washington Auto Theft Prevention Authority Account—
State Appropriation $8,597,000
TOTAL APPROPRIATION . . . . . ((~~$40,680,000~~)) $42,182,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $5,000,000 of the general fund—state appropriation for fiscal year 2014 and $5,000,000 of the general fund—state appropriation for fiscal year 2015, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130.

(2) ((~~$340,000~~)) $408,000 of the general fund—local appropriation is provided solely to purchase ammunition for the basic law enforcement academy. Jurisdictions shall reimburse to the criminal justice training commission the costs of ammunition, based on the average cost of ammunition per cadet, for cadets that they enroll in the basic law enforcement academy.

(3) The criminal justice training commission may not run a basic law enforcement academy class of fewer than 30 students.

(4) $100,000 of the general fund—state appropriation for fiscal year 2014 and $100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a school safety program. The commission, in collaboration with the school safety center advisory committee, shall provide the school safety training for all school administrators and school safety personnel hired after the effective date of this section.

(5) $96,000 of the general fund—state appropriation for fiscal year 2014 and $96,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the school safety center within the commission. The safety center shall act as an information dissemination and resource center when an incident occurs in a school district in Washington or in another state, coordinate activities relating to school safety, and review and approve manuals and curricula used for school safety models and training. Through an interagency agreement, the commission shall provide funding for the office of the superintendent of public instruction to continue to develop and maintain a school safety information web site. The school safety center advisory committee shall develop and revise the training program, using the best practices in school safety, for all school safety personnel. The commission shall provide research-related programs in school safety and security issues beneficial to both law enforcement and schools.

(6) $123,000 of the general fund—state appropriation for fiscal year 2014 and $123,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the costs of providing statewide advanced driving training with the use of a driving simulator.

(7) $165,000 of the general fund—state appropriation for fiscal year 2014 and $165,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for crisis intervention training for peace officers. The commission shall incorporate eight hours of crisis intervention curriculum into its basic law enforcement academy and shall offer an eight-hour in-service crisis intervention training course.

(8) $35,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for a study to collect data on the number of reserve officers statewide. By December 31, 2014, the commission shall report to the legislature on the number of reserve peace officers who are employed at each local law enforcement agency in Washington.

(9) $70,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the commission to design and initiate, in partnership with Seattle university criminal justice department, the first year of a five-year study to research the effectiveness of its crisis intervention training. By November 1, 2014, the commission shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that sets forth the proposed benchmarks and outcomes to be evaluated by the study. The commission shall provide an annual report of its evaluation to date by June 30th of each fiscal year during the study.

Sec. 217. 2013 2nd sp.s. c 4 s 217 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$17,158,000~~)) $17,216,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$17,733,000~~)) $17,663,000

General Fund—Federal Appropriation $11,876,000

Asbestos Account—State Appropriation . . . . . ((~~$366,000~~)) $363,000

Electrical License Account—State Appropriation . . . . . ((~~$37,124,000~~)) $40,072,000

Farm Labor Contractor Account—State Appropriation $28,000

Worker and Community Right-to-Know Account—State Appropriation . . . . . ((~~$903,000~~)) $897,000

Public Works Administration Account—State Appropriation. . . . . ((~~$6,252,000~~)) $7,202,000

Manufactured Home Installation Training Account—State Appropriation . . . . . ((~~$353,000~~)) $350,000

Accident Account—State Appropriation . . . . . ((~~$258,440,000~~)) $257,709,000

Accident Account—Federal Appropriation $13,626,000

Medical Aid Account—State Appropriation . . . . . ((~~$278,697,000~~)) $277,845,000

Medical Aid Account—Federal Appropriation $3,186,000

Plumbing Certificate Account—State Appropriation . . . . . ((~~$1,732,000~~)) $1,734,000

Pressure Systems Safety Account—State Appropriation . . . . . ((~~$4,193,000~~)) $4,170,000

TOTAL APPROPRIATION . . . . . ((~~$651,667,000~~)) $653,937,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Pursuant to RCW 43.135.055, the department is authorized to increase elevator fees by up to 13.1 percent during the 2013-2015 fiscal biennium. This increase is necessary to support expenditures authorized in this section, consistent with chapter 70.87 RCW.

(2) $1,336,000 of the medical aid account—state appropriation is provided solely for implementation of Substitute Senate Bill No. 5362 (workers' compensation/vocational rehabilitation). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(3) $279,000 of the public works administration account—state appropriation, $4,000 of the medical aid account—state appropriation, and $4,000 of the accident account—state appropriation are provided solely for implementation of Substitute House Bill No. 1420 (transportation improvement projects). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(4) ((~~$104,000 of the general fund~~)) $94,000 of the accident account—state appropriation ((~~for fiscal year 2014~~)) and ((~~$104,000 of the general fund~~)) $17,000 of the medical aid account—state appropriation ((~~for fiscal year 2015~~)) are provided solely to implement Substitute Senate Bill No. 5123 (farm ((~~internships~~)) internship program). If the bill is not enacted by June 30, ((~~2013~~)) 2014, the amount provided in this subsection shall lapse.

(((~~(6)~~)) (5) $210,000 of the medical aid account—state appropriation and $630,000 of the accident account—state appropriation are provided solely for the contract costs and one staff position at the department for the purpose of implementing the logging safety initiative in an effort to reduce the frequency and severity of injuries in manual, or nonmechanized, logging. The department shall reduce $840,000 of workers compensation funding used for the safety and health investment project to maintain cost neutrality. Additional costs for the implementation of the logging safety initiative shall be accomplished by the department within existing resources to include the assignment of two full-time auditors specifically for this purpose. The department is directed to include $420,000 of these costs in its calculation of workers' compensation premiums for the forest products industry for 2014, 2015, and 2016 rates. The department shall report to the legislature by December 31, 2014, an approach for using a third party safety certification vendor, accomplishments of the taskforce, accomplishments on this effort to-date, and future plans. The report must identify options for future funding and make recommendations for permanent funding for this program.

(6) $132,000 of the accident account—state appropriation and $130,000 of the medical aid account—state appropriation are provided solely to implement

Substitute Senate Bill No. 5360 (unpaid wages collection). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

Sec. 218. 2013 2nd sp.s. c 4 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,996,000~~)) $1,995,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,900,000~~)) $1,878,000

Charitable, Educational, Penal, and Reformatory Institutions Account—State Appropriation $10,000

TOTAL APPROPRIATION . . . . . ((~~$3,906,000~~)) $3,883,000

(2) FIELD SERVICES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$5,340,000~~)) $5,348,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$5,316,000~~)) $5,305,000

General Fund—Federal Appropriation . . . . . ((~~$3,455,000~~)) $3,442,000

General Fund—Private/Local Appropriation . . . . . ((~~$4,418,000~~)) $4,523,000

Veteran Estate Management Account—Private/Local Appropriation . . . . . ((~~$1,104,000~~)) $1,098,000

TOTAL APPROPRIATION . . . . . ((~~$19,633,000~~)) $19,716,000

The appropriations in this subsection are subject to the following conditions and limitations: $300,000 of the general fund—state appropriation for fiscal year 2014 and $300,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to provide crisis and emergency relief and education, training, and employment assistance to veterans and their families in their communities through the veterans innovation program.

(3) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$102,000~~)) $239,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$20,000~~)) $156,000

General Fund—Federal Appropriation . . . . . ((~~$68,981,000~~)) $69,188,000

General Fund—Private/Local Appropriation . . . . . ((~~$39,355,000~~)) $25,447,000

TOTAL APPROPRIATION . . . . . ((~~$108,458,000~~)) $95,030,000

***Sec. 219.** 2013 2nd sp.s. c 4 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund—State Appropriation (FY 2014) . . . . . ((~~$60,230,000~~)) $59,915,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$59,198,000~~)) $62,889,000

General Fund—Federal Appropriation . . . . . ((~~$536,074,000~~)) $534,989,000

General Fund—Private/Local Appropriation . . . . . ((~~$139,455,000~~)) $139,011,000

Hospital Data Collection Account—State Appropriation. . . . . ((~~$222,000~~)) $221,000

Health Professions Account—State Appropriation . . . . . ((~~$104,722,000~~)) $105,228,000

Aquatic Lands Enhancement Account—State Appropriation $604,000

Emergency Medical Services and Trauma Care Systems Trust Account—State Appropriation. . . . . ((~~$12,319,000~~)) $11,194,000

Safe Drinking Water Account—State Appropriation . . . . . ((~~$5,267,000~~)) $5,233,000

Drinking Water Assistance Account—Federal Appropriation. . . . . ((~~$14,806,000~~)) $14,697,000

Waterworks Operator Certification—State Appropriation. . . . . ((~~$1,560,000~~)) $1,554,000

Drinking Water Assistance Administrative Account—State Appropriation . . . . . ((~~$339,000~~)) $336,000

Site Closure Account—State Appropriation. . . . . ((~~$159,000~~)) $158,000

Biotoxin Account—State Appropriation $1,323,000

State Toxics Control Account—State Appropriation . . . . . ((~~$3,949,000~~)) $3,913,000

Medical Test Site Licensure Account—State Appropriation. . . . . ((~~$4,737,000~~)) $4,722,000

Youth Tobacco Prevention Account—State Appropriation $1,512,000

Public Health Supplemental Account—Private/Local Appropriation. $3,236,000

Accident Account—State Appropriation . . . . . ((~~$304,000~~)) $302,000

Medical Aid Account—State Appropriation $50,000

Medicaid Fraud Penalty Account—State Appropriation. $987,000

TOTAL APPROPRIATION . . . . . ((~~$951,053,000~~)) $952,074,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) The department of health shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department of health and the state board of health shall not implement any new or amended rules pertaining to primary and secondary school facilities until the rules and a final cost estimate have been presented to the legislature, and the legislature has formally funded implementation of the rules through the omnibus appropriations act or by statute. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation that provides appropriation authority, and an equal amount of appropriated state moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(b) The joint administrative rules review committee shall review the new or amended rules pertaining to primary and secondary school facilities under (a) of this subsection. The review committee shall determine whether (i) the rules are within the intent of the legislature as expressed by the statute that the rule implements, (ii) the rule has been adopted in accordance with all applicable provisions of law, or (iii) that the agency is using a policy or interpretive statement in place of a rule. The rules review committee shall report to the appropriate policy and fiscal committees of the legislature the results of committee's review and any recommendations that the committee deems advisable.

(2) In accordance with RCW 43.70.250 and 43.135.055, the department is authorized to establish and raise fees in fiscal year 2014 as necessary to meet the actual costs of conducting business and the appropriation levels in this section. This authorization applies to fees required for newborn screening, and fees associated with the following professions: Agency affiliated counselors; certified counselors; and certified advisors.

(3) $150,000 of the state toxics control account—state appropriation is provided solely to provide water filtration systems for low-income households with individuals at high public health risk from nitrate-contaminated wells in the lower Yakima basin.

(4)(a) $64,000 of the medicaid fraud penalty account—state appropriation is provided solely for the department to integrate the prescription monitoring program into the coordinated care electronic tracking program developed in response to section 213, chapter 7, Laws of 2012, 2nd sp. sess., commonly referred to as the seven best practices in emergency medicine.

(b) The integration must provide prescription monitoring program data to emergency department personnel when the patient registers in the emergency

department. Such exchange may be a private or public joint venture, including the use of the state health information exchange.

(c) As part of the integration, the department shall request insurers and third-party administrators that provide coverage to residents of Washington state to provide the following to the coordinated care electronic tracking program:

(i) Any available information regarding the assigned primary care provider, and the primary care provider's telephone and fax numbers. This information is to be used for real-time communication to an emergency department provider when caring for a patient; and

(ii) Information regarding any available care plans or treatment plans for patients with higher utilization of services on a regular basis. This information is to be provided to the treating provider.

(5) ((~~$270,000~~)) $180,000 of the general fund—state appropriation for fiscal year 2014 ((~~is~~)) and $150,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington autism alliance to assist autistic individuals and families with autistic children during the transition to federal health reform.

(6) $6,000 of the general fund—state appropriation for fiscal year 2014 and $5,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to convene a work group to study and recommend language for standardized clinical affiliation agreements for clinical placements associated with the education and training of physicians licensed under chapter 18.71 RCW, osteopathic physicians and surgeons licensed under chapter 18.57 RCW, and nurses licensed under chapter 18.79 RCW. The work group shall develop one recommended standardized clinical affiliation agreement for each profession or one recommended standardized clinical affiliation agreement for all three professions.

(a) When choosing members of the work group, the department shall consult with the health care personnel shortage task force and shall attempt to ensure that the membership of the work group is geographically diverse. The work group must, at a minimum, include representatives of the following:

(i) Two-year institutions of higher education;

(ii) Four-year institutions of higher education;

(iii) The University of Washington medical school;

(iv) The college of osteopathic medicine at the Pacific Northwest University of Health Sciences;

(v) The health care personnel shortage task force;

(vi) Statewide organizations representing hospitals and other facilities that accept clinical placements;

(vii) A statewide organization representing physicians;

(viii) A statewide organization representing osteopathic physicians and surgeons;

(ix) A statewide organization representing nurses;

(x) A labor organization representing nurses; and

(xi) Any other groups deemed appropriate by the department in consultation with the health care personnel shortage task force.

(b) The work group shall report its findings to the governor and the appropriate standing committees of the legislature no later than November 15, 2014.

(7) $65,000 of the general fund—state appropriation for fiscal year 2014 and $65,000 of the general fund—state appropriation for fiscal year 2015 are for the midwifery licensure and regulatory program to supplement revenue from fees. The department shall charge no more than five hundred twenty-five dollars annually for new or renewed licenses for the midwifery program.

(8) During the 2013-2015 fiscal biennium, each person subject to RCW 43.70.110(3)(c) is required to pay only one surcharge of up to twenty-five dollars annually for the purposes of RCW 43.70.112, regardless of how many professional licenses the person holds.

(9) $654,000 of the health professions account—state appropriation is provided solely for the implementation of Engrossed Senate Bill No. 5206 (health sciences library). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(10) $35,000 of the health professions account—state appropriation is provided solely for the implementation of House Bill No. 1003 (health professions licensees). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(11) $10,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1270 (board of denturists). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(12) $10,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1271 (denturism). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(13) $11,000 of the health professions account—state appropriation is provided solely for the implementation of House Bill No. 1330 (dental hygienists, assistants). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(14) ((~~$1,008,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1343 (nurses surcharge). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.~~

~~(15)~~)) $34,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1376 (suicide assessment training). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(((~~(16)~~))) (15) $10,000 of the health professions account—state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1515 (medical assistants). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(((~~(17)~~))) (16) $2,185,000 of the health professions account—state appropriation is provided solely for the implementation of Second Substitute House Bill No. 1518 (disciplinary authorities). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(((~~(18)~~))) (17) $141,000 of the general fund—private/local appropriation is provided solely for the implementation of Substitute House Bill No. 1525 (birth certificates). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(((~~(19)~~))) (18) $220,000 of the health professions account—state appropriation is provided solely for the implementation of House Bill No. 1534 (impaired dentist program). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(((~~(20)~~))) (19) $51,000 of the health professions account—state appropriation is provided solely for the implementation of House Bill No. 1609 (board of pharmacy). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(((~~(21)~~))) (20) $12,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1629 (home care aide continuing education). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(((~~(22)~~))) (21) $18,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1737 (physician assistants). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(((~~(23)~~))) (22) $77,000 of the general fund—state appropriation for fiscal year 2014 and $38,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to develop a report on state efforts to prevent and control diabetes. The department, the health care authority, and the department of social and health services shall submit a coordinated report to the governor and the appropriate committees of the legislature by December 31, 2014, on the following:

(a) The financial impacts and reach that diabetes of all types and undiagnosed gestational diabetes are having on the programs administered by each agency and individuals, including children with mothers with undiagnosed gestational diabetes, enrolled in those programs. Items in this assessment must include: (i) The number of lives with diabetes and undiagnosed gestational diabetes impacted or covered by the programs administered by each agency; (ii) the number of lives with diabetes, or at risk for diabetes, and family members impacted by prevention and diabetes control programs implemented by each agency; (iii) the financial toll or impact diabetes and its complications, and undiagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs in comparison to other chronic diseases and conditions; and (iv) the financial toll or impact diabetes and its complications, and diagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs;

(b) An assessment of the benefits of implemented and existing programs and activities aimed at controlling all types of diabetes and preventing the disease. This assessment must also document the amount and source for any funding directed to each agency for the programs and activities aimed at reaching those with diabetes of all types;

(c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all types of diabetes and its complications;

(d) The development or revision of detailed policy-related action plans and budget recommendations for battling diabetes and undiagnosed gestational diabetes that includes a range of actionable items for consideration by the

legislature. The plans and budget recommendations must identify proposed action steps to reduce the impact of diabetes, prediabetes, related diabetes complications, and undiagnosed gestational diabetes. The plans and budget recommendations must also identify expected outcomes of the action steps proposed in the following biennium while also establishing benchmarks for controlling and preventing all types of diabetes; and

(e) An estimate of savings, efficiencies, costs, and budgetary savings and resources required to implement the plans and budget recommendations identified in (d) of this subsection (23).

((~~(24)~~)) (23) Within the general fund—state amounts appropriated in this section, the department of health will develop and administer the certified home care aide examination translated into at least seven languages in addition to the languages in which the examination is available on the effective date of this act. The purpose of offering the examination in additional languages is to encourage an adequate supply of certified home care aides to meet diverse long-term care client needs.

(24)(a) $350,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the department of health to support Washington's healthiest next generation efforts by partnering with the office of the superintendent of public instruction, department of early learning, and other public and private partners as appropriate to do the following:

(i) Expand programs across Washington that have demonstrated success in increasing physical activity and access to healthy food and drinking water;

(ii) Provide toolkits and mentoring for early learning and school professionals with strategies to encourage children to be active, eat healthy food, and have access to drinking water;

(iii) Enhance performance standards for the early childhood education and assistance program to include best practices on healthy eating and physical activity, nutrition education activities in written curriculum plans, and the incorporation of healthy eating, physical activity, and screen time education into parent education;

(iv) Revise statewide guidelines for schools for quality health and fitness education; and

(v) Establish performance metrics.

(b) The department shall collaborate with the governor or the governor's designee, chairs or designees of the appropriate legislative committees, the state agencies listed in (a) of this subsection, other necessary state or local agencies and private businesses, and community organizations or individuals with expertise in child health, nutrition, and fitness to submit reports to the governor and the appropriate committees of the legislature by December 31, 2014, and June 30, 2015, that include:

(i) An update and a summary of the current and expected impacts of the activities listed in (a) of this subsection;

(ii) An identification and description of other programs designed to prevent childhood obesity, including programs with a focus on reducing child-related health disparities in specific population groups and programs for preventing and stopping tobacco and substance use; and

(iii) An analysis and identification of potential programs, policy, and funding recommendations for consideration by the legislature.

(25) $68,000 of the health professions account—state appropriation is provided solely to implement Engrossed Substitute House Bill No. 2160 (physical therapists). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(26) $251,000 of the health professions account—state appropriation is provided solely to implement Engrossed Substitute House Bill No. 2315 (suicide prevention). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(27)(a) Within the appropriations provided in this section, the department shall update its hepatitis C strategic plan for the state to include recommended actions pertaining to, at a minimum:

(i) Using prevalence data to determine the number of undiagnosed hepatitis C patients in the state;

(ii) How to best reach undiagnosed patients, with special consideration to people born between 1945 and 1965, and new infections;

(iii) The status of the more than sixty thousand state residents who have already been diagnosed with hepatitis C;

(iv) A framework for improving hepatitis C testing and linkage to medical care; and

(v) A framework for the prevention of hepatitis C.

(b) The department of health shall present its updated strategic hepatitis C plan to the appropriate committees of the legislature by September 15, 2014.

(28) Moneys appropriated in this section are sufficient to maintain and operate the marine biotoxin information hotline and the department shall not suspend or reduce its operation.

(29) $1,500,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for tobacco, marijuana, and e-cigarette prevention activities that serve youth and populations with a high incidence of smoking. For activities that serve youth, the department must partner with the office of the superintendent of public instruction to fund effective tobacco, marijuana, and e-cigarette prevention programs at middle and high schools. For activities that serve populations with a high incidence of smoking, the department must contract with community based organizations that serve populations that have a high incidence of smoking tobacco, marijuana, or e-cigarettes. The legislature intends to fund tobacco and e-cigarette prevention programs in future biennia based on the Washington state institute for public policy report in section 609 of this act. The department shall work with the institute and shall develop a budget request for the 2015-2017 fiscal biennium based on the institute's report.

(30) $2,143,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the implementation of Engrossed Third Substitute Senate Bill No. 5887 (medical and recreational marijuana). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

***Sec. 219 was partially vetoed. See message at end of chapter.**

***Sec. 220.** 2013 2nd sp.s. c 4 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

The appropriations to the department of corrections in this act must be expended for the programs and in the amounts specified in this section. However, after May 1, 2014, after approval by the director of financial

management and unless specifically prohibited by this act, the department may transfer general fund—state appropriations for fiscal year 2014 between programs. The department may not transfer funds, and the director of financial management may not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any deviations from appropriation levels. The written notification must include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$56,437,000~~)) $56,330,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$54,779,000~~)) $54,430,000

Data Processing Revolving Account—State Appropriation. $1,249,000

TOTAL APPROPRIATION . . . . . ((~~$112,465,000~~)) $112,009,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) $35,000 of the general fund—state appropriation for fiscal year 2014 and $35,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will investigate and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at-risk of offending, including their mental health, physiological, housing, employment, and job training needs.

(b) $150,000 of the general fund—state appropriation for fiscal year 2014 and $75,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to contract with a consultant who can facilitate and provide project expertise on the implementation of community and prison based offender programming that follows the risk-needs-responsivity model.

(i) By September 1, 2013, the department shall provide to the consultant an inventory of all existing programming both in prisons and in community operations. The department shall consult with the Washington state institute for public policy (WSIPP) to determine whether programs are evidence-based or research-based using definitions provided by WSIPP and shall include this information on the inventory.

(ii) By ((~~October 1, 2013~~)) March 1, 2014, the consultant shall report to the department, the office of financial management, and legislative fiscal committees on the department's current plans and processes for managing offender programming including processes for phasing-out ineffective programs

and implementing evidence-based or research-based programs. All department programs should be considered by the consultant regardless of whether they are included on the most recent list of WSIPP approved identifiable evidence-based practices in (b)(i) of this subsection.

(iii) The WSIPP, in consultation with the department, shall systematically review selected programs to determine the effectiveness of these programs at reducing recidivism or other outcomes. The WSIPP shall conduct a benefit-cost analysis of these programs when feasible and shall report to the legislature by December 1, 2013.

(iv) Based on the report provided by the consultant and the WSIPP review of programs, the department shall work collaboratively with the consultant to develop and complete a written comprehensive implementation plan by ((~~January 15, 2014~~)) June 30, 2014. The implementation plan must clearly identify the types of programs to be included, the recommended locations where the programs will be sited, an implementation timeline, and a phasing of the projected number of participants needed to meet the threshold of available program funds.

(v) Using the written implementation plan as a guide, the department must have programs in place and fully phased-in no later than ((~~June 30, 2015~~)) January 1, 2016.

(vi) The department shall hold the consultant on retainer to assist the department as needed throughout the implementation process. The consultant shall review quarterly the actual implementation compared to the written implementation plan and shall provide a report to the secretary of the department. The department shall provide reports to the office of financial management and legislative fiscal committees as follows:

(A) The written comprehensive implementation plan shall be provided by ((~~January 15, 2014~~)) July 15, 2014; and

(B) Written progress updates shall be provided by ((~~July~~)) December 1, 2014, and by ((~~December 1, 2014~~)) June 1, 2015.

(2) CORRECTIONAL OPERATIONS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$605,039,000~~)) $594,207,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$604,704,000~~)) $594,052,000

General Fund—Federal Appropriation . . . . . ((~~$3,322,000~~)) $3,356,000

Washington Auto Theft Prevention Authority Account—State Appropriation . . . . . ((~~$7,585,000~~)) $7,582,000

Environmental Legacy Stewardship Account—State Appropriation $105,000

County Criminal Justice Assistance Account—State Appropriation $390,000

TOTAL APPROPRIATION . . . . . ((~~$1,221,145,000~~)) $1,199,692,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) During the 2013-2015 fiscal biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account.

(b) $501,000 of the general fund—state appropriation for fiscal year 2014 and $501,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to maintain the facility, property, and assets at the institution formerly known as the maple lane school in Rochester. The department may not house incarcerated offenders at the maple lane site until specifically directed to do so by the legislature.

(c) By ((~~December 1, 2013~~)) March 31, 2014, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's inmate intake processes and expenditures and makes recommendations for improvements. The evaluation must include an analysis of lean management processes that, if adopted, could improve the efficiency and cost effectiveness of inmate intake.

(d) By December 1, 2013, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's use of partial confinement and work release programs and makes recommendations for improving public safety and decreasing recidivism through increasing participation in partial confinement re-entry and work release programs. In making its recommendations, the department shall identify:

(i) Options for increasing the capacity of work release beds to meet the number of eligible offenders;

(ii) Potential cost savings to the state through contracting for or building new work release capacity;

(iii) Options for expanding eligibility for partial confinement, including creation of a structured re-entry program that includes stable housing, mandatory participation in evidence-based programs, and intensive supervision; and

(iv) Potential cost savings to the state from creation of a structured re-entry program.

(e) By December 1, 2013, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's community parenting alternative program, and makes recommendations for increasing participation in the program with the goals of increasing public safety and decreasing recidivism. The evaluation shall include recommendations for increasing the placement of eligible offenders into the program and increasing eligibility to other populations. In making its recommendations, the department shall identify the percent of the eligible population currently entering the program, outcomes to-date for program participants, and potential cost savings from increasing placement of offenders into the program.

(f) The department of corrections shall contract with local and tribal governments for the provision of jail capacity to house offenders who violate the terms of their community supervision. A contract shall not have a cost of incarceration in excess of $85 per day per offender. A contract shall not have a year-to-year increase in excess of three percent per year. The contracts may include rates for the medical care of offenders which exceed the daily cost of incarceration and the limitation on year-to-year increase, provided that medical payments conform to the department's offender health plan, pharmacy formulary, and all off-site medical expenses are preapproved by department utilization management staff.

(g)(i) The legislature finds that it has taken several steps to mitigate the demand for prison capacity including funding evidence-based programming for offenders which is proven to reduce recidivism, funding evidence-based treatment alternatives to incarceration for drug-addicted offenders, standardizing inconsistencies in the drug sentencing grid, and authorizing the department to rent local jail beds. These steps will also assist the department's implementation of additional operational efficiencies by reducing costs related to offender intake, processing, and transportation.

(ii) Up to $1,119,000 of the general fund—state appropriation for fiscal year 2014 and up to $1,322,000 of the general fund—state appropriation for fiscal year 2015 may be used by the department to rent jail capacity for short-term offenders. In contracting for jail beds for short-term offenders, the department shall rent capacity from local and tribal governments to house offenders with an earned release date of less than one hundred twenty days remaining on his or her sentence at the time the offender would otherwise be transferred to a state correctional facility. The contracted daily costs for these offenders shall not exceed $70 per offender including medical costs.

(h) The department of corrections shall issue a competitive solicitation by August 1, 2013, to contract with local jurisdictions for the use of inmate bed capacity in lieu of prison beds operated by the state. The department may contract for up to 300 beds statewide to the extent that it is at no net cost to the department. The department shall calculate and report the average cost per offender per day, inclusive of all services, on an annual basis for a facility that is representative of average medium or lower offender costs. The duration of the contracts may be for up to four years. The department shall not pay a rate greater than $65 per day per offender for all costs associated with the offender while in the local correctional facility to include programming and health care costs, or the equivalent of $65 per day per bed including programming and health care costs for full units. The capacity provided at local correctional facilities must be for offenders whom the department of corrections defines as medium or lower security offenders. Programming provided for inmates held in local jurisdictions is included in the rate, and details regarding the type and amount of programming, and any conditions regarding transferring offenders will be negotiated with the department as part of any contract. Local jurisdictions must provide health care to offenders that meet standards set by the department. The local jail will provide all medical care including unexpected emergent care. The department must utilize a screening process to ensure that offenders with existing extraordinary medical/mental health needs are not transferred to local jail facilities. If extraordinary medical conditions develop

for an inmate while at a jail facility the jail may transfer the offender back to the department, subject to terms of the negotiated agreement. Health care costs incurred prior to transfer will be the responsibility of the jail. The department will report to legislative fiscal committees and the office of financial management by November 1, 2013, to provide a status update on implementation.

(i) The department shall convene a work group to develop health care cost containment strategies at local jail facilities. The work group shall identify cost containment strategies in place at the department and at local jail facilities, identify the costs and benefits of implementing strategies in jail health-care facilities, and make recommendations on implementing beneficial strategies. The work group shall submit a report on its findings and recommendations to the fiscal committees of the legislature by October 1, 2013. The work group shall include jail administrators, representatives from health care facilities at the local jail level and the state prisons level, and other representatives as deemed necessary.

(j) ((~~$1,026,000~~)) $526,000 of the general fund—state appropriation for fiscal year 2014 and $781,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to expand the piloted risk-needs-responsivity model to include the use of cognitive behavioral therapy with evidence-based programming at two minimum security prison facilities and at the Monroe correctional complex.

(k) ((~~$23,653,000~~)) $23,453,000 of the general fund—state appropriation for fiscal year 2014 and $24,919,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for offender programming. Pursuant to section 220(1) of this act, the department shall develop and implement a written comprehensive plan for offender programming that prioritizes programs which follow the risk-needs-responsivity model, are evidence-based, and have measurable outcomes. The department is authorized to discontinue ineffective programs and to repurpose underspent funds according to the priorities in the written plan.

(l) $36,000 of the general fund—state appropriation for fiscal year 2014 and $36,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Senate Bill No. 5484 (assault in the third-degree). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(m) $48,000 of the general fund—state appropriation for fiscal year 2014 and $48,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Substitute House Bill No. 1383 (stalking protection orders). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(n) $36,000 of the general fund—state appropriation for fiscal year 2014 and $36,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Senate Bill No. 5149 (crimes against pharmacies). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(o) $24,000 of the general fund—state appropriation for fiscal year 2014 and $24,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Substitute Senate Bill No.

5669 (trafficking). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(p) $24,000 of the general fund—state appropriation for fiscal year 2014 and $24,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Senate Bill No. 5053 (vehicle prowling). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(q) $96,000 of the county criminal justice assistance—state appropriation is provided solely for implementation of Engrossed Senate Bill No. 5105 (rental vouchers for offenders). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(r) $94,000 of the general fund—state appropriation for fiscal year 2014, and $1,494,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to contract with Yakima county for the use of female inmate bed capacity in lieu of prison beds operated by the state. The department shall rent jail beds through contracts established under (h) of this subsection to house female offenders beginning no later than May 1, 2014.

(s) The department shall assess possible uses for the Yakima county jail facility, including but not limited to, housing for short-term offenders; housing for community supervision violators or absconders; housing for offenders with special program needs such as offenders with mental health issues; and housing for older or infirm offenders. The department shall report to the appropriate policy and fiscal committees of the legislature by December 1, 2014, with findings, cost estimates, and recommendations for the use of the facility.

(3) COMMUNITY SUPERVISION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$130,568,000~~)) $148,788,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$131,973,000~~)) $151,715,000

County Criminal Justice Assistance Account—State $2,249,000

Ignition Interlock Device Revolving Account—State $2,200,000

TOTAL APPROPRIATION . . . . . ((~~$266,990,000~~)) $304,952,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) $1,906,000 of the county criminal justice assistance account—state appropriation and $2,200,000 of the ignition interlock device revolving account—state appropriation are provided solely for the department to contract for additional residential drug offender sentencing alternative treatment slots. By December 1, 2013, the department shall provide a report to the appropriate fiscal committees of the house of representatives and the senate on the use of the additional treatment slots.

(b) $4,186,000 of the general fund—state appropriation for fiscal year 2014 and $6,362,000 of the general fund—state appropriation for fiscal year 2015 must be expended on evidence-based programs that follow the risk-needs-responsivity model. The department is authorized to use up to ten percent of these funds as necessary to secure physical space as needed to maximize program delivery of evidence-based treatment to all high-risk, high-need

offenders in community supervision. Funding may be prioritized by the department to any program recognized as evidence-based for adult offenders by the Washington state institute for public policy.

(c) ((~~$16,513,000~~)) $15,363,000 of the general fund—state appropriation for fiscal year 2014 and $16,527,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for offender programming. Pursuant to section 220 (1) of this act, the department shall develop and implement a written comprehensive plan for offender programming that prioritizes programs which follow the risk-needs-responsivity model, are evidence-based, and have measurable outcomes. The department is authorized to discontinue ineffective programs and to repurpose underspent funds according to the priorities in the written plan.

(d) $107,000 of the county criminal justice—state appropriation is provided solely for implementation of Engrossed Senate Bill No. 5105 (rental vouchers for offenders). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(e) Within the amounts provided in this section, funding is sufficient to implement Senate Bill No. 6327 (expanding the categories of offenses eligible for the community parenting alternative program within the department of corrections).

(4) CORRECTIONAL INDUSTRIES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$6,780,000~~)) $6,830,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$7,182,000~~)) $7,174,000

TOTAL APPROPRIATION . . . . . ((~~$13,962,000~~)) $14,004,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) $3,293,000 of the general fund—state appropriation for fiscal year 2014 and $3,707,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the stewardship of McNeil island. The department shall assume responsibility of all island maintenance excluding site specific maintenance operations for the special commitment center and the Pierce county secure transitional facility. The department shall as part of its industries program provide job skills to offenders while providing the minimum maintenance and preservation necessary for the state to remain in compliance with the federal deed for McNeil island. The department shall report on efficiencies and potential cost reductions to the office of financial management and legislative fiscal committees by December 15, 2013.

(b)(i) The department of social and health services shall transfer the stewardship of McNeil Island to the department of corrections industries program, effective September 1, 2013. The transferred responsibilities shall include marine operations, waste water treatment, water treatment, road maintenance, and any other general island maintenance that is not site specific to the operations of the special commitment center or the Pierce county secure community transition facility. Facility maintenance within the perimeter of the special commitment center shall remain the responsibility of the department of

social and health services. Capital repairs and maintenance necessary to maintain the special commitment center on McNeil Island shall be managed by the department of social and health services. The legislature directs both departments to enter into an interagency agreement by August 1, 2013. The office of financial management shall oversee the negotiations of the interagency agreement. The interagency agreement must describe equipment that will transfer between the departments, warehouse space that will be shared by the departments, and occupancy requirements for any shops outside the perimeter of the special commitment center. The office of financial management will make the final determination on any disagreements between the departments on the details of the interagency agreement.

(ii) All employees of the department of social and health services engaged in performing the powers, functions, and duties transferred to the department of corrections industries program under this subsection, are transferred to the department of corrections.

(iii) All classified employees of department of social and health services assigned to the department of corrections under this subsection whose positions are within an existing bargaining unit description at the department of corrections shall become a part of the existing bargaining unit at the department of corrections and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

(5) INTERAGENCY PAYMENTS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$35,345,000~~)) $41,667,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$32,115,000~~)) $38,200,000

TOTAL APPROPRIATION . . . . . ((~~$67,460,000~~)) $79,867,000

The appropriations in this subsection are subject to the following conditions and limitations: The state prison medical facilities may use funds appropriated in this subsection to purchase goods and supplies through hospital or other group purchasing organizations when it is cost effective to do so.

***Sec. 220 was partially vetoed. See message at end of chapter.**

Sec. 221. 2013 2nd sp.s. c 4 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund—State Appropriation (FY 2014) . . . . . ((~~$2,242,000~~)) $2,225,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$2,197,000~~)) $2,182,000

General Fund—Federal Appropriation . . . . . ((~~$21,060,000~~)) $20,937,000

General Fund—Private/Local Appropriation $60,000

TOTAL APPROPRIATION . . . . . ((~~$25,559,000~~)) $25,404,000

Sec. 222. 2013 2nd sp.s. c 4 s 222 (uncodified) is amended to read as follows:

FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund—Federal Appropriation . . . . . ((~~$269,977,000~~))
$269,546,000

General Fund—Private/Local Appropriation . . . . . ((~~$34,206,000~~))
$34,095,000

Unemployment Compensation Administration Account—
Federal Appropriation . . . . . ((~~$320,006,000~~))
$330,594,000

Administrative Contingency Account—State
Appropriation. . . . . ((~~$22,728,000~~))
$17,872,000

Employment Service Administrative Account—State
Appropriation. . . . . ((~~$35,567,000~~))
$41,451,000

TOTAL APPROPRIATION . . . . . ((~~$682,484,000~~))
$693,558,000

The appropriations in this subsection are subject to the following conditions and limitations:

(1) $5,000,000 of the unemployment compensation administration account—federal appropriation is from amounts made available to the state by section 903(g) of the social security act (Reed act). This amount is provided solely for continuing current unemployment insurance functions and department services to employers and job seekers.

(2) ((~~$12,386,000~~)) $23,585,000 of the unemployment compensation administration account—federal appropriation is from amounts made available to the state by section 903(g) of the social security act (Reed act). This amount is provided solely for the replacement of the unemployment insurance tax information system for the employment security department. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) $3,735,000 of the unemployment compensation account—federal appropriation is from amounts made available to the state by section 903(g) of the social security act (Reed act). This amount is provided solely for the replacement of call center technology to improve the integration of the telephone and computing systems to increase efficiency and improve customer service.

(4) $182,000 of the employment services administrative account—state appropriation is provided for costs associated with the second stage of the review and evaluation of the training benefits program as directed in section 15(2), chapter 4, Laws of 2011 (unemployment insurance program). This second stage shall be developed and conducted by the joint legislative audit and review committee and shall consist of further work on the process study and net-impact/cost-benefit analysis components of the evaluation.

(5) $240,000 of the administrative contingency account—state appropriation is provided solely for the employment security department to contract with a center for workers in King county. The amount appropriated in this subsection shall be used by the contracted center for workers to support initiatives that generate high-skill, high-wage jobs; improve workforce and

training systems; improve service delivery for dislocated workers; and build alliances with community and environmental organizations.

(6) The department is prohibited from expending amounts appropriated in this section for implementation of chapter 49.86 RCW.

(7) The employment security department shall collaborate with the workforce training and education coordinating board, the state board for community and technical colleges, the economic service administration, and the local workforce development councils to coordinate a consolidated report on short-term and long-term employment and training related outcomes and funding of WorkFirst and workforce investment act Title IB workforce training programs, including but not limited to the information described in this subsection. The employment security department shall prepare a single report and submit it to the governor and appropriate committees of the legislature by December 1, 2014. Specifically:

(a) The state board for community and technical colleges and the economic services administration shall report jointly on training outcomes for WorkFirst funded programs by activity (basic education, vocational education iBest, life skills, and any other related activities that are provided for WorkFirst clients), including but not limited to:

(i) The number and percent of individuals that complete educational activities;

(ii) The number and percent of individuals employed within one quarter after program completion and their median quarterly hours and wage and median annualized earnings;

(iii) The number and percent of individuals employed within three quarters after program completion and their median quarterly hours and wage and median annualized earnings;

(iv) The number of students enrolled in certificate programs by certificate type;

(v) The number of students who accumulate at least forty-five credits and a college award; and

(vi) The amount of WorkFirst funds spent.

The report shall also include recommendations for improving student retention and completion rates and any other system improvement recommendations.

(b) The employment security department shall work with the workforce training and education coordinating board, the state board for community and technical colleges, and the local workforce development councils to map the flow of federal workforce investment act funds from initial receipt by the employment security department to final expenditure. The report must include:

(i) The total amount spent on direct training provided by the community and technical colleges from workforce investment act funds;

(ii) The total amount spent by the employment security department on direct service provision;

(iii) The number of students who enroll in certificate programs;

(iv) The number and percent of students who earn certificates; and

(v) The number and percent of students who accumulate at least forty-five credits and an industry recognized credential.

(8) $3,809,000 of the unemployment compensation administration account—federal appropriation is from amounts made available to the state by

section 903(g) of the social security act (Reed act). This amount is provided solely for the replacement of the unemployment insurance benefit system for the employment security department. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(9) $50,000 of the administrative contingency account—state appropriation is provided solely for the employment security department to convene and provide support to a work group on agricultural and agricultural labor-related issues.

(a) The goals of the work group are the following:

(i) To educate participants on relevant areas of regulation, business practices, and other labor issues of interest to the stakeholders in Washington agriculture;

(ii) To identify labor-related issues of importance to participants, including but not limited to, housing, workplace standards, and agricultural labor supply; and

(iii) To foster substantive, respectful, problem-solving oriented communication among stakeholders in and affected by the agricultural industry on the identified issues.

(b) The work group is charged with finding mutual points of interest and concern and with collaborating to find, where possible, administrative solutions to issues affecting agriculture.

(c) The work group must consist of ten members appointed by the governor with balanced and diverse representation that must include representatives from growers, agricultural industries, farmworker advocates, and labor.

(d) State agencies including the department of agriculture, the employment security department, the department of labor and industries, the department of health, and the commission on Hispanic affairs must each identify a representative to participate on the work group as an ex officio member. The work group may invite other agencies to participate as needed.

(e) The employment security department must coordinate no more than six meetings in 2014, with the final number of meetings to be determined by the work group.

(f) The work group may use a facilitator to assist the group in achieving the goals in (a) of this subsection.

(g) The employment security department must submit a report by December 1, 2014, to the office of financial management and to the appropriate fiscal and policy committees of the legislature. The report must include the following:

(i) The list of work group members;

(ii) The list of issues identified by the work group; and

(iii) Any work plan, recommendations, or actions taken that have been agreed upon by the work group.

(h) Work group members are entitled to be reimbursed for travel expenses under RCW 43.03.050, 43.03.060, and 43.03.049.

PART III
NATURAL RESOURCES

Sec. 301. 2013 2nd sp.s. c 4 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$445,000~~)) $442,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$446,000~~)) $450,000

General Fund—Federal Appropriation $31,000

General Fund—Private/Local Appropriation . . . . . ((~~$874,000~~)) $875,000

TOTAL APPROPRIATION . . . . . ((~~$1,796,000~~)) $1,798,000

Sec. 302. 2013 2nd sp.s. c 4 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund—State Appropriation (FY 2014) . . . . . ((~~$25,929,000~~)) $25,942,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$25,506,000~~)) $25,065,000

General Fund—Federal Appropriation . . . . . ((~~$105,230,000~~)) $102,926,000

General Fund—Private/Local Appropriation . . . . . ((~~$16,912,000~~)) $16,857,000

Reclamation Account—State Appropriation . . . . . ((~~$3,735,000~~)) $3,982,000

Flood Control Assistance Account—State Appropriation . . . . . ((~~$1,985,000~~)) $1,976,000

State Emergency Water Projects Revolving Account—State Appropriation $40,000

Waste Reduction/Recycling/Litter Control—State Appropriation . . . . . ((~~$9,722,000~~)) $9,689,000

State Drought Preparedness Account—State Appropriation $204,000

State and Local Improvements Revolving Account (Water Supply Facilities)—State Appropriation . . . . . ((~~$426,000~~)) $423,000

Environmental Legacy Stewardship Account—State Appropriation . . . . . ((~~$43,748,000~~)) $44,852,000

Aquatic Algae Control Account—State Appropriation $513,000

Water Rights Tracking System Account—State Appropriation $46,000

Site Closure Account—State Appropriation . . . . . ((~~$556,000~~)) $553,000

Wood Stove Education and Enforcement Account—State Appropriation. . . . . ((~~$612,000~~)) $608,000
Worker and Community Right-to-Know Account—State Appropriation. . . . . ((~~$1,701,000~~)) $1,690,000
Water Rights Processing Account—State Appropriation $135,000
State Toxics Control Account—State Appropriation . . . . . ((~~$124,238,000~~)) $125,248,000
State Toxics Control Account—Private/Local Appropriation. . . . . ((~~$979,000~~)) $976,000
Local Toxics Control Account—State Appropriation . . . . . ((~~$3,774,000~~)) $3,745,000
Water Quality Permit Account—State Appropriation . . . . . ((~~$40,982,000~~)) $41,661,000
Underground Storage Tank Account—State Appropriation. . . . . ((~~$3,347,000~~)) $3,331,000
Biosolids Permit Account—State Appropriation . . . . . ((~~$1,848,000~~)) $2,136,000
Hazardous Waste Assistance Account—State Appropriation. . . . . ((~~$6,037,000~~)) $6,009,000
Air Pollution Control Account—State Appropriation . . . . . ((~~$3,128,000~~)) $3,124,000
Oil Spill Prevention Account—State Appropriation . . . . . ((~~$5,684,000~~)) $6,312,000
Air Operating Permit Account—State Appropriation . . . . . ((~~$3,132,000~~)) $3,137,000
Freshwater Aquatic Weeds Account—State Appropriation. . . . . ((~~$1,409,000~~)) $1,405,000
Oil Spill Response Account—State Appropriation $7,076,000
Water Pollution Control Revolving Account—State Appropriation. . . . . ((~~$356,000~~)) $352,000
Water Pollution Control Revolving Account—Federal Appropriation. . . . . ((~~$1,505,000~~)) $1,491,000
Water Pollution Control Revolving Administration Account—State Appropriation $1,021,000
Radioactive Mixed Waste Account—State Appropriation. . . . . ((~~$13,800,000~~)) $14,336,000
TOTAL APPROPRIATION . . . . . ((~~$455,316,000~~)) $456,861,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $170,000 of the oil spill prevention account—state appropriation is provided solely for a contract with the University of Washington's sea grant program to continue an educational program targeted to small spills from commercial fishing vessels, ferries, cruise ships, ports, and marinas.

(2) Pursuant to RCW 43.135.055, the department is authorized to increase the following fees as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Wastewater discharge permit, not more than 4.55 percent in fiscal year 2014 and 4.63 percent in fiscal year 2015; mixed waste management service charge authorized in RCW 70.105.280, not more than 1.82 percent in fiscal year 2014 and 0.62 percent in fiscal year 2015; and reasonably available control technology fee.

(3) $1,981,000 of the state toxics control account—state appropriation is for the department to provide training regarding the benefits of low-impact development including, but not limited to, when the use of low-impact development is appropriate and feasible, and the design, installation, maintenance, and best practices of low-impact development. The department will consult with Washington State University extension low-impact development technical center and others in the development of the low-impact technical training. As appropriate, the department may contract with the Washington State University extension low-impact development technical center, private sector vendors, associations, and others to deliver the technical training. The training must be provided free of cost to phase I and phase II permittees and the private development community including builders, engineers, and other industry professionals. The training must be sequenced geographically and provided in time for local jurisdictions to comply with RCW 90.48.260 and 36.70A.130(5). By August 1, 2013, the department of ecology shall provide the governor and appropriate legislative committees a plan for how low-impact development training funds will be spent during fiscal years 2014 through 2017.

(4) $440,000 of the state toxics control account—state appropriation is provided solely for administering the water pollution control facilities financial assistance program authorized in chapter 90.50A RCW.

(5) $350,000 of the state toxics control account—state appropriation is provided solely for the Spokane river regional toxics task force to support their efforts to address elevated levels of polychlorinated biphenyls in the Spokane river. Funding will be used to determine the extent of the cleanup required, implement cleanup actions to meet applicable water quality standards, and prevent recontamination.

(6) $516,000 of the state toxics control account—state appropriation is provided solely for the department to support an ultrafine particulate study to determine how, if at all, the biomass cogeneration facilities in Port Townsend and Port Angeles may impact air quality and the health of citizens in the region.

(7) $65,000 of the water quality permit account—state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1245 (derelict and abandoned vessels). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(((~~(9) The department shall collaborate with the middle snake river watershed, WRIA 35 planning unit in implementing its watershed plan.~~)) (8) $40,000 of the environmental legacy stewardship account—state appropriation is provided solely for the middle snake river watershed, WRIA 35 planning unit in implementing its watershed plan in collaboration with the department.

(((~~(10)~~))) (9)(a) $14,000,000 of the general fund—state appropriation for fiscal year 2014 and $14,000,000 of the general fund—state appropriation for fiscal year 2015 are for activities within the water resources program.

(b) Of the amounts provided in (a) of this subsection, $500,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for processing water right permit applications only if the department of ecology issues at least five hundred water right decisions in fiscal year 2014, and if the department of ecology does not issue at least five hundred water right decisions in fiscal year 2014 the amount provided in this subsection shall lapse and remain unexpended. Permit decisions for the Columbia river basin count toward the five hundred water rights decisions under this subsection. The department of ecology shall submit a report to the office of financial management and the state treasurer by June 30, 2014, that documents whether five hundred water right decisions were issued in fiscal year 2014. For the purposes of this subsection, applications that are voluntarily withdrawn by an applicant do not count towards the five hundred water right decision requirement. For the purposes of water budget-neutral requests under chapter 173-539A WAC, multiple domestic connections authorized within a single water budget-neutral decision are considered one decision for the purposes of this subsection.

(((~~(11)~~))) (10) The department of ecology, in consultation with the office of financial management, shall prepare a facilities plan to reduce the agency's facilities obligation and the agency's cost per FTE for its facilities by 2017 to align with comparable state agencies. The plan must be submitted to the office of financial management and the appropriate legislative fiscal committees by November 1, 2013. The plan must include: (a) An inventory of all currently owned and leased buildings, consistent with the data provided through the state's facilities inventory process prescribed by the office of financial management annually by September 1st; (b) a list of facilities solutions that will reduce costs with an emphasis on consolidation, collocation, and alternative space solutions such as shared workspace and mobile work; and (c) a department-wide coordinated process and plan for regularly evaluating facility needs.

(11) $25,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the protection of groundwater aquifers that are the sole drinking water source as prescribed in RCW 90.54.140 specifically for the protection of artesian groundwater aquifers in a county with a population greater than one million five hundred thousand that are being detrimentally impacted by development. If the amount provided in this subsection is not sufficient for this purpose, the department must use existing funds to implement this subsection.

(12) $50,000 of the environmental legacy stewardship account—state appropriation is provided solely to fund the Bertrand watershed improvement district's development of a conceptual groundwater model for water right permitting and mitigation efforts in the Lynden, Everson, Nooksack, and Sumas (LENS) aquifer study area. The conceptual groundwater model shall be developed in cooperation with the WRIA 1 watershed planning joint board.

(13) Within the environmental legacy stewardship account—state appropriation in this section, the department must use a portion of the funds to:

(a) Review tetrabromobisphenol A, chemical abstracts service number 79-94-7 and antimony, chemical abstracts service number 7440-36-0 and their use in children's products and furniture as flame retardants. The department must consider available information on the hazards, uses, exposures, potential health and environmental concerns, safer alternatives, existing regulatory programs, and information from other governments or authoritative bodies. By December 31, 2014, the department must provide to the appropriate committees of the legislature a summary of the data reviewed and recommendations on whether to ban or restrict antimony and tetrabromobisphenol A flame retardants in children's products and furniture; and

(b) Test for the presence of flame retardants in children's products and furniture. By December 31, 2014, the department must report to the appropriate legislative committees on test results, available information on hazards, uses, exposures, safer alternatives, existing regulatory programs, potential health and environmental concerns, information from other governmental or authoritative bodies, and recommendations on whether to restrict or ban the flame retardants in children's products and furniture.

(14) $300,000 of the state toxics control account—state appropriation is provided solely for the department to conduct a study of oil shipment through the state. The purpose of the study is to assess public health and safety as well as environmental impacts associated with oil transport. The study must provide data and analysis of statewide risks, gaps, and options for increasing public safety and improving spill prevention and response readiness. The department shall conduct the study in consultation with the department of transportation, the emergency management division of the military department, the utilities and transportation commission, tribes, appropriate local, state, and federal agencies, impacted industry groups, and stakeholders. The department must provide an update to the governor and the legislature by December 1, 2014, and a final report by March 1, 2015.

Sec. 303. 2013 2nd sp.s. c 4 s 303 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$4,254,000~~)) $4,271,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$4,254,000~~)) $4,415,000

General Fund—Federal Appropriation . . . . . ((~~$6,014,000~~)) $6,001,000

Winter Recreation Program Account—State Appropriation . . . . . ((~~$2,065,000~~)) $2,463,000

ORV and Nonhighway Vehicle Account—State Appropriation . . . . . ((~~$215,000~~)) $214,000

Snowmobile Account—State Appropriation . . . . . ((~~$4,859,000~~)) $4,856,000

Aquatic Lands Enhancement Account—State Appropriation $363,000
Parks Renewal and Stewardship Account—State
Appropriation. . . . . ((~~$103,065,000~~))
$105,159,000
Parks Renewal and Stewardship Account—Private/Local
Appropriation. $300,000
Waste Reduction/Recycling/Litter Control Account—State
Appropriation. $1,700,000
TOTAL APPROPRIATION . . . . . ((~~$127,089,000~~))
$129,742,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $79,000 of the general fund—state appropriation for fiscal year 2014 and $79,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a grant for the operation of the Northwest weather and avalanche center.

(2) Prior to closing any state park, the commission must notify all affected local governments and relevant nonprofit organizations of the intended closure and provide an opportunity for the notified local governments and nonprofit organizations to elect to acquire, or enter into, a maintenance and operating contract with the commission that would allow the park to remain open.

(3) The commission shall prepare a report on its efforts to increase revenue from all sources, including the discover pass. The report shall also include a status update on the fiscal health of the state parks system, and shall be submitted to the office of financial management and the appropriate committees of the legislature by October 28, 2013.

(4) $25,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2192 (state agency permitting). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

Sec. 304. 2013 2nd sp.s. c 4 s 304 (uncodified) is amended to read as follows:

FOR THE RECREATION AND CONSERVATION FUNDING BOARD

General Fund—State Appropriation (FY 2014) . . . . . ((~~$823,000~~))
$833,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$815,000~~))
$903,000
General Fund—Federal Appropriation. . . . . ((~~$3,425,000~~))
$3,411,000
General Fund—Private/Local Appropriation . . . . . ((~~$24,000~~))
$124,000
Aquatic Lands Enhancement Account—State Appropriation $480,000
Park Land Trust Revolving Account—State Appropriation. $34,000
State Wildlife Account—State Appropriation $33,000
Parks Renewal and Stewardship Account—State
Appropriation. $33,000
Firearms Range Account—State Appropriation. $37,000

Recreation Resources Account—State Appropriation . . . . . ((~~$3,086,000~~)) $3,153,000
NOVA Program Account—State Appropriation. . . . . ((~~$964,000~~)) $961,000
TOTAL APPROPRIATION . . . . . ((~~$9,654,000~~)) $10,002,000

The appropriations in this section are subject to the following conditions and limitations: $34,000 of the park land trust revolving fund—state appropriation, $33,000 of the state parks renewal and stewardship account—state appropriation, and $33,000 of the state wildlife account—state appropriation are provided solely for the recreation and conservation office to contract with a consultant to provide a study that quantifies the economic contribution to the state economy from the state's public lands and that quantifies the economic contribution from statewide outdoor recreation to the state's economy. A report is due to the appropriate committees of the legislature by January 1, 2015.

Sec. 305. 2013 2nd sp.s. c 4 s 305 (uncodified) is amended to read as follows:

FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE
General Fund—State Appropriation (FY 2014) . . . . . ((~~$2,227,000~~)) $2,210,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$2,147,000~~)) $2,151,000
TOTAL APPROPRIATION . . . . . ((~~$4,374,000~~)) $4,361,000

Sec. 306. 2013 2nd sp.s. c 4 s 306 (uncodified) is amended to read as follows:

FOR THE CONSERVATION COMMISSION
General Fund—State Appropriation (FY 2014) . . . . . ((~~$6,841,000~~)) $6,819,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$6,738,000~~)) $6,708,000
General Fund—Federal Appropriation $2,301,000
State Toxics Control Account—State Appropriation . . . . . ((~~$1,100,000~~)) $1,050,000
TOTAL APPROPRIATION . . . . . ((~~$16,880,000~~)) $16,878,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Within the amounts appropriated in this section, the conservation commission, in consultation with conservation districts, must submit to the office of financial management and legislative fiscal committees by December 10, 2013, a report outlining opportunities to minimize districts' overhead costs, including consolidation of conservation districts within counties in which there is more than one district. The report must include details on the anticipated future savings that could be expected from implementing these efficiencies starting on July 1, 2014.

(2) $300,000 of the general fund—state appropriation for fiscal year 2014 and $246,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to implement the voluntary stewardship program in Thurston and Chelan counties. These amounts may not be used to fund agency indirect and administrative expenses.

(3) $1,000,000 of the general fund—federal appropriation is provided solely to implement the voluntary stewardship program statewide. The commission shall place the appropriation in this subsection in unallotted status, and may not allot any of these funds until the federal government has provided funding to the commission for the purpose of implementing the voluntary stewardship program.

(4) The conservation commission must evaluate the current system for the election of conservation district board supervisors and recommend improvements to ensure the highest degree of public involvement in these elections. The commission must engage with stakeholder groups and conservation districts to gather a set of options for improvement to district elections, which must include an option aligning district elections with state and local general elections. The commission must submit a report detailing the options to the office of financial management and appropriate committees of the legislature by December 10, 2013.

(5) $50,000 of the state toxics control account—state appropriation is provided solely for the Whatcom agricultural district coalition to educate and inform agricultural landowners on regulatory compliance issues relating to groundwater quality issues including nitrates, fecal coliform, and pesticide contamination within WRIA 1 and to organize watershed improvement districts to implement environmental regulatory compliance strategies.

(6) The state conservation commission may provide additional funding to a conservation district if the conservation district conducts elections at such times as and consistent with the general election law, chapter 29A.04 RCW.

Sec. 307. 2013 2nd sp.s. c 4 s 307 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund—State Appropriation (FY 2014) . . . . . ((~~$30,321,000~~)) $30,747,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$28,999,000~~)) $30,094,000

General Fund—Federal Appropriation . . . . . ((~~$107,585,000~~)) $107,198,000

General Fund—Private/Local Appropriation . . . . . ((~~$58,784,000~~)) $58,359,000

ORV and Nonhighway Vehicle Account—State Appropriation. . . . . ((~~$397,000~~)) $390,000

Aquatic Lands Enhancement Account—State Appropriation. . . . . ((~~$15,919,000~~)) $15,873,000

Recreational Fisheries Enhancement—State Appropriation. . . . . ((~~$2,590,000~~)) $2,603,000
Environmental Legacy Stewardship Account—State Appropriation. $1,224,000
Warm Water Game Fish Account—State Appropriation . . . . . ((~~$2,507,000~~)) $2,490,000
Eastern Washington Pheasant Enhancement Account—State Appropriation. $849,000
Aquatic Invasive Species Enforcement Account—State Appropriation. . . . . ((~~$209,000~~)) $228,000
Aquatic Invasive Species Prevention Account—State Appropriation. . . . . ((~~$737,000~~)) $761,000
State Wildlife Account—State Appropriation . . . . . ((~~$103,460,000~~)) $103,229,000
Special Wildlife Account—State Appropriation. . . . . ((~~$2,405,000~~)) $2,399,000
Special Wildlife Account—Federal Appropriation $500,000
Special Wildlife Account—Private/Local Appropriation. . . . . ((~~$3,446,000~~)) $3,440,000
Wildlife Rehabilitation Account—State Appropriation $259,000
Hydraulic Project Approval Account—State Appropriation. . . . . ((~~$674,000~~)) $966,000
Regional Fisheries Enhancement Salmonid Recovery Account—Federal Appropriation $5,001,000
Oil Spill Prevention Account—State Appropriation . . . . . ((~~$917,000~~)) $912,000
Oyster Reserve Land Account—State Appropriation. . . . . ((~~$773,000~~)) $771,000
TOTAL APPROPRIATION . . . . . ((~~$367,556,000~~)) $368,293,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$130,000~~)) $675,000 of the general fund—state appropriation for fiscal year 2014 and $130,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to pay for emergency fire suppression costs. These amounts may not be used to fund agency indirect and administrative expenses.

(2) Prior to submitting its 2015-2017 biennial operating and capital budget request related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review this request. This review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid stocks and

meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most cost effective manner. The department shall provide a copy of the HSRG review to the office of financial management with their agency budget proposal.

(3) $400,000 of the general fund—state appropriation for fiscal year 2014 and $400,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the U.S. army corps of engineers.

(4) Within the amounts appropriated in this section, the department shall identify additional opportunities for partnerships in order to keep fish hatcheries operational. Such partnerships shall aim to maintain fish production and salmon recovery with less reliance on state operating funds.

(5) During the 2013-2015 fiscal biennium, the department must retain ownership and continue to occupy the downtown Olympia office building at 600 Capitol Way.

(6) $1,000,000 of the state wildlife account—state appropriation is provided solely to the department for resources that serve to promote and engage nonlethal deterrence methods relating to wolf and livestock interaction with a priority given to funding cooperative agreements with livestock producers, and of this amount, $250,000 in fiscal year 2014 is provided solely for compensation for injury or loss of livestock caused by wolves as prescribed in chapter 77.36 RCW.

(7) $100,000 of the state wildlife account—state appropriation is provided solely for the transfer of trout from the Clarks creek hatchery to the Lakewood hatchery.

(8) $100,000 of the general fund—state appropriation for fiscal year 2014 and $100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the production of steelhead, coho, and Chinook salmon at the Clarks creek hatchery.

(9) $200,000 of the state wildlife account—state appropriation, $50,000 of the general fund—state appropriation for fiscal year 2014, and $50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to increase production of juvenile fall Chinook on the Cowlitz river. The funds provided may be used to match or leverage funds from private or public sources for the same purpose.

(10) $596,000 of the general fund—state appropriation for fiscal year 2014 and $596,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for weed assessments and for payments in lieu of real property taxes to counties that elect to receive the payments for department owned game lands within the county.

(11) $10,000 of the aquatic lands enhancement account—state appropriation is provided solely for development of an aquatic invasive species passport program to improve the efficiency and effectiveness of watercraft inspections by expediting aquatic invasive species watercraft inspections for watercraft at low risk of transmitting invasive species and prioritizing the use of available resources for the inspection of high risk vessels.

(12) Within the amounts appropriated in this section, the department must deploy additional wildlife conflict specialists to provide landowner assistance and address wildlife conflicts, with at least one additional specialist primarily

assigned to each of the following areas: Administrative region six of the department; Okanogan and Chelan counties in administrative region two of the department; and Whatcom and Skagit counties in administrative region four of the department.

(13) $25,000 of the general fund—state appropriation for fiscal year 2014 and $25,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of House Bill No. 1112 (science and public policy). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(14) Within the amounts appropriated in this section the department shall work with the regional fisheries enhancement groups to identify a revenue source or sources capable of providing long-term funding to support the community-based salmon restoration work of regional fisheries enhancement groups. The department shall work with the regional fisheries enhancement group coalition to submit a report to the office of financial management and the appropriate legislative committees by December 1, 2013, with the outcomes and recommendations.

(15) $150,000 of the general fund—state appropriation for fiscal year 2015 is provided solely to conduct a study of the Lake Washington basin sockeye salmon to evaluate the impact of predation on juvenile sockeye by several species of fish that inhabit the lake, and develop management actions by the state to increase the returns of adult sockeye to the lake.

(16) $30,000 of the aquatic invasive species prevention account—state appropriation and $20,000 of the aquatic invasive species enforcement account—state appropriation are provided solely to the department for a contract, that includes performance measures and requires reporting on outcomes, with the Pacific northwest economic region nonprofit organization to support regional coordination of invasive species prevention activities in the Pacific northwest.

Sec. 308. 2013 2nd sp.s. c 4 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$42,515,000~~)) $48,655,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$45,092,000~~)) $44,694,000

General Fund—Federal Appropriation . . . . . ((~~$26,963,000~~)) $26,937,000

General Fund—Private/Local Appropriation $2,372,000

Forest Development Account—State Appropriation . . . . . ((~~$49,054,000~~)) $50,418,000

ORV and Nonhighway Vehicle Account—State Appropriation . . . . . ((~~$4,494,000~~)) $4,468,000

Surveys and Maps Account—State Appropriation . . . . . ((~~$2,170,000~~)) $1,667,000

Aquatic Lands Enhancement Account—State Appropriation. . . . . ((~~$3,634,000~~)) $3,578,000
Snowmobile Account—State Appropriation $100,000
Environmental Legacy Stewardship Account—State Appropriation. $3,948,000
Resources Management Cost Account—State Appropriation. . . . . ((~~$111,073,000~~)) $116,006,000
Surface Mining Reclamation Account—State Appropriation. . . . . ((~~$3,972,000~~)) $3,951,000
Disaster Response Account—State Appropriation. $5,000,000
Forest and Fish Support Account—State Appropriation. . . . . ((~~$11,759,000~~)) $11,755,000
Aquatic Land Dredged Material Disposal Site Account—State Appropriation . . . . . ((~~$843,000~~)) $462,000
Natural Resources Conservation Areas Stewardship Account—State Appropriation $34,000
Marine Resources Stewardship Trust Account—State Appropriation. . . . . ((~~$3,700,000~~)) $4,122,000
State Toxics Control Account—State Appropriation $80,000
Forest Practices Application Account—State Appropriation. $1,697,000
Air Pollution Control Account—State Appropriation . . . . . ((~~$785,000~~)) $782,000
NOVA Program Account—State Appropriation. . . . . ((~~$950,000~~)) $946,000
Derelict Vessel Removal Account—State Appropriation. . . . . ((~~$1,770,000~~)) $1,767,000
Agricultural College Trust Management Account—State Appropriation. . . . . ((~~$2,712,000~~)) $2,699,000
TOTAL APPROPRIATION . . . . . ((~~$324,717,000~~)) $336,138,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $1,389,000 of the general fund—state appropriation for fiscal year 2014 and $1,323,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

(2) ((~~$19,099,000~~)) $25,271,000 of the general fund—state appropriation for fiscal year 2014, $19,099,000 of the general fund—state appropriation for

fiscal year 2015, and $5,000,000 of the disaster response account—state appropriation are provided solely for emergency fire suppression. None of the general fund and disaster response account amounts provided in this subsection may be used to fund agency indirect and administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations. The department of natural resources shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.

(3) $5,000,000 of the forest and fish support account—state appropriation is provided solely for outcome-based, performance contracts with tribes to participate in the implementation of the forest practices program. Contracts awarded may only contain indirect costs set at or below the rate in the contracting tribe's indirect cost agreement with the federal government. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.

(4) $518,000 of the forest and fish support account—state appropriation is provided solely for outcome-based performance contracts with nongovernmental organizations to participate in the implementation of the forest practices program. Contracts awarded may only contain indirect cost set at or below a rate of eighteen percent.

(5) $717,000 of the forest and fish support account—state appropriation is provided solely to fund interagency agreements with the department of ecology and the department of fish and wildlife as part of the adaptive management process.

(6) $440,000 of the state general fund—state appropriation for fiscal year 2014 and $440,000 of the state general fund—state appropriation for fiscal year 2015 are provided solely for forest work crews that support correctional camps and are contingent upon continuing operations of Naselle youth camp.

(7) $2,382,000 of the resource management cost account—state appropriation is for addressing the growing backlog of expired aquatic leases and new aquatic lease applications. The department shall implement a Lean process to improve the lease review process and further reduce the backlog, and submit a report on its progress in addressing the backlog and implementation of the Lean process to the governor and the appropriate committees of the legislature by October 1, 2013.

(8) $1,948,000 of the environmental legacy stewardship account—state appropriation is provided solely for the department to pay a portion of the costs to complete remedial investigation work at Whitmarsh landfill and Mill site A and perform final-year maintenance of the Olympic view triangle site in Commencement Bay.

(9) $265,000 of the resources management cost account—state appropriation is provided solely for implementation of Second Substitute House Bill No. 1764 (geoduck diver licenses). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(10) $425,000 of the derelict vessel removal account—state appropriation is provided solely for implementation of Engrossed Substitute House Bill No. 1245

(derelict and abandoned vessels). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(11) $3,700,000 of the marine resources stewardship trust account—state appropriation is provided solely for implementation of priority marine management planning efforts including mapping activities, ecological assessment, data tools, stakeholder engagement, and all other work identified in Engrossed Senate Bill No. 5603 (marine advisory councils) during the 2013-2015 fiscal biennium.

(12) Within the amounts appropriated in this section, the department may purchase an extraordinary sensing device for the express purpose of firefighting and fire prevention.

Sec. 309. 2013 2nd sp.s. c 4 s 309 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

General Fund—State Appropriation (FY 2014) . . . . . ((~~$15,300,000~~)) $15,270,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$15,294,000~~)) $15,950,000

General Fund—Federal Appropriation . . . . . ((~~$23,098,000~~)) $22,979,000

General Fund—Private/Local Appropriation $192,000

Aquatic Lands Enhancement Account—State Appropriation . . . . . ((~~$2,837,000~~)) $2,827,000

State Toxics Control Account—State Appropriation . . . . . ((~~$5,203,000~~)) $5,188,000

Water Quality Permit Account—State Appropriation . . . . . ((~~$70,000~~)) $73,000

TOTAL APPROPRIATION . . . . . ((~~$61,994,000~~)) $62,479,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $5,308,445 of the general fund—state appropriation for fiscal year 2014 and ((~~$5,302,905~~)) $6,102,905 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementing the food assistance program as defined in RCW 43.23.290.

(2) Pursuant to RCW 43.135.055 and 16.57.220, the department is authorized to institute livestock inspection fees in the 2013-2015 fiscal biennium for calves less than thirty days old.

(3) Pursuant to RCW 43.135.055 and 16.36.150, the department is authorized to establish a fee for the sole purpose of purchasing and operating a database and any other technology or software needed to administer animal disease traceability activities for cattle sold or slaughtered in the state or transported out of the state.

(4) Within the amounts appropriated in this section, the department of agriculture must convene and facilitate a work group with appropriate stakeholders to review fees supporting programs within the department that are also supported with state general fund. In developing strategies to make the

program work more self-supporting, the workgroup will consider, at minimum, the length of time since the last fee increase, similar fees that exist in neighboring states, and fee increases that will ensure reasonable competitiveness in the respective industries. The workgroup must submit a report containing recommendations that will make each of the fee supported programs within the department less reliant on state general fund to the office of financial management and legislative fiscal committees by December 1, 2013.

Sec. 310. 2013 2nd sp.s. c 4 s 310 (uncodified) is amended to read as follows:

FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM

Pollution Liability Insurance Program Trust Account—State Appropriation . . . . . ((~~$987,000~~)) $994,000

Sec. 311. 2013 2nd sp.s. c 4 s 311 (uncodified) is amended to read as follows:

FOR THE PUGET SOUND PARTNERSHIP

General Fund—State Appropriation (FY 2014) . . . . . ((~~$2,416,000~~)) $2,398,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$2,318,000~~)) $2,427,000
General Fund—Federal Appropriation . . . . . ((~~$11,570,000~~)) $11,582,000
Aquatic Lands Enhancement Account—State Appropriation $1,920,000
State Toxics Control Account—State Appropriation . . . . . ((~~$676,000~~)) $675,000
TOTAL APPROPRIATION . . . . . ((~~$18,900,000~~)) $19,002,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $788,000 of the aquatic lands enhancement account—state appropriation is provided solely for coordinating a study of Puget Sound juvenile steelhead marine survival conducted by the department of fish and wildlife and based on a study plan developed in cooperation with federal, tribal, and nongovernmental entities.

(2) By October 1, 2014, the Puget Sound partnership shall provide the governor a single, prioritized list of state agency 2015-2017 capital and operating budget requests related to Puget Sound restoration.

(3) $71,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the Puget Sound partnership to collaborate with interested parties to review the roles of local watershed and salmon recovery organizations implementing the action agenda and provide legislative, budgetary, and administrative recommendations to streamline and strengthen Puget Sound recovery efforts. In conducting this work, the partnership must coordinate with the following interested parties: The Hood Canal coordinating council, marine resources committees, including the Northwest straits initiative, regional fisheries enhancement groups, local integrating organizations, lead entities, and

other county watershed councils, as well as representatives of federal, state, tribal, and local government agencies. Recommendations must be provided to the appropriate legislative committees by December 1, 2014.

PART IV
TRANSPORTATION

Sec. 401. 2013 2nd sp.s. c 4 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,103,000~~)) $1,097,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,341,000~~)) $1,354,000
Architects' License Account—State Appropriation . . . . . ((~~$902,000~~)) $898,000
Professional Engineers' Account—State Appropriation. . . . . ((~~$3,558,000~~)) $3,529,000
Real Estate Commission Account—State Appropriation . . . . . ((~~$9,929,000~~)) $9,885,000
Uniform Commercial Code Account—State Appropriation. . . . . ((~~$3,154,000~~)) $3,132,000
Real Estate Education Program Account—State Appropriation. $276,000
Real Estate Appraiser Commission Account—State Appropriation. . . . . ((~~$1,703,000~~)) $1,700,000
Business and Professions Account—State Appropriation. . . . . ((~~$17,454,000~~)) $17,390,000
Funeral and Cemetery Account—State Appropriation. $5,000
Landscape Architects' License Account—State Appropriation $4,000
Appraisal Management Company Account—State Appropriation. $4,000
Real Estate Research Account—State Appropriation. $415,000
Wildlife Account—State Appropriation $32,000
Geologists' Account—State Appropriation. $52,000
Derelict Vessel Removal Account—State Appropriation. $31,000
TOTAL APPROPRIATION . . . . . ((~~$39,963,000~~)) $39,804,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $566,000 of the business and professions account—state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1552 (scrap metal theft reduction). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(2) $166,000 of the business and professions account—state appropriation in fiscal year 2014 only is provided solely for the implementation of Substitute House Bill No. 1779 (esthetics). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(3) $592,000 of the business and professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1822 (debt collection practices). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(4) $32,000 of the state wildlife account—state appropriation is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5193 (wolf conflict management). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(5) $19,000 of the general fund—state appropriation for fiscal year 2014 and $48,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a pilot identicard program to assist and prepare offenders for release from prison and reentry into the community. The goal of the pilot identicard program is to provide proper state identification to offenders to facilitate access to services, employment, housing, and various other opportunities upon release to the community. By September 1, 2014, the department of licensing, working in conjunction with the department of corrections, must implement the pilot identicard program in accordance with the following:

(a) The pilot program must provide an original, renewal, or replacement identicard to offenders that: (i) Prove their identity as required by RCW 46.20.035; (ii) are under the custody of the department of corrections; (iii) have been sentenced to an incarceration period exceeding one year and one day; and (iv) are incarcerated within the Monroe correctional complex and within two months of release.

(b) For purposes of verifying an offender's identity and eligibility for the program, a valid identification card issued by the department of corrections serves as sufficient proof of identity and residency for an offender to apply for and obtain a Washington state identicard.

(c) For the purposes of the pilot program, the department of licensing must (i) set an expiration date for an identicard issued under the pilot program for the first anniversary of the offender's birthdate after issuance; and (ii) not charge any fee to an applicant for an identicard issued as part of the pilot program.

(d) The department of licensing, in consultation with the department of corrections, must report to the governor and the appropriate committees of the legislature on the results of the pilot identicard program and any recommendations for improvement by June 30, 2015.

Sec. 402. 2013 2nd sp.s. c 4 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund—State Appropriation (FY 2014) . . . . . ((~~$34,653,000~~))
$35,561,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$32,485,000~~))
$31,337,000

General Fund—Federal Appropriation . . . . . ((~~$16,189,000~~)) $15,860,000
General Fund—Private/Local Appropriation . . . . . ((~~$3,020,000~~)) $3,019,000
Death Investigations Account—State Appropriation . . . . . ((~~$9,956,000~~)) $9,925,000
Enhanced 911 Account—State Appropriation $3,480,000
County Criminal Justice Assistance Account—State Appropriation. . . . . ((~~$3,332,000~~)) $3,310,000
Municipal Criminal Justice Assistance Account—State Appropriation. . . . . ((~~$1,351,000~~)) $1,340,000
Fire Service Trust Account—State Appropriation $131,000
Disaster Response Account—State Appropriation. $8,000,000
Fire Service Training Account—State Appropriation. . . . . ((~~$9,797,000~~)) $9,774,000
Aquatic Invasive Species Enforcement Account—State Appropriation. $54,000
State Toxics Control Account—State Appropriation . . . . . ((~~$516,000~~)) $513,000
Fingerprint Identification Account—State Appropriation. . . . . ((~~$10,747,000~~)) $12,184,000
Vehicle License Fraud Account—State Appropriation. . . . . ((~~$447,000~~)) $334,000
TOTAL APPROPRIATION . . . . . ((~~$134,158,000~~)) $134,822,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $200,000 of the fire service training account—state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.

(2) $8,000,000 of the disaster response account—state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 through 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.

(3) $700,000 of the fire service training account—state appropriation is provided solely for the firefighter apprenticeship training program.

(4) $3,480,000 of the enhanced 911 account—state appropriation is provided solely for upgrades to the Washington state identification system and

the Washington crime information center. Amounts provided in this subsection may not be expended until the office of the chief information officer approves a plan to move the Washington state patrol's servers and data center equipment into the state data center in the 1500 Jefferson building, and the office of the chief information officer certifies that the Washington state patrol has begun the move. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(5) $154,000 of the fingerprint identification account—state appropriation is provided solely for implementation of Substitute House Bill No. 1612 (firearms offenders). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

PART V
EDUCATION

Sec. 501. 2013 2nd sp.s. c 4 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$27,264,000~~)) $27,273,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$26,041,000~~)) $26,966,000

General Fund—Federal Appropriation . . . . . ((~~$63,826,000~~)) $70,931,000

General Fund—Private/Local Appropriation . . . . . ((~~$4,005,000~~)) $4,003,000

Performance Audits of Government Account—State Appropriation $200,000

TOTAL APPROPRIATION . . . . . ((~~$121,336,000~~)) $129,373,000

The appropriations in this section are subject to the following conditions and limitations:

(1) A maximum of ((~~$16,881,000~~)) $16,996,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$16,602,000~~)) $17,401,000 of the general fund—state appropriation for fiscal year 2015 is for state agency operations.

(a) ((~~$8,846,000~~)) $8,961,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$8,910,000~~)) $8,639,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(i) Within the amounts provided in this subsection (1)(a), the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

(ii) Districts shall report to the office of the superintendent of public instruction daily student unexcused absence data by school, using a uniform definition of unexcused absence as established by the superintendent.

(iii) By September of each year, the office of the superintendent of public instruction shall produce an annual status report of the budget provisos in sections 501 and 513 of this act. The status report of each proviso shall include, but not be limited to, the following information: Purpose and objective, number of staff, number of contractors, status of proviso implementation, number of beneficiaries by year, list of beneficiaries, and proviso outcomes and achievements.

(iv) The superintendent of public instruction shall update the program prepared and distributed under RCW 28A.230.150 for the observation of temperance and good citizenship day to include providing an opportunity for eligible students to register to vote at school.

((~~(vi) Appropriations in this section are sufficient for the office of the superintendent of public instruction to conduct ongoing consolidated program reviews of alternative learning experience programs and dropout reengagement programs established under chapter 20, Laws of 2010. The office of the superintendent of public instruction shall include alternative learning education and dropout reengagement programs in their ongoing consolidated program reviews, as well as provide outreach and training to school districts regarding implementation of the programs. Findings from the program reviews will be used to support and prioritize office of the superintendent outreach and education efforts that assist school districts in implementing the programs in accordance with statute and legislative intent, as well as to support financial and performance audit work conducted by the office of the state auditor.~~))

(b) $1,017,000 of the general fund—state appropriation for fiscal year 2014 and $1,017,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for activities associated with the implementation of new school finance systems required by chapter 236, Laws of 2010 (K-12 education funding) and chapter 548, Laws of 2009 (state's education system), including technical staff, systems reprogramming, and workgroup deliberations, including the quality education council and the data governance working group.

(c)(i) $1,012,000 of the general fund—state appropriation for fiscal year 2014 and (($~~$1,012,000~~$)) $1,034,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities. Of these amounts, $161,000 of the general fund—state appropriation for fiscal year 2014 and $161,000 of the general fund—state appropriation for fiscal year 2015 are provided for implementation of Initiative Measure No. 1240 (charter schools).

(ii) $22,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the purpose of implementing provisions of Engrossed Second Substitute Senate Bill No. 6552 (student hour and graduation requirements) related to career and college ready graduation requirements. If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(d) $1,325,000 of the general fund—state appropriation for fiscal year 2014 and (($~~$1,325,000~~$)) $1,477,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to the professional educator standards board for the following:

(i) $1,050,000 in fiscal year 2014 and $1,050,000 in fiscal year 2015 are for the operation and expenses of the Washington professional educator standards board;

(ii) $250,000 of the general fund—state appropriation for fiscal year 2014 and $250,000 of the general fund—state appropriation for fiscal year 2015 are for mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board, including the pipeline for paraeducators program and the retooling to teach conditional loan programs. Funding within this subsection (1)(d)(ii) is also provided for the recruiting Washington teachers program; ((~~and~~))

(iii) $25,000 of the general fund—state appropriation for fiscal year 2014 and $25,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the professional educator standards board to develop educator interpreter standards and identify interpreter assessments that are available to school districts. Interpreter assessments should meet the following criteria: (A) Include both written assessment and performance assessment; (B) be offered by a national organization of professional sign language interpreters and transliterators; and (C) be designed to assess performance in more than one sign system or sign language. The board shall establish a performance standard, defining what constitutes a minimum assessment result, for each educational interpreter assessment identified. The board shall publicize the standards and assessments for school district use;

(iv) $24,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the professional educator standards board to: (A) Disseminate information about principles of language acquisition as a critical knowledge and skill for educators in support of instruction for English language learners; and (B) in conjunction with the office of the superintendent of public instruction, revise the model framework and curriculum for high school career and technical education courses related to careers in education to incorporate standards of cultural competence, new research on educator preparation, and curriculum and activities from the recruiting Washington teacher program; and

(v) $128,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for implementation of Substitute Senate Bill No. 6129 (paraeducator development). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(e) $133,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$133,000~~)) $266,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 240, Laws of 2010, including staffing the office of equity and civil rights.

(f) $50,000 of the general fund—state appropriation for fiscal year 2014 and $50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the ongoing work of the education opportunity gap oversight and accountability committee.

(g) $45,000 of the general fund—state appropriation for fiscal year 2014 and $45,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 380, Laws of 2009 (enacting the interstate compact on educational opportunity for military children).

(h) $131,000 of the general fund—state appropriation for fiscal year 2014 and $131,000 of the general fund—state appropriation for fiscal year 2015 are

provided solely for the implementation of Initiative Measure No. 1240 (charter schools).

(i) $1,826,000 of the general fund—state appropriation for fiscal year 2014 and $1,802,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementing a comprehensive data system to include financial, student, and educator data, including development and maintenance of the comprehensive education data and research system (CEDARS).

(j) $25,000 of the general fund—state appropriation for fiscal year 2014 and $25,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote participation in government by middle school students.

(k) $1,500,000 of the general fund—state appropriation for fiscal year 2014 and $1,500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for collaborative schools for innovation and success authorized under chapter 53, Laws of 2012. The office of the superintendent of public instruction shall award $500,000 per year in funding for each collaborative school for innovation and success selected for participation in the pilot program during 2012.

(l) $123,000 of the general fund—state appropriation for fiscal year 2014 and $123,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of chapter 163, Laws of 2012 (foster care outcomes). The office of the superintendent of public instruction shall annually report each December on the implementation of the state's plan of cross-system collaboration to promote educational stability and improve education outcomes of foster youth.

(m) $250,000 of the general fund—state appropriation for fiscal year 2014 and $250,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of chapter 178, Laws of 2012 (open K-12 education resources).

(n) $93,000 of the general fund—state appropriation for fiscal year 2014 and $93,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for chapter 185, Laws of 2011 (bullying prevention, which requires the office of the superintendent of public instruction to convene an ongoing workgroup on school bullying and harassment prevention. Within the amounts provided, $140,000 is for youth suicide prevention activities.

(o) $138,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of House Bill No. 1336 (troubled youth in school). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(p) $68,000 of the general fund—state appropriation for fiscal year 2014 and $14,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of House Bill No. 1134 (state-tribal education compacts). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(q) $62,000 of the general fund—state appropriation for fiscal year 2014 and $62,000 of the general fund—state appropriation for fiscal year 2015 are for competitive grants to school districts to increase the capacity of high schools to offer AP computer science courses. In making grant allocations, the office of the

superintendent of public instruction must give priority to schools and districts in rural areas, with substantial enrollment of low-income students, and that do not offer AP computer science. School districts may apply to receive either or both of the following grants:

(i) A grant to establish partnerships to support computer science professionals from private industry serving on a voluntary basis as coinstructors along with a certificated teacher, including via synchronous video, for AP computer science courses; or

(ii) A grant to purchase or upgrade technology and curriculum needed for AP computer science, as well as provide opportunities for professional development for classroom teachers to have the requisite knowledge and skills to teach AP computer science.

(r) $27,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of House Bill No. 1556 (cardiac arrest education).

(s) $50,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the development of recommendations for funding integrated school nursing and outreach services. The office of the superintendent of public instruction shall collaborate with the health care authority to develop recommendations for increasing federal financial participation for providing nursing services in schools with the goals of integrating nursing and outreach services and supporting one nurse for every four-hundred fifty students in elementary schools and one nurse for every seven-hundred fifty students in secondary schools. The recommendations shall include proposals for funding training and reimbursement for nurses that provide outreach services to help eligible students enroll in apple health for kids and other social services programs. The authority and the office of the superintendent of public instruction shall provide these recommendations to the governor and the legislature by December 1, 2013.

(t) $50,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the office of the superintendent of public instruction to contract with an organization to develop a model plan for evaluating the outcomes of state funded pilot education programs, including guidelines for standard data that must be gathered throughout any education pilot program, as well as guidance for data and evaluation methods depending on the design of the program and the target population. The contract must also include a provision to provide guidance for the evaluation of existing pilot programs.

(u) $10,000 of the general fund—state appropriation for fiscal year 2014 and $10,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the superintendent of public instruction to convene a committee for the selection and recognition of Washington innovative schools. The committee shall select and recognize Washington innovative schools based on the selection criteria established by the office of the superintendent of public instruction, in accordance with chapter 202, Laws of 2011 (innovation schools—recognition) and chapter 260, Laws of 2011 (innovation schools and zones).

(v) $100,000 of the general fund—state appropriation for fiscal year 2014 and $100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Mobius science center to expand mobile outreach of

science, technology, engineering, and mathematics (STEM) education to students in rural, tribal, and low-income communities.

(w) $28,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the office of the superintendent of public instruction to create a clearinghouse of research-based best practices for school districts to provide academic and nonacademic support for students while they are subject to disciplinary action and after their reengagement in school.

(x) $49,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the office of the superintendent of public instruction, in collaboration with the educational opportunity gap oversight and accountability committee, the professional educator standards board, colleges of education, and representatives from diverse communities and community-based organizations, to develop a content outline for professional development and training in cultural competence for school staff, which educational service districts and school districts are encouraged to use.

(y) $117,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the office of the superintendent of public instruction to convene a task force to design a performance-based assistance and accountability system for the transitional bilingual instruction program. The office must submit a report with recommendations from the task force to the education and fiscal committees of the legislature by January 15, 2016.

(z) $134,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the office of the superintendent of public instruction to perform on-going program reviews of alternative learning experience programs and dropout reengagement programs. The amounts provided in this subsection are sufficient for the office of the superintendent of public instruction to conduct ongoing consolidated program reviews of alternative learning experience programs and dropout reengagement programs established under chapter 20, Laws of 2010. The office of the superintendent of public instruction shall include alternative learning education and dropout reengagement programs in its ongoing consolidated program reviews, as well as provide outreach and training to school districts regarding implementation of the programs. Findings from the program reviews will be used to support and prioritize the office of the superintendent of public instruction outreach and education efforts that assist school districts in implementing the programs in accordance with statute and legislative intent, as well as to support financial and performance audit work conducted by the office of the state auditor.

(aa) $287,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the purpose of implementing provisions of Engrossed Second Substitute Senate Bill No. 6552 (student hour and graduation requirements) related to career and technical education equivalencies. If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(bb) $148,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for implementation of Substitute Senate Bill No. 6431 (youth suicide prevention). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(2) $200,000 of the performance audits of government account—state appropriation is provided solely for a one-time workload increase to address

additional audit resolutions and appeals in the alternative learning experience programs.

(3) $10,277,000 of the general fund—state appropriation for fiscal year 2014 and $9,565,000 of the general fund—state appropriation for fiscal year 2015 are for statewide programs.

(a) HEALTH AND SAFETY

(i) $2,541,000 of the general fund—state appropriation for fiscal year 2014 and $2,541,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(ii) $135,000 of the general fund—state appropriation for fiscal year 2014 and $135,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

$1,221,000 of the general fund—state appropriation for fiscal year 2014 and $1,221,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network.

(c) GRANTS AND ALLOCATIONS

(i) $1,875,000 of the general fund—state appropriation for fiscal year 2014 and $1,875,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state achievers scholarship program. The funds shall be used to support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars.

(ii) $1,000,000 of the general fund—state appropriation for fiscal year 2014 and $1,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(iii) $1,000,000 of the general fund—state appropriation for fiscal year 2014 and $1,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for dropout prevention, intervention, and reengagement programs, including the jobs for America's graduates (JAG) program and the building bridges statewide program. Starting in school year 2014-15, students in the foster care system or who are homeless shall be given priority by districts offering the jobs for America's graduates program. The office of the superintendent of public instruction shall convene staff representatives from high schools to meet and share best practices for dropout prevention.

(iv) $2,112,000 of the general fund—state appropriation for fiscal year 2014 and $1,400,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 340, Laws of 2011 and chapter

51, Laws of 2012. This includes the development and implementation of the Washington kindergarten inventory of developing skills (WaKIDS).

(v) $100,000 of the general fund—state appropriation for fiscal year 2014 and $100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to subsidize advanced placement exam fees and international baccalaureate class fees and exam fees for low-income students. To be eligible for the subsidy, a student must be either enrolled or eligible to participate in the federal free or reduced price lunch program, and the student must have maximized the allowable federal contribution. The office of the superintendent of public instruction shall set the subsidy in an amount so that the advanced placement exam fee does not exceed $15.00 and the combined class and exam fee for the international baccalaureate does not exceed $14.50.

(vi) $293,000 of the general fund—state appropriation for fiscal year 2014 and $293,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the office of the superintendent of public instruction to support ((~~the dissemination of the navigation 101 curriculum to all districts~~)) district implementation of comprehensive guidance and planning programs consistent with RCW 28A.600.045.

***Sec. 502.** 2013 2nd sp.s. c 4 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL APPORTIONMENT

General Fund—State Appropriation (FY 2014) . . . . . ((~~$5,395,289,000~~)) $5,386,820,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$5,581,336,000~~)) $5,599,423,000

Education Legacy Trust Account—State Appropriation. . . . . ((~~$328,563,000~~)) $381,563,000

TOTAL APPROPRIATION . . . . . ((~~$11,305,188,000~~)) $11,367,806,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b) For the 2013-14 and 2014-15 school years, the superintendent shall allocate general apportionment funding to school districts as provided in the funding formulas and salary schedules in sections 502 and 503 of this act, excluding (c) of this subsection.

(c) From July 1, 2013, to August 31, 2013, the superintendent shall allocate general apportionment funding to school districts programs as provided in sections 502 and 503, chapter 50, Laws of 2011 1st sp. sess., as amended.

(d) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the fourth day of school in September and on the first school day of each month October through June, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside

within the servicing school district. Any school district concluding its basic education program in May must report the enrollment of the last school day held in May in lieu of a June enrollment.

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2013-14 and 2014-15 school years are determined using formula-generated staff units calculated pursuant to this subsection.

(a) Certificated instructional staff units, as defined in RCW 28A.150.410, shall be allocated to reflect the minimum class size allocations, requirements, and school prototypes assumptions as provided in RCW 28A.150.260, except that the allocation for guidance counselors in a middle school shall be 1.216 for the 2013-14 and 2014-15 school years and the allocation for guidance counselors in a high school shall be 2.009 for the 2013-14 school year, which enhancements are within the program of basic education. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent student enrollment in each grade.

(b) Additional certificated instructional staff units provided in this subsection (2) that exceed the minimum requirements in RCW 28A.150.260 are enhancements outside the program of basic education, except as otherwise provided in this section.

(c)(i) The superintendent shall base allocations for each level of prototypical school on the following regular education average class size of full-time equivalent students per teacher, except as provided in (c)(ii) of this subsection:

General education class size:

Grade	RCW 28A.150.260	2013-14 School Year	2014-15 School Year
Grades K-3	. . . . .	25.23	25.23
Grade 4	. . . . .	27.00	27.00
Grades 5-6	. . . . .	27.00	27.00
Grades 7-8	. . . . .	28.53	28.53
Grades 9-12	. . . . .	28.74	28.74

The superintendent shall base allocations for laboratory science, career and technical education (CTE) and skill center programs average class size as provided in RCW 28A.150.260.

(ii) For each level of prototypical school at which more than fifty percent of the students were eligible for free and reduced-price meals in the prior school year, the superintendent shall allocate funding based on the following average class size of full-time equivalent students per teacher:

(A) General education class size in high poverty schools:

Grade		RCW 28A.150.260
Grade 2	. . . . .	24.10
Grade 3	. . . . .	24.10
Grade 4	. . . . .	27.00

Grades 5-6	. . . . .	27.00
Grades 7-8	. . . . .	28.53
Grades 9-12	. . . . .	28.74

(B) For grades K-1, class size of 20.85 is provided for high poverty schools for the 2013-14 school year;

(C) For grades K through 1, the superintendent shall, at a minimum, allocate funding to high-poverty schools for the 2014-15 school year based on an average class size of 24.10 full-time equivalent students per teacher. The superintendent shall provide enhanced funding for class size reduction in grades K through 1 to the extent of, and proportionate to, the school's demonstrated actual average class size up to a class size of 20.30 full-time equivalent students per teacher. The office of the superintendent of public instruction shall develop rules to implement the enhanced funding authorized under (ii)(C) of this subsection and shall distribute draft rules for review no later than December 1, 2013. The office of the superintendent of public instruction shall report the draft rules and proposed methodology to the governor and the appropriate policy and fiscal committees of the legislature by December 1, 2013.

(D) The enhancement in this subsection (2)(c)(ii) is within the program of basic education.

(iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher planning period, expressed as a percentage of a teacher work day, is 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

(iv) ((~~Laboratory science,~~)) Advanced placement((~~,~~)) and international baccalaureate courses are funded at the same class size assumptions as general education schools in the same grade; and

(d)(i) Funding for teacher librarians, school nurses, social workers, school psychologists, and guidance counselors is allocated based on the school prototypes as provided in RCW 28A.150.260 and (a) of this subsection and is considered certificated instructional staff, except as provided in (d)(ii) of this subsection.

(ii) Students in approved career and technical education and skill center programs generate certificated instructional staff units to provide for the services of teacher librarians, school nurses, social workers, school psychologists, and guidance counselors at the following combined rate per 1000 student((~~s~~)) full-time equivalent enrollment:

((~~Career and Technical Education students . . . . . 2.02 per 1000 student FTE's Skill Center students . . . . . 2.36 per 1000 student FTE's~~))

	2013-14 School Year	2014-15 School Year
Career and Technical Education	2.02	2.72
Skill Center	2.36	3.06

(3) ADMINISTRATIVE STAFF ALLOCATIONS

(a) Allocations for school building-level certificated administrative staff salaries for the 2013-14 and 2014-15 school years for general education students are determined using the formula generated staff units calculated pursuant to this subsection. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent enrollment in each grade. The following prototypical school values shall determine the allocation for principals, assistance principals, and other certificated building level administrators:

Prototypical School Building:		
Elementary School	.....	1.253
Middle School	.....	1.353
High School	.....	1.880

(b) Students in approved career and technical education and skill center programs generate certificated school building-level administrator staff units at per student rates that are a multiple of the general education rate in (a) of this subsection by the following factors:

Career and Technical Education students 1.025
Skill Center students 1.198

(4) CLASSIFIED STAFF ALLOCATIONS

Allocations for classified staff units providing school building-level and district-wide support services for the 2013-14 and 2014-15 school years are determined using the formula-generated staff units provided in RCW 28A.150.260, and adjusted based on each district's annual average full-time equivalent student enrollment in each grade, except that the allocation for parent involvement coordinators in an elementary school shall be 0.0825, which enhancement is within the program of basic education.

(5) CENTRAL OFFICE ALLOCATIONS

In addition to classified and administrative staff units allocated in subsections (3) and (4) of this section, classified and administrative staff units are provided for the 2013-14 and 2014-15 school year for the central office administrative costs of operating a school district, at the following rates:

(a) The total central office staff units provided in this subsection (5) are calculated by first multiplying the total number of eligible certificated instructional, certificated administrative, and classified staff units providing school-based or district-wide support services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

(b) Of the central office staff units calculated in (a) of this subsection, 74.53 percent are allocated as classified staff units, as generated in subsection (4) of this section, and 25.47 percent shall be allocated as administrative staff units, as generated in subsection (3) of this section.

(c) Staff units generated as enhancements outside the program of basic education to the minimum requirements of RCW 28A.150.260, and staff units generated by skill center and career-technical students, are excluded from the total central office staff units calculation in (a) of this subsection.

(d) For students in approved career-technical and skill center programs, central office classified units are allocated at the same staff unit per student rate as those generated for general education students of the same grade in this subsection (5), and central office administrative staff units are allocated at staff unit per student rates that exceed the general education rate established for students in the same grade in this subsection (5) by 1.71 percent in the 2013-14 school year and ((~~2.00~~)) 0.90 percent in the 2014-15 school year for career and technical education students, and ((~~21.60~~)) 21.57 percent in the 2013-14 school year and ((~~15.98~~)) 17.29 percent in the 2014-15 school year for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 18.68 percent in the 2013-14 school year and 18.68 percent in the 2014-15 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 20.95 percent in the 2013-14 school year and 20.95 percent in the 2014-15 school year for classified salary allocations provided under subsections (4) and (5) of this section.

(7) INSURANCE BENEFIT ALLOCATIONS

Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504 of this act, based on the number of benefit units determined as follows:

(a) The number of certificated staff units determined in subsections (2), (3), and (5) of this section; and

(b) The number of classified staff units determined in subsections (4) and (5) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

Funding is allocated per annual average full-time equivalent student for the materials, supplies, and operating costs (MSOC) incurred by school districts, consistent with the requirements of RCW 28A.150.260.

(a) MSOC funding for general education students are allocated at the following per student rates:

MSOC RATES/STUDENT FTE

MSOC Component	2013-14 SCHOOL YEAR	2014-15 SCHOOL YEAR
Technology	$77.46	(($~~82.16~~)) $89.13
Utilities and Insurance	$210.46	(($~~223.23~~)) $242.17
Curriculum and Textbooks	$83.17	(($~~88.21~~)) $95.69

Other Supplies and Library Materials	$176.56	((~~$187.27~~)) $203.16
Instructional Professional Development for Certificated and Classified Staff	$12.86	((~~$13.64~~)) $14.80
Facilities Maintenance	$104.27	((~~$110.59~~)) $119.97
Security and Central Office	$72.24	((~~$76.62~~)) $83.12
TOTAL BASIC EDUCATION MSOC/STUDENT FTE	$737.02	((~~$781.72~~)) $848.04

(b) Students in approved skill center programs generate per student FTE MSOC allocations of $1,244.25 for the 2013-14 school year and ((~~$1,262.92~~)) $1,260.41 for the 2014-15 school year.

(c) Students in approved exploratory and preparatory career and technical education programs generate a per student MSOC allocation of $1,399.30 for the 2013-14 school year and ((~~$1,420.29~~)) $1,417.48 for the 2014-15 school year.

(d) Students in ((~~laboratory science courses generate per student FTE MSOC allocations which equal the per student FTE rate for general education students established in (a) of this subsection.~~)) grades 9-12 generate per student FTE MSOC allocations in addition to the allocation provided in (a) of this subsection at the following rate:

	2014-15 School Year
Technology	$36.35
Curriculum and Textbooks	$39.02
Other Supplies and Library Materials	$82.84
Instructional Professional Development for Certificated and Classified Staff	$6.04
TOTAL GRADE 9-12 BASIC EDUCATION MSOC/STUDENT FTE	$164.25

(9) SUBSTITUTE TEACHER ALLOCATIONS

For the 2013-14 and 2014-15 school years, funding for substitute costs for classroom teachers is based on four (4) funded substitute days per classroom teacher unit generated under subsection (2) of this section, at a daily substitute rate of $151.86.

(10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

(a) Amounts provided in this section from July 1, 2013, to August 31, 2013, are adjusted to reflect provisions of chapter 34, Laws of 2011 1st sp. sess. (allocation of funding for funding for students enrolled in alternative learning experiences).

(b) Amounts provided in this section beginning September 1, 2013, are adjusted to reflect modifications to alternative learning experience courses in Engrossed Substitute Senate Bill No. 5946 (student educational outcomes).

(c) The superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a

provider, including but not limited to private companies and multidistrict cooperatives, as well as accurate, monthly headcount and FTE enrollment claimed for basic education, including separate counts of resident and nonresident students.

(11) DROPOUT REENGAGEMENT PROGRAM

The superintendent shall adopt rules to require students claimed for general apportionment funding based on enrollment in dropout reengagement programs authorized under RCW 28A.175.100 through 28A.175.115 to meet requirements for at least weekly minimum instructional contact, academic counseling, career counseling, or case management contact, starting with the 2014-15 school year. Districts must also provide separate financial accounting of expenditures for the programs offered by the district or under contract with a provider, as well as accurate monthly headcount and full-time equivalent enrollment claimed for basic education, including separate enrollment counts of resident and nonresident students.

(12) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

Funding in this section is sufficient to fund voluntary full day kindergarten programs in qualifying high poverty schools, pursuant to RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls for the voluntary full-day program in a qualifying school shall count as one-half of one full-time equivalent student for purpose of making allocations under this section. Funding in this section provides full-day kindergarten programs for 43.75 percent of kindergarten enrollment in the 2013-14 school year and 43.75 percent in the 2014-15 school year, which enhancement is within the program of basic education.

~~(((12) INCREASED INSTRUCTIONAL HOURS FOR GRADES SEVEN THROUGH TWELVE~~

~~(a) School districts shall implement the increased instructional hours for the instructional program of basic education required under the provisions of RCW 28A.150.220(2)(a) beginning with the 2014-15 school year, which enhancement is within the program of basic education.~~

~~(b) Amounts provided in this section are sufficient to fund increased instructional hours in grades seven through twelve. For the 2014-15 school year, the superintendent shall allocate funding to school districts for increased instructional hours. In calculating the allocations, the superintendent shall assume the following averages: (a) Additional instruction of 2.2222 hours per week per full-time equivalent student in grades seven through twelve in school year 2014-15; (b) the general education average class sizes specified in section 502(2)(c); (c) 36 instructional weeks per year; (d) 900 instructional hours per teacher; and (e) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.~~))

(13) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND NECESSARY PLANTS

For small school districts and remote and necessary school plants within any district which have been judged to be remote and necessary by the superintendent of public instruction, additional staff units are provided to ensure a minimum level of staffing support. Additional administrative and certificated

instructional staff units provided to districts in this subsection shall be reduced by the general education staff units, excluding career and technical education and skills center enhancement units, otherwise provided in subsections (2) through (5) of this section on a per district basis.

(a) For districts enrolling not more than twenty-five average annual full-time equivalent students in grades K-8, and for small school plants within any school district which have been judged to be remote and necessary by the superintendent of public instruction and enroll not more than twenty-five average annual full-time equivalent students in grades K-8:

(i) For those enrolling no students in grades 7 and 8, 1.76 certificated instructional staff units and 0.24 certificated administrative staff units for enrollment of not more than five students, plus one-twentieth of a certificated instructional staff unit for each additional student enrolled; and

(ii) For those enrolling students in grades 7 or 8, 1.68 certificated instructional staff units and 0.32 certificated administrative staff units for enrollment of not more than five students, plus one-tenth of a certificated instructional staff unit for each additional student enrolled;

(b) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full-time equivalent students in grades K-8, and for small school plants within any school district which enroll more than twenty-five average annual full-time equivalent students in grades K-8 and have been judged to be remote and necessary by the superintendent of public instruction:

(i) For enrollment of up to sixty annual average full-time equivalent students in grades K-6, 2.76 certificated instructional staff units and 0.24 certificated administrative staff units; and

(ii) For enrollment of up to twenty annual average full-time equivalent students in grades 7 and 8, 0.92 certificated instructional staff units and 0.08 certificated administrative staff units;

(c) For districts operating no more than two high schools with enrollments of less than three hundred average annual full-time equivalent students, for enrollment in grades 9-12 in each such school, other than alternative schools, except as noted in this subsection:

(i) For remote and necessary schools enrolling students in any grades 9-12 but no more than twenty-five average annual full-time equivalent students in grades K-12, four and one-half certificated instructional staff units and one-quarter of a certificated administrative staff unit;

(ii) For all other small high schools under this subsection, nine certificated instructional staff units and one-half of a certificated administrative staff unit for the first sixty average annual full-time equivalent students, and additional staff units based on a ratio of 0.8732 certificated instructional staff units and 0.1268 certificated administrative staff units per each additional forty-three and one-half average annual full-time equivalent students;

(iii) Districts receiving staff units under this subsection shall add students enrolled in a district alternative high school and any grades nine through twelve alternative learning experience programs with the small high school enrollment for calculations under this subsection;

(d) For each nonhigh school district having an enrollment of more than seventy annual average full-time equivalent students and less than one hundred

eighty students, operating a grades K-8 program or a grades 1-8 program, an additional one-half of a certificated instructional staff unit;

(e) For each nonhigh school district having an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-6 program or a grades 1-6 program, an additional one-half of a certificated instructional staff unit;

(f)(i) For enrollments generating certificated staff unit allocations under (a) through (e) of this subsection, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

(ii) For each nonhigh school district with an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, an additional one-half of a classified staff unit; and

(g) School districts receiving additional staff units to support small student enrollments and remote and necessary plants under this subsection (12) shall generate additional MSOC allocations consistent with the nonemployee related costs (NERC) allocation formula in place for the 2010-11 school year as provided section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually for inflation.

(14) Any school district board of directors may petition the superintendent of public instruction by submission of a resolution adopted in a public meeting to reduce or delay any portion of its basic education allocation for any school year. The superintendent of public instruction shall approve such reduction or delay if it does not impair the district's financial condition. Any delay shall not be for more than two school years. Any reduction or delay shall have no impact on levy authority pursuant to RCW 84.52.0531 and local effort assistance pursuant to chapter 28A.500 RCW.

(15) The superintendent may distribute funding for the following programs outside the basic education formula during fiscal years 2014 and 2015 as follows:

(a) $605,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$614,000~~)) $613,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW.

(b) $436,000 of the general fund—state appropriation for fiscal year 2014 and $436,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed $500 per full-time equivalent student enrolled in those programs.

(16) $214,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$217,000~~)) $216,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for school district emergencies as certified by the superintendent of public instruction. At the close of the fiscal year the superintendent of public instruction shall report to the office of financial management and the appropriate fiscal committees of the legislature on the allocations provided to districts and the nature of the emergency.

(17) Funding in this section is sufficient to fund a maximum of 1.6 FTE enrollment for skills center students pursuant to chapter 463, Laws of 2007.

(18) Students participating in running start programs may be funded up to a combined maximum enrollment of 1.2 FTE including school district and institution of higher education enrollment. In calculating the combined 1.2 FTE, the office of the superintendent of public instruction may average the participating student's September through June enrollment to account for differences in the start and end dates for courses provided by the high school and higher education institution. Additionally, the office of the superintendent of public instruction, in consultation with the state board for community and technical colleges, the student achievement council, and the education data center, shall annually track and report to the fiscal committees of the legislature on the combined FTE experience of students participating in the running start program, including course load analyses at both the high school and community and technical college system.

(19) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (12) of this section, the following apply:

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (12) of this section shall be reduced in increments of twenty percent per year.

(20)(a) Indirect cost charges by a school district to approved career and technical education middle and secondary programs shall not exceed 15 percent of the combined basic education and career and technical education program enhancement allocations of state funds. Middle and secondary career and technical education programs are considered separate programs for funding and financial reporting purposes under this section.

(b) Career and technical education program full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported career and technical education program enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

(21) $1,991,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the purpose of Engrossed Second Substitute House Bill No. 2207 (federal forest revenue). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

***Sec. 502 was partially vetoed. See message at end of chapter.**

Sec. 503. 2013 2nd sp.s. c 4 s 505 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$365,120,000~~)) $365,048,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$427,408,000~~)) $429,312,000

TOTAL APPROPRIATION . . . . . ((~~$792,528,000~~))
$794,360,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school district programs for the transportation of eligible students as provided in RCW 28A.160.192. Funding in this section for school year 2014-15 constitutes full implementation of RCW 28A.160.192, which enhancement is within the program of basic education. Students are considered eligible only if meeting the definitions provided in RCW 28A.160.160.

(b) For the 2014-15 school year, the superintendent shall allocate funding for approved and operating charter schools as provided in RCW 28A.710.220(3). Per-student allocations for pupil transportation must be calculated using the allocation for the previous school year to the school district in which the charter school is located and the number of eligible students in the district, and must be distributed to the charter school based on the number of eligible students.

((~~(b)~~)) (c) From July 1, 2013 to August 31, 2013, the superintendent shall allocate funding to school districts programs for the transportation of students as provided in section 505, chapter 50, Laws of 2011 1st sp. sess., as amended.

(3) $558,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for pupil transportation expected cost funding formula adjustments as provided under this subsection. School districts whose efficiency rating is at least ninety-five percent and whose actual prior year costs exceed the expected cost allocations provided through the pupil transportation funding formula due to exceptional circumstances may apply to the superintendent of public instruction to receive a supplemental funding adjustments for a one-year period to offset the excess costs in whole or in part. The superintendent shall adopt criteria for review of applications, which may include exceptional issues related to geography, student demographics, or other one-time circumstances that are not otherwise addressed in the expected cost model. Differences in costs related to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for transportation adjustments. School districts that receive adjustments under this subsection are not guaranteed adjustments in future years and must reapply. Adjustments may not exceed the total appropriation provided in this subsection for fiscal year 2015. Adjustments also may not exceed the difference between the district's school year 2013-14 allocation and the district's expected cost allocation.

((~~(3)~~)) (4) A maximum of $892,000 of this fiscal year 2014 appropriation and a maximum of $892,000 of the fiscal year 2015 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(((~~(4)~~))) (5) The office of the superintendent of public instruction shall provide reimbursement funding to a school district for school bus purchases only after the superintendent of public instruction determines that the school bus was purchased from the list established pursuant to RCW 28A.160.195(2) or a comparable competitive bid process based on the lowest price quote based on similar bus categories to those used to establish the list pursuant to RCW 28A.160.195.

(((~~(5)~~))) (6) The superintendent of public instruction shall base depreciation payments for school district buses on the pre-sales tax five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment shall be based on the lowest bid in the appropriate bus category for that school year.

(((~~(6)~~))) (7) Funding levels in this section reflect waivers granted by the state board of education for four-day school weeks as allowed under RCW 28A.305.141.

(((~~(7)~~))) (8) The office of the superintendent of public instruction shall annually disburse payments for bus depreciation in August.

Sec. 504. 2013 2nd sp.s. c 4 s 506 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund—State Appropriation (FY 2014) $7,111,000
General Fund—State Appropriation (FY 2015) $7,111,000
General Fund—Federal Appropriation . . . . . (($~~$473,326,000~~)) $501,326,000
TOTAL APPROPRIATION . . . . . (($~~$487,548,000~~)) $515,548,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $7,111,000 of the general fund—state appropriation for fiscal year 2014 and $7,111,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

(a) Elimination of breakfast copays for eligible public school students and lunch copays for eligible public school students in grades kindergarten through third grade who are eligible for reduced price lunch;

(b) Assistance to school districts and authorized public and private nonprofit organizations for supporting summer food service programs, and initiating new summer food service programs in low-income areas;

(c) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced price lunch, pursuant to chapter 287, Laws of 2005; and

(d) Assistance to school districts in initiating and expanding school breakfast programs.

The office of the superintendent of public instruction shall report annually to the fiscal committees of the legislature on annual expenditures in (a), (b), and (c) of this subsection.

***Sec. 505.** 2013 2nd sp.s. c 4 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SPECIAL EDUCATION PROGRAMS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$702,149,000~~)) $693,894,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$738,043,000~~)) $742,343,000

General Fund—Federal Appropriation . . . . . ((~~$462,022,000~~)) $476,122,000

Education Legacy Trust Account—State Appropriation $46,151,000

TOTAL APPROPRIATION . . . . . ((~~$1,948,365,000~~)) $1,958,510,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

(2)(a) The superintendent of public instruction shall ensure that:

(i) Special education students are basic education students first;

(ii) As a class, special education students are entitled to the full basic education allocation; and

(iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

(3) Each fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(4)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school district programs for special education students as provided in RCW 28A.150.390, except that the calculation of the base allocation also includes allocations ((~~for increased instructional hours for grades seven through twelve as~~)) provided under section 502(((~~(12)(b), which enhancement is~~)) for parent involvement coordinators in prototypical elementary schools as provided under section 502(4); and guidance counselors in prototypical middle and high schools as provided under section 502(2)(a), which enhancements are within the program of basic education.

(b) From July 1, 2013 to August 31, 2013, the superintendent shall allocate funding to school district programs for special education students as provided in section 507, chapter 50, Laws of 2011 1st sp. sess., as amended.

(5) The following applies throughout this section: The definitions for enrollment and enrollment percent are as specified in RCW 28A.150.390(3). Each district's general fund—state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 12.7 percent.

(6) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be calculated in accordance with RCW 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(7) ((~~$22,263,000~~)) $17,578,000 of the general fund—state appropriation for fiscal year 2014, ((~~$34,392,000~~)) $29,948,000 of the general fund—state appropriation for fiscal year 2015, and $29,574,000 of the general fund—federal appropriation are provided solely for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (4) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (7) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. At the conclusion of each school year, the superintendent shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible.

(a) For the 2013-14 and 2014-15 school years, safety net funds shall be awarded by the state safety net oversight committee as provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

(b) The office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

(8) A maximum of $678,000 may be expended from the general fund—state appropriations to fund 5.43 full-time equivalent teachers and 2.1 full-time equivalent aides at children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the special education program.

(9) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high-cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

(10) A school district may carry over from one year to the next year up to 10 percent of the general fund—state funds allocated under this program; however, carryover funds shall be expended in the special education program.

(11) $252,000 of the general fund—state appropriation for fiscal year 2014 and $252,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(12) $50,000 of the general fund—state appropriation for fiscal year 2014((, $50,000 of the general fund—state appropriation for fiscal year

~~2015,~~)) and ((~~$100,000~~)) $50,000 of the general fund—federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

(13) Beginning in fiscal year 2015, the superintendent of public instruction must enter into an interagency agreement with the office of the education ombuds to provide special education ombuds services. Up to $50,000 of the general fund—federal appropriation may be used for this purpose.

*Sec. 505 was partially vetoed. See message at end of chapter.

Sec. 506. 2013 2nd sp.s. c 4 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE DISTRICTS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$8,143,000~~)) $8,121,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$8,151,000~~)) $8,124,000

TOTAL APPROPRIATION . . . . . ((~~$16,294,000~~)) $16,245,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) Funding within this section is provided for regional professional development related to mathematics and science curriculum and instructional strategies aligned with common core state standards and next generation science standards. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support.

(3) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.305.130, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

Sec. 507. 2013 2nd sp.s. c 4 s 509 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT ASSISTANCE

General Fund—State Appropriation (FY 2014) . . . . . ((~~$311,174,000~~)) $311,882,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$335,533,000~~)) $340,444,000
TOTAL APPROPRIATION . . . . . ((~~$646,707,000~~)) $652,326,000

The appropriations in this section are subject to the following conditions and limitations: For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 4.914 percent from the 2012-13 school year to the 2013-14 school year and 4.914 percent from the 2013-14 school year to the 2014-15 school year.

Sec. 508. 2013 2nd sp.s. c 4 s 510 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$15,291,000~~)) $13,968,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$15,493,000~~)) $13,964,000
TOTAL APPROPRIATION . . . . . ((~~$30,784,000~~)) $27,932,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund—state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) ((~~$1,070,000~~)) $569,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$1,070,000~~)) $569,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, programs for juveniles under the juvenile rehabilitation administration, and programs for juveniles operated by city and county jails.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

Sec. 509. 2013 2nd sp.s. c 4 s 511 (uncodified) is amended to read as follows:

FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$9,555,000~~)) $9,539,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$9,677,000~~)) $9,685,000

TOTAL APPROPRIATION . . . . . ((~~$19,232,000~~)) $19,224,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c). In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2013, to August 31, 2013, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 50, Laws of 2011 1st sp. sess., as amended.

(3) $85,000 of the general fund—state appropriation for fiscal year 2014 and $85,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the centrum program at Fort Worden state park.

Sec. 510. 2013 2nd sp.s. c 4 s 512 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR MISCELLANEOUS—NO CHILD LEFT BEHIND ACT

General Fund—Federal Appropriation . . . . . ((~~$4,052,000~~)) $4,302,000

Sec. 511. 2013 2nd sp.s. c 4 s 513 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—EDUCATION REFORM PROGRAMS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$121,840,000~~)) $114,340,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$104,524,000~~)) $101,537,000

General Fund—Federal Appropriation . . . . . ((~~$206,234,000~~)) $217,806,000

General Fund—Private/Local Appropriation $4,002,000
Education Legacy Trust Account—State Appropriation . . . . . ((~~$1,599,000~~)) $1,597,000
TOTAL APPROPRIATION . . . . . ((~~$438,199,000~~)) $439,282,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) ((~~$44,575,000~~)) $38,031,000 of the general fund—state appropriation for fiscal year 2014, ((~~$27,134,000~~)) $22,806,000 of the general fund—state appropriation for fiscal year 2015, $1,350,000 of the education legacy trust account—state appropriation, and $15,868,000 of the general fund—federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (i) Development and implementation of retake assessments for high school students who are not successful in one or more content areas and (ii) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student assessment results, on or around June 10th of each year. State funding to districts shall be limited to one collection of evidence payment per student, per content-area assessment.

(b) The superintendent of public instruction shall modify the statewide student assessment system and implement assessments developed with a multistate consortium beginning in the 2014-15 school year to assess student proficiency on the standards adopted under RCW 28A.655.071 and including the provisions of House Bill No. 1450.

(c) Within the amounts provided in this section, the superintendent of public instruction shall develop and administer the biology collection of evidence.

(d) Within the amounts provided in this section, the superintendent of public instruction shall create an alternative assessment for students with the most significant cognitive challenges that is aligned to the common core state standards.

(2) $356,000 of the general fund—state appropriation for fiscal year 2014 and $356,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events.

(3) $5,851,000 of the general fund—state appropriation for fiscal year 2014 and $3,935,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of a new performance-based evaluation for certificated educators and other activities as provided in chapter 235, Laws of 2010 (education reform) and chapter 35, Laws of 2012 (certificated employee evaluations).

(4)(a) ((~~$45,263,000~~)) $44,879,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$49,673,000~~)) $48,746,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(i) For national board certified teachers, a bonus of $5,090 per teacher in the 2013-14 and 2014-15 school years;

(ii) An additional $5,000 annual bonus shall be paid to national board certified teachers who teach in either: (A) High schools where at least 50 percent of student headcount enrollment is eligible for federal free or reduced price lunch, (B) middle schools where at least 60 percent of student headcount enrollment is eligible for federal free or reduced price lunch, or (C) elementary schools where at least 70 percent of student headcount enrollment is eligible for federal free or reduced price lunch;

(iii) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (a)(ii) of this subsection for less than one full school year receive bonuses in a pro-rated manner. All bonuses in (a)(i) and (ii) of this subsection will be paid in July of each school year. Bonuses in (a)(i) and (ii) of this subsection shall be reduced by a factor of 40 percent for first year NBPTS certified teachers, to reflect the portion of the instructional school year they are certified; and

(iv) During the 2013-14 and 2014-15 school years, and within available funds, certificated instructional staff who have met the eligibility requirements and have applied for certification from the national board for professional teaching standards may receive a conditional loan of two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The conditional loan is provided in addition to compensation received under a district's salary schedule and shall not be included in calculations of a district's average salary and associated salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the conditional loan. The office of the superintendent of public instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees. To the extent necessary, the superintendent may use revenues from the repayment of conditional loan scholarships to ensure payment of all national board bonus payments required by this section in each school year.

(5) $477,000 of the general fund—state appropriation for fiscal year 2014 and $477,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(6) $950,000 of the general fund—state appropriation for fiscal year 2014 and $950,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs.

(7) $810,000 of the general fund—state appropriation for fiscal year 2014 and $810,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to operate a state-of-the-art education leadership academy that will be accessible throughout the state. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(8) $2,000,000 of the general fund—state appropriation for fiscal year 2014 and $2,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a statewide information technology (IT) academy program. This public-private partnership will provide educational software, as well as IT certification and software training opportunities for students and staff in public schools.

(9) $1,277,000 of the general fund—state appropriation for fiscal year 2014 and $1,277,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. If equally matched by private donations, $300,000 of the 2014 appropriation and $300,000 of the 2015 appropriation shall be used to support FIRST robotics programs. Of the amounts in this subsection, $100,000 of the fiscal year 2014 appropriation and $100,000 of the fiscal year 2015 appropriation are provided solely for the purpose of statewide supervision activities for career and technical education student leadership organizations.

(10) $125,000 of the general fund—state appropriation for fiscal year 2014 and $125,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of $2,500 to provide twenty middle and high school teachers each year with professional development training for implementing integrated math, science, technology, and engineering programs in their schools.

(11) $135,000 of the general fund—state appropriation for fiscal year 2014 and $135,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for science, technology, engineering and mathematics lighthouse projects, consistent with chapter 238, Laws of 2010.

(12) $1,000,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$1,000,000~~)) $3,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a beginning educator support program. School districts and/or regional consortia may apply for grant funding. The superintendent shall implement this program in 5 to 15 school districts and/or regional consortia. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together; and teacher observation time with accomplished peers. $250,000

may be used to provide statewide professional development opportunities for mentors and beginning educators.

(13) $250,000 of the general fund—state appropriation for fiscal year 2014 and $250,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for advanced project lead the way courses at ten high schools. To be eligible for funding in 2014, a high school must have offered a foundational project lead the way course during the 2012-13 school year. The 2014 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2013-14 school year. To be eligible for funding in 2015, a high school must have offered a foundational project lead the way course during the 2013-14 school year. The 2015 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2014-15 school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(14) $300,000 of the general fund—state appropriation for fiscal year 2014 and $300,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for annual start-up grants for aerospace and manufacturing technical programs housed at four skill centers. The grants are provided for start-up equipment and curriculum purchases. To be eligible for funding, the skill center must agree to provide regional high schools with access to a technology laboratory, expand manufacturing certificate and course offerings at the skill center, and provide a laboratory space for local high school teachers to engage in professional development in the instruction of courses leading to student employment certification in the aerospace and manufacturing industries. Once a skill center receives a start-up grant, it is ineligible for additional start-up funding in the following school year. The office of the superintendent of public instruction shall administer the grants in consultation with the center for excellence for aerospace and advanced materials manufacturing.

(15) $150,000 of the general fund—state appropriation for fiscal year 2014 and $150,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for annual start-up grants to six high schools to implement the aerospace assembler program. Participating high schools must agree to offer the aerospace assembler training program to students by spring semester of school year 2013-14. Once a high school receives a start-up grant, it is ineligible for additional start-up funding in the following school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(16) $10,000,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$5,000,000~~)) $5,027,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the provision of training for teachers in the performance-based teacher principal evaluation program. Of the amounts appropriated in this subsection, $5,000,000 for fiscal year 2014 is a one-time appropriation, and $27,000 for fiscal year 2015 is a one-time appropriation provided solely for the office of the superintendent of public instruction to include foundational elements of cultural competence that are aligned with

standards developed by the professional educator standards board within the content of the training.

(17) $3,600,000 of the general fund—state appropriation for fiscal year 2014 and $6,681,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5329 (persistently failing schools). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(18) $100,000 of the general fund—state appropriation for fiscal year 2014 and $100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to promote the financial literacy of students. The effort will be coordinated through the financial literacy public-private partnership.

(19) $109,000 of the general fund—state appropriation for fiscal year 2014 and $99,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the office of the superintendent of public instruction to implement a youth dropout prevention program that incorporates partnerships between community-based organizations, schools, food banks and farms or gardens. The office of the superintendent of public instruction shall select one school district that must partner with an organization that is operating an existing similar program and that also has the ability to serve at least 40 students. Of the amount appropriated in this subsection, up to $10,000 may be used by the office of the superintendent of public instruction for administration of the program.

(20) ((~~$2,399,000~~)) $1,827,000 of the general fund—state appropriation for fiscal year 2014 and ((~~$2,035,000~~)) $2,194,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to implement Engrossed Substitute Senate Bill No. 5946 (strengthening student educational outcomes). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(21) $1,110,000 of the general fund—state appropriation for fiscal year 2014 and $1,061,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for chapter 184, Laws of 2013 (Second Substitute House Bill No. 1642) (academic acceleration). Of the amount appropriated in this section, forty-nine thousand is provided as one-time funding.

(22) $44,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for Substitute Senate Bill No. 6074 (homeless student educational outcomes). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(23) $83,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for Second Substitute Senate Bill No. 6163 (expanded learning). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

(24) $21,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for Senate Bill No. 6424 (biliteracy seal). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

Sec. 512. 2013 2nd sp.s. c 4 s 514 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund—State Appropriation (FY 2014) . . . . . ((~~$95,500,000~~)) $97,796,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$106,120,000~~)) $110,084,000
General Fund—Federal Appropriation . . . . . ((~~$71,016,000~~)) $72,116,000
TOTAL APPROPRIATION . . . . . ((~~$272,636,000~~)) $279,996,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school districts for transitional bilingual programs under RCW 28A.180.010 through 28A.180.080, including programs for exited students, as provided in RCW 28A.150.260(10)(b) and the provisions of this section. In calculating the allocations, the superintendent shall assume the following averages: (i) Additional instruction of 4.7780 hours per week per transitional bilingual program student in grades kindergarten through twelve in school years 2013-14 and 2014-15; (ii) additional instruction of 3.0000 hours per week in school year 2013-14 for the head count number of students who have exited the transitional bilingual instruction program within the previous school year based on their performance on the English proficiency assessment; (iii) additional instruction of 3.0000 hours per week in school year 2014-15 for the head count number of students who have exited the transitional bilingual instruction program within the previous two years based on their performance on the English proficiency assessment; (iv) fifteen transitional bilingual program students per teacher; (v) 36 instructional weeks per year; (vi) 900 instructional hours per teacher; and (vii) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2013, to August 31, 2013, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in section 514, chapter 50, Laws of 2011 1st sp. sess., as amended.

(3) The superintendent may withhold allocations to school districts in subsection (2) of this section solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2) up to the following amounts: ((~~1.76~~)) 1.70 percent for school year 2013-14 and ((~~1.59~~)) 1.53 percent for school year 2014-15.

(4) The general fund—federal appropriation in this section is for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.

(5) $35,000 of the general fund—state appropriation for fiscal year 2014 and $35,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to track current and former transitional bilingual program students.

Sec. 513. 2013 2nd sp.s. c 4 s 515 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING ASSISTANCE PROGRAM

General Fund—State Appropriation (FY 2014) . . . . . ((~~$196,356,000~~))
$194,728,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$218,335,000~~))
$214,877,000

General Fund—Federal Appropriation . . . . . ((~~$448,434,000~~))
$450,534,000

TOTAL APPROPRIATION . . . . . ((~~$863,125,000~~))
$860,139,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The general fund—state appropriations in this section are subject to the following conditions and limitations:

(a) The appropriations include such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b)(i) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a), except that the allocation for the additional instructional hours shall be enhanced as provided in this section, which enhancements are within the program of the basic education. In calculating the allocations, the superintendent shall assume the following averages: (A) Additional instruction of 2.3975 hours per week per funded learning assistance program student for the 2013-14 school year and the 2014-15 school year; (B) fifteen learning assistance program students per teacher; (C) 36 instructional weeks per year; (D) 900 instructional hours per teacher; and (E) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(ii) From July 1, 2013, to August 31, 2013, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 50, Laws of 2011 1st sp. sess., as amended.

(c) A school district's funded students for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch in the prior school year. Starting with the allocation for the 2014-15 school year, the prior school year's October headcount enrollment for free and reduced price lunch shall be as reported in the comprehensive education data and research system.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

(3) The general fund—federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

(4) A school district may carry over from one year to the next up to 10 percent of the general fund—state funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

Sec. 514. 2013 2nd sp.s. c 4 s 516 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) Amounts distributed to districts by the superintendent through part V of this act are for allocations purposes only, unless specified by part V of this act, and do not entitle a particular district, district employee, or student to a specific service, beyond what has been expressly provided in statute. Part V of this act restates the requirements of various sections of Title 28A RCW. If any conflict exists, the provisions of Title 28A RCW control unless this act explicitly states that it is providing an enhancement. Any amounts provided in part V of this act in excess of the amounts required by Title 28A RCW provided in statute, are not within the program of basic education unless clearly stated by this act.

(2) To the maximum extent practicable, when adopting new or revised rules or policies relating to the administration of allocations in part V of this act that result in fiscal impact, the office of the superintendent of public instruction shall attempt to seek legislative approval through the budget request process.

(3) Appropriations made in this act to the office of the superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act, except as expressly provided in subsection (4) of this section.

(4) The appropriations to the office of the superintendent of public instruction in this act shall be expended for the programs and amounts specified in this act. However, after May 1, 2014, unless specifically prohibited by this act and after approval by the director of financial management, the superintendent of public instruction may transfer state general fund appropriations for fiscal year 2014 among the following programs to meet the apportionment schedule for a specified formula in another of these programs: General apportionment; employee compensation adjustments; pupil transportation; special education programs; institutional education programs; transitional bilingual programs; highly capable; and learning assistance programs.

(5) The director of financial management shall notify the appropriate legislative fiscal committees in writing prior to approving any allotment modifications or transfers under this section.

(6) As required by RCW 28A.710.110, the office of the superintendent of public instruction shall transmit the charter school authorizer oversight fee for the charter school commission to the charter school oversight account.

NEW SECTION. **Sec. 515.** A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR THE WASHINGTON STATE CHARTER SCHOOL COMMISSION

General Fund—State Appropriation (FY 2014) $466,000
General Fund—State Appropriation (FY 2015) $556,000
Charter School Oversight Account—State Appropriation $17,000
TOTAL APPROPRIATION $1,039,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $125,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the office of the attorney general costs related to *League of Women Voters v. State of Washington*.

(2) $137,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for charter school evaluation and oversight.

PART VI
HIGHER EDUCATION

Sec. 601. 2013 2nd sp.s. c 4 s 602 (uncodified) is amended to read as follows:

(1) Within the amounts appropriated in this act and chapter 1, Laws of 2013 3rd sp. sess. (aerospace industry appropriations), each institution of higher education is expected to enroll and educate at least the following numbers of full-time equivalent state-supported students per academic year:

	2013-14 Annual Average	2014-15 Annual Average
University of Washington	37,162	37,162
Washington State University	22,228	((~~22,228~~)) 22,538
Central Washington University	9,105	9,105
Eastern Washington University	8,734	8,734
The Evergreen State College	((~~4,335~~)) 4,213	((~~4,335~~)) 4,213
Western Washington University	((~~12,710~~)) 11,762	((~~12,710~~)) 11,762
State Board for Community & Technical Colleges		
Adult Students	139,237	((~~139,237~~)) 139,927
Running Start Students	11,558	11,558

(2) In achieving or exceeding these enrollment targets, each institution shall seek to:

(a) Maintain and to the extent possible increase enrollment opportunities at branch campuses;

(b) Maintain and to the extent possible increase enrollment opportunities at university centers and other partnership programs that enable students to earn baccalaureate degrees on community college campuses; and

(c) Eliminate and consolidate programs of study for which there is limited student or employer demand, or that are not areas of core academic strength for the institution, particularly when such programs duplicate offerings by other in-state institutions.

(3) For purposes of monitoring and reporting statewide enrollment, the University of Washington and Washington State University shall notify the office of financial management of the number of full-time student equivalent enrollments budgeted for each of their campuses.

Sec. 602. 2013 2nd sp.s. c 4 s 603 (uncodified) is amended to read as follows:

PUBLIC BACCALAUREATE INSTITUTIONS

(1) In order to operate within the state funds appropriated in this act, the governing boards of the state research universities, the state regional universities, and The Evergreen State College are authorized to adopt and adjust tuition and fees for the 2013-14 and 2014-15 academic years as provided in this section.

(2) For the purposes of chapter 28B.15 RCW, the omnibus appropriations act assumes no increase of tuition levels for resident undergraduate students over the amounts charged to resident undergraduate students for the prior year.

(3) Appropriations in sections 606 through 611 of this act are sufficient to maintain resident undergraduate tuition levels at the levels charged to resident undergraduate students during the 2012-13 academic year. As a result, for the 2013-14 and 2014-15 academic years, the institutions of higher education shall not adopt resident undergraduate tuition levels that are greater than the tuition levels assumed in subsection (2) of this section. ((~~For the 2014-15 academic year, the institutions of higher education are authorized to adopt tuition levels for resident undergraduate students that are less than, equal to, or greater than tuition levels assumed in the omnibus appropriations act in subsection (2) of this section. However, to the extent that tuition levels exceed the tuition levels assumed in subsection (2) of this section the institution of higher education shall be subject to the conditions and limitations provided in RCW 28B.15.102.~~))

(4) Each governing board is authorized to increase tuition charges to graduate and professional students, and to nonresident undergraduate students, by amounts judged reasonable and necessary by the governing board.

(5) Each governing board is authorized to increase summer quarter or semester tuition fees for resident and nonresident undergraduate, graduate, and professional students pursuant to RCW 28B.15.067.

(6) Each governing board is authorized to adopt or increase charges for fee-based, self-sustaining degree programs, credit courses, noncredit workshops and courses, and special contract courses by amounts judged reasonable and necessary by the governing board.

(7) Each governing board is authorized to adopt or increase services and activities fees for all categories of students as provided in RCW 28B.15.069.

(8) Each governing board is authorized to adopt or increase technology fees as provided in RCW 28B.15.069.

(9) Each governing board is authorized to adopt or increase special course and lab fees, and health and counseling fees, to the extent necessary to cover the reasonable and necessary exceptional cost of the course or service.

(10) Each governing board is authorized to adopt or increase administrative fees such as, but not limited to, those charged for application, matriculation, special testing, and transcripts by amounts judged reasonable and necessary by the governing board.

(11) The state universities, the regional universities, and The Evergreen State College must accept the transfer of college-level courses taken by running start students if a student seeking a transfer of the college-level courses has been admitted to the state university, the regional university, or The Evergreen State College, and if the college-level courses are recognized as transferrable by the admitting institution of higher education.

(12) Appropriations in sections 606 through 611 of this act are sufficient to implement 2013-2015 collective bargaining agreements at institutions of higher education negotiated under chapter 41.80 RCW. The institutions may also use these funds for any other purpose including restoring prior compensation reductions, increasing compensation, and implementing other collective bargaining agreements.

Sec. 603. 2013 2nd sp.s. c 4 s 604 (uncodified) is amended to read as follows:

STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

(1) In order to operate within the state funds appropriated in this act, the state board is authorized to adopt and adjust tuition and fees for the 2013-14 and 2014-15 academic years as provided in this section.

(2) For the purposes of chapter 28B.15 RCW, appropriations in the omnibus appropriations act assumes no increase in tuition levels for resident undergraduate students over the amounts charged to resident undergraduate students for the prior year. ((~~For the 2014-15 academic year, the state board is authorized to adopt tuition levels for resident undergraduate students that are less than, equal to, or greater than tuition levels assumed in the omnibus appropriations act in this subsection. However, to the extent that tuition levels exceed the tuition levels assumed in this subsection, the state board shall retain an additional one percent of operating fees above what is already retained pursuant to RCW 28B.15.031 for the purposes of RCW 28B.15.820. For the 2013-2015 fiscal biennium, when expending this additional retained amount, the community and technical colleges are subject to the conditions and limitations in RCW 28B.15.102.~~)) Appropriations in section 604 of this act are sufficient to maintain resident undergraduate tuition levels at the levels charged to resident undergraduate students during the 2012-13 academic year.

(3) For the 2013-14 and 2014-15 academic years, the state board may increase tuition fees charged to resident undergraduates enrolled in upper division applied baccalaureate programs as specified in subsection (2) of this section.

(4) Appropriations in section 605 include the restoration of the three percent reduction in compensation costs taken in the 2011-2013 fiscal biennium. This funding is sufficient to implement 2013-2015 collective bargaining agreements at institutions of higher education negotiated under chapter 41.80 RCW. The colleges may also use the restored funds for any other purpose including restoring prior compensation reductions, increasing compensation, and implementing other collective bargaining agreements.

(5) The state board may increase the tuition fees charged to nonresident students by amounts judged reasonable and necessary by the board.

(6) The trustees of the technical colleges are authorized to either (a) increase operating fees by no more than the percentage increases authorized for community colleges by the state board; or (b) fully adopt the tuition fee charge schedule adopted by the state board for community colleges.

(7) For academic years 2013-14 and 2014-15, the trustees of the technical colleges are authorized to increase building fees by an amount judged reasonable in order to progress toward parity with the building fees charged students attending the community colleges.

(8) The state board is authorized to increase the maximum allowable services and activities fees as provided in RCW 28B.15.069. The trustees of the community and technical colleges are authorized to increase services and activities fees up to the maximum level authorized by the state board.

(9) The trustees of the community and technical colleges are authorized to adopt or increase charges for fee-based, self-sustaining programs such as summer session, international student contracts, and special contract courses by amounts judged reasonable and necessary by the trustees.

(10) The trustees of the community and technical colleges are authorized to adopt or increase special course and lab fees to the extent necessary to cover the reasonable and necessary exceptional cost of the course or service.

(11) The trustees of the community and technical colleges are authorized to adopt or increase administrative fees such as but not limited to those charged for application, matriculation, special testing, and transcripts by amounts judged reasonable and necessary by the trustees.

Sec. 604. 2013 2nd sp.s. c 4 s 605 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$570,262,000~~)) $569,679,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$568,999,000~~)) $554,963,000

Community/Technical College Capital Projects Account—State Appropriation $17,548,000

Education Legacy Trust Account—State Appropriation. . . . . ((~~$95,373,000~~)) $95,197,000

TOTAL APPROPRIATION . . . . . ((~~$1,252,182,000~~)) $1,237,387,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $33,261,000 of the general fund—state appropriation for fiscal year 2014 and $33,261,000 of the general fund—state appropriation for fiscal year 2015 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 7,170 full-time equivalent students in fiscal year 2014 and at least 7,170 full-time equivalent students in fiscal year 2015.

(2) $5,450,000 of the education legacy trust account—state appropriation is provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) $100,000 of the general fund—state appropriation for fiscal year 2014 and $100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the aerospace center of excellence currently hosted by Everett community college to:

(a) Increase statewide communications and outreach between industry sectors, industry organizations, businesses, K-12 schools, colleges, and universities;

(b) Enhance information technology to increase business and student accessibility and use of the center's web site; and

(c) Act as the information entry point for prospective students and job seekers regarding education, training, and employment in the industry.

(4) $181,000 of the general fund—state appropriation for fiscal year 2014 and $181,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the opportunity center for employment and education internet technology integration project at north Seattle community college.

(5) $255,000 of the general fund—state appropriation for fiscal year 2014 and $255,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of a maritime industries training program at south Seattle community college.

(6) $5,250,000 of the general fund—state appropriation for fiscal year 2014 and $5,250,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the student achievement initiative.

(7) $500,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of Second Substitute Senate Bill No. 5624 (STEM or career and tech ed). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(8) $350,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for a pilot project to embed the year up model within community college campuses.

(9) $13,000 of the general fund—state appropriation for fiscal year 2014 and $168,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of Substitute Senate Bill No. 6129 (paraeducator development). If the bill is not enacted by June 30, 2014, the amounts provided in this subsection shall lapse.

(10) $410,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the mathematics engineering science achievement community college programs.

((~~(8)~~)) (11) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct individuals to online information and other ways of acquiring print catalogs.

((~~(9)~~)) (12) The state board for community and technical colleges shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 605. 2013 2nd sp.s. c 4 s 606 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund—State Appropriation (FY 2014) . . . . . ((~~$246,897,000~~)) $247,063,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$245,200,000~~)) $239,472,000

Geoduck Aquaculture Research Account—State Appropriation. $300,000

Education Legacy Trust Account—State Appropriation $13,998,000

Economic Development Strategic Reserve Account—State Appropriation $3,000,000

Biotoxin Account—State Appropriation $390,000

Accident Account—State Appropriation . . . . . ((~~$6,741,000~~)) $6,702,000

Medical Aid Account—State Appropriation . . . . . ((~~$6,546,000~~)) $6,528,000

Aquatic Land Enhancement Account—State Appropriation $700,000

State Toxics Control Account—State Appropriation $1,120,000

TOTAL APPROPRIATION . . . . . ((~~$524,892,000~~)) $519,273,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $300,000 of the geoduck aquaculture research account—state appropriation is provided solely for the University of Washington sea grant program to commission scientific research studies that examine possible negative and positive effects, including the cumulative effects and the economic contribution, of evolving shellfish aquaculture techniques and practices on Washington's economy and marine ecosystems. The research conducted for the studies is not intended to be a basis for an increase in the number of shellfish harvesting permits available and should be coordinated with any research efforts related to ocean acidification. The University of Washington must submit an annual report detailing any findings and outline the progress of the study, consistent with RCW 43.01.036, to the appropriate legislative committees by December 1st of each year.

(2) $52,000 of the general fund—state appropriation for fiscal year 2014 and $52,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the center for international trade in forest products in the college of forest resources.

(3) $4,459,000 of the general fund—state appropriation for fiscal year 2014 and $4,459,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the expansion of computer science and engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2014, and each September 1st thereafter, the university shall

provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the college, and how many students are enrolled in computer science and engineering programs above the 2012-2013 academic year baseline.

(4) $3,000,000 of the general fund—state appropriation for fiscal year 2014 and $3,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for creation of a clean energy institute. The institute shall integrate physical sciences and engineering with a research focus on energy storage and solar energy.

(5) $3,000,000 of the economic development strategic reserve account appropriation is provided solely to support the joint center for aerospace innovation technology.

(6) Within existing resources the University of Washington may: (a) Form and implement an integrated innovation institute and research, planning, and outreach initiatives at the Olympic national resources center; and (b) accredit a four-year undergraduate forestry program from the society of American foresters. Accreditation may occur in conjunction with reaccreditation of the master of forest resources program.

(7) $700,000 of the aquatic lands enhancement account—state appropriation and $1,120,000 of the state toxics control account—state appropriation are provided solely for the center on ocean acidification and related work necessary to implement the recommendations of the governor's blue ribbon task force on ocean acidification. The university shall provide staffing for this purpose.

(8) $1,000,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the institute of protein design to support the commercialization of translational projects.

(9) $400,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the University of Washington-Tacoma to develop a law school.

((~~(8)~~)) (10) The University of Washington shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 606. 2013 2nd sp.s. c 4 s 607 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund—State Appropriation (FY 2014) . . . . . ((~~$156,616,000~~)) $156,867,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$157,701,000~~)) $154,106,000

Education Legacy Trust Account—State Appropriation $33,995,000

TOTAL APPROPRIATION . . . . . ((~~$348,312,000~~)) $344,968,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Within existing resources, Washington State University shall establish an accredited forestry program.

(2) $2,856,000 of the general fund—state appropriation for fiscal year 2014 and $2,857,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the expansion of computer science and engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2014, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the college, and how many students are enrolled in computer science and engineering programs above the 2012-2013 academic year baseline.

(3) $25,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the Ruckelshaus center to collaborate with local governments, the media, and representatives of the public regarding public record requests made to local government. The center shall facilitate meetings and discussions and report to the appropriate committees of the legislature. The report shall include information on:

(a) Recommendations related to balancing open public records with concerns of local governments related to interfering with the work of the local government;

(b) Resources necessary to accommodate requests;

(c) Potential harassment of government employees;

(d) Potential safety concerns of people named in the record;

(e) Potentially assisting criminal activity; and

(f) Other issues brought forward by the participants.

The center shall report to the appropriate committees of the legislature by December 15, 2013.

(4) $300,000 of the general fund—state appropriation for fiscal year 2014 and $300,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington State University agricultural research center to conduct public outreach and education related to nonlethal methods of mitigating conflicts between livestock and large wild carnivores. Of the amounts provided in this subsection, $200,000 of the general fund—state appropriation for fiscal year 2014 and $200,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to the center to conduct a detailed analysis of such methods. The amounts appropriated in this subsection may not be subject to an administrative fee or charge, and must be used for costs directly associated with the research and analysis.

(5) $2,400,000 of the general fund—state appropriation for fiscal year 2014 and $3,600,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for expansion of medical education and biomedical research in Spokane.

(6) $250,000 of the general fund—state appropriation for fiscal year 2014 and $500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for state match requirements related to the federal aviation administration grant.

((~~(6)~~)) (7) Washington State University shall not use funds appropriated in this section to support intercollegiate athletic programs.

Sec. 607. 2013 2nd sp.s. c 4 s 608 (uncodified) is amended to read as follows:

FOR EASTERN WASHINGTON UNIVERSITY

General Fund—State Appropriation (FY 2014) . . . . . ((~~$31,674,000~~)) $31,386,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$31,619,000~~)) $31,808,000

Education Legacy Trust Account—State Appropriation. . . . . ((~~$15,470,000~~)) $14,941,000

TOTAL APPROPRIATION . . . . . ((~~$78,763,000~~)) $78,135,000

The appropriations in this section are subject to the following conditions and limitations:

(1) At least $200,000 of the general fund—state appropriation for fiscal year 2014 and at least $200,000 of the general fund—state appropriation for fiscal year 2015 shall be expended on the Northwest autism center.

(2) $1,000,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the expansion of engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2015, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the college, and how many students are enrolled in computer science and engineering programs above the 2013-2014 academic year baseline.

(3) Eastern Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 608. 2013 2nd sp.s. c 4 s 609 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund—State Appropriation (FY 2014) . . . . . ((~~$29,719,000~~)) $29,733,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$29,533,000~~)) $29,487,000

Education Legacy Trust Account—State Appropriation $19,076,000

TOTAL APPROPRIATION . . . . . ((~~$78,328,000~~)) $78,296,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $25,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the college of education to conduct a study identifying the duties encompassed in a state-funded teacher's typical work day. The study must include an estimate of the percent of a teacher's typical day that is spent on teaching related duties and the percentage of the teacher's day that is spent on

duties that are not directly related to teaching. The university shall submit a report to the appropriate committees of the legislature by December 1, 2013.

(2) Amounts appropriated in this section are sufficient for the university to develop a plan to create an online degree granting entity that awards degrees based on an alternative credit model. The university shall submit a final plan by December 1, 2013, to the higher education committees of the legislature.

(3) Central Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

(4) $1,000,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the expansion of computer science and engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2015, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the college, and how many students are enrolled in computer science and engineering programs above the 2013-2014 academic year baseline.

Sec. 609. 2013 2nd sp.s. c 4 s 610 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

General Fund—State Appropriation (FY 2014) . . . . . ((~~$18,563,000~~)) $18,351,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$17,911,000~~)) $17,371,000

Education Legacy Trust Account—State Appropriation $5,450,000

TOTAL APPROPRIATION . . . . . ((~~$41,924,000~~)) $41,172,000

The appropriations in this section are subject to the following conditions and limitations:

(((~~(3)~~))) (1) $100,000 of the general fund—state appropriation for fiscal year 2014 and $50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state institute for public policy to conduct a comprehensive retrospective outcome evaluation and return on investment analysis of the early learning childhood program pursuant to Senate Bill No. 5904 (high quality early learning). This evaluation is due December 15, 2014. If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(((~~(4)~~))) (2) $50,000 of the general fund—state appropriation for fiscal year 2014 and $50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state institute for public policy to develop a risk assessment instrument for patients committed for involuntary treatment in Washington state.

(((~~(5)~~))) (3) $58,000 of the general fund—state appropriation for fiscal year 2014 and $27,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state institute for public policy to prepare an inventory of evidence-based and research-based effective practices, activities,

and programs for use by school districts in the learning assistance program pursuant to Engrossed Second Substitute Senate Bill No. 5946 (student educational outcomes), including partnerships with community-based organizations that deliver academic and nonacademic supports to students who are significantly at-risk of not being successful in school, such as one-to-one services to overcome barriers of success at school and school-wide afterschool academic support. The initial inventory is due by August 1, 2014, and shall be updated every two years thereafter. If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(((~~(6)~~))) (4) $50,000 of the general fund—state appropriation for fiscal year 2014 are provided solely for the Washington state institute for public policy to provide expertise to the department of corrections on the implementation of programming that follows the risk needs responsivity model. In consultation with the department of corrections, the institute will systematically review selected programs for outcome measures.

(5) The Washington state institute for public policy shall examine the drug offender sentencing alternative for offenders sentenced to residential treatment in the community. The institute shall examine its effectiveness on recidivism and conduct a benefit-cost analysis. The institute shall report its findings by December 1, 2014.

(6) $75,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for Washington state institute for public policy to complete a comprehensive assessment of the utilization and capacity needs of crisis mental health services provided by the department of social and health services. The study shall include, but not be limited to:

(a) An update to statewide utilization and capacity figures for evaluation and treatment facilities, inpatient psychiatric beds, and regional support network-funded crisis facilities, including an estimate of the effect of the implementation of chapter 280, Laws of 2010 and chapter 335, Laws of 2013 on the capacity of the involuntary commitment system. The department shall work with the institute as needed on data collection procedures necessary to identify commitments associated with newly implemented standards;

(b) A longitudinal study of outcomes and public costs for adults receiving regional support network-funded crisis response services compared to adults evaluated for involuntary commitment who are not subsequently committed, and adults who receive a seventy-two hour involuntary commitment. Outcomes may include subsequent jail bookings or convictions, use of publicly funded medical care, and deaths; and

(c) A review of practices in other states regarding third-party initiation of a civil commitment petition, and an assessment of the comparative effectiveness of this change compared to other alternative practices for which comprehensive studies are available.

A preliminary report must be provided by December 1, 2015, and a final report by December 1, 2016.

(7) $50,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for Washington state institute for public policy to conduct a comprehensive study of tobacco and e-cigarette prevention programs that will yield the highest public health benefit and reduce tobacco use. In conducting this study, the institute shall identify: (a) The most effective population-based

approaches and what targeted populations will yield the greatest return on investment; and (b) other state models, including the "Friday night light" program in California, that yield the greatest likelihood of reducing state health care costs. The institute shall work with the department of health to determine which programs can be brought to scale most efficiently. The institute shall report its findings to the appropriate committees of the legislature by December 31, 2014.

(8) Funding provided in this section is sufficient for The Evergreen State College to continue operations of the Longhouse Center and the Northwest Indian applied research institute.

(9) Notwithstanding other provisions in this section, the board of directors for the Washington state institute for public policy may adjust due dates for projects included on the institute's 2013-2015 work plan as necessary to efficiently manage workload.

(10) The Evergreen State College shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 610. 2013 2nd sp.s. c 4 s 611 (uncodified) is amended to read as follows:

FOR WESTERN WASHINGTON UNIVERSITY

General Fund—State Appropriation (FY 2014) . . . . . ((~~$44,542,000~~))
$44,521,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$44,377,000~~))
$43,341,000

Education Legacy Trust Account—State
Appropriation. . . . . ((~~$13,050,000~~))
$12,895,000

TOTAL APPROPRIATION . . . . . ((~~$101,969,000~~))
$100,757,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $1,497,000 of the general fund—state appropriation for fiscal year 2014 and $1,498,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the expansion of computer science and engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2014, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the college, and how many students are enrolled in computer science and engineering programs above the 2012-2013 academic year baseline.

(2) Western Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 611. 2013 2nd sp.s. c 4 s 612 (uncodified) is amended to read as follows:

FOR THE STUDENT ACHIEVEMENT COUNCIL—POLICY COORDINATION AND ADMINISTRATION

General Fund—State Appropriation (FY 2014) . . . . . ((~~$5,307,000~~)) $5,320,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$5,318,000~~)) $5,287,000

General Fund—Federal Appropriation . . . . . ((~~$4,817,000~~)) $4,811,000

TOTAL APPROPRIATION . . . . . ((~~$15,442,000~~)) $15,418,000

The appropriations in this section are subject to the following conditions and limitations: The student achievement council is authorized to increase or establish fees for initial degree authorization, degree authorization renewal, degree authorization reapplication, new program applications, and new site applications pursuant to RCW 28B.85.060.

Sec. 612. 2013 2nd sp.s. c 4 s 613 (uncodified) is amended to read as follows:

FOR THE STUDENT ACHIEVEMENT COUNCIL—OFFICE OF STUDENT FINANCIAL ASSISTANCE

General Fund—State Appropriation (FY 2014) . . . . . ((~~$245,122,000~~)) $245,124,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$244,674,000~~)) $244,666,000

General Fund—Federal Appropriation . . . . . ((~~$11,648,000~~)) $11,639,000

General Fund—Private/Local Appropriation . . . . . ((~~$34,000~~)) $334,000

Education Legacy Trust Account—State Appropriation . . . . . ((~~$36,036,000~~)) $79,651,000

Washington Opportunity Pathways Account—State Appropriation. . . . . ((~~$147,000,000~~)) $141,000,000

TOTAL APPROPRIATION . . . . . ((~~$684,514,000~~)) $722,414,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $237,454,000 of the general fund—state appropriation for fiscal year 2014, $237,455,000 of the general fund—state appropriation for fiscal year 2015, $6,000,000 of the education legacy trust account—state appropriation, and ((~~$147,000,000~~)) $141,000,000 of the Washington opportunity pathways account—state appropriation are provided solely for student financial aid payments under the state need grant and state work study programs including up to four percent administrative allowance for the state work study program. Of the amounts provided in this subsection, $100,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the council to develop an alternative financial aid application system to implement Senate Bill No. 6523 (higher education opportunities).

(2) Changes made to the state need grant program in the 2011-2013 fiscal biennium are continued in the 2013-2015 fiscal biennium including aligning increases in awards given to private institutions with the annual tuition increases for public research institutions or the private institution's average annual tuition increase experience of 3.5 percent per year, whichever is less((~~, and reducing the awards for students who first enrolled as a new student in for-profit institutions as of the 2011-2012 academic year or thereafter by fifty percent, except that one-half of the fifty percent reduction shall be restored on July 1, 2013, for students attending regionally accredited for-profit institutions~~)). For the 2015-2017 fiscal biennium, it is the intent of the legislature to reconsider grant awards for students at private four-year institutions.

(3) Changes made to the state work study program in the 2009-2011 and 2011-2013 fiscal biennia are continued in the 2013-2015 fiscal biennium including maintaining the increased required employer share of wages; adjusted employer match rates; discontinuation of nonresident student eligibility for the program; and revising distribution methods to institutions by taking into consideration other factors such as off-campus job development, historical utilization trends, and student need.

(4) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size, and shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(5)(a) Students who are eligible for the college bound scholarship shall be given priority for the state need grant program if the students have applied by the institution's priority financial aid deadline and have completed their financial aid file in a timely manner. These eligible college bound students whose family incomes are in the 0-65 median family income ranges shall be awarded the maximum state need grant for which they are eligible under state policies and may not be denied maximum state need grant funding due to institutional policies or delayed awarding of college bound scholarship students.

(b) In calculating the college bound award, public institutions of higher education shall be subject to the conditions and limitations in RCW 28B.15.102 and shall not utilize college bound funds to offset tuition costs from rate increases in excess of levels authorized in section 603, chapter 50, Laws of 2011 and those assumed in section 602 or 603 of this act.

(6) ((~~$36,036,000~~)) $48,297,000 of the education legacy trust account—state appropriation is provided solely for the college bound scholarship program and may support scholarships for summer session. This amount assumes that college bound scholarship recipients will receive priority for state need grant

awards in fiscal year 2014 and fiscal year 2015. If this policy of prioritization is not fully achieved, it is the intent of this legislation to provide supplemental appropriations in the 2014 supplemental operating budget.

(7) $2,236,000 of the general fund—state appropriation for fiscal year 2014 and $2,236,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the passport to college program. The maximum scholarship award shall be $5,000. The board shall contract with a nonprofit organization to provide support services to increase student completion in their postsecondary program and shall, under this contract, provide a minimum of $500,000 in fiscal years 2014 and 2015 for this purpose.

(8) $25,354,000 of the education legacy trust account—state appropriation is provided solely to meet state match requirements associated with the opportunity scholarship program.

(9) In developing the skilled and educated workforce report pursuant to RCW 28B.77.080(3), the council shall use the bureau of labor statistics analysis of the education and training requirements of occupations, in addition to any other method the council may choose to use, to assess the number and type of higher education and training credentials required to match employer demand for a skilled and educated workforce.

Sec. 613. 2013 2nd sp.s. c 4 s 614 (uncodified) is amended to read as follows:

FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,582,000~~)) $1,556,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,478,000~~)) $1,424,000

General Fund—Federal Appropriation . . . . . ((~~$54,260,000~~)) $54,797,000

General Fund—Private/Local $44,000

TOTAL APPROPRIATION . . . . . ((~~$57,320,000~~)) $57,821,000

The appropriations in this section are subject to the following conditions and limitations: For the 2013-2015 fiscal biennium the board shall not designate recipients of the Washington award for vocational excellence or recognize them at award ceremonies as provided in RCW 28C.04.535.

Sec. 614. 2013 2nd sp.s. c 4 s 615 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

General Fund—State Appropriation (FY 2014) . . . . . ((~~$34,253,000~~)) $30,605,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$48,689,000~~)) $52,336,000

General Fund—Federal Appropriation . . . . . ((~~$293,652,000~~)) $295,177,000

General Fund—Private/Local $50,000

Opportunity Pathways Account—State Appropriation. $80,000,000

Home Visiting Services Account—State Appropriation $2,868,000
Home Visiting Services Account—Federal Appropriation . . . . . ((~~$22,756,000~~)) $22,753,000
Children's Trust Account—State Appropriation. $180,000
TOTAL APPROPRIATION . . . . . ((~~$482,398,000~~)) $483,969,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $20,229,000 of the general fund—state appropriation for fiscal year 2014, $36,474,000 of the general fund—state appropriation for fiscal year 2015, and $80,000,000 of the opportunity pathways account appropriation are provided solely for the early childhood education assistance program services. Of these amounts, $10,284,000 is a portion of the biennial amount of state maintenance of effort dollars required to receive federal child care and development fund grant dollars.

(2) $638,000 of the general fund—state appropriation for fiscal year 2014, and $638,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for child care resource and referral network services.

(3) $200,000 of the general fund—state appropriation for fiscal year 2014 and $200,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(4) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to the department of social and health services to fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

(5) $1,434,000 of the general fund—state appropriation for fiscal year 2014, $1,434,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for expenditure into the home visiting services account. This funding is intended to meet federal maintenance of effort requirements and to secure private matching funds.

(6)(a) $153,717,000 of the general fund—federal appropriation is provided solely for the working connections child care program under RCW 43.215.135.

(b) In addition to groups that were given prioritized access to the working connections child care program effective March 1, 2011, the department shall also give prioritized access into the program to families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center.

(c) Within the amounts provided in (a) of this subsection, the department is authorized to serve up to 20 percent of the working connections households through contracted slots. The department may achieve this by contracting with the working connections child care providers and with early childhood education assistance program providers to braid funding between working connection child

care program and the education assistance program to support a full-day preschool experience for eligible children.

(7) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report quarterly enrollments and active caseload for the working connections child care program to the legislative fiscal committees and the legislative-executive WorkFirst oversight task force. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care. The department must also report on the number of children served through contracted slots.

(8) (($1,025,000)) $1,194,000 of the general fund—state appropriation for fiscal year 2014, (($1,025,000)) $1,738,000 of the general fund—state appropriation for fiscal year 2015, and $13,424,000 of the general fund—federal appropriation are provided solely for the seasonal child care program. If federal sequestration cuts are realized, cuts to the seasonal child care program must be proportional to other federal reductions made within the department.

(9) (($3,572,000)) $4,438,000 of the general fund—state appropriation for fiscal year 2014, (($2,522,000)) $4,674,000 of the general fund—state appropriation for fiscal year 2015, and (($4,304,000)) $236,000 of the general fund—federal appropriation are provided solely for the medicaid treatment child care (MTCC) program. The department shall contract for MTCC services to provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department of social and health services children's administration. In addition to referrals made by children's administration, the department shall authorize services for children referred to the MTCC program, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC program.

(a) Of the amounts appropriated in this subsection, $60,000 per fiscal year may be used by the department for administering the MTCC program, if needed.

(b) Of the amounts provided in this subsection, (($1,050,000)) $1,916,000 of the general fund—state appropriation for fiscal year 2014 is provided solely to continue providing services in the event of losing federal funding for the MTCC program. To the extent that the moneys provided in this subsection (9)(b) are not necessary for this purpose, the amounts provided shall lapse.

(10) $150,000 of the general fund—state appropriation for fiscal year 2014 and (($150,000)) $200,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a contract with a nonprofit entity experienced in the provision of promoting early literacy for children through pediatric office visits.

(11) $721,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the department to complete development work of the electronic benefits transfer system.

(12) (($793,000)) $221,000 of the general fund—state appropriation for fiscal year 2014 and (($796,000)) $1,234,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of an electronic benefits transfer system. To the maximum extent possible, the department shall work to integrate this system with the department of social and health services payment system. The amounts provided in this subsection are

conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(13) $32,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of Second Substitute Senate Bill No. 5595 (child care reform). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(14)(a)(i) The department of early learning is required to provide to the education research and data center, housed at the office of financial management, data on all state-funded early childhood programs. These programs include the early support for infants and toddlers, early childhood education and assistance program (ECEAP), and the working connections and seasonal subsidized childcare programs including license exempt facilities or family, friend, and neighbor care. The data provided by the department to the education research data center must include information on children who participate in these programs, including their name and date of birth, and dates the child received services at a particular facility.

(ii) The ECEAP early learning professionals must enter qualifications into the department's professional development registry during the 2013-14 school year. By October 2015, the department must provide ECEAP early learning professional data to the education research data center.

(iii) The department must request federally funded head start programs to voluntarily provide data to the department and the education research data center that is equivalent to what is being provided for state-funded programs.

(iv) The education research and data center must provide a report on early childhood program participation and K-12 outcomes to the house of representatives appropriations committee and the senate ways and means committee using available data by November 2013 for the school year ending in 2012 and again in March 2014 for the school year ending in 2013.

(b) The department, in consultation with the department of social and health services, must withhold payment for services to early childhood programs that do not report on the name, date of birth, and the dates a child received services at a particular facility.

(15) $2,369,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for the department to implement early achievers tiered reimbursement for child care center providers. The department shall establish tiered reimbursement pilot projects for providers in levels III, IV, and V of early achievers. The tiered reimbursement rates shall be implemented equitably across provider types. The department shall base the rates for tiered reimbursement on the child care cost model study completed in 2013 and factor in any increases in the base subsidy rate in establishing the tier reimbursement rates.

Sec. 615. 2013 2nd sp.s. c 4 s 616 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND

General Fund—State Appropriation (FY 2014) . . . . . ((~~$6,032,000~~)) $5,975,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$5,805,000~~)) $5,752,000
General Fund—Private/Local Appropriation . . . . . ((~~$15,000~~)) $5,000
TOTAL APPROPRIATION . . . . . ((~~$11,852,000~~)) $11,732,000

Sec. 616. 2013 2nd sp.s. c 4 s 617 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS
General Fund—State Appropriation (FY 2014) . . . . . ((~~$8,615,000~~)) $8,758,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$8,591,000~~)) $8,528,000
TOTAL APPROPRIATION . . . . . ((~~$17,206,000~~)) $17,286,000

Sec. 617. 2013 2nd sp.s. c 4 s 618 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE ARTS COMMISSION
General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,125,000~~)) $1,093,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,101,000~~)) $1,093,000
General Fund—Federal Appropriation . . . . . ((~~$2,074,000~~)) $2,071,000
General Fund—Private/Local Appropriation . . . . . ((~~$12,000~~)) $29,000
TOTAL APPROPRIATION . . . . . ((~~$4,312,000~~)) $4,286,000

Sec. 618. 2013 2nd sp.s. c 4 s 619 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE HISTORICAL SOCIETY
General Fund—State Appropriation (FY 2014) . . . . . ((~~$2,123,000~~)) $2,134,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$2,150,000~~)) $2,129,000
TOTAL APPROPRIATION . . . . . ((~~$4,273,000~~)) $4,263,000

Sec. 619. 2013 2nd sp.s. c 4 s 620 (uncodified) is amended to read as follows:

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY
General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,600,000~~)) $1,624,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,530,000~~)) $1,558,000
TOTAL APPROPRIATION . . . . . ((~~$3,130,000~~)) $3,182,000

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2013 2nd sp.s. c 4 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund—State Appropriation (FY 2014) . . . . . ((~~$741,362,000~~)) $830,140,000

General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,060,322,000~~)) $973,235,000

State Building Construction Account—State Appropriation. . . . . ((~~$4,297,000~~)) $8,164,000

Columbia River Basin Water Supply Development Account—State Appropriation . . . . . ((~~$269,000~~)) $473,000

State Taxable Building Construction Account—State Appropriation. . . . . ((~~$211,000~~)) $2,621,000

Debt-Limit Reimbursable Bond Retire Account—State Appropriation. $2,320,000

Hood Canal Aquatic Rehabilitation Bond Account—State Appropriation. $1,000

Columbia River Basin Taxable Bond Water Supply Development Account—State Appropriation $182,000

TOTAL APPROPRIATION . . . . . ((~~$1,808,781,000~~)) $1,817,136,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund—state appropriation for fiscal year 2014 shall be expended into the debt-limit general fund bond retirement account by June 30, 2014.

Sec. 702. 2013 2nd sp.s. c 4 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

Accident Account—State Appropriation . . . . . ((~~$4,138,000~~)) $4,139,000

Medical Aid Account—State Appropriation . . . . . ((~~$4,138,000~~)) $4,139,000

TOTAL APPROPRIATION . . . . . ((~~$8,276,000~~)) $8,278,000

Sec. 703. 2013 2nd sp.s. c 4 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund—State Appropriation (FY 2014) $25,636,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$16,102,000~~)) $16,103,000
Nondebt-Limit Reimbursable Bond Retirement Account—State Appropriation. . . . . ((~~$140,215,000~~)) $139,953,000
TOTAL APPROPRIATION . . . . . ((~~$181,953,000~~)) $181,692,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for expenditure into the nondebt-limit general fund bond retirement account. The entire general fund—state appropriation for fiscal year 2014 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2014.

Sec. 704. 2013 2nd sp.s. c 4 s 704 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund—State Appropriation (FY 2014) . . . . . ((~~$1,726,000~~)) $1,401,000
General Fund—State Appropriation (FY 2015) . . . . . ((~~$1,726,000~~)) $1,401,000
State Building Construction Account—State Appropriation. . . . . ((~~$867,000~~)) $2,156,000
Columbia River Basin Water Supply Development Account—State Appropriation . . . . . ((~~$57,000~~)) $66,000
State Taxable Building Construction Account—State Appropriation. . . . . ((~~$45,000~~)) $324,000
Hood Canal Aquatic Rehabilitation Bond Account—State Appropriation. $1,000
Columbia River Basin Taxable Bond Water Supply Development Account—State Appropriation $18,000
TOTAL APPROPRIATION . . . . . ((~~$4,421,000~~)) $5,367,000

***Sec. 705.** 2013 2nd sp.s. c 4 s 706 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—DISASTER RESPONSE ACCOUNT

General Fund—State Appropriation (FY 2014) . . . . . ((~~$5,100,000~~)) $3,600,000

General Fund—State Appropriation (FY 2015) . . . . . *((~~$2,500,000~~))* ***$1,000,000***

TOTAL APPROPRIATION . . . . . ((~~$7,600,000~~)) $4,600,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the disaster response account for emergency fire suppression by the department of natural resources and to complete projects necessary to recover from previously declared disasters.

***Sec. 705 was partially vetoed. See message at end of chapter.**

Sec. 706. 2013 2nd sp.s. c 4 s 710 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—COUNTY PUBLIC HEALTH ASSISTANCE

General Fund—State Appropriation (FY 2014) $36,386,000

General Fund—State Appropriation (FY 2015) $36,386,000

TOTAL APPROPRIATION $72,772,000

The appropriations in this section are subject to the following conditions and limitations: The state treasurer shall distribute the appropriations to the following counties and health districts in the amounts designated to support public health services, including public health nursing:

Health District	FY 2014	FY 2015	2013-15 Biennium
Adams County Health District	$121,213	$121,213	$242,426
Asotin County Health District	$159,890	$159,890	$319,780
Benton-Franklin Health District	$1,614,337	$1,614,337	$3,228,674
Chelan-Douglas Health District	$399,634	$399,634	$799,268
Clallam County Health and Human Services Department	$291,401	$291,401	$582,802
Clark County Health District	$1,767,341	$1,767,341	$3,534,682
Skamania County Health Department	$111,327	$111,327	$222,654
Columbia County Health District	$119,991	$119,991	$239,982
Cowlitz County Health Department	$477,981	$477,981	$955,962

Garfield County Health District	$93,154	$93,154	$186,308
Grant County Health District	$297,761	$297,762	$595,523
Grays Harbor Health Department	$335,666	$335,666	$671,332
Island County Health Department	$255,224	$225,224	$510,448
Jefferson County Health and Human Services	$184,080	$184,080	$368,160
Seattle-King County Department of Public Health	$10,558,598	(($~~$10,558,598~~$)) $12,685,521	(($~~$21,117,196~~$)) $23,244,119
Bremerton-Kitsap County Health District	$997,476	$997,476	$1,994,952
Kittitas County Health Department	$198,979	$198,979	$397,958
Klickitat County Health Department	$153,784	$153,784	$307,568
Lewis County Health Department	$263,134	$263,134	$526,268
Lincoln County Health Department	$113,917	$113,917	$227,834
Mason County Department of Health Services	$227,448	$227,448	$454,896
Okanogan County Health District	$169,882	$169,882	$339,764
Pacific County Health Department	$169,075	$169,075	$338,150
Tacoma-Pierce County Health Department	$4,143,169	$4,143,169	$8,286,338
San Juan County Health and Community Services	$2,253,493	(($~~$2,253,493~~$)) $126,569	(($~~$4,506,986~~$)) $2,380,062
Skagit County Health Department	$449,745	$449,745	$899,490
Snohomish Health District	$3,433,291	$3,433,291	$6,866,582
Spokane County Health District	$2,877,318	$2,877,318	$5,574,636
Northeast Tri-County Health District	$249,303	$249,303	$498,606

Thurston County Health Department	$1,046,897	$1,046,897	$2,093,794
Wahkiakum County Health Department	$93,181	((~~$9,180~~)) $93,181	((~~$186,361~~)) $186,362
Walla Walla County-City Health Department	$302,173	$302,173	$604,346
Whatcom County Health Department	$1,214,301	$1,214,301	$2,428,602
Whitman County Health Department	$189,355	$189,355	$378,710
Yakima Health District	$1,052,482	$1,052,482	$2,104,964
TOTAL APPROPRIATIONS	$36,386,001	$36,386,001	$72,772,002

Sec. 707. 2013 2nd sp.s. c 4 s 714 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—LEAN MANAGEMENT STRATEGIES EFFICIENCY SAVINGS

General Fund—State Appropriation (FY 2015) . . . . . (((~~$30,000,000~~))) ($40,000,000)

The appropriation in this section is subject to the following conditions and limitations:

(1) The legislature is committed to promoting a state government culture that makes sustained improvement a habitual behavior from front-line staff to agency leadership.

(2) The office of financial management must develop a strategic lean management action plan to drive efficiencies in state spending and to increase productivity of state employees while improving and increasing state services for taxpayers. The action plan must determine the specific agencies and programs that would benefit most from application of the action plan, and the plan must target resources accordingly.

(3) The office of financial management must integrate lean principles into all performance management efforts.

(4) The office of financial management and the office of the chief information officer must integrate lean principles into all major information technology initiatives.

(5) The office of financial management must develop and implement a lean practitioner fellowship program to train state agency staff. Agency staff participating in the fellowship will be assigned to work on statewide efforts that streamline and improve processes across agencies.

(6) Agencies must report to the office of financial management at least twice per fiscal year process improvements and efficiencies gained through tools such as the lean strategy. The office of financial management must compile and

transmit these reports to the appropriate fiscal committees of the legislature at least every six months, beginning January 1, 2014.

(7) The office of financial management must report to the legislature by December 2014 on the viability of the lean/performance management program becoming a self-funding program.

(8) The office of financial management must reduce allotments for affected state agencies by ((~~$30,000,000~~)) $40,000,000 from the state general fund for fiscal year 2015 in this act to reflect fiscal year 2015 savings resulting from application of the lean management and performance management strategies required by this section.

NEW SECTION. **Sec. 708.** A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—EXTRAORDINARY CRIMINAL JUSTICE COSTS

General Fund—State Appropriation (FY 2014) $590,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute $500,000 to Clallam county, $72,000 to Mason county, and $18,000 to Klickitat county for extraordinary criminal justice costs pursuant to RCW 43.330.190.

NEW SECTION. **Sec. 709.** A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR SUNDRY CLAIMS

The following sums, or so much thereof as may be necessary, are appropriated from the general fund for fiscal year 2014, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of the department of enterprise services, except as otherwise provided, for reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as follows:

(1) Tony M. Noble, claim number 99970075 . . . . . $5,670
(2) Patrick Earl, claim number 99970076 . . . . . $2,799
(3) Stephen J. Felice, claim number 99970076 . . . . . $17,275
(4) Michael Felice, claim number 99970076. . . . . $93,809
(5) Noe Angel Aranda Hernandez, claim number 99970077. . . . . $12,500
(6) Anderson Durham, claim number 99970071. . . . . $11,000
(7) Chase Balzer, claim number 99970078 . . . . . $5,953
(8) Kent Wescott, claim number 99970079. . . . . $13,447
(9) Tommy Villanueva, claim number 99970080 . . . . . $70,099

NEW SECTION. **Sec. 710.** A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—COMMON SCHOOL CONSTRUCTION ACCOUNT

General Fund—State Appropriation (FY 2015) $444,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for expenditure

into the common school construction account—state on July 1, 2015, for an interest payment pursuant to RCW 90.38.130.

NEW SECTION. **Sec. 711.** A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—NATURAL RESOURCES REAL PROPERTY REPLACEMENT ACCOUNT

General Fund—State Appropriation (FY 2015) $222,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for expenditure into the natural resources real property replacement account—state on July 1, 2015, for an interest payment pursuant to RCW 90.38.130.

NEW SECTION. **Sec. 712.** A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—PARKLAND TRUST REVOLVING ACCOUNT

General Fund—State Appropriation (FY 2014) $639,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for expenditure into the Parkland trust revolving account—state.

NEW SECTION. **Sec. 713. 2013 INFORMATION TECHNOLOGY REDUCTION**

2013 2nd sp.s. c 4 s 715 (uncodified) is repealed.

NEW SECTION. **Sec. 714.**

2013 HEALTH CARE REDUCTION

2013 2nd sp.s. c 4 s 720 (uncodified) is repealed.

PART VIII
OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2013 2nd sp.s. c 4 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions . . . . . ((~~$8,248,000~~)) $8,591,000

General Fund Appropriation for public utility district excise tax distributions . . . . . ((~~$50,894,000~~)) $53,709,000

General Fund Appropriation for prosecuting attorney distributions . . . . . ((~~$6,068,000~~)) $5,985,000

General Fund Appropriation for boating safety and education distributions $4,000,000

General Fund Appropriation for other tax distributions $65,000

General Fund Appropriation for habitat conservation program distributions. . . . . ((~~$3,000,000~~)) $3,154,000

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies. $3,158,000

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution $146,000

Timber Tax Distribution Account Appropriation for distribution to "timber" counties . . . . . ((~~$72,120,000~~)) $76,932,000

County Criminal Justice Assistance Appropriation. When making the fiscal year 2015 distribution to Grant county, the state treasurer shall reduce the amount by $140,000 and distribute the remainder to the county. This is the first of three reductions that will be made to reimburse the state for a nonqualifying extraordinary criminal justice act payment made to Grant county in fiscal year 2013 . . . . . ((~~$78,983,000~~)) $78,721,000

Municipal Criminal Justice Assistance Appropriation. . . . . ((~~$30,550,000~~)) $30,519,000

City-County Assistance Account Appropriation for local government financial assistance distribution. . . . . ((~~$17,134,000~~)) $19,584,000

Liquor Excise Tax Account Appropriation for liquor excise tax distribution . . . . . ((~~$24,744,000~~)) $23,906,000

Streamlined Sales and Use Tax Mitigation Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes. . . . . ((~~$50,488,000~~)) $49,420,000

Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation . . . . . ((~~$7,760,000~~)) $7,752,000

Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians. . . . . ((~~$5,025,000~~)) $5,011,000

Liquor Revolving Account Appropriation for liquor profits distribution $98,876,000

TOTAL APPROPRIATION . . . . . ((~~$434,259,000~~)) $469,529,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

Sec. 802. 2013 2nd sp.s. c 4 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation . . . . . ((~~$2,469,000~~))
$2,409,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2013-2015 fiscal biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

Sec. 803. 2013 2nd sp.s. c 4 s 803 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation . . . . . ((~~$1,646,000~~))
$1,606,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2013-2015 fiscal biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

Sec. 804. 2013 2nd sp.s. c 4 s 804 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—FEDERAL REVENUES FOR DISTRIBUTION

General Fund Appropriation for federal flood control funds distribution $66,000

General Fund Appropriation for federal grazing fees distribution $1,706,000

Forest Reserve Fund Appropriation for federal forest reserve fund distribution . . . . . ((~~$5,636,000~~)) $24,446,000

TOTAL APPROPRIATION . . . . . ((~~$7,408,000~~)) $26,218,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

***Sec. 805.** 2013 2nd sp.s. c 4 s 805 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—TRANSFERS

State Treasurer's Service Account: For transfer to the state general fund, $10,100,000 for fiscal year 2014 and $10,100,000 for fiscal year 2015 . . . . . $20,200,000

Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account $32,000,000

General Fund: For transfer to the streamlined sales and use tax account, ((~~$25,284,000~~)) $24,436,000 for fiscal year 2014 and ((~~$25,204,000~~)) $24,984,000 for fiscal year 2015 . . . . . ((~~$50,488,000~~)) $49,420,000

Public Works Assistance Account: For transfer to the education legacy trust account, $138,622,000 for fiscal year 2014 and $138,622,000 for fiscal year 2015 . . . . . $277,244,000

Local Toxics Control Account: For transfer to the state general fund, $9,000,000 for fiscal year 2014 and $9,000,000 for fiscal year 2015 . . . . . $18,000,000

State Taxable Building Construction Account: For transfer to the Columbia River basin taxable bond water supply development account, an amount not to exceed $32,000,000

Employment Training Finance Account: For transfer to the state general fund, $1,000,000 for fiscal year 2014 and $1,000,000 for fiscal year 2015 . . . . . $2,000,000

Tuition Recovery Trust Account: For transfer to the state general fund, $1,250,000 for fiscal year 2014 and $1,250,000 for fiscal year 2015 . . . . . $2,500,000

General Fund: For transfer to the child and family reinvestment account, ((~~$3,800,000~~)) $1,656,000 for fiscal year 2014 and ((~~$2,691,000~~)) $992,000 for fiscal year 2015 . . . . . ((~~$6,491,000~~)) $2,648,000

Flood Control Assistance Account: For transfer to the state general fund, $1,000,000 for fiscal year 2014 and $1,000,000 for fiscal year 2015 . . . . . $2,000,000

Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed the actual amount of the annual base payment to the tobacco settlement account . . . . . ((~~$157,221,000~~)) $170,832,000

Tobacco Settlement Account: For transfer to the state general fund from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2014 . . . . . $17,000,000

Tobacco Settlement Account: For transfer to the state general fund from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2015 . . . . . $17,000,000

Tobacco Settlement Account: For transfer to the education legacy trust account from amounts deposited in the account that are attributed to the annual strategic contribution payment received in fiscal year 2014 . . . . . $600,000

Tobacco Settlement Account: For transfer to the education legacy trust account from amounts deposited in the account that are attributed to the annual strategic . . . . . contribution payment received in fiscal year 2015$9,615,000

It is the intent of the legislature to transfer the full amounts received as strategic contribution payments in the tobacco settlement account to the education legacy trust account in the 2015-2017 fiscal biennium.

Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2014 . . . . . $9,515,000

((~~Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2015 . . . . . $9,515,000~~))

The transfer to the life sciences discovery fund is subject to the following conditions:

(1) The life sciences discovery fund authority board of trustees shall begin preparing to become a self-sustaining entity capable of operating without

direct state subsidy by the time the tobacco strategic contribution supplemental payments end in fiscal year 2017.

(2) $250,000 of the appropriation in fiscal year 2014 ((~~and $250,000 of the appropriation in fiscal year 2015 are~~)) is provided solely to promote the development and delivery of global health technologies and products.

(a) The life sciences discovery fund authority must either administer a grant application, review, and reward process, or contract with a qualified nonprofit organization for these services. State moneys must be provided for grants to entities for the development, production, promotion, and delivery of global health technologies and products. Grant award criteria must include:

(i) The quality of the proposed research or the proposed technical assistance in product development or production process design. Any grant funds awarded for research activities must be awarded for nonbasic research that will assist in the commercialization or manufacture of global health technologies;

(ii) The potential for the grant recipient to improve global health outcomes;

(iii) The potential for the grant to leverage additional funding for the development of global health technologies and products;

(iv) The potential for the grant to stimulate, or promote technical skills training for, employment in the development of global health technologies in the state; and

(v) The willingness of the grant recipient, when appropriate, to enter into royalty or licensing income agreements with the authority.

(b) The authority, or the contractor of the authority, must report information including the types of products and research funded, the funding leveraged by the grants, and the number and types of jobs created as a result of the grants, to the economic development committees of the legislature by December 1, 2014.

Life Sciences Discovery Fund: For transfer to the education legacy trust account, $9,800,000 for fiscal year 2015 . . . . . $9,800,000

Aquatic Lands Enhancement Account: For transfer to the geoduck aquaculture research account, $150,000 for fiscal year 2014 and $150,000 for fiscal year 2015 . . . . . $300,000

Health Benefit Exchange Account: For transfer to the state general fund for fiscal year 2015 . . . . . $21,514,000

Criminal Justice Treatment Account: For transfer to the state general fund, $437,000 for fiscal year 2014 and $2,746,000 for fiscal year 2015 . . . . . $3,183,000

Resources Management Cost Account—Aquatics: For transfer to the marine resources stewardship trust account, $1,850,000 for fiscal year 2014 and $1,850,000 for fiscal year 2015 . . . . . $3,700,000

Legal Services Revolving Account: For transfer to the state general fund, $976,000 for fiscal year 2014 and $1,477,000 for fiscal year 2015 . . . . . $2,453,000

Personnel Service Account: For transfer to the state general fund, $733,000 for fiscal year 2014 and $733,000 for fiscal year 2015 ..... $1,466,000
Data Processing Revolving Account: For transfer to the state general fund, $4,069,000 for fiscal year 2014 and $4,070,000 for fiscal year 2015 ..... $8,139,000
Home Security Fund Account: For transfer to the transitional housing operating and rent account $7,500,000
Professional Engineers' Account: For transfer to the state general fund, $956,000 for fiscal year 2014 and $957,000 for fiscal year 2015 ..... $1,913,000
Electrical License Account: For transfer to the state general fund, $1,700,000 for fiscal year 2014 and $1,700,000 for fiscal year 2015 ..... $3,400,000
Business and Professions Account: For transfer to the state general fund, ((~~$1,838,000~~)) $2,838,000 for fiscal year 2014 and ((~~$1,800,000~~)) $2,800,000 for fiscal year 2015 ..... ((~~$3,638,000~~)) $5,638,000
Energy Freedom Account: For transfer to the state general fund, ((~~$1,000,000~~)) $1,500,000 for fiscal year 2014 and ((~~$1,000,000~~)) $1,500,000 for fiscal year 2015 ..... ((~~$2,000,000~~)) $3,000,000
Pollution Liability Insurance Program Trust Account: For transfer to the state general fund, $2,500,000 for fiscal year 2014 and $2,500,000 for fiscal year 2015 ..... $5,000,000
Real Estate Commission Account: For transfer to the state general fund, $1,700,000 for fiscal year 2014 and $1,700,000 for fiscal year 2015 ..... $3,400,000
State Lottery Account: For transfer to the education legacy trust account, ((~~$6,050,000~~)) $10,050,000 for fiscal year 2014 and $6,050,000 for fiscal year 2015 ..... ((~~$12,100,000~~)) $16,100,000
State Toxics Control Account: For transfer to the radioactive mixed waste account, $2,000,000 for fiscal year 2014 ..... $2,000,000
General Fund: For transfer to the education savings account, $387.04 for fiscal year 2014 ..... $387.04

***Sec. 805 was partially vetoed. See message at end of chapter.**

PART IX
MISCELLANEOUS

Sec. 901. 2013 2nd sp.s. c 4 s 903 (uncodified) is amended to read as follows:

STATUTORY APPROPRIATIONS

In addition to the amounts appropriated in this act for revenues for distribution, and bond retirement and interest including ongoing bond registration and transfer charges, transfers, interest on registered warrants, and certificates of indebtedness, there is also appropriated such further amounts as may be required or available for these purposes under any statutory formula or under chapters 39.94 ((~~and~~)), 39.96, and 39.98 RCW or any proper bond covenant made under law.

Sec. 902. 2013 2nd sp.s. c 4 s 932 (uncodified) is amended to read as follows:

COMPENSATION—REPRESENTED EMPLOYEES—SUPER COALITION—INSURANCE BENEFITS

No agreement was reached between the governor and the health care super coalition under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Appropriations in this act for fiscal year 2014 for state agencies, including institutions of higher education are sufficient to continue the provisions of the 2011-2013 collective bargaining agreement. An agreement was reached between the governor and the health care super coalition under the provisions of chapter 41.80 RCW for fiscal year 2015. The agreement includes employer contributions to premiums at 85 percent of the total weighted average of the projected health care premiums. Appropriations in this act for fiscal year 2015 for state agencies, including institutions of higher education are sufficient to fund the provisions of the fiscal year 2015 collective bargaining agreement, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, wellness programs, and similar benefits or services for members of public employee benefits board health plans, public employees' benefits board administration, and the uniform medical plan, shall not exceed $782 per eligible employee for fiscal year 2014. For fiscal year 2015 the monthly employer funding rate shall not exceed ((~~$763~~)) $662 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require or make any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with the collective bargaining agreement and RCW 41.05.065. Beginning July 1, 2014, the board shall add a $25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than $50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) All savings resulting from reduced claim costs or other factors identified after December 31, 2013, must be reserved for funding employee health benefits in the 2015-2017 fiscal biennium.

(d) To the extent that the agreement between the governor and the super coalition contains terms that are effective after June 30, 2015, those terms exceed the fiscal biennium and are outside the bounds permitted by RCW

41.80.001. Nothing in this section obligates the legislature for funding after June 30, 2015.

(e) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. The subsidy provided for calendar years 2014 and 2015 shall be up to $150 per month.

Sec. 903. 2013 2nd sp.s. c 4 s 933 (uncodified) is amended to read as follows:

COMPENSATION—REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION—INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for represented employees outside the super coalition for health benefits, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, wellness programs, and similar benefits or services for members of public employee benefits board health plans, public employees' benefits board administration, and the uniform medical plan, shall not exceed $782 per eligible employee for fiscal year 2014. For fiscal year 2015 the monthly employer funding rate shall not exceed ((~~$763~~)) $662 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require or make any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065. Beginning July 1, 2014, the board shall add a $25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than $50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) All savings resulting from reduced claim costs or other factors identified after December 31, 2013, must be reserved for funding employee health benefits in the 2015-2017 fiscal biennium.

(d) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. The subsidy provided for calendar years 2014 and 2015 shall be up to $150 per month.

Sec. 904. 2013 2nd sp.s. c 4 s 937 (uncodified) is amended to read as follows:

COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—SEIU LOCAL 925 CHILDCARE WORKERS

(1) An agreement has been reached between the governor and the service employees international union local 925 under the provisions of chapter 41.56 RCW for the 2013-2015 fiscal biennium. Funding is provided for increases to health care, scholarship funding and non-standard hours bonus.

(2) An agreement has been reached between the governor and the service employees international union local 925 under the provisions of chapter 41.56 RCW for fiscal year 2015. Funding is provided to increase the child care subsidy rates for licensed and exempt family child care providers by four percent on July 1, 2014, and another four percent on January 1, 2015. Two million dollars is also provided to fund an early achievers tiered reimbursement pilot project for licensed family child care providers.

Sec. 905. 2013 2nd sp.s. c 4 s 939 (uncodified) is amended to read as follows:

COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, wellness programs, and similar benefits or services for members of public employee benefits board health plans, public employees' benefits board administration, and the uniform medical plan, shall not exceed $782 per eligible employee for fiscal year 2014. For fiscal year 2015 the monthly employer funding rate shall not exceed ((~~$763~~)) $662 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require or make any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065. Beginning July 1, 2014, the board shall add a $25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than $50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) All savings resulting from reduced claim costs or other factors identified after December 31, 2013, must be reserved for funding employee health benefits in the 2015-2017 fiscal biennium.

(d) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. The subsidy provided for calendar years 2014 and 2015 shall be up to $150 per month.

(3) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, $64.40 per month beginning September 1, 2013, and ((~~$70.39~~)) $66.64 beginning September 1, 2014; and

(b) For each part-time employee, who at the time of the remittance is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, $64.40 each month beginning September 1, 2013, and ((~~$70.39~~)) $66.64 beginning September 1, 2014, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection (3) shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

Sec. 906. 2013 2nd sp.s. c 4 s 943 (uncodified) is amended to read as follows:

ACQUISITION OF INFORMATION TECHNOLOGY PROJECTS THROUGH FINANCIAL CONTRACTS

(1) Financial contracts for the acquisition of the information technology projects authorized in this section must be approved jointly by the office of the financial management and the office of the chief information officer. Information technology projects funded under this section shall meet the following requirements:

(a) The project reduces costs and achieves economies of scale by leveraging statewide investments in systems and data and other common or enterprise-wide solutions within and across state agencies;

(b) The project begins or continues replacement of legacy information technology systems and replacing these systems with modern and more efficient information technology systems;

(c) The project improves the ability of an agency to recover from major disaster;

(d) The project provides future savings and efficiencies for an agency through reduced operating costs, improved customer service, or increased revenue collections; and

(e) Preference for project approval must be given to an agency that has prior approval from the office of the chief information officer, an approved business

plan, and where the primary hurdle to project funding is the lack of funding capacity.

(2) The following state agencies may enter into financial contracts to finance expenditures for the acquisition and implementation of the following information technology projects for up to the respective amounts indicated, plus financing expenses and required reserves pursuant to chapter 39.94 RCW:

(a) Subject to subsection (4) of this section, ((~~$10,000,000~~)) $13,500,000 for the department of enterprise services time, leave, and attendance pilot project;

(b) $3,867,000 for the Washington state patrol for continuation of the mobile office platform;

(c) ((~~$8,500,000 for the department of social and health services conversion to the tenth version of the world health organization's international classification of diseases;~~

~~(d) $5,558,000~~)) $3,315,000 for the department of early learning system implementation of electronic benefit transfers;

(((~~(e)~~))) (d) $4,323,000 for the department of corrections for radio infrastructure upgrades.

(3) The office of financial management with assistance from the office of the chief information officer will report to the governor and fiscal committees of the legislature by November 1st of each year on the status of distributions and expenditures on information technology projects and improved statewide or agency performance results achieved by project funding.

(4) If the Washington state department of transportation enters into financial contracts pursuant to chapter 39.94 RCW for the acquisition and implementation of a time, leave, and labor distribution system, the authorization provided to the department of enterprise services in subsection (2)(a) of this section expires.

Sec. 907. 2013 2nd sp.s. c 35 s 39 (uncodified) is amended to read as follows:

The sum of one hundred seventy-six thousand dollars of the state general fund for the fiscal year ending June 30, 2014, and one hundred seventy-six thousand dollars of the state general fund for the fiscal year ending June 30, 2015, or as much thereof as may be necessary, are appropriated to the ((~~Washington traffic safety~~)) criminal justice training commission solely for the purposes of ((~~section 25 of this act~~)) RCW 36.28A.320.

NEW SECTION. **Sec. 908. 2013 APPROPRIATION TO TRAFFIC SAFETY COMMISSION.** 2013 2nd sp.s. c 35 s 40 (uncodified) is repealed.

NEW SECTION. **Sec. 909.** A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

The sum of one hundred seventy thousand dollars from the state general fund for the fiscal year ending June 30, 2014, and two hundred twenty-seven thousand dollars of the state general fund for the fiscal year ending June 30, 2015, or as much thereof as may be necessary, are appropriated for expenditure into the county criminal justice assistance account. The treasurer shall make quarterly distributions from the county criminal justice assistance account of the amounts provided in this section in accordance with RCW 82.14.310 for the purposes of reimbursing local jurisdictions for increased costs incurred as a result of the mandatory arrest of repeat offenders pursuant to chapter 35, Laws of 2013 2nd sp. sess. The first distribution for fiscal year 2014 shall include

amounts from previous quarters for which distributions were not made. The appropriations and distributions made under this section constitute appropriate reimbursement for costs for any new programs or increased level of services for the purposes of RCW 43.135.060.

NEW SECTION. **Sec. 910.** A new section is added to 2013 2nd sp.s. c 4 (uncodified) to read as follows:

The sum of one hundred thousand dollars from the state general fund for the fiscal year ending June 30, 2014, and one hundred thirty-three thousand dollars from the state general fund for the fiscal year ending June 30, 2015, or as much thereof as may be necessary, are appropriated for expenditure into the municipal criminal justice assistance account. The treasurer shall make quarterly distributions from the municipal criminal justice assistance account of the amounts provided in this section in accordance with RCW 82.14.320, for the purposes of reimbursing local jurisdictions for increased costs incurred as a result of the mandatory arrest of repeat offenders pursuant to chapter 35, Laws of 2013 2nd sp. sess. The first distribution for fiscal year 2014 shall include amounts from previous quarters for which distributions were not made. The appropriations and distributions made under this section constitute appropriate reimbursement for costs for any new programs or increased level of services for the purposes of RCW 43.135.060.

NEW SECTION. **Sec. 911.** A new section is added to chapter 28A.710 RCW to read as follows:**CHARTER SCHOOLS OVERSIGHT ACCOUNT.** The charter schools oversight account is hereby created in the state treasury. All moneys received by the commission under RCW 28A.710.110 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes of this chapter.

Sec. 912. RCW 36.28A.300 and 2013 2nd sp.s. c 35 s 23 are each amended to read as follows:

There is created a 24/7 sobriety program to be administered by the ((~~Washington traffic safety~~)) criminal justice training commission in conjunction with the Washington association of sheriffs and police chiefs. The program shall coordinate efforts among various local government entities for the purpose of implementing alternatives to incarceration for offenders convicted under RCW 46.61.502 or 46.61.504 with one or more prior convictions under RCW 46.61.502 or 46.61.504.

Sec. 913. RCW 36.28A.320 and 2013 2nd sp.s. c 35 s 25 are each amended to read as follows:

There is hereby established in the state treasury the 24/7 sobriety account. The account shall be maintained and administered by the ((~~Washington traffic safety~~)) criminal justice training commission to reimburse the state for costs associated with establishing the program and the Washington association of sheriffs and police chiefs for ongoing program administration costs. ((~~The Washington traffic safety~~)) criminal justice training commission may accept for deposit in the account money from donations, gifts, grants, participation fees, and user fees or payments. Expenditures from the account shall be budgeted through the normal budget process.

Sec. 914. RCW 41.05.130 and 1988 c 107 s 11 are each amended to read as follows:

The state health care authority administrative account is hereby created in the state treasury. Moneys in the account, including unanticipated revenues under RCW 43.79.270, may be spent only after appropriation by statute, and may be used only for operating expenses of the authority, and during the 2013-2015 fiscal biennium, for health care related analysis provided to the legislature by the office of the state actuary.

Sec. 915. RCW 43.19.025 and 2013 c 251 s 2 are each amended to read as follows:

The enterprise services account is created in the custody of the state treasurer and shall be used for all activities conducted by the department, except information technology services. Only the director or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW. During the 2013-2015 fiscal biennium, the director of the office of financial management may authorize expenditures from the account for the provision of small agency client services.

Sec. 916. RCW 43.43.839 and 2010 1st sp.s. c 37 s 922 are each amended to read as follows:

The fingerprint identification account is created in the custody of the state treasurer. All receipts from incremental charges of fingerprint checks requested for noncriminal justice purposes and electronic background requests shall be deposited in the account. Receipts for fingerprint checks by the federal bureau of investigation may also be deposited in the account. Expenditures from the account may be used only for the cost of record checks. Only the chief of the state patrol or the chief's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW. No appropriation is required for expenditures prior to July 1, 1997. After June 30, 1997, the account shall be subject to appropriation. During the 2009-2011 fiscal biennium, the legislature may transfer from the fingerprint identification account to the state general fund such amounts as reflect the excess fund balance of the account. During the 2013-2015 fiscal biennium, funds in the account may be used for expenditures that support the criminal records management division of the state patrol.

Sec. 917. RCW 43.79.480 and 2013 2nd sp.s. c 4 s 980 are each amended to read as follows:

(1) Moneys received by the state of Washington in accordance with the settlement of the state's legal action against tobacco product manufacturers, exclusive of costs and attorneys' fees, shall be deposited in the tobacco settlement account created in this section except as these moneys are sold or assigned under chapter 43.340 RCW.

(2) The tobacco settlement account is created in the state treasury. Moneys in the tobacco settlement account may only be transferred to the state general fund, and to the tobacco prevention and control account for purposes set forth in this section. The legislature shall transfer amounts received as strategic contribution payments as defined in RCW 43.350.010 to the life sciences discovery fund created in RCW 43.350.070. During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer less than the entire

strategic contribution payments, and may transfer amounts attributable to strategic contribution payments into the basic health plan stabilization account. During the 2013-2015 fiscal biennium, the legislature may transfer less than the entire strategic contribution payments, and may transfer amounts attributable to strategic contribution payments into the state general fund and the education legacy trust account.

(3) The tobacco prevention and control account is created in the state treasury. The source of revenue for this account is moneys transferred to the account from the tobacco settlement account, investment earnings, donations to the account, and other revenues as directed by law. Expenditures from the account are subject to appropriation. During the 2009-2011 fiscal biennium, the legislature may transfer from the tobacco prevention and control account to the state general fund such amounts as represent the excess fund balance of the account.

***Sec. 917 was vetoed. See message at end of chapter.**

Sec. 918. RCW 43.101.220 and 2009 c 146 s 2 are each amended to read as follows:

(1) The corrections personnel of the state and all counties and municipal corporations initially employed on or after January 1, 1982, shall engage in basic corrections training which complies with standards adopted by the commission. The training shall be successfully completed during the first six months of employment of the personnel, unless otherwise extended or waived by the commission, and shall be requisite to the continuation of employment.

(2) The commission shall provide the training required in this section, together with facilities, supplies, materials, and the room and board for noncommuting attendees, except during the 2013-2015 fiscal biennium, when the employing county, municipal corporation, or state agency shall reimburse the commission for twenty-five percent of the cost of training its personnel.

(3)(a) Subsections (1) and (2) of this section do not apply to the Washington state department of corrections prisons division. The Washington state department of corrections is responsible for identifying training standards, designing curricula and programs, and providing the training for those corrections personnel employed by it. In doing so, the secretary of the department of corrections shall consult with staff development experts and correctional professionals both inside and outside of the agency, to include soliciting input from labor organizations.

(b) The commission and the department of corrections share the responsibility of developing and defining training standards and providing training for community corrections officers employed within the community corrections division of the department of corrections.

****Sec. 919. RCW 43.350.070 and 2011 c 5 s 916 are each amended to read as follows:***

The life sciences discovery fund is created in the custody of the state treasurer. Only the board or the board's designee may authorize expenditures from the fund. Expenditures from the fund may be made only for purposes of this chapter. Administrative expenses of the authority, including staff support, may be paid only from the fund. Revenues to the fund consist of transfers made by the legislature from strategic contribution payments deposited in the tobacco settlement account under RCW 43.79.480, moneys received pursuant

to contribution agreements entered into pursuant to RCW 43.350.030, moneys received from gifts, grants, and bequests, and interest earned on the fund. During the ((~~2009-2011~~)) 2013-2015 fiscal biennium, the legislature may transfer to other state funds or accounts such amounts as represent the excess balance of the life sciences discovery fund.

***Sec. 919 was vetoed. See message at end of chapter.**

Sec. 920. RCW 50.16.010 and 2013 c 189 s 1 are each amended to read as follows:

(1) There shall be maintained as special funds, separate and apart from all public moneys or funds of this state an unemployment compensation fund and an administrative contingency fund, which shall be administered by the commissioner exclusively for the purposes of this title, and to which RCW 43.01.050 shall not be applicable.

(2)(a) The unemployment compensation fund shall consist of:

(i) All contributions collected under RCW 50.24.010 and payments in lieu of contributions collected pursuant to the provisions of this title;

(ii) Any property or securities acquired through the use of moneys belonging to the fund;

(iii) All earnings of such property or securities;

(iv) Any moneys received from the federal unemployment account in the unemployment trust fund in accordance with Title XII of the social security act, as amended;

(v) All money recovered on official bonds for losses sustained by the fund;

(vi) All money credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended;

(vii) All money received from the federal government as reimbursement pursuant to section 204 of the federal-state extended compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304);

(viii) The portion of the additional penalties as provided in RCW 50.20.070(2) that is fifteen percent of the amount of benefits overpaid or deemed overpaid; and

(ix) All moneys received for the fund from any other source.

(b) All moneys in the unemployment compensation fund shall be commingled and undivided.

(3)(a) Except as provided in (b) of this subsection, the administrative contingency fund shall consist of:

(i) All interest on delinquent contributions collected pursuant to this title;

(ii) All fines and penalties collected pursuant to the provisions of this title, except the portion of the additional penalties as provided in RCW 50.20.070(2) that is fifteen percent of the amount of benefits overpaid or deemed overpaid;

(iii) All sums recovered on official bonds for losses sustained by the fund; and

(iv) Revenue received under RCW 50.24.014.

(b) All fees, fines, forfeitures, and penalties collected or assessed by a district court because of the violation of this title or rules adopted under this title shall be remitted as provided in chapter 3.62 RCW.

(c) Except as provided in (d) of this subsection, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014, shall be expended upon the direction of the

commissioner, with the approval of the governor, whenever it appears to him or her that such expenditure is necessary solely for:

(i) The proper administration of this title and that insufficient federal funds are available for the specific purpose to which such expenditure is to be made, provided, the moneys are not substituted for appropriations from federal funds which, in the absence of such moneys, would be made available.

(ii) The proper administration of this title for which purpose appropriations from federal funds have been requested but not yet received, provided, the administrative contingency fund will be reimbursed upon receipt of the requested federal appropriation.

(iii) The proper administration of this title for which compliance and audit issues have been identified that establish federal claims requiring the expenditure of state resources in resolution. Claims must be resolved in the following priority: First priority is to provide services to eligible participants within the state; second priority is to provide substitute services or program support; and last priority is the direct payment of funds to the federal government.

(d)(i) During the 2007-2009 fiscal biennium, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended as appropriated by the legislature for: (A) The cost of the job skills or worker retraining programs at the community and technical colleges and administrative costs at the state board for community and technical colleges; and (B) reemployment services such as business and project development assistance, local economic development capacity building, and local economic development financial assistance at the department of commerce. The remaining appropriation may be expended as specified in (c) of this subsection.

(ii) During the ((~~2009-2011~~)) 2013-2015 fiscal biennium, moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014(1)(a), shall be expended ((~~by~~)) as appropriated by the legislature for: (A) The department of social and health services ((~~as appropriated by the legislature~~)) for employment and training services and programs in the WorkFirst program((~~, and for~~)); (B) the administrative costs of state agencies participating in the WorkFirst program; and (C) by the commissioner for the work group on agricultural and agricultural-related issues as provided in the 2013-2015 omnibus operating appropriations act. The remaining appropriation may be expended as specified in (c) of this subsection.

(4) Money in the special account created under RCW 50.24.014(1)(a) may only be expended, after appropriation, for the purposes specified in this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014, 50.44.053, and 50.22.010.

Sec. 921. RCW 67.70.260 and 2011 1st sp.s. c 50 s 962 are each amended to read as follows:

There is hereby created the lottery administrative account in the state treasury. The account shall be managed, controlled, and maintained by the director. The legislature may appropriate from the account for the payment of costs incurred in the operation and administration of the lottery. During the 2001-2003 fiscal biennium, the legislature may transfer from the lottery administrative account to the state general fund such amounts as reflect the

appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings. During the ((~~2011-2013~~)) 2013-2015 fiscal biennium, the lottery administrative account may also be used to fund an independent forecast of the lottery revenues conducted by the economic and revenue forecast council.

Sec. 922. RCW 77.36.170 and 2013 c 329 s 2 are each amended to read as follows:

(1) The department may pay no more than fifty thousand dollars per fiscal year from the state wildlife account created in RCW 77.12.170 for claims and assessment costs for injury or loss of livestock caused by wolves submitted under RCW 77.36.100.

(2) Notwithstanding other provisions of this chapter, the department may also accept and expend money from other sources to address injury or loss of livestock or other property caused by wolves consistent with the requirements on that source of funding.

(3) If any wildlife account expenditures authorized under subsections (1) and (4) of this section are unspent as of June 30th of a fiscal year, the state treasurer shall transfer the unspent amount to the wolf-livestock conflict account created in RCW 77.36.180.

(4) During the 2014 fiscal year, the department may pay no more than two hundred and fifty thousand dollars from the state wildlife account created in RCW 77.12.170 for claims and assessment costs for injury or loss of livestock caused by wolves submitted under RCW 77.36.100.

Sec. 923. RCW 82.08.160 and 2013 2nd sp.s. c 4 s 1003 are each amended to read as follows:

(1) On or before the twenty-fifth day of each month, all taxes collected under RCW 82.08.150 during the preceding month must be remitted to the state department of revenue, to be deposited with the state treasurer. Except as provided in subsections (2), (3), and (4) of this section, upon receipt of such moneys the state treasurer must credit sixty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) and one hundred percent of the sums collected and remitted under RCW 82.08.150 (3) and (4) to the state general fund and thirty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) to a fund which is hereby created to be known as the "liquor excise tax fund."

(2) During the 2012 fiscal year, 66.19 percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the state general fund and the remainder collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the liquor excise tax fund.

(3) During fiscal year 2013, all funds collected under RCW 82.08.150 (1), (2), (3), and (4) must be deposited into the state general fund.

(4) During the 2013-2015 fiscal biennium, ((~~eighty-two~~)) seventy-seven and one-half percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the state general fund, and the remainder collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the liquor excise tax fund. The amendments in this section are curative, clarifying, and remedial and apply retroactively to July 1, 2013.

Sec. 924. 2007 c 465 s 3 (uncodified) is amended to read as follows:

CHILD WELFARE DISPROPORTIONALITY ADVISORY COMMITTEE EXPIRATION

This act expires June 30, ((~~2014~~)) 2015.

Sec. 925. 2009 c 520 s 96 (uncodified) is amended to read as follows:

CHILD WELFARE DISPROPORTIONALITY ADVISORY COMMITTEE EXPIRATION

Section 63 of this act expires June 30, ((~~2014~~)) 2015.

NEW SECTION. **Sec. 926.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 927.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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Passed by the Senate March 13, 2014.

Passed by the House March 13, 2014.

Approved by the Governor April 4, 2014, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 103(11); 106, lines 13-16 and lines 22-28; 116(5); 125(14); 126; 135(9); 138(3); 140(3); 146(10); 202(15); 205(1)(l); 219(30); 220(3)(e); 502(21); 505(12); 505(13); 705, page 257, lines 23-24; 805, page 267, lines 32-38, and page 268, line 1; 805, page 268, lines 11-38, and page 269, lines 1-15; 805, page 270, lines 12-16; 917; and 919, Engrossed Substitute Senate Bill No. 6002 entitled:

"AN ACT Relating to fiscal matters."

Section 103(11), page 7, Joint Legislative Audit and Review Committee, Study of Medicaid Dispensing Methods

This proviso directs the Joint Legislative Audit and Review Committee to conduct an analysis of the assumed budget savings as a result of the state's change to dispensing a one-year supply of contraceptive drugs for Medicaid recipients under Section 213, Chapter 4, Laws of 2013, 2nd Special Session. Individuals need convenient access to contraceptive drugs, as these drugs prevent unintended pregnancies and reduce Medicaid births. For this reason, I have vetoed Section 103(11).

The Health Care Authority will track savings resulting from dispensing a one-year supply of contraceptive drugs, and will report savings to the Office of Financial Management.

Section 106, page 8, lines 13-16 and lines 22-28, Office of the State Actuary, Actuarial Analysis of State Medicaid and PEB Programs

Funding is provided to the Office of the State Actuary to improve the Legislature's access to independent and objective health care actuarial analysis for the state Medicaid and Public Employee Benefits programs. The funding provided includes federal funds that cannot be used for this purpose. For this reason, I have vetoed Section 106, page 8, lines 13-16 and lines 22-28.

However, I recognize the importance of legislative review and access to actuarial analyses. Therefore, I am directing the Health Care Authority to collaborate with the Office of Financial Management, the Office of the State Actuary, and legislative staff on the establishment of health care rates. The Health Care Authority is further directed to include a requirement in actuarial services contracts that will require the vendor to provide information in response to questions from the Office of Financial Management, the Office of the State Actuary, and legislative staff.

Sections 116(5), page 17, Office of the Governor, Transfer of Special Education Ombuds

The appropriation in this section increases funding to the Governor's Office of the Education Ombuds (OEO) for special education ombuds services currently provided by the Office of the Superintendent of Public Instruction (OSPI). Funding for the special education ombuds is removed from the OSPI budget in Section 505(12). OSPI is required to provide special education ombuds services to comply with federal law. Therefore, the transfer of funding for this function would result in a reduction in funding to OSPI without a corresponding reduction in responsibilities and workload. In addition, this section requires OSPI to enter into an interagency agreement with OEO to provide support for additional special education ombuds services using federal funds. OEO services are not an allowable use of federal funds. For these reasons, I have vetoed Section 116(5).

Section 125(14), page 27, Office of the Attorney General, Medical and Recreational Marijuana (E3SSB 5887)

This proviso provides appropriation authority for the implementation of Engrossed Third Substitute Senate Bill 5887, medical and recreational marijuana. E3SSB 5887 did not pass, so this subsection is unnecessary. For this reason, I have vetoed Section 125(14).

Section 126, page 27, Caseload Forecast Council, Self-Insurance Premiums

This section reduces appropriations to the Caseload Forecast Council (CFC). Statewide adjustments for self-insurance premiums submitted to the Office of Financial Management (OFM) mistakenly included a $78,000 reduction for CFC. These premiums were already adjusted in the 2012 supplemental budget. As CFC is a small agency, the reduction is too large for the agency to absorb. For this reason, I have vetoed Section 126.

I am directing OFM to work with CFC to adjust allotments to levels consistent with the supplemental budget excluding the self-insurance premium reduction.

Section 135(9), page 44, Department of Revenue, Study of State Revenue Impact

This proviso directs the Department of Revenue (DOR) to consult with counties affected by the United States Open golf championship to estimate the additional state sales tax revenue attributable to the event. Large events around the state generate sales tax revenues for the state and local governments. This proviso establishes an unwise precedent of attempting to identify only state sales tax revenue attributable to a particular event. Further, no additional appropriation was provided to complete the study. As DOR must absorb more than $267,000 of implementation costs for various revenue-related measures passed by the 2014 Legislature, the agency cannot be expected to absorb additional costs for this study. For these reasons, I have vetoed Section 135(9).

Section 138(3), page 46, Office of the Insurance Commissioner, Insurance Company Solvency (SHB 2461)

This proviso provides appropriation authority for the implementation of Substitute House Bill 2461, insurance company solvency. SHB 2461 did not pass, so this subsection is unnecessary. For this reason, I have vetoed Section 138(3).

Section 140(3), page 47, Liquor Control Board, Medical and Recreational Marijuana (E3SSB 5887)

This proviso provides appropriation authority for the implementation of Engrossed Third Substitute Senate Bill 5887, medical and recreational marijuana. E3SSB 5887 did not pass, so this subsection is unnecessary. For this reason, I have vetoed Section 140(3).

Section 146(10), page 53, Department of Enterprise Services, Small Agency Services and Printer Rates

This proviso directs the Department of Enterprise Services (DES) to revise central services rates charged to state agencies to reflect a transfer of Small Agency Client Services to the Office of Financial Management (OFM), the elimination of funding for Small Agency Human Resource Services, and establishment of the Print and Imaging program rates at levels sufficient to fully recover costs. I understand the legislative intent was not to eliminate services for small agencies, but to provide such services with a smaller budget. I am concerned about the unnecessary disruption of services for small agencies as a result of this proviso. For this reason, I have vetoed Section 146(10).

However, to fully and responsibly capture the assumed budget savings for small agency services and accomplish the policy goal of setting printer rates at levels sufficient to recover all costs, I am directing DES and OFM to take the following actions:

• DES will provide both finance and human resource services to current small agency customers within the $1.845 million provided to OFM in the operating budget. DES may not use any other fund sources or projected fund balances from any of its operating accounts to provide small agency services. To maximize the use of limited resources, DES and OFM shall convene a meeting of small agency customers to receive their input on the structure, service offerings, and rates for small agency services in light of the reduced budget.
• DES shall immediately set its rates for the Print and Imaging program to fully recover costs for the services provided to prevent any operating loss for the current and future fiscal years. By June 1, 2014, DES must submit to OFM a comparative rate sheet showing rates for the program as of April 1, 2014, and the new rates along with a long-term financial plan for the Print and Imaging program.

Section 202(15), page 63, Department of Social and Health Services, Children's Long-Term Inpatient Program Placement Waitlist

This proviso provides appropriation authority for a rate add-on paid to residential facilities providing behavioral rehabilitation services (BRS) to youth who have been assessed as needing mental health services through the children's long-term inpatient program (CLIP). I am concerned that a rate add-on for this population will create an incentive to send youth served by BRS to CLIP, thereby driving up costs in CLIP and placing foster youth in unnecessarily restrictive settings. For this reason, I have vetoed Section 202(15).

However, I recognize the need to review the level of funding provided to BRS agencies serving youth with psychological and psychiatric needs. Therefore, I am directing the Children's Administration and the Behavioral Health and Integrated Services Administration to work with BRS providers over the interim to examine this issue and determine viable solutions.

Section 205(1)(l), pages 82-83, Department of Social and Health Services, Report from Developmental Disabilities Administration

This proviso directs the Department of Social and Health Services to meet with stakeholders and report to the Legislature by January 1, 2015, on fourteen key areas related to developmental disabilities. No funding was provided to the Department for this work. For this reason, I have vetoed Section 205(1)(l).

The Developmental Disabilities Administration will be working with stakeholders in the development of the Individual and Family Services waiver and the Community First Choice Medicaid state plan revision. Therefore, many of the areas identified in the proviso will be discussed and addressed.

Section 219(30), page 139, Department of Health, Medical and Recreational Marijuana (E3SSB 5887)

This proviso provides appropriation authority for the implementation of Engrossed Third Substitute Senate Bill 5887, medical and recreational marijuana. E3SSB 5887 did not pass, so this subsection is unnecessary. For this reason, I have vetoed Section 219(30).

Section 220(3)(e), page 149, Department of Corrections, Expanding Categories of Offenses Eligible for Community Parenting Alternative Program Within Department of Corrections (SB 6327)

This proviso provides appropriation authority for the implementation of Senate Bill 6327, expanding the categories of offenses eligible for the community parenting alternative program within the Department of Corrections. SB 6327 did not pass, so this subsection is unnecessary. For this reason, I have vetoed Section 220(3)(e).

Section 502(21), page 205, Office of the Superintendent of Public Instruction, Federal Forest Revenue (E2SHB 2207)

This proviso provides appropriation authority for the purpose of Engrossed Second Substitute House Bill 2207, federal forest revenue. E2SHB 2207 partially eliminates the current state offset to state general apportionment funds for federal timber revenues paid to school districts. The calculation for the timber revenue offset includes federal funding allocated to school districts through the federal Secure and Rural Schools and Community Self-Determination Act (SRSA). Federal authority to make SRSA payments expires at the end of federal fiscal year 2014.

Because the original 2013-15 state operating budget assumes no federal SRSA payments after September 30, 2014, underlying general apportionment appropriations are sufficient to fully fund apportionment payments to school districts without any offset for potential SRSA timber revenues to districts. Therefore, if the federal government reauthorizes SRSA beyond September 30, 2014, eligible school districts will receive the benefits of increased combined state and local funding under E2SHB 2207, and state general apportionment appropriations in this budget bill will be more than sufficient to fully fund state general apportionment without the appropriation provided in this subsection. The appropriation in this subsection is redundant. For this reason, I have vetoed Section 502(21).

Section 505(12) and Section 505(13), page 211, Office of the Superintendent of Public Instruction, Special Education Ombuds Services

Section 505(12) reduces appropriations for special education ombuds services at the Office of the Superintendent of Public Instruction (OSPI). Section 116(5) provides an increased appropriation to the Governor's Office of the Education Ombuds (OEO) for these services. OSPI is required to provide the special education ombuds services to comply with federal law. Therefore, the transfer of funding for this function would result in a reduction in funding to OSPI without a corresponding reduction to responsibilities and workload. Section 505(13) requires OSPI to enter into an interagency agreement with OEO to provide support for additional special education ombuds services using federal funds. OEO services are not an allowable use of federal funds. For these reasons, I have vetoed Sections 505(12) and (13).

Section 705, page 257, lines 23-24, Disaster Response Account

This line item reduces General Fund-State appropriations into the Disaster Response Account by $1.5 million in fiscal year 2015 based on a projected excess fund balance. Earlier this year, it appeared the account would not need these funds. However, the tragic mudslide that occurred in Oso on March 22, 2014, will greatly strain these resources. The Military Department has activated the State Emergency Operations Center, and other state agencies are engaged in rescue and recovery efforts. For these reasons, I have vetoed Section 705, page 257, lines 23-24.

Section 805, page 267, lines 32-38, and page 268, line 1; Section 805, page 268, lines 11-38, and page 269, lines 1-15; Office of the State Treasurer, Revenue Transfers to Life Sciences Discovery Fund

These sections together transfer a total of $20 million from the Tobacco Settlement Account and the Life Sciences Discovery Fund to the Education Legacy Trust Account. As a result of these transfers, funding for the Life Sciences Discovery Fund Authority (LSDFA) is effectively ended for the remainder of the 2013-15 biennium. The LSDFA has helped make Washington a global innovation leader in life sciences research. Returning this funding to the LSDFA will allow for the issuance of

more than $15 million of new grants in the 2013-15 biennium on top of the nearly $92 million in grants already made, continue support for the Global Health Technologies and Products program, and cover necessary administrative costs. For this reason, I have vetoed Section 805, page 267, lines 32-38, and page 268, line 1; Section 805, page 268, lines 11-38, and page 269, lines 1-15.

I am aware that this veto reduces revenue to the Education Legacy Trust Account. However, this veto will not affect any education spending as there are sufficient resources in the budget to cover any projected shortfalls in the Education Legacy Trust Account in the 2015 supplemental budget.

I am not vetoing the legislative intent language for transfer of the strategic tobacco contribution payments in 2015-17 as it has no impact on returning $20 million to the LSDFA in 2013-15. The actual use of the 2015-17 strategic tobacco contribution payments will be made in the 2015 legislative session. We look forward to working with the Legislature to continue some level of funding for the LSDFA into the future so we do not lose the value of this important and innovative research.

Section 805, page 270, lines 12-16, Office of the State Treasurer, Energy Freedom Account

Section 805 increases the transfer from the Energy Freedom Account to the state General Fund by $500,000 in fiscal year 2014 and by $500,000 in fiscal year 2015. The enacted biennial budget transfers $1 million from the Energy Freedom Account to the General Fund in each fiscal year. I am concerned about the uncertainty of when revenues will be deposited into the Energy Freedom Account. Current deposits are lower than anticipated. Vetoing the additional $1 million transfer in this section will ensure the account's ending fund balance remains positive. For this reason, I have vetoed Section 805, page 270, lines 12-16.

Section 917, page 281, Transfer of Strategic Contribution Payments

This section authorizes the transfer of strategic contribution payments from the Tobacco Settlement Account to the Education Legacy Trust Account. As I have vetoed the transfers to the Education Legacy Trust Account in Section 805, the authority provided in this section is unnecessary. For this reason, I have vetoed Section 917.

Section 919, page 282, Account Transfers from Life Sciences Discovery Fund

This section authorizes the transfer of balances in the Life Sciences Discovery Fund to other state funds or accounts in the 2013-15 biennium. Because I have vetoed the transfers to the Education Legacy Trust Account in Section 805, the authority provided in this section is unnecessary. For this reason, I have vetoed Section 919.

I am not vetoing Section 123(2), which appropriates $300,000 from the State Auditing Services Revolving Account for a contract with a private firm to conduct an audit of the use of the state's higher education accounts. However, I am concerned that the short time frame and lack of sufficient funding for such a comprehensive audit may act as a disincentive for firms to bid on the contract, thereby limiting the information the audit can provide for policy makers and budget writers.

Unfortunately, a veto would eliminate the funding entirely and no audit would occur. I have therefore asked the State Auditor to use this limited funding and time frame to focus on the state's largest public four-year institution and conduct a focused audit that meets the requirements of the proviso.

For these reasons I have vetoed Sections 103(11); 106, lines 13-16 and lines 22-28; 116(5); 125(14); 126; 135(9); 138(3); 140(3); 146(10); 202(15); 205(1)(l); 219(30); 220(3)(e); 502(21); 505(12); 505 (13); 705, page 257, lines 23-24; 805, page 267, lines 32-38, and page 268, line 1; 805, page 268, lines 11-38, and page 269, lines 1-15; 805, page 270, lines 12-16; 917; and 919 of Engrossed Substitute Senate Bill No. 6002.

With the exception of Sections 103(11); 106, lines 13-16 and lines 22-28; 116(5); 125(14); 126; 135(9); 138(3); 140(3); 146(10); 202(15); 205(1)(l); 219(30); 220(3)(e); 502(21); 505(12); 505(13); 705, page 257, lines 23-24; 805, page 267, lines 32-38, and page 268, line 1; 805, page 268, lines 11-38, and page 269, lines 1-15; 805, page 270, lines 12-16; 917; and 919, Engrossed Substitute Senate Bill No. 6002 is approved."

CHAPTER 222

[Engrossed Substitute Senate Bill 6001]

TRANSPORTATION BUDGET—SUPPLEMENTAL

AN ACT Relating to transportation funding and appropriations; amending RCW 47.28.030, 81.53.281, 82.70.020, 82.70.040, 82.70.050, 82.70.900, and 90.03.525; amending 2013 c 306 ss 101, 102, 103, 106, 107, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 401, 402, 404, 405, 406, 407, 517, 518, 519, and 603 (uncodified); adding new sections to chapter 306, Laws of 2013 (uncodified); making appropriations and authorizing expenditures for capital improvements; providing contingent effective dates; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

2013-2015 FISCAL BIENNIUM
GENERAL GOVERNMENT AGENCIES—OPERATING

Sec. 101. 2013 c 306 s 101 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

Motor Vehicle Account—State Appropriation . . . . . ((~~$435,000~~)) $433,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation is provided solely for staffing costs to be dedicated to state transportation activities. Staff hired to support transportation activities must have practical experience with complex construction projects.

Sec. 102. 2013 c 306 s 102 (uncodified) is amended to read as follows:

FOR THE UTILITIES AND TRANSPORTATION COMMISSION

Grade Crossing Protective Account—State Appropriation. $504,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Within existing resources, the commission must work with stakeholders to study the safety of equipment, driver qualifications, insurance levels, safety of operations, and the past accidents of charter party carriers providing railroad crew transportation.

(2) The study must include a review of current practices regarding:

(a) Driver qualifications, including a driver's experience and skill, physical condition, type or class of license, and any license suspensions or revocations;

(b) Equipment safety;

(c) Safety of operations;

(d) Passenger safety;

(e) Insurance coverage levels, including liability coverage, uninsured and underinsured motorist coverage, and property damage coverage; and

(f) Safety complaints received by the commission.

(3) This study must also include examination of past accidents involving vehicles regulated under chapter 81.61 RCW.

(4) The commission must provide a report to the legislature by December 31, 2014, summarizing the findings to date, including recommendations for

avoiding accidents in the future and providing recommended statutory changes that would enhance public safety.

Sec. 103. 2013 c 306 s 103 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

Motor Vehicle Account—State Appropriation . . . . . ((~~$1,641,000~~)) $1,636,000

Puget Sound Ferry Operations Account—State Appropriation $176,000

TOTAL APPROPRIATION . . . . . ((~~$1,817,000~~)) $1,812,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $932,000 of the motor vehicle account—state appropriation is provided solely for the office of financial management, from funds set aside out of statewide fuel taxes distributed to counties according to RCW 46.68.120(3), to contract with the Washington state association of counties to identify, analyze, evaluate, and implement county transportation performance measures associated with transportation system policy goals outlined in RCW 47.04.280. The Washington state association of counties, in cooperation with state agencies, must: Identify, analyze, and report on county transportation system preservation; identify, evaluate, and report on opportunities to streamline reporting requirements for counties; and evaluate project management tools to help improve project delivery at the county level.

(2) $70,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the state's share of the marine salary survey.

Sec. 104. 2013 c 306 s 106 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

Motor Vehicle Account—State Appropriation . . . . . ((~~$1,208,000~~)) $1,203,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $351,000 of the motor vehicle account—state appropriation is provided solely for costs associated with the motor fuel quality program.

(2) $857,000 of the motor vehicle account—state appropriation is provided solely to test the quality of biofuel. The department must test fuel quality at the biofuel manufacturer, distributor, and retailer.

Sec. 105. 2013 c 306 s 107 (uncodified) is amended to read as follows:

FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

Motor Vehicle Account—State Appropriation . . . . . ((~~$529,000~~)) $527,000

TRANSPORTATION AGENCIES—OPERATING

***Sec. 201.** 2013 c 306 s 201 (uncodified) is amended to read as follows:

FOR THE WASHINGTON TRAFFIC SAFETY COMMISSION

Highway Safety Account—State Appropriation . . . . . ((~~$3,017,000~~)) $3,027,000
Highway Safety Account—Federal Appropriation . . . . . ((~~$40,699,000~~)) $40,780,000
Highway Safety Account—Private/Local Appropriation. . . . . ((~~$50,000~~)) $118,000
School Zone Safety Account—State Appropriation. . . . . ((~~$1,800,000~~)) $1,700,000
TOTAL APPROPRIATION . . . . . ((~~$45,566,000~~)) $45,625,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The commission shall develop and implement, in collaboration with the Washington state patrol, a target zero team pilot program in Yakima and Spokane counties. The pilot program must demonstrate the effectiveness of intense, high visibility driving under the influence enforcement in Washington state. The commission shall apply to the national highway traffic safety administration for federal highway safety grants to cover the cost of the pilot program.

(2) $20,000,000 of the highway safety account—federal appropriation is provided solely for federal funds that may be obligated to the commission pursuant to 23 U.S.C. Sec. 164 during the 2013-2015 fiscal biennium.

(((~~(4)~~))) (3) The commission may continue to oversee pilot projects implementing the use of automated traffic safety cameras to detect speed violations within cities west of the Cascade mountains that have a population over one hundred ninety-five thousand. For the purposes of pilot projects in this subsection, no more than one automated traffic safety camera may be used to detect speed violations within any one jurisdiction.

(a) The commission shall comply with RCW 46.63.170 in administering the pilot projects.

(b) By January 1, 2015, any local authority that is operating an automated traffic safety camera to detect speed violations must provide a summary to the transportation committees of the legislature concerning the use of the cameras and data regarding infractions, revenues, and costs.

(4)(a) The commission shall coordinate with counties to implement and administer a statewide yellow dot program that will provide a yellow dot window decal and yellow dot folder during the 2013-2015 fiscal biennium.

(b) The commission may utilize available federal dollars and state dollars to implement and administer the program. The commission may accept donations and partnership funds through the state's existing donation process and deposit the funds to the highway safety account for the start-up and continued support of the program.

(c) The commission, in conjunction with counties, shall maintain a separate web page that allows a person to download the yellow dot form to be placed in the yellow dot folder and lists the locations in which a person may pick up the yellow dot window decal and folder. The commission and counties may not collect any personal information. A person using the program is responsible for maintaining the information in the yellow dot folder. Participation in the program does not create any new or distinct obligation for emergency medical

responders or law enforcement personnel to determine if there is a yellow dot folder in the motor vehicle or use the information contained in the yellow dot folder.

(d) The commission may adopt rules necessary to implement this subsection.

(5) During the 2013-2015 fiscal biennium, the commission shall continue to provide funding to counties for target zero task forces at the same annual allotment levels that were in place January 1, 2014. By December 1, 2014, the commission must report to the transportation committees of the legislature on any proposed changes in funding levels for target zero task forces in the 2015-2017 fiscal biennium.

***Sec. 201 was partially vetoed. See message at end of chapter.**

Sec. 202. 2013 c 306 s 202 (uncodified) is amended to read as follows:

FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account—State Appropriation. . . . . ((~~$945,000~~))
$939,000

Motor Vehicle Account—State Appropriation . . . . . ((~~$2,186,000~~))
$2,195,000

County Arterial Preservation Account—State Appropriation. . . . . ((~~$1,456,000~~))
$1,446,000

TOTAL APPROPRIATION . . . . . ((~~$4,587,000~~))
$4,580,000

Sec. 203. 2013 c 306 s 203 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION IMPROVEMENT BOARD

Transportation Improvement Account—State Appropriation. . . . . ((~~$3,804,000~~))
$3,900,000

Sec. 204. 2013 c 306 s 204 (uncodified) is amended to read as follows:

FOR THE JOINT TRANSPORTATION COMMITTEE

Motor Vehicle Account—State Appropriation . . . . . ((~~$1,330,000~~))
$1,575,000

The appropriation in this section is subject to the following conditions and limitations:

(1)(a) $325,000 of the motor vehicle account—state appropriation is for a study of transportation cost drivers and potential efficiencies to contain project costs and gain more value from investments in Washington state's transportation system. The goal is to enable the department of transportation to construct bridge and highway projects more quickly and to build and operate them at a lower cost, while ensuring that appropriate environmental and regulatory protections are maintained and a quality project is delivered. The joint transportation committee must convene an advisory panel to provide study guidance and discuss potential efficiencies and recommendations. The scope of the study must be limited to state-level policies and practices relating to the planning, design, permitting, construction, financing, and operation of department of transportation roadway and bridge projects. The study must:

(i) Identify best practices;

(ii) Identify inefficiencies in state policy or agency practice where changes may save money;

(iii) Recommend changes to improve efficiency and save money; and

(iv) Identify potential savings to be achieved by adopting changes in practice or policy.

(b) The joint transportation committee shall issue a report of its findings to the house of representatives and senate transportation committees by December 31, 2013.

(2) The joint transportation committee shall coordinate a work group comprised of the department of licensing, the department of revenue, county auditors or other agents, and subagents to identify possible issues relating to the administration of, compliance with, and enforcement of the existing statutory requirement for a person to provide an unexpired driver's license when registering a vehicle. The work group shall provide recommendations on how administration and enforcement may be modified, as needed, to address any identified issues, including whether statutory changes may be needed. A report presenting the recommendations must be presented to the house of representatives and senate transportation committees by December 31, 2013.

(3) The joint transportation committee shall continue to convene a subcommittee for legislative oversight of the I-5/Columbia river crossing bridge replacement project. The Columbia river crossing legislative oversight subcommittee must be made up of six members: Two appointed by the cochairs of the senate transportation committee, two appointed by the chair and ranking member of the house of representatives transportation committee, one designee of the governor, and one citizen jointly appointed by the four members of the joint transportation executive committee. The citizen appointee must be a Washington state resident of the area served by the bridge. At least two of the legislative members must be from the legislative districts served by the bridge. In addition to reviewing project and financing information, the subcommittee must also coordinate with the Oregon legislative oversight committee for the Columbia river crossing bridge.

(4) The joint transportation committee shall convene a work group to identify and evaluate internal refinance opportunities for the Tacoma Narrows bridge. The study must include a staff work group, including staff from the office of financial management, the transportation commission, the department of transportation, the office of the state treasurer, and the legislative transportation committees. The joint transportation committee shall issue a report of its findings to the house of representatives and the senate transportation committees by December 31, 2013.

(5) The joint transportation committee shall study and review the use of surplus property proceeds to fund facility replacement projects, and the possibility of using the north central region as a pilot. The joint transportation committee shall consult with the department of transportation and the office of financial management regarding the department's current process for prioritizing and funding facility improvement and replacement projects.

(6) $250,000 of the motor vehicle account—state appropriation is for the joint transportation committee to evaluate the current status of electric vehicle charging stations in Washington, and to make recommendations regarding potential business models for financially-sustainable electric vehicle charging

networks and alternative roles for public and private sector participation in those business models. Public sector participation may include public financing, funding, facilitation, and other incentives to encourage installation of electric vehicle charging stations. In conducting the study, the committee must coordinate with the department of transportation and consult with local governments and stakeholders in the electric vehicle industry. The committee may also consult with users of electric vehicles and stakeholders representing manufacturers and operators of electric vehicle charging stations. The committee shall submit an interim report by December 31, 2014, and a final report by March 1, 2015.

(7) The joint transportation committee shall coordinate a work group to review the existing titling and registration processes along with policies that county auditors, subagents, and agents must comply with when conducting title and registration transactions. The goal and related outcomes of the work group review are to provide recommendations to streamline processes, modernize policies, and identify potential information technology opportunities. Members of the work group shall only include county auditors, subagents, agents, and the department of licensing. The work group shall submit a report to the transportation committees of the legislature on or before December 1, 2014.

(8) The joint transportation committee shall coordinate a work group comprised of representatives from the department of licensing, the Washington state traffic safety commission, and other stakeholders as deemed necessary, along with interested legislators, to develop parameters for and make recommendations regarding a pilot program that would allow students to meet traffic safety education requirements online. Additionally, the work group shall make recommendations related to requiring driver training to individuals between the ages of eighteen and twenty-four who have not previously passed a driver training education program or other methods of enhancing the safety of this high-risk group. The joint transportation committee shall issue a report of its findings to the transportation committees of the house of representatives and senate by December 1, 2014.

***Sec. 205.** 2013 c 306 s 205 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION COMMISSION

Motor Vehicle Account—State Appropriation . . . . . ((~~$2,947,000~~)) $3,516,000

Multimodal Transportation Account—State Appropriation $112,000

TOTAL APPROPRIATION . . . . . ((~~$3,059,000~~)) $3,628,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Consistent with RCW 43.135.055, 47.60.290, and 47.60.315, during the 2013-2015 fiscal biennium, the legislature authorizes the transportation commission to periodically review and, if necessary, adjust the schedule of fares for the Washington state ferry system only in amounts not greater than those sufficient to generate the amount of revenue required by the biennial transportation budget. When adjusting ferry fares, the commission must consider input from affected ferry users by public hearing and by review with the

affected ferry advisory committees, in addition to the data gathered from the current ferry user survey.

(2) Consistent with RCW 43.135.055 and 47.46.100, during the 2013-2015 fiscal biennium, the legislature authorizes the transportation commission to periodically review and, if necessary, adjust the schedule of toll charges applicable to the Tacoma Narrows bridge only in amounts not greater than those sufficient to support (a) any required costs for operating and maintaining the toll bridge, including the cost of insurance, (b) any amount required by law to meet the redemption of bonds and applicable interest payments, and (c) repayment of the motor vehicle fund.

(3) Consistent with RCW 43.135.055 and 47.56.880, during the 2013-2015 fiscal biennium, the legislature authorizes the transportation commission to set, periodically review, and, if necessary, adjust the schedule of toll charges applicable to the Interstate 405 express toll lanes.

(4)(a) $400,000 of the motor vehicle account—state appropriation is provided solely for the development of the business case for the transition to a road usage charge system as the basis for funding the state transportation system, from the current motor fuel tax system. The funds are provided for fiscal year 2014 only.

(b) The legislature finds that the efforts started in the 2011-2013 fiscal biennium regarding the transition to a road usage charge system represent an important first step in the policy and conceptual development of potential alternative systems to fund transportation projects, but that the governance for the development needs clarification. The legislature also finds that significant amounts of research and public education are occurring in similar efforts in several states and that these efforts can and should be leveraged to advance the evaluation in Washington. The legislature intends, therefore, that the commission and its staff lead the policy development of the business case for a road usage charge system, with the goal of providing the business case to the governor and the legislative committees of the legislature in time for inclusion in the 2014 supplemental omnibus transportation appropriations act. The legislature intends for additional oversight in the business case development, with guidance from a steering committee as provided in chapter 86, Laws of 2012, augmented with participation by the joint transportation committee. The legislature further intends that the department of transportation continue to address administrative, technical, and conceptual operational issues related to road usage charge systems, and that the department serve as a resource for information gleaned from other states on this topic for the commission's efforts.

(c) For the purposes of this subsection ((~~(3)~~)) (4), the commission shall:

(i) Develop preliminary road usage charge policies that are necessary to develop the business case, as well as supporting research and data that will guide the potential application in Washington;

(ii) Develop the preferred operational concept or concepts that reflect the preliminary policies;

(iii) Evaluate the business case for the road usage charge system that would result from implementing the preliminary policies and preferred operational concept or concepts. The evaluation must assess likely financial outcomes if the system were to be implemented; and

(iv) Identify and document policy and other issues that are deemed important to further refine the preferred operational concept or concepts and to gain public acceptance. These identified issues should form the basis for continued work beyond this funding cycle.

(d) The commission shall convene a steering committee to guide the development of the business case. The membership must be the same as provided in chapter 86, Laws of 2012, except that the membership must also include the joint transportation committee executive members.

(e) The commission shall submit a report of the business case to the governor and the transportation committees of the legislature by December 15, 2013. The report must also include a proposed budget and work plan for fiscal year 2015. A progress report must be submitted to the governor and the joint transportation committee by November 1, 2013, including a presentation to the joint transportation committee.

((~~(4)~~)) (5) $174,000 of the motor vehicle account—state appropriation is provided solely for the voice of Washington survey program. The funding must be utilized for continued program maintenance and two transportation surveys for the 2013-2015 fiscal biennium.

(6)(a) $450,000 of the motor vehicle account—state appropriation is provided solely for a work plan to further develop the concept of a road usage charge system. The work plan must include: Refinement of initial policy analysis and development, a concept of operations that incorporates refined policy inputs, and a financial analysis evaluating the operational concept. The refinement of initial policy analysis and development funded under this subsection must be supplemented by the products of complementary policy refinement tasks delegated to the department of transportation in section 214 of this act and the office of the state treasurer in section 703 of this act. It is the intent of the legislature that consideration for potential planning for a pilot project and any risk analysis occur in the 2015 legislative session.

(b)(i) For the purposes of the refinement of initial policy analysis and development, the work plan must consider phasing and staging of how a road usage charge would be implemented as it relates to the types of vehicles that would be subject to a road usage charge and the nature and manner of a transition period.

(ii) For the purposes of this subsection (6)(b), the legislature intends that the commission focus its analysis by assuming that the exemptions under a road usage charge would be the same as those under the motor vehicle fuel and special fuel taxes. In addition, the commission must engage the road usage charge steering committee, which was reauthorized in chapter 306, Laws of 2013 for fiscal year 2014 and is hereby reauthorized in this act with the same membership, to continue in its role and, at a minimum, to guide the work specified in (a) of this subsection, including the following: Assessing and recommending the type of vehicles that would be subject to the road usage charge, and assessing and recommending the options for the timing and duration of the transition period. The steering committee shall report its findings and guidance to the commission by December 1, 2014.

(c)(i) For the purposes of the development of the concept of operations, the development must incorporate the products of (b) of this subsection, and, to the extent practicable, the products of work conducted by the department of

transportation in section 214 of this act and the office of the state treasurer in section 703 of this act.

(ii) To reduce system development and operational costs, for road user charge options that rely on in-vehicle devices to record mileage, the work plan must recommend how the state can utilize the technology and back-office platforms that are scheduled to be provided by commercial account managers under the Oregon road usage charge program.

(iii) In addition to a time permit and an odometer charge, the concept of operations recommendation must be developed to include a means for periodic payments based on mileage reporting utilizing methods other than onboard diagnostic in-vehicle devices.

(d) The work plan and recommendations, along with a proposed work plan and budget for the 2015-2017 fiscal biennium, must be submitted by the commission to the transportation committees of the legislature by January 15, 2015.

(7) Within existing resources, the commission shall undertake a study of the urban and rural financial and equity implications of a potential road usage charge system in Washington. The commission shall work with the department of transportation and the department of licensing to conduct this analysis. For any survey work that is considered, the commission should utilize the existing voice of Washington survey panel and budget to inform the study. The results must be presented to the governor and the legislature by January 15, 2015.

(8) $125,000 of the motor vehicle account—state appropriation is provided solely to update the statewide transportation plan required under RCW 47.01.071(4) with the required federal elements to bring the plan into federal compliance. The legislature intends that a single, statewide transportation plan fulfill the requirements of RCW 47.01.071(4) and 47.06.040 and currently known federal planning requirements. The commission shall work collaboratively with the department of transportation to accomplish this intent. The commission shall submit the completed plan to the transportation committees of the legislature, and the department shall submit the completed plan to the United States department of transportation as required under 23 U.S.C. Sec. 135 by June 30, 2015. The commission shall provide a status update on this work to the transportation committees of the legislature by January 1, 2015.

***Sec. 205 was partially vetoed. See message at end of chapter.**

****Sec. 206. 2013 c 306 s 206 (uncodified) is amended to read as follows:***

FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

Motor Vehicle Account—State Appropriation . . . . . ((~~$904,000~~)) $879,000

***Sec. 206 was vetoed. See message at end of chapter.**

***Sec. 207.** 2013 c 306 s 207 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL

State Patrol Highway Account—State Appropriation. . . . . ((~~$370,354,000~~)) $366,805,000

State Patrol Highway Account—Federal
Appropriation. . . . . ((~~$11,137,000~~))
$11,067,000
State Patrol Highway Account—Private/Local
Appropriation. . . . . ((~~$3,591,000~~))
$3,572,000
Highway Safety Account—State Appropriation. . . . . ((~~$19,429,000~~))
$19,265,000
Multimodal Transportation Account—State
Appropriation. . . . . ((~~$273,000~~))
$272,000
Ignition Interlock Device Revolving Account—State
Appropriation. . . . . ((~~$573,000~~))
$569,000
TOTAL APPROPRIATION . . . . . ((~~$405,357,000~~))
$401,550,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The Washington state patrol shall collaborate with the Washington traffic safety commission on the target zero team pilot program referenced in section 201 of this act.

(2) During the 2013-2015 fiscal biennium, the Washington state patrol shall relocate its data center to the state data center in Olympia. The Washington state patrol shall work with the department of enterprise services to negotiate the lease termination agreement for the current data center site.

(3) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol must be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol.

(4) $573,000 of the ignition interlock device revolving account—state appropriation is provided solely for the ignition interlock program at the Washington state patrol to provide funding for two staff to work and provide support for the program in working with manufacturers, service centers, technicians, and participants in the program.

(5) $370,000 of the state patrol highway account—state appropriation is provided solely for costs associated with the pilot program described under section 216((~~(6)~~)) (5) of this act. The Washington state patrol may incur costs related only to the assignment of cadets and necessary computer equipment and to the reimbursement of the department of transportation for contract costs. The appropriation in this subsection must be funded from the portion of the automated traffic safety camera infraction fines deposited into the state patrol highway account; however, if the fines deposited into the state patrol highway account from automated traffic safety camera infractions do not reach three hundred seventy thousand dollars, the department of transportation shall remit

funds necessary to the Washington state patrol to ensure the completion of the pilot program. The Washington state patrol may not incur overtime as a result of this pilot program. The Washington state patrol shall not assign troopers to operate or deploy the pilot program equipment used in roadway construction zones.

(6) The cost allocation for any costs incurred for the facilities at the Olympia, Washington airport used for the Washington state patrol aviation section must be split evenly between the state patrol highway account and the general fund.

(7) The Washington state patrol shall work with the state interoperability executive committee to compile a list of recent studies evaluating the potential savings and benefits of consolidating law enforcement and emergency dispatching centers and report to the joint transportation committee by December 1, 2014, on the findings and recommendations of those studies. As part of this study, the Washington state patrol must look for potential efficiencies within state government.

(8) The Washington state patrol shall coordinate and support local law enforcement in Pierce county in providing traffic control on the highways and other activities within current budget during the United States open national golf championship in June 2015.

***Sec. 207 was partially vetoed. See message at end of chapter.**

***Sec. 208.** 2013 c 306 s 208 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

Marine Fuel Tax Refund Account—State Appropriation. $34,000

Motorcycle Safety Education Account—State Appropriation. . . . . ((~~$4,409,000~~)) $4,396,000

State Wildlife Account—State Appropriation . . . . . ((~~$885,000~~)) $867,000

Highway Safety Account—State Appropriation . . . . . ((~~$156,679,000~~)) $158,505,000

Highway Safety Account—Federal Appropriation . . . . . ((~~$4,392,000~~)) $4,363,000

Motor Vehicle Account—State Appropriation . . . . . ((~~$76,819,000~~)) $81,352,000

Motor Vehicle Account—Federal Appropriation $467,000

Motor Vehicle Account—Private/Local Appropriation $1,544,000

Ignition Interlock Device Revolving Account—State Appropriation. . . . . ((~~$2,656,000~~)) $2,871,000

Department of Licensing Services Account—State Appropriation. . . . . ((~~$5,959,000~~)) $5,983,000

TOTAL APPROPRIATION . . . . . ((~~$253,844,000~~)) $260,382,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $1,235,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter . . . (Substitute House Bill No. 1752), Laws of 2013 (requirements for the operation of commercial motor vehicles in compliance with federal regulations). If chapter . . . (Substitute House Bill No. 1752), Laws of 2013 is not enacted by June 30, 2013, the amount provided in this subsection lapses.

(2) $1,000,000 of the highway safety account—state appropriation is provided solely for information technology field system modernization.

(3) $5,286,000 of the highway safety account—state appropriation is provided solely for business and technology modernization.

(4) $2,355,000 of the motor vehicle account—state appropriation is provided solely for replacing prorate and fuel tax computer systems used to administer interstate licensing and the collection of fuel tax revenues.

(5) $1,491,000 of the highway safety account—state appropriation is provided solely for the implementation of an updated central issuance system.

(6) $201,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Substitute Senate Bill No. 5152), Laws of 2013 (Sounders FC and Seahawks license plates). If chapter . . . (Substitute Senate Bill No. 5152), Laws of 2013 is not enacted by June 30, 2013, the amount provided in this subsection lapses.

((~~(4)~~)) (7) $425,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter . . . (Substitute Senate Bill No. 5182), Laws of 2013 (vehicle owner information). If chapter . . . (Substitute Senate Bill No. 5182), Laws of 2013 is not enacted by June 30, 2013, the amount provided in this subsection lapses.

((~~(5) $172,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter . . . (Senate Bill No. 5775), Laws of 2013 (veterans/drivers' licenses). If chapter . . . (Senate Bill No. 5775), Laws of 2013 is not enacted by June 30, 2013, the amount provided in this subsection lapses.~~

~~(6) $652,000~~)) (8) $289,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Second Engrossed Substitute Senate Bill No. 5785), Laws of ((~~2013~~)) 2014 (license plates). If chapter . . . (Second Engrossed Substitute Senate Bill No. 5785), Laws of ((~~2013~~)) 2014 is not enacted by June 30, ((~~2013~~)) 2014, the amount provided in this subsection lapses.

((~~(7) $78,000 of the motor vehicle account—state appropriation and $3,707,000 of the highway safety account—state appropriation are provided solely for the implementation of chapter . . . (Engrossed Substitute Senate Bill No. 5857), Laws of 2013 (vehicle related fees). If chapter . . . (Engrossed Substitute Senate Bill No. 5857), Laws of 2013 is not enacted by June 30, 2013, the amount provided in this subsection lapses.~~

~~(8)~~)) (9) The appropriation in this section reflects the department charging an amount sufficient to cover the full cost of providing the data requested under RCW 46.12.630(1)(b).

((~~(9)~~)) (10)(a) The department must convene a work group to examine the use of parking placards and special license plates for persons with disabilities and develop a strategic plan for ending any abuse. In developing this plan, the

department must work with the department of health, disabled citizen advocacy groups, and representatives from local government.

(b) The work group must be composed of no more than two representatives from each of the entities listed in (a) of this subsection. The work group may, when appropriate, consult with any other public or private entity in order to complete the strategic plan.

(c) The strategic plan must include:

(i) Oversight measures to ensure that parking placards and special license plates for persons with disabilities are being properly issued, including: (A) The entity responsible for coordinating a randomized review of applications for special parking privileges; (B) a volunteer panel of medical professionals to conduct such reviews; (C) a means to protect the anonymity of both the medical professional conducting a review and the medical professional under review; (D) a means to protect the privacy of applicants by removing any personally identifiable information; and (E) possible sanctions against a medical professional for repeated improper issuances of parking placards or special license plates for persons with disabilities, including those sanctions listed in chapter 18.130 RCW; and

(ii) The creation of a publicly accessible system in which the validity of parking placards and special license plates for persons with disabilities may be verified. This system must not allow the public to access any personally identifiable information or protected health information of a person who has been issued a parking placard or special license plate.

(d) The work group must convene by July 1, 2013, and terminate by December 1, 2013.

(e) By December 1, 2013, the work group must deliver to the legislature and the appropriate legislative committees the strategic plan required under this subsection, together with its findings, recommendations, and any necessary draft legislation in order to implement the strategic plan.

((~~(10)~~)) (11) $3,082,000 of the highway safety account—state appropriation is provided solely for exam and licensing activities, including the workload associated with providing driver record abstracts, and is subject to the following additional conditions and limitations:

(a) The department may furnish driving record abstracts only to those persons or entities expressly authorized to receive the abstracts under Title 46 RCW;

(b) The department may furnish driving record abstracts only for an amount that does not exceed the specified fee amounts in RCW 46.52.130 (2)(e)(v) and (4); and

(c) The department may not enter into a contract, or otherwise participate in any arrangement, with a third party or other state agency for any service that results in an additional cost, in excess of the fee amounts specified in RCW 46.52.130 (2)(e)(v) and (4), to statutorily authorized persons or entities purchasing a driving record abstract.

(12) $229,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Engrossed Second Substitute House Bill No. 1129), Laws of 2014 (ferry vessel replacement). If chapter . . . (Engrossed Second Substitute House Bill No. 1129), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

(13) $96,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Engrossed Second Substitute House Bill No. 1902), Laws of 2014 (intermittent-use trailer license plates). If chapter . . . (Engrossed Second Substitute House Bill No. 1902), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

(14) $42,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (House Bill No. 2100), Laws of 2014 (Seattle University license plates). If chapter . . . (House Bill No. 2100), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

(15) $46,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (House Bill No. 2700), Laws of 2014 (breast cancer awareness license plates). If chapter . . . (House Bill No. 2700), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

(16) $42,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Engrossed House Bill No. 2752), Laws of 2014 (Washington state tree license plates). If chapter . . . (Engrossed House Bill No. 2752), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

(17) $32,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (House Bill No. 2741), Laws of 2014 (initial vehicle registration). If chapter . . . (House Bill No. 2741), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

(18) Within existing resources, the department must convene a work group that includes, at a minimum, representatives from the department of transportation, the trucking industry, manufacturers of compressed natural gas and liquefied natural gas, and any other stakeholders as deemed necessary, for the following purposes:

(a) To evaluate the annual license fee in lieu of fuel tax under RCW 82.38.075 to determine a fee that more closely represents the average consumption of vehicles by weight and to make recommendations to the transportation committees of the legislature by December 1, 2014, on an updated fee schedule; and

(b) To develop a transition plan to move vehicles powered by liquefied natural gas and compressed natural gas from the annual license fee in lieu of fuel tax to the fuel tax under RCW 82.38.030. The transition plan must incorporate stakeholder feedback and must include draft legislation and cost and revenue estimates. The transition plan must be submitted to the transportation committees of the legislature by December 1, 2015.

(c) This subsection takes effect if both chapter . . . (Engrossed Substitute Senate Bill No. 6440), Laws of 2014 (compressed natural gas and liquefied natural gas) and chapter . . . (Substitute House Bill No. 2753), Laws of 2014 (compressed natural gas and liquefied natural gas) are not enacted by June 30, 2014.

(19) $36,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Substitute Senate Bill No. 5467),

Laws of 2014 (vehicle owner list furnishment requirements). If chapter . . . (Substitute Senate Bill No. 5467), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

(20) The department must convene a work group to study the issue of regulating tow truck operators that are not licensed as registered tow truck operators under chapter 46.55 RCW. The work group must examine the advisability of regulating such operators, including any potential benefits to public safety, and possible methodologies for accomplishing this regulation. The work group must include the department, representatives of the Washington state patrol, organized groups of registered tow truck operators, and automobile clubs. The work group may also include hulk haulers, wreckers, transporters, and other stakeholders relating to the issue of unregulated towing for monetary compensation. The work group shall convene as necessary and report its recommendations and draft legislation to the transportation committees of the legislature by December 1, 2014.

(21) The department when modernizing its computer systems must place personal and company data elements in separate data fields to allow the department to select discrete data elements when providing information or data to persons or entities outside the department. This requirement must be included as part of the systems design in the department's business and technology modernization. A person's photo, social security number, or medical information must not be made available through public disclosure or data being provided under RCW 46.12.630 or 46.12.635.

***Sec. 208 was partially vetoed. See message at end of chapter.**

Sec. 209. 2013 c 306 s 209 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TOLL OPERATIONS AND MAINTENANCE—PROGRAM B

High-Occupancy Toll Lanes Operations Account—State Appropriation. . . . . ((~~$1,851,000~~)) $1,942,000

Motor Vehicle Account—State Appropriation . . . . . ((~~$509,000~~)) $514,000

State Route Number 520 Corridor Account—State Appropriation. . . . . ((~~$32,419,000~~)) $34,267,000

State Route Number 520 Civil Penalties Account—State Appropriation. . . . . ((~~$4,169,000~~)) $4,156,000

Tacoma Narrows Toll Bridge Account—State Appropriation. . . . . ((~~$23,730,000~~)) $25,007,000

Puget Sound Ferry Operations Account—State Appropriation. $250,000

Interstate 405 Express Toll Lanes Operations Account—State Appropriation $2,019,000

TOTAL APPROPRIATION . . . . . ((~~$62,928,000~~)) $68,155,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) The legislature finds that the department's tolling division has expanded greatly in recent years to address the demands of administering several newly tolled facilities using emerging toll collection technologies. The legislature intends for the department to continue its good work in administering the tolled facilities of the state, while at the same time implementing controls and processes to ensure the efficient and judicious administration of toll payer dollars.

(b) The legislature finds that the department has undertaken a cost-of-service study in the winter and spring of 2013 for the purposes of identifying in detail the costs of operating and administering tolling on state route number 520, state route number 167 high-occupancy toll lanes, and the Tacoma Narrows bridge. The purpose of the study is to provide results to establish a baseline by which future activity may be compared and opportunities identified for cost savings and operational efficiencies. In addition, the legislature finds that the state auditor has undertaken a performance audit of the department's contract for the customer service center and back office processing of tolling transactions. The audit findings, which are expected to include lessons learned, are due in late spring 2013.

(c) Using the results of the cost-of-service study and the state audit as a basis, the department shall conduct a review of operations using lean management principles in order to eliminate inefficiencies and redundancies, incorporate lessons learned, and identify opportunities to conduct operations more efficiently and effectively. Within current statutory and budgetary tolling policy, the department shall use the results of the review to improve operations in order to conduct toll operations within the appropriations provided in subsections (2) through (4) of this section. The department shall submit the review, along with the status of and plans for the implementation of review recommendations, to the office of financial management and the house of representatives and senate transportation committees by October 15, 2013.

(2) ((~~$10,482,000~~)) $10,343,000 of the Tacoma Narrows toll bridge account—state appropriation, ((~~$17,056,000~~)) $16,534,000 of the state route number 520 corridor account—state appropriation, ((~~$1,226,000~~)) $1,217,000 of the high-occupancy toll lanes operations account—state appropriation, and ((~~$509,000~~)) $514,000 of the motor vehicle account—state appropriation are provided solely for nonvendor costs of administering toll operations, including the costs of: Staffing the division, consultants and other personal service contracts required for technical oversight and management assistance, insurance, payments related to credit card processing, transponder purchases and inventory management, facility operations and maintenance, and other miscellaneous nonvendor costs.

(3) ((~~$10,907,000~~)) $11,265,000 of the Tacoma Narrows toll bridge account—state appropriation, ((~~$9,363,000~~)) $9,730,000 of the state route number 520 corridor account—state appropriation, and $625,000 of the high-occupancy toll lanes operations account—state appropriation are provided solely for vendor-related costs of operating tolled facilities, including the costs of: The customer service center; cash collections on the Tacoma Narrows bridge;

electronic payment processing; and toll collection equipment maintenance, renewal, and replacement.

(4) $1,300,000 of the Tacoma Narrows toll bridge account—state appropriation and $6,000,000 of the state route number 520 corridor account—state appropriation are provided solely for the purposes of addressing unforeseen operations and maintenance costs on the Tacoma Narrows bridge and the state route number 520 bridge, respectively. The office of financial management shall place the amounts provided in this section, which represent a portion of the required minimum fund balance under the policy of the state treasurer, in unallotted status. The office may release the funds only when it determines that all other funds designated for operations and maintenance purposes have been exhausted.

(5) ((~~$4,169,000~~)) $4,156,000 of the state route number 520 civil penalties account—state appropriation and $1,039,000 of the Tacoma Narrows toll bridge account—state appropriation are provided solely for expenditures related to the toll adjudication process. The department shall report on the civil penalty process to the office of financial management and the house of representatives and senate transportation committees by the end of each calendar quarter. The reports must include a summary table for each toll facility that includes: The number of notices of civil penalty issued; the number of recipients who pay before the notice becomes a penalty; the number of recipients who request a hearing and the number who do not respond; workload costs related to hearings; the cost and effectiveness of debt collection activities; and revenues generated from notices of civil penalty.

(6) The Tacoma Narrows toll bridge account—state appropriation in this section reflects reductions in management costs of $1,235,000.

(7) The department shall make detailed quarterly expenditure reports available to the transportation commission and to the public on the department's web site using current department resources. The reports must include a summary of toll revenue by facility on all operating toll facilities and high occupancy toll lane systems, and an itemized depiction of the use of that revenue.

(8) The department shall make detailed quarterly reports to the governor and the transportation committees of the legislature on the use of consultants in the tolling program. The reports must include the name of the contractor, the scope of work, the type of contract, timelines, deliverables, any new task orders, and any extensions to existing consulting contracts.

(9)(a) $250,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the development of a plan to integrate and transition customer service, reservation, and payment systems currently provided by the marine division to ferry users into the statewide tolling customer service center.

(b)(i) The department shall develop a plan that addresses:

(A) A phased implementation approach, beginning with "Good To Go" as a payment option for ferry users;

(B) The feasibility, schedule, and cost of creating a single account-based system for toll road and ferry users;

(C) Transitioning customer service currently provided by the marine division to the statewide tolling customer service center; and

(D) Transitioning existing and planned ferry reservation system support from the marine division to the statewide tolling customer service center.

(ii) The plan must be provided to the office of financial management and the transportation committees of the legislature by January 14, 2014.

(10)(a) $2,019,000 of the Interstate 405 express toll lanes operations account—state appropriation is provided solely for operating and maintenance costs of the Interstate 405 express toll lanes program, including staff costs related to operating an additional toll facility, consulting support for operations, purchase of transponders, costs related to adjudication, credit card fees, printing and postage, and customer service center support. Of the amount provided in this subsection, $519,000 of the Interstate 405 express toll lanes operations account—state appropriation must be placed in unallotted status by the office of financial management until a plan to begin tolling the Interstate 405 express toll lanes during the summer of 2015 is finalized and approved by the office of financial management, in consultation with the chairs and ranking member of the transportation committees of the legislature.

(b) The funds provided in (a) of this subsection are provided through a transfer from the motor vehicle account—state appropriation in section 407(19) of this act. These funds are a loan to the Interstate 405 express toll lanes operations account—state appropriation, and the legislature assumes that these funds will be reimbursed to the motor vehicle account at a later date when the Interstate 405 express toll lanes are operational.

(11) $1,060,000 of the Tacoma narrows toll bridge account—state appropriation, $2,003,000 of the state route number 520 corridor account—state appropriation, and $99,000 of the high occupancy toll lanes operations account—state appropriation are provided solely in anticipation of, and to prepare for, the procurement of a new tolling customer service center. Of the amounts provided in this subsection, $480,000 of the Tacoma narrows toll bridge account—state appropriation, $906,000 of the state route number 520 corridor account—state appropriation, and $45,000 of the high occupancy toll lanes operations account—state appropriation must be placed in unallotted status by the office of financial management until a procurement plan is finalized and approved by the office of financial management, in consultation with the chairs and ranking member of the transportation committees of the legislature. Beginning July 1, 2014, the department shall report quarterly to the governor, legislature, and state auditor on: (a) The department's effort to mitigate risk to the state, (b) the development of a request for proposals, and (c) the overall progress towards procuring a new tolling customer service center.

Sec. 210. 2013 c 306 s 210 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—INFORMATION TECHNOLOGY—PROGRAM C

Transportation Partnership Account—State Appropriation. $1,460,000

Motor Vehicle Account—State Appropriation . . . . . ((~~$68,773,000~~)) $65,936,000

Multimodal Transportation Account—State Appropriation. . . . . ((~~$363,000~~)) $2,883,000

Transportation 2003 Account (Nickel Account)—State Appropriation. $1,460,000
Puget Sound Ferry Operations Account—State Appropriation. $263,000
TOTAL APPROPRIATION . . . . . (($72,056,000)) $72,002,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $290,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(2) $1,460,000 of the transportation partnership account—state appropriation and $1,460,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for maintaining the department's project management reporting system.

Sec. 211. 2013 c 306 s 211 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—FACILITY MAINTENANCE, OPERATIONS, AND CONSTRUCTION—PROGRAM D—OPERATING

Motor Vehicle Account—State Appropriation . . . . . (($26,251,000)) $26,114,000

The appropriation in this section is subject to the following conditions and limitations: $850,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

Sec. 212. 2013 c 306 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—AVIATION—PROGRAM F

Aeronautics Account—State Appropriation . . . . . (($7,361,000)) $7,909,000
Aeronautics Account—Federal Appropriation. $2,150,000
TOTAL APPROPRIATION . . . . . (($9,511,000)) $10,059,000

The appropriations in this section are subject to the following conditions and limitations: (($3,500,000)) $4,065,000 of the aeronautics account—state appropriation is provided solely for airport investment studies and the airport aid grant program, which provides competitive grants to public airports for pavement, safety, maintenance, planning, and security.

***Sec. 213.** 2013 c 306 s 213 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—PROGRAM DELIVERY MANAGEMENT AND SUPPORT—PROGRAM H

Motor Vehicle Account—State Appropriation . . . . . (($47,607,000)) $48,687,000
Motor Vehicle Account—Federal Appropriation $500,000
Multimodal Transportation Account—State Appropriation. $250,000

TOTAL APPROPRIATION . . . . . ((~~$48,357,000~~))
$49,437,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $4,423,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(2) The real estate services division of the department must recover the cost of its efforts from sale proceeds and fund additional future sales from those proceeds.

(3) The legislature recognizes that the Dryden pit site (WSDOT Inventory Control (IC) No. 2-04-00103) is unused state-owned real property under the jurisdiction of the department, and that the public would benefit significantly from the complete enjoyment of the natural scenic beauty and recreational opportunities available at the site. Therefore, pursuant to RCW 47.12.080, the legislature declares that transferring the property to the department of fish and wildlife for recreational use and fish and wildlife restoration efforts is consistent with the public interest in order to preserve the area for the use of the public and the betterment of the natural environment. The department shall work with the department of fish and wildlife and transfer and convey the Dryden pit site to the department of fish and wildlife as-is for an adjusted fair market value reflecting site conditions, the proceeds of which must be deposited in the motor vehicle fund. The department is not responsible for any costs associated with the cleanup or transfer of this property. This subsection expires June 30, 2014.

(4) The legislature recognizes that the trail known as the Apple Capital Loop, and its extensions, serve to separate motor vehicle traffic from pedestrians and bicyclists, increasing motor vehicle safety on existing state route number 28. Consistent with chapter 47.30 RCW and pursuant to RCW 47.12.080, the legislature declares that transferring portions of WSDOT Inventory Control (IC) Nos. 2-09-04537 and 2-09-04569 to Douglas county and the city of East Wenatchee is consistent with the public interest. The legislature directs the department to transfer the property to Douglas county and the city of East Wenatchee. The department must be paid fair market value for any portions of the transferred real property that is later abandoned, vacated, or ceases to be publicly maintained for trail purposes. Douglas county and the city of East Wenatchee must agree to accept responsibility for trail segments within their respective jurisdictions and sign an agreement with the state that the transfer of these parcels to their respective jurisdictions extinguishes any state obligations to improve, maintain, or be in any way responsible for these assets. This subsection expires June 30, 2014.

(5) The legislature recognizes that the SR 20/Cook Road realignment and extension project in the city of Sedro-Woolley will enhance the state and local highway systems by providing a more direct route from state route number 20 and state route number 9 to Interstate 5, and will reduce traffic on state route number 20 and state route number 9, improving the capacity of each route. Furthermore, the legislature declares that certain portions of the department's property held for highway purposes located primarily to the north and west of state route number 20, between state route number 20 to the south and F and S

Grade Road to the north, in the incorporated limits of Sedro-Woolley in Skagit county, can help facilitate completion of the project. Therefore, consistent with RCW 47.12.063, 47.12.080, and 47.12.120, it is the intent of the legislature that the department sell, transfer, or lease, as appropriate, to the city of Sedro-Woolley only those portions of the property necessary to construct the project, including necessary staging areas. However, any staging areas should revert to the department within three years of completion of the project.

(6) Within the amounts provided in this section, the department shall create a quality assurance position. This position must provide independent project quality assurance validation and ensure that quality assurance audit functions are accountable at the highest level of the organization.

(7) To maximize available resources, the department's efforts to eliminate fish passage barriers caused by state roads and highways must be based on the principle of maximizing habitat recovery through a coordinated investment strategy that, to the maximum extent practical and allowable, prioritizes opportunities: To correct multiple fish barriers in whole streams rather than through individual, isolated projects; to coordinate with other entities sponsoring barrier removals, such as regional fisheries enhancement groups, in a manner that achieves the greatest cost savings to all parties; and to eliminate barriers located furthest downstream in a stream system. The department must also recognize that many of the barriers owned by the state are located in the same stream systems as barriers that are owned by cities and counties with limited financial resources for correction and that state/local partnership opportunities should be sought to address these barriers. This subsection takes effect if chapter . . . (Second Substitute House Bill No. 2251), Laws of 2014 is not enacted by June 30, 2014.

(8) $1,453,000 of the motor vehicle account—state appropriation is provided solely to support increased departmental efforts to dispose of surplus property as directed in subsection (2) of this section. These additional funds are expected to result in up to $5,000,000 per fiscal biennium in additional revenues through increasing the sale of surplus property. By December 1, 2014, the department shall report to the governor and the chairs and ranking members of the senate and house of representatives transportation committees on the number of surplus property parcels sold and the amount of revenue generated from those sales during 2014.

***Sec. 213 was partially vetoed. See message at end of chapter.**

Sec. 214. 2013 c 306 s 214 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—ECONOMIC PARTNERSHIPS—PROGRAM K

Motor Vehicle Account—State Appropriation . . . . . ((~~$570,000~~)) $589,000

The appropriation in this section is subject to the following conditions and limitations:

(1) The legislature finds that the efforts started in the 2011-2013 fiscal biennium regarding the transition to a road usage charge system represent an important first step in the policy and conceptual development of potential alternative systems to fund transportation projects, but that the governance for the development needs clarification. The legislature also finds that significant

amounts of research and public education are occurring in similar efforts in several states and that these efforts can and should be leveraged to advance the evaluation in Washington. The legislature intends, therefore, that the transportation commission and its staff lead the policy development of the business case for a road usage charge system, with the goal of providing the business case to the governor and the legislative committees of the legislature in time for inclusion in the 2014 supplemental omnibus transportation appropriations act. The legislature intends for additional oversight in the business case development, with guidance from a steering committee as provided in chapter 86, Laws of 2012 for the transportation commission, augmented with participation by the joint transportation committee. The legislature further intends that, through the economic partnerships program, the department continue to address administrative, technical, and conceptual operational issues related to road usage charge systems, and that the department serve as a resource for information gleaned from other states on this topic for the transportation commission's efforts.

(2) The economic partnerships program must continue to explore retail partnerships at state-owned park-and-ride facilities, as authorized in RCW 47.04.295.

(3) The department, in collaboration with the transportation commission, shall work with the office of the state treasurer and the state's bond counsel to explore legal approaches for ensuring that any reduction, refunding, crediting, or repeal of the motor vehicle fuel tax, in whole or in part, can be accomplished without unlawfully impairing the legal rights of motor vehicle fuel tax bond holders. The results of this work must be shared with the transportation committees of the legislature and the office of financial management by September 1, 2014.

(4) $21,000 of the motor vehicle account—state appropriation is provided solely as matching funds for the department to partner with other transportation agencies located in the western region of North America to develop strategies and methods for reporting, collecting, crediting, and remitting road usage charges resulting from inter-jurisdictional travel. At least one partnering jurisdiction must share a common border with Washington. The results of this work must be reported to the governor, the transportation commission, and the transportation committees of the legislature by September 1, 2014.

Sec. 215. 2013 c 306 s 215 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M

Highway Safety Account—State Appropriation. $10,000,000
Motor Vehicle Account—State Appropriation . . . . . ((~~$390,040,000~~)) $391,358,000
Motor Vehicle Account—Federal Appropriation $7,000,000
TOTAL APPROPRIATION . . . . . ((~~$407,040,000~~)) $408,358,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$377,779,000 of the motor vehicle account—state appropriation and $10,000,000 of the highway safety account—state appropriation are provided~~

~~solely for the maintenance program to achieve specific levels of service on the thirty maintenance targets listed by statewide priority in LEAP Transportation Document 2013-4 as developed April 23, 2013. Beginning in February 2014, the department shall report to the legislature annually on its updated maintenance accountability process targets and whether or not the department was able to achieve its targets.~~

~~(2) $8,450,000~~)) $10,910,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

((~~(3) $1,305,000~~)) (2) $2,605,000 of the motor vehicle account—state appropriation is provided solely for utility fees assessed by local governments as authorized under RCW 90.03.525 for the mitigation of storm water runoff from state highways.

((~~(4)~~)) (3) The department shall submit a budget decision for the 2014 legislative session package that details all costs associated with utility fees assessed by local governments as authorized under RCW 90.03.525.

((~~(5)~~)) (4) $50,000 of the motor vehicle account—state appropriation is provided solely for clearing and pruning dangerous trees along state route number 542 between mile markers 43 and 48 to prevent safety hazards and delays.

((~~(6)~~)) (5) $2,277,000 of the motor vehicle account—state appropriation is provided solely to replace or rehabilitate critical equipment needed to perform snow and ice removal activities and roadway maintenance. These funds may not be used to purchase passenger cars as defined in RCW 46.04.382.

Sec. 216. 2013 c 306 s 216 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q—OPERATING

Motor Vehicle Account—State Appropriation . . . . . ((~~$50,504,000~~)) $50,055,000
Motor Vehicle Account—Federal Appropriation $2,050,000
Motor Vehicle Account—Private/Local Appropriation $250,000
TOTAL APPROPRIATION . . . . . ((~~$52,804,000~~)) $52,355,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $6,000,000 of the motor vehicle account—state appropriation is provided solely for low-cost enhancements. The department shall give priority to low-cost enhancement projects that improve safety or provide congestion relief. The department shall prioritize low-cost enhancement projects on a statewide rather than regional basis. By September 1st of each even-numbered year, the department shall provide a report to the legislature listing all low-cost enhancement projects prioritized on a statewide rather than regional basis completed in the prior year.

(2) $9,000,000 of the motor vehicle account—state appropriation is provided solely for the department's incident response program.

(3) During the 2013-2015 fiscal biennium, the department shall continue a pilot program that expands private transportation providers' access to high occupancy vehicle lanes. Under the pilot program, when the department

reserves a portion of a highway based on the number of passengers in a vehicle, the following vehicles must be authorized to use the reserved portion of the highway if the vehicle has the capacity to carry eight or more passengers, regardless of the number of passengers in the vehicle: (a) Auto transportation company vehicles regulated under chapter 81.68 RCW; (b) passenger charter carrier vehicles regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; (c) private nonprofit transportation provider vehicles regulated under chapter 81.66 RCW; and (d) private employer transportation service vehicles. For purposes of this subsection, "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees. Nothing in this subsection is intended to authorize the conversion of public infrastructure to private, for-profit purposes or to otherwise create an entitlement or other claim by private users to public infrastructure.

(4) The department shall work with the cities of Lynnwood and Edmonds to provide traffic light synchronization on state route number 524.

((~~(6)~~)) (5) The department, in consultation with the Washington state patrol, must continue a pilot program for the state patrol to issue infractions based on information from automated traffic safety cameras in roadway construction zones on state highways. For the purpose of this pilot program, during the 2013-2015 fiscal biennium, a roadway construction zone includes areas where public employees or private contractors may be present or where a driving condition exists that would make it unsafe to drive at higher speeds, such as, when the department is redirecting or realigning lanes on any public roadway pursuant to ongoing construction. The department shall use the following guidelines to administer the program:

(a) Automated traffic safety cameras may only take pictures of the vehicle and vehicle license plate and only while an infraction is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle;

(b) The department shall plainly mark the locations where the automated traffic safety cameras are used by placing signs on locations that clearly indicate to a driver that he or she is entering a roadway construction zone where traffic laws are enforced by an automated traffic safety camera;

(c) Notices of infractions must be mailed to the registered owner of a vehicle within fourteen days of the infraction occurring;

(d) The owner of the vehicle is not responsible for the violation if the owner of the vehicle, within fourteen days of receiving notification of the violation, mails to the patrol, a declaration under penalty of perjury, stating that the vehicle involved was, at the time, stolen or in the care, custody, or control of some person other than the registered owner, or any other extenuating circumstances;

(e) For purposes of the 2013-2015 fiscal biennium pilot program, infractions detected through the use of automated traffic safety cameras are not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of automated traffic safety cameras must be processed in the same manner as parking infractions for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120, and 46.20.270(3). However, the amount of the fine issued under this subsection ((~~(6)~~)) (5) for an infraction generated through the use of an automated traffic safety camera is one

hundred thirty-seven dollars. The court shall remit thirty-two dollars of the fine to the state treasurer for deposit into the state patrol highway account; and

(f) If a notice of infraction is sent to the registered owner and the registered owner is a rental car business, the infraction must be dismissed against the business if it mails to the patrol, within fourteen days of receiving the notice, a declaration under penalty of perjury of the name and known mailing address of the individual driving or renting the vehicle when the infraction occurred. If the business is unable to determine who was driving or renting the vehicle at the time the infraction occurred, the business must sign a declaration under penalty of perjury to this effect. The declaration must be mailed to the patrol within fourteen days of receiving the notice of traffic infraction. Timely mailing of this declaration to the issuing agency relieves a rental car business of any liability under this section for the notice of infraction. A declaration form suitable for this purpose must be included with each automated traffic safety camera infraction notice issued, along with instructions for its completion and use.

((~~(7)~~)) (6) $102,000 of the motor vehicle account—state appropriation is provided solely to replace or rehabilitate critical equipment needed to perform traffic control. These funds may not be used to purchase passenger cars as defined in RCW 46.04.382.

Sec. 217. 2013 c 306 s 217 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S

Motor Vehicle Account—State Appropriation . . . . . ((~~$27,281,000~~))
$27,079,000

Motor Vehicle Account—Federal Appropriation . . . . . ((~~$30,000~~))
$280,000

Multimodal Transportation Account—State Appropriation. . . . . ((~~$973,000~~))
$1,131,000

TOTAL APPROPRIATION . . . . . ((~~$28,284,000~~))
$28,490,000

The appropriations in this section are subject to the following conditions and limitations: $200,000 of the motor vehicle account—state appropriation is provided solely for enhanced disadvantaged business enterprise outreach to increase the pool of disadvantaged businesses available for department contracts. The department must submit a status report on disadvantaged business enterprise outreach to the transportation committees of the legislature by November 15, 2014.

Sec. 218. 2013 c 306 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION PLANNING, DATA, AND RESEARCH—PROGRAM T

Motor Vehicle Account—State Appropriation . . . . . ((~~$20,109,000~~))
$19,818,000

Motor Vehicle Account—Federal Appropriation . . . . . ((~~$24,885,000~~))
$26,085,000

Multimodal Transportation Account—State
Appropriation. $662,000
Multimodal Transportation Account—Federal
Appropriation. $2,809,000
Multimodal Transportation Account—Private/Local
Appropriation. $100,000
TOTAL APPROPRIATION . . . . . ((~~$48,565,000~~))
$49,474,000

The appropriations in this section are subject to the following conditions and limitations: ((~~(1)~~)) Within available resources, the department must collaborate with the affected metropolitan planning organizations, regional transportation planning organizations, transit agencies, and private transportation providers to develop a plan to reduce vehicle demand, increase public transportation options, and reduce vehicle miles traveled on corridors affected by growth at Joint Base Lewis-McChord.

Sec. 219. 2013 c 306 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—CHARGES FROM OTHER AGENCIES—PROGRAM U

Motor Vehicle Account—State Appropriation . . . . . ((~~$81,628,000~~))
$74,198,000
Motor Vehicle Account—Federal Appropriation $400,000
Multimodal Transportation Account—State
Appropriation. . . . . ((~~$40,000~~))
$3,068,000
TOTAL APPROPRIATION . . . . . ((~~$82,068,000~~))
$77,666,000

The appropriations in this section are subject to the following conditions and limitations: The department of enterprise services must provide a detailed accounting of the revenues and expenditures of the self-insurance fund to the transportation committees of the legislature on December 31st and June 30th of each year.

Sec. 220. 2013 c 306 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC TRANSPORTATION—PROGRAM V

State Vehicle Parking Account—State Appropriation . . . . . ((~~$452,000~~))
$754,000
Regional Mobility Grant Program Account—State
Appropriation. . . . . ((~~$49,948,000~~))
$51,111,000
Rural Mobility Grant Program Account—State
Appropriation. $17,000,000
Multimodal Transportation Account—State
Appropriation. . . . . ((~~$39,057,000~~))
$39,325,000
Multimodal Transportation Account—Federal
Appropriation. $3,280,000
Motor Vehicle Account—Federal Appropriation $160,000

TOTAL APPROPRIATION . . . . . ((~~$109,737,000~~)) $111,630,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $25,000,000 of the multimodal transportation account—state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation. Of this amount:

(a) $5,500,000 of the multimodal transportation account—state appropriation is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers must be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost effectiveness of trips provided.

(b) $19,500,000 of the multimodal transportation account—state appropriation is provided solely for grants to transit agencies to transport persons with special transportation needs. To receive a grant, the transit agency must, to the greatest extent practicable, have a maintenance of effort for special needs transportation that is no less than the previous year's maintenance of effort for special needs transportation. Grants for transit agencies must be prorated based on the amount expended for demand response service and route deviated service in calendar year 2011 as reported in the "Summary of Public Transportation - 2011" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions.

(2) $17,000,000 of the rural mobility grant program account—state appropriation is provided solely for grants to aid small cities in rural areas as prescribed in RCW 47.66.100.

(3)(a) $6,000,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (a) Public transit agencies to add vanpools or replace vans; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies will cover capital costs only; operating costs for public transit agencies are not eligible for funding under this grant program. Additional employees may not be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. The department shall encourage grant applicants and recipients to leverage funds other than state funds.

(b) At least $1,600,000 of the amount provided in this subsection must be used for vanpool grants in congested corridors.

(c) $520,000 of the amount provided in this subsection is provided solely for the purchase of additional vans for use by vanpools serving ((~~soldiers and civilian employees at~~)) or traveling through the Joint Base Lewis-McChord I-5 corridor between mile post 116 and 127.

(4) ((~~$9,948,000~~)) $11,111,000 of the regional mobility grant program account—state appropriation is reappropriated and provided solely for the regional mobility grant projects identified in LEAP Transportation Document ((~~2013-2~~)) 2014-2 ALL PROJECTS - Public Transportation - Program (V) as developed ((~~April 23, 2013~~)) March 10, 2014.

(5)(a) $40,000,000 of the regional mobility grant program account—state appropriation is provided solely for the regional mobility grant projects identified in LEAP Transportation Document ((~~2013-2~~)) 2014-2 ALL PROJECTS - Public Transportation - Program (V) as developed ((~~April 23, 2013~~)) March 10, 2014. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, must be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and any remaining funds must be used only to fund projects identified in the LEAP transportation document referenced in this subsection. The department shall provide annual status reports on December 15, 2013, and December 15, 2014, to the office of financial management and the transportation committees of the legislature regarding the projects receiving the grants. It is the intent of the legislature to appropriate funds through the regional mobility grant program only for projects that will be completed on schedule. A grantee may not receive more than twenty-five percent of the amount appropriated in this subsection. The department shall not approve any increases or changes to the scope of a project for the purpose of a grantee expending remaining funds on an awarded grant.

(b) In order to be eligible to receive a grant under (a) of this subsection during the 2013-2015 fiscal biennium, a transit agency must establish a process for private transportation providers to apply for the use of park and ride facilities. For purposes of this subsection, (i) "private transportation provider" means: An auto transportation company regulated under chapter 81.68 RCW; a passenger charter carrier regulated under chapter 81.70 RCW, except marked or unmarked stretch limousines and stretch sport utility vehicles as defined under department of licensing rules; a private nonprofit transportation provider regulated under chapter 81.66 RCW; or a private employer transportation service provider; and (ii) "private employer transportation service" means regularly scheduled, fixed-route transportation service that is offered by an employer for the benefit of its employees.

(6) Funds provided for the commute trip reduction (CTR) program may also be used for the growth and transportation efficiency center program.

(7) ((~~$6,122,000~~)) $6,424,000 of the total appropriation in this section is provided solely for CTR grants and activities. Of this amount:

(a) $3,900,000 of the multimodal transportation account—state appropriation is provided solely for grants to local jurisdictions, selected by the CTR board, for the purpose of assisting employers meet CTR goals;

(b) $1,770,000 of the multimodal transportation account—state appropriation is provided solely for state costs associated with CTR. The department shall develop more efficient methods of CTR assistance and survey procedures; and

(c) ((~~$452,000~~)) $754,000 of the state vehicle parking account—state appropriation is provided solely for CTR-related expenditures, including all expenditures related to the guaranteed ride home program and the STAR pass program.

(8) An affected urban growth area that has not previously implemented a commute trip reduction program as of the effective date of this section is exempt from the requirements in RCW 70.94.527.

(9) $200,000 of the multimodal transportation account—state appropriation is contingent on the timely development of an annual report summarizing the status of public transportation systems as identified under RCW 35.58.2796.

(10) $160,000 of the motor vehicle account—federal appropriation is provided solely for King county metro to study demand potential for a state route number 18 and Interstate 90 park and ride location, to size the facilities appropriately, to perform site analysis, and to develop preliminary design concepts. When studying potential park and ride locations pursuant to this subsection, King county metro must take into consideration the effect of the traffic using the weigh station at the Interstate 90 and state route number 18 interchange at exit 25 and, to the maximum extent practicable, choose a park and ride location that minimizes traffic impacts for the Interstate 90 and state route number 18 interchange and the weigh station.

Sec. 221. 2013 c 306 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—MARINE—PROGRAM X

Puget Sound Ferry Operations Account—State Appropriation. . . . . ((~~$485,076,000~~)) $483,404,000

Puget Sound Ferry Operations Account—Private/Local Appropriation. $121,000

TOTAL APPROPRIATION . . . . . ((~~$485,197,000~~)) $483,525,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The office of financial management budget instructions require agencies to recast enacted budgets into activities. The Washington state ferries shall include a greater level of detail in its 2013-2015 supplemental and 2015-2017 omnibus transportation appropriations act requests, as determined jointly by the office of financial management, the Washington state ferries, and the transportation committees of the legislature. This level of detail must include the administrative functions in the operating as well as capital programs.

(2) Until a reservation system is operational on the San Juan islands inter-island route, the department shall provide the same priority loading benefits on the San Juan islands inter-island route to home health care workers as are currently provided to patients traveling for purposes of receiving medical treatment.

(3) For the 2013-2015 fiscal biennium, the department may enter into a distributor controlled fuel hedging program and other methods of hedging approved by the fuel hedging committee.

(4) ((~~$112,342,000~~)) $113,157,000 of the Puget Sound ferry operations account—state appropriation is provided solely for auto ferry vessel operating fuel in the 2013-2015 fiscal biennium, which reflect cost savings from a reduced biodiesel fuel requirement and, therefore, are contingent upon the enactment of section 701 ((~~of this act~~)), chapter 306, Laws of 2013. The amount provided in

this subsection represent the fuel budget for the purposes of calculating any ferry fare fuel surcharge. The department shall develop a fuel reduction plan to be submitted as part of its 2014 supplemental budget proposal. The plan must include fuel saving proposals, such as vessel modifications, vessel speed reductions, and changes to operating procedures, along with anticipated fuel saving estimates.

(5) $100,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(6) When purchasing uniforms that are required by collective bargaining agreements, the department shall contract with the lowest cost provider.

(7) $3,049,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the operating program share of the $7,259,000 in lease payments for the ferry division's headquarters building. Consistent with the 2012 facilities oversight plan, the department shall strive to consolidate office space in downtown Seattle by the end of 2015. The department shall consider renewing the lease for the ferry division's current headquarters building only if the lease rate is reduced at least fifty percent and analysis shows that this is the least cost and risk option for the department. Consolidation with other divisions or state agencies, or a reduction in leased space, must also be considered as part of any headquarters lease renewal analysis.

(8) $5,000,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the purchase of a 2013-2015 marine insurance policy. Within this amount, the department is expected to purchase a policy with the lowest deductible possible, while maintaining at least existing coverage levels for ferry vessels, and providing coverage for all terminals.

(9) Within existing resources, the department must evaluate the feasibility of using re-refined used motor oil processed in Washington state as a ferry fuel source. The evaluation must include, but is not limited to, research on existing entities currently using the process for re-refined fuel, any required combustible engine modifications, additional needed equipment on the vessels or fueling locations, cost analysis, compatibility with B-5 blended diesel, and meeting engine performance specifications. The department must establish an evaluation group that includes, but is not limited to, persons experienced in the re-refined motor oil industry. The department must deliver a report containing the results of the evaluation to the transportation committees of the legislature and the office of financial management by December 1, 2014.

(10) $71,000 of the Puget Sound ferry operations account—state appropriation is provided solely for one traffic attendant for ferry terminal traffic control at the Fauntleroy ferry terminal.

Sec. 222. 2013 c 306 s 222 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—OPERATING

Multimodal Transportation Account—State

Appropriation. . . . . ((~~$32,924,000~~))

$46,026,000

The appropriations in this section are subject to the following conditions and limitations:

(1) ((~~$27,319,000~~)) $40,289,000 of the multimodal transportation account—state appropriation is provided solely for ((~~the Amtrak service contract and Talgo maintenance contract associated with providing~~)) operating and maintaining state-supported passenger rail service. In recognition of the increased costs the state is expected to absorb due to changes in federal law, the department is directed to analyze the Amtrak contract proposal and find cost saving alternatives. The department shall report to the transportation committees of the legislature before the 2014 regular legislative session on its revisions to the Amtrak contract, including a review of the appropriate costs within the contract for concession services, policing, host railroad incentives, and station services and staffing needs. Within thirty days of each annual cost/revenue reconciliation under the Amtrak service contract, the department shall report any changes that would affect the state subsidy amount appropriated in this subsection. Through a competitive process, the department may contract with a private entity for services related to operations and maintenance of the Amtrak Cascades route, including, but not limited to, concession services.

(2) Amtrak Cascades runs may not be eliminated.

(3) The department shall continue a pilot program by partnering with the travel industry on the Amtrak Cascades service between Vancouver, British Columbia, and Seattle to test opportunities for increasing ridership, maximizing farebox recovery, and stimulating private investment. The pilot program must run from December 31, 2013, to December 31, 2014, and evaluate seasonal differences in the program and the effect of advertising. The department may offer to Washington universities an opportunity for business students to work as interns on the analysis of the pilot program process and results. The department shall report on the results of the pilot program to the office of financial management and the legislature by January 31, 2015.

(4) $150,000 of the multimodal transportation account—state appropriation is provided solely for the department to develop an inventory of short line rail infrastructure that can be used to support a data-driven approach to identifying system needs. The department shall work with short line rail owners and operators within the state, provide status updates periodically to the joint transportation committee, submit a progress report of its findings to the transportation committees of the legislature and the office of financial management by December 15, 2014, submit a preliminary report of key findings and recommendations to the transportation committees of the legislature and the office of financial management by March 1, 2015, and submit a final report to the transportation committees of the legislature and the office of financial management by June 30, 2015.

Sec. 223. 2013 c 306 s 223 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—OPERATING

Motor Vehicle Account—State Appropriation . . . . . ((~~$8,737,000~~))
$8,672,000

Motor Vehicle Account—Federal Appropriation $2,567,000
TOTAL APPROPRIATION . . . . . ((~~$11,304,000~~))
$11,239,000

TRANSPORTATION AGENCIES—CAPITAL

Sec. 301. 2013 c 306 s 301 (uncodified) is amended to read as follows:

FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD
Freight Mobility Investment Account—State
Appropriation. . . . . ((~~$11,794,000~~))
$11,930,000
Freight Mobility Multimodal Account—State
Appropriation. . . . . ((~~$9,736,000~~))
$9,826,000
Freight Mobility Multimodal Account—Private/Local
Appropriation. $1,320,000
Highway Safety Account—State Appropriation. . . . . ((~~$2,450,000~~))
$2,606,000
Motor Vehicle Account—State Appropriation $84,000
Motor Vehicle Account—Federal Appropriation . . . . . ((~~$3,250,000~~))
$5,750,000
TOTAL APPROPRIATION . . . . . ((~~$28,634,000~~))
$31,516,000

((~~The appropriations in this section are subject to the following conditions and limitations: Except as provided otherwise in this section, the total appropriation in this section is provided solely for the implementation of chapter . . . (Substitute House Bill No. 1256), Laws of 2013 (addressing project selection by the freight mobility strategic investment board). If chapter . . . (Substitute House Bill No. 1256), Laws of 2013 is not enacted by June 30, 2013, the amounts provided in this section lapse.~~))

Sec. 302. 2013 c 306 s 302 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL
State Patrol Highway Account—State Appropriation . . . . . ((~~$1,926,000~~))
$2,661,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $200,000 of the state patrol highway account—state appropriation is provided solely for unforeseen emergency repairs on facilities.

(2) $426,000 of the state patrol highway account—state appropriation is provided solely for the replacement of the roofs of the Marysville district office and vehicle inspection building and Spokane East office.

(3) $450,000 of the state patrol highway account—state appropriation is provided solely for upgrades to scales at Ridgefield Port of Entry, Dryden, South Pasco, Deer Park, and Kelso required to meet current certification requirements.

(4) ((~~$850,000~~)) $1,200,000 of the state patrol highway account—state appropriation is provided solely for the replacement of the damaged and

unrepairable scale house at the Everett southbound I-5 weigh scales, including equipment, weigh-in-motion technology, and an ALPR camera.

(5) The Washington state patrol, in cooperation with the Washington state department of transportation, must study the federal funding options available for weigh station construction and improvements on the national highway system. A study report must be provided by July 1, 2014, to the office of financial management and the transportation committees of the legislature with recommendations on utilizing federal funds for weigh station projects.

Sec. 303. 2013 c 306 s 303 (uncodified) is amended to read as follows:

FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account—State
Appropriation. . . . . ((~~$35,894,000~~))
$57,394,000
Highway Safety Account—State Appropriation $10,000,000
Motor Vehicle Account—State Appropriation $706,000
County Arterial Preservation Account—State
Appropriation. . . . . ((~~$30,000,000~~))
$32,000,000
TOTAL APPROPRIATION . . . . . ((~~$76,600,000~~))
$100,100,000

Sec. 304. 2013 c 306 s 304 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION IMPROVEMENT BOARD

Small City Pavement and Sidewalk Account—State
Appropriation. . . . . ((~~$3,500,000~~))
$5,250,000
Highway Safety Account—State Appropriation $10,000,000
Transportation Improvement Account—State
Appropriation. . . . . ((~~$174,225,000~~))
$231,851,000
TOTAL APPROPRIATION . . . . . ((~~$187,725,000~~))
$247,101,000

The appropriations in this section are subject to the following conditions and limitations: The highway safety account—state appropriation is provided solely for:

(1) The arterial preservation program to help low tax-based, medium-sized cities preserve arterial pavements;

(2) The small city pavement program to help cities meet urgent preservation needs; and

(3) The small city low-energy street light retrofit demonstration program.

Sec. 305. 2013 c 306 s 305 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—FACILITIES—PROGRAM D—(DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)—CAPITAL

Transportation Partnership Account—State
Appropriation. . . . . ((~~$13,425,000~~))
$14,390,000

Motor Vehicle Account—State Appropriation . . . . . ((~~$8,106,000~~)) $9,469,000
TOTAL APPROPRIATION . . . . . ((~~$21,531,000~~)) $23,859,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The legislature recognizes that the Marginal Way site (King county parcel numbers 3024049182 & 5367202525) is surplus state-owned real property under the jurisdiction of the department and that the public would benefit significantly if this site is used to provide important social services. Therefore, the legislature declares that committing the Marginal Way site to this use is consistent with the public interest.

Pursuant to RCW 47.12.063, the department shall work with the owner of King county parcel number 7643400010, which abuts both parcels of the Marginal Way site, and shall convey the Marginal Way site to that abutting property owner for the appraised fair market value of the parcels, the proceeds of which must be deposited in the motor vehicle fund. The conveyance is conditional upon the purchaser's agreement to commit the use of the Marginal Way site to operations with the goal of ending hunger in western Washington. The department may not make this conveyance before September 1, 2013, and may not make this conveyance after ((~~January 15~~)) September 1, 2014.

The Washington department of transportation is not responsible for any costs associated with the cleanup or transfer of the Marginal Way site.

(2) ((~~$13,425,000~~)) $14,390,000 of the transportation partnership account—state appropriation is provided solely for the construction of a new traffic management and emergency operations center on property owned by the department on Dayton Avenue in Shoreline (project 100010T). Consistent with the office of financial management's 2012 study, it is the intent of the legislature to appropriate no more than $15,000,000 for the total construction costs. The department shall report to the transportation committees of the legislature and the office of financial management by June 30, 2014, on the progress of the construction of the traffic management and emergency operations center, including a schedule for terminating the current lease of the Goldsmith building in Seattle.

***Sec. 306.** 2013 c 306 s 306 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—PROGRAM I

Multimodal Transportation Account—State Appropriation $1,000,000
Transportation Partnership Account—State Appropriation . . . . . ((~~$1,536,032,000~~)) $1,313,555,000
Motor Vehicle Account—State Appropriation . . . . . ((~~$61,508,000~~)) $69,478,000
Motor Vehicle Account—Federal Appropriation . . . . . ((~~$473,359,000~~)) $516,181,000
Motor Vehicle Account—Private/Local Appropriation . . . . . ((~~$208,452,000~~)) $166,357,000

Transportation 2003 Account (Nickel Account)—State Appropriation. . . . . ((~~$242,253,000~~)) $325,778,000
State Route Number 520 Corridor Account—State Appropriation. . . . . ((~~$737,205,000~~)) $880,111,000
State Route Number 520 Corridor Account—Federal Appropriation. $300,000,000
Special Category C Account—State Appropriation $124,000
TOTAL APPROPRIATION . . . . . ((~~$3,559,933,000~~)) $3,572,584,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document ((~~2013-1~~)) 2014-1 as developed ((~~April 23, 2013~~)) March 10, 2014, Program - Highway Improvement Program (I). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section ((~~603~~)) 601 of this act.

(2) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle account—federal appropriation are provided solely for the projects and activities listed in LEAP Transportation Document ((~~2013-2~~)) 2014-2 ALL PROJECTS as developed ((~~April 23, 2013~~)) March 10, 2014, Program - Highway Improvement Program (I). ((~~It is the intent of the legislature to direct~~))The department ((~~to give first priority of~~)) shall apply any federal funds gained through efficiencies or the redistribution process in an amount up to $27,200,000 for cost overruns related to the pontoon design errors on the SR 520 Bridge Replacement and HOV project (8BI1003) as described in subsection (12)(f) of this section. Any federal funds gained through efficiencies or the redistribution process that are in excess of $27,200,000 must then be applied to the "Contingency (Unfunded) Highway Preservation Projects" as identified in LEAP Transportation Document ((~~2013-2~~)) 2014-2 ALL PROJECTS as developed ((~~April 23, 2013~~)) March 10, 2014, Program - Highway Preservation Program (P). However, no additional federal funds may be allocated to the I-5/Columbia River Crossing project (400506A).

(3) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act.

(4) The transportation 2003 account (nickel account)—state appropriation includes up to ((~~$217,604,000~~)) $246,710,000 in proceeds from the sale of bonds authorized by RCW 47.10.861.

(5) The transportation partnership account—state appropriation includes up to ((~~$1,156,217,000~~)) $811,595,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(6) The motor vehicle account—state appropriation includes up to $30,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.843.

((~~(8)~~)) (7)(a) ((~~$5,000,000~~)) $6,174,000 of the motor vehicle account—federal appropriation and ((~~$200,000~~)) $269,000 of the motor vehicle account—state appropriation are provided solely for the I-90 Comprehensive Tolling Study and Environmental Review project (100067T). The department shall prepare a detailed environmental impact statement that complies with the national environmental policy act regarding tolling Interstate 90 between Interstate 5 and Interstate 405 for the purposes of both managing traffic and providing funding for the construction of the unfunded state route number 520 from Interstate 5 to Medina project. As part of the preparation of the statement, the department must review any impacts to the network of highways and roads surrounding Lake Washington. In developing this statement, the department must provide significant outreach to potential affected communities. The department may consider traffic management options that extend as far east as Issaquah.

(b)(i) As part of the project in this subsection ((~~(8)~~)) (7), the department shall perform a study of all funding alternatives to tolling Interstate 90 to provide funding for construction of the unfunded state route number 520 and explore and evaluate options to mitigate the effect of tolling on affected residents and all other users of the network of highways and roads surrounding Lake Washington including, but not limited to:

(A) Allowing all Washington residents to traverse a portion of the tolled section of Interstate 90 without paying a toll. Residents may choose either (I) the portion of Interstate 90 between the easternmost landing west of Mercer Island and the westernmost landing on Mercer Island, or (II) the portion of Interstate 90 between the westernmost landing east of Mercer Island and the easternmost landing on Mercer Island;

(B) Assessing a toll only when a driver traverses, in either direction, the entire portion of Interstate 90 between the easternmost landing west of Mercer Island and the westernmost landing east of Mercer Island; and

(C) Allowing affected residents to choose one portion of the tolled section of Interstate 90 upon which they may travel without paying a toll. Residents may choose either (I) the portion of Interstate 90 between the easternmost landing west of Mercer Island and the westernmost landing on Mercer Island, or (II) the portion of Interstate 90 between the westernmost landing east of Mercer Island and the easternmost landing on Mercer Island.

(ii) The department may also consider any alternative mitigation options that conform to the purpose of this subsection ((~~(8)~~)) (7).

(iii) For the purposes of this subsection ((~~(8)~~)) (7), "affected resident" means anyone who must use a portion of Interstate 90 west of Interstate 405 upon which tolling is considered in order to access necessary medical services, such as a hospital.

((~~(9) $541,901,000~~)) (8) $490,796,000 of the transportation partnership account—state appropriation, ((~~$144,954,000~~)) $156,979,000 of the motor vehicle account—federal appropriation, ((~~$129,779,000~~)) $132,191,000 of the motor vehicle account—private/local appropriation, and ((~~$78,004,000~~)) $123,305,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for the SR 99/Alaskan Way Viaduct - Replacement project (809936Z). Amounts appropriated in this subsection may

not be spent for the purpose of public transportation mitigation, except pursuant to an agreement or agreements between the department and King county as that agreement or agreements existed on January 1, 2013.

(((~~(10)~~))) (9) The department shall reconvene an expert review panel of no more than three members as described under RCW 47.01.400 for the purpose of updating the work that was previously completed by the panel on the Alaskan Way viaduct replacement project and to ensure that an appropriate and viable financial plan is created and regularly reviewed. The expert review panel must be selected cooperatively by the chairs of the senate and house of representatives transportation committees, the secretary of transportation, and the governor. The expert review panel must report findings and recommendations to the transportation committees of the legislature, the governor's Alaskan Way viaduct project oversight committee, and the transportation commission annually until the project is operationally complete. This subsection takes effect if chapter ... (Substitute House Bill No. 1957), Laws of 2013 is not enacted by June 30, 2013.

(((~~(11) $7,408,000~~))) (10) $7,103,000 of the transportation partnership account—state appropriation, ((~~$14,594,000~~)) $22,774,000 of the transportation 2003 account (nickel account)—state appropriation, ((~~$3,730,000 of the motor vehicle account state appropriation,~~)) $1,000,000 of the multimodal transportation account—state appropriation, and ((~~$41,395,000~~)) $51,712,000 of the motor vehicle account—federal appropriation are provided solely for the US 395/North Spokane Corridor projects (600010A & 600003A). Any future savings on the projects must stay on the US 395/Interstate 90 corridor and be made available to the current phase of the North Spokane corridor projects or any future phase of the projects.

(((~~(12) $114,369,000~~))) (11) $129,952,000 of the transportation partnership account—state appropriation and ((~~$53,755,000~~)) $58,583,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for the I-405/Kirkland Vicinity Stage 2 - Widening project (8BI1002). This project must be completed as soon as practicable as a design-build project. Any future savings on this project or other Interstate 405 corridor projects must stay on the Interstate 405 corridor and be made available to either the I-405/SR 167 Interchange - Direct Connector project (140504C) or the I-405 Renton to Bellevue project.

(((~~(13)~~))) (12)(a) The SR 520 Bridge Replacement and HOV project (((~~(0BI1003)~~))) (8BI1003) is supported over time from multiple sources, including a $300,000,000 TIFIA loan, ((~~$819,524,625~~)) $923,000,000 in Garvee bonds, toll revenues, state bonds, interest earnings, and other miscellaneous sources.

(b) The state route number 520 corridor account—state appropriation includes up to ((~~$668,142,000~~)) $814,784,000 in proceeds from the sale of bonds authorized in RCW 47.10.879 and 47.10.886.

(c) The state route number 520 corridor account—federal appropriation includes up to $300,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.879 and 47.10.886.

(d) ((~~$153,124,000~~)) $165,175,000 of the transportation partnership account—state appropriation, $300,000,000 of the state route number 520 corridor account—federal appropriation, and ((~~$737,205,000~~)) $880,111,000 of the state route number 520 corridor account—state appropriation are provided solely for the SR 520 Bridge Replacement and HOV project (((~~(0BI1003)~~)))

(8BI1003). Of the amounts appropriated in this subsection (((~~(13)~~))) (12)(d), ((~~$105,085,000~~)) $84,001,000 of the state route number 520 corridor account—federal appropriation and ((~~$227,415,000~~)) $354,411,000 of the state route number 520 corridor account—state appropriation must be put into unallotted status and are subject to review by the office of financial management. The director of the office of financial management shall consult with the joint transportation committee prior to making a decision to allot these funds.

(e) When developing the financial plan for the project, the department shall assume that all maintenance and operation costs for the new facility are to be covered by tolls collected on the toll facility and not by the motor vehicle account.

(f) The legislature finds that the most appropriate way to pay for the cost overruns related to change orders, additional sales tax, and future risks associated with pontoon design errors is for the state to issue triple pledge bonds in the 2015-2017 fiscal biennium resulting in $110,961,000 in proceeds, and use efficiencies, including the use of least cost planning or practical design, and favorable bids in the highway construction program to generate an additional $61,066,000 towards paying for the estimated project overruns. Of this additional $61,066,000, $33,866,000 should come from the transportation partnership account—state appropriation and $27,200,000 should come from federal funds. As the department identifies savings in federal funds during the 2013-2015 fiscal biennium, the department shall prioritize the use of these funds towards the anticipated $27,200,000 in federal funds needed to address cost overruns before expending state funds during this fiscal biennium. The legislature assumes that issuing bonds to complete this project as listed in LEAP Transportation Document 2014-1 as developed March 10, 2014, does not require a comprehensive financial plan for a project that completes the state route number 520 corridor to Interstate 5.

(g) The department's 2014 supplemental budget allotment submittal must include a project-specific plan detailing how the department will achieve the mandatory budget savings in (f) of this subsection, including the use of least cost planning or practical design as a means to generate savings, as referenced in subsection (23) of this section. The use of least cost planning or practical design may result in a reduction of project cost, but not a reduction of functional scope. The director of financial management shall notify the transportation committees of the legislature in writing seven days prior to approving any allotment modifications under this subsection.

(13) Within the amounts provided in this section, the department must continue to work with the Seattle department of transportation in their joint planning, design, outreach, and operation of the remaining west side elements including, but not limited to, the Montlake lid, the bicycle/pedestrian path, the effective network of transit connections, and the Portage Bay bridge of the SR 520 Bridge Replacement and HOV project.

(14) ((~~$1,100,000~~)) $1,062,000 of the motor vehicle account—federal appropriation is provided solely for the 31st Ave SW Overpass Widening and Improvement project (L1100048).

(15) ((~~$22,602,000~~)) $25,243,000 of the motor vehicle account—state appropriation is provided solely to advance the design, preliminary engineering, and rights-of-way acquisition for the priority projects identified in LEAP

Transportation Document ((~~2013-3~~)) 2014-3 as developed ((~~April 23, 2013~~)) March 10, 2014. Funds must be used to advance the emergent, initial development of these projects for the purpose of expediting delivery of the associated major investments when funding for such investments becomes available. Funding may be reallocated between projects to maximize the accomplishment of design and preliminary engineering work and rights-of-way acquisition, provided that all projects are addressed. It is the intent of the legislature that, while seeking to maximize the outcomes in this section, the department shall provide for continuity of both the state and consulting engineer workforce, while strategically utilizing private sector involvement to ensure consistency with the department's business plan for staffing in the highway construction program in the current fiscal biennium.

(16) If a planned roundabout in the vicinity of state route number 526 and 84th Street SW would divert commercial traffic onto neighborhood streets, the department may not proceed with improvements at state route number 526 and 84th Street SW until the traffic impacts in the vicinity of state route number 526 and 40th Avenue West are addressed.

(17) The legislature finds that there are sixteen companies involved in wood preserving in the state that employ four hundred workers and have an annual payroll of fifteen million dollars. Prior to the department's switch to steel guardrails, ninety percent of the twenty-five hundred mile guardrail system was constructed of preserved wood and one hundred ten thousand wood guardrail posts were produced annually for state use. Moreover, the policy of using steel posts requires the state to use imported steel. Given these findings, where practicable, and until June 30, 2015, the department shall include the design option to use wood guardrail posts, in addition to steel posts, in new guardrail installations. The selection of posts must be consistent with the agency design manual policy that existed before December 2009.

(18) The legislature finds that "right-sizing" is a lean, metric-based approach to determining project investments. This concept entails compromise between project cost and design, incorporating local community needs, desired outcomes, and available funding. Furthermore, the legislature finds that the concepts and principles the department has utilized in the safety analyst program have been effective tools to prioritize projects and reduce project costs. Therefore, the department shall establish a pilot project on the SR 3/Belfair Bypass - New Alignment (300344C) to begin implementing the concept of "right-sizing" in the highway construction program.

(19) For urban corridors that are all or partially within a metropolitan planning organization boundary, for which the department has not initiated environmental review, and that require an environmental impact statement, at least one alternative must be consistent with the goals set out in RCW 47.01.440.

(20) The department shall itemize all future requests for the construction of buildings on a project list and submit them through the transportation executive information system as part of the department's 2014 budget submittal. It is the intent of the legislature that new facility construction must be transparent and not appropriated within larger highway construction projects.

(21) ((~~$28,963,000~~)) $19,513,000 of the motor vehicle account—state appropriation ((~~is~~)) and $9,450,000 of the motor vehicle account—federal appropriation are provided solely for improvement program support activities

(095901X). $18,000,000 of this amount must be held in unallotted status until the office of financial management certifies that the department's 2014 supplemental budget request conforms to the terms of subsection (20) of this section.

(((~~(23)~~))) (22) Any new advisory group that the department convenes during the 2013-2015 fiscal biennium must be representative of the interests of the entire state of Washington.

(23) Practical design offers targeted benefits to a state transportation system within available fiscal resources. This delivers value not just for individual projects, but for the entire system. Applying practical design standards will also preserve and enhance safety and mobility. The department shall implement a practical design strategy for transportation design standards. By June 30, 2015, the department shall report to the governor and the house of representatives and senate transportation committees on where practical design has been applied or is intended to be applied in the department and the cost savings resulting from the use of practical design.

(24) The department of transportation shall accept transfer to the state highway system of Quarry Road (also known as the Granite Falls Alternate Route) as a partially controlled limited access facility, consistent with the right-of-way and limited access plan adopted by Snohomish county and the city of Granite Falls in 2008. The department of transportation shall defend any and all claims related to access and challenges to the limited access designation. This subsection takes effect ninety days after the date the governor signs this act if an agreement between the department of transportation and Snohomish county has not been signed by the effective date of this act.

***Sec. 306 was partially vetoed. See message at end of chapter.**

Sec. 307. 2013 c 306 s 307 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—PRESERVATION—PROGRAM P

Transportation Partnership Account—State Appropriation. . . . . ((~~$36,480,000~~)) $34,966,000

Highway Safety Account—State Appropriation. . . . . ((~~$10,000,000~~)) $13,500,000

Motor Vehicle Account—State Appropriation . . . . . ((~~$58,503,000~~)) $59,796,000

Motor Vehicle Account—Federal Appropriation . . . . . ((~~$580,062,000~~)) $595,604,000

Motor Vehicle Account—Private/Local Appropriation . . . . . ((~~$11,270,000~~)) $11,827,000

Transportation 2003 Account (Nickel Account)—State Appropriation. . . . . ((~~$2,285,000~~)) $2,650,000

Tacoma Narrows Toll Bridge Account—State Appropriation $120,000

TOTAL APPROPRIATION . . . . . ((~~$698,600,000~~)) $718,463,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document ((~~2013-1~~)) 2014-1 as developed ((~~April 23, 2013~~)) March 10, 2014, Program - Highway Preservation Program (P). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section ((~~603~~)) 601 of this act.

(2) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle account—federal appropriation are provided solely for the projects and activities listed in LEAP Transportation Document ((~~2013-2~~)) 2014-2 ALL PROJECTS as developed ((~~April 23, 2013~~)) March 10, 2014, Program - Highway Preservation Program (P). ((~~It is the intent of the legislature to direct~~)) The department ((~~to give first priority of~~)) shall apply any federal funds gained through efficiencies or the redistribution process in an amount up to $27,200,000 for cost overruns related to the pontoon design errors on the SR 520 Bridge Replacement and HOV project (8BI1003) as described in section 306(12)(f) of this act. Any federal funds gained through efficiencies or the redistribution process that are in excess of $27,200,000 must then be applied to the "Contingency (Unfunded) Highway Preservation Projects" as identified in LEAP Transportation Document ((~~2013-2~~)) 2014-2 ALL PROJECTS as developed ((~~April 23, 2013~~)) March 10, 2014, Program - Highway Preservation Program (P). However, no additional federal funds may be allocated to the I-5/Columbia River Crossing project (400506A).

(3) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act.

(4) ((~~$27,278,000~~)) $26,610,000 of the motor vehicle account—federal appropriation, $51,000 ((~~and $1,141,000~~)) of the motor vehicle account—state appropriation, and $769,000 of the highway safety account—state appropriation are provided solely for the SR 167/Puyallup River Bridge Replacement project (316725A). This project must be completed as a design-build project. The department must work with local jurisdictions and the community during the environmental review process to develop appropriate esthetic design elements, at no additional cost to the department, and traffic management plans pertaining to this project. The department must report to the transportation committees of the legislature on estimated cost and/or time savings realized as a result of using the design-build process.

(5) The department shall examine the use of electric arc furnace slag for use as an aggregate for new roads and paving projects in high traffic areas and report back to the legislature on its current use in other areas of the country and any characteristics that can provide greater wear resistance and skid resistance in new pavement construction.

Sec. 308. 2013 c 306 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM Q—CAPITAL

Motor Vehicle Account—State Appropriation . . . . . ((~~$3,194,000~~)) $4,915,000

Motor Vehicle Account—Federal Appropriation . . . . . ((~~$7,959,000~~)) $9,152,000

Motor Vehicle Account—Private/Local Appropriation $200,000

TOTAL APPROPRIATION . . . . . ((~~$11,153,000~~)) $14,267,000

The appropriations in this section are subject to the following conditions and limitations: ((~~$694,000~~)) $195,000 of the motor vehicle account—state appropriation is provided solely for project 000005Q as state matching funds for federally selected competitive grants or congressional earmark projects. These moneys must be placed into reserve status until such time as federal funds are secured that require a state match.

Sec. 309. 2013 c 306 s 309 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W

Puget Sound Capital Construction Account—State Appropriation. . . . . ((~~$53,036,000~~)) $63,825,000

Puget Sound Capital Construction Account—Federal Appropriation. . . . . ((~~$91,692,000~~)) $118,444,000

Puget Sound Capital Construction Account—Private/Local Appropriation. . . . . ((~~$1,145,000~~)) $1,312,000

Multimodal Transportation Account—State Appropriation. . . . . ((~~$1,534,000~~)) $2,588,000

Transportation 2003 Account (Nickel Account)—State Appropriation. . . . . ((~~$143,941,000~~)) $190,031,000

Transportation Partnership Account—State Appropriation. $2,813,000

TOTAL APPROPRIATION . . . . . ((~~$291,348,000~~)) $379,013,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed in LEAP Transportation Document ((~~2013-2~~)) 2014-2 ALL PROJECTS as developed ((~~April 23, 2013~~)) March 10, 2014, Program -Washington State Ferries Capital Program (W).

(2) The Puget Sound capital construction account—state appropriation includes up to $20,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.843.

(3) ((~~$143,633,000~~)) $137,425,000 of the transportation 2003 account (nickel account)—state appropriation ((~~is~~)), $2,338,000 of the transportation partnership account—state appropriation, and $300,000 of the Puget Sound capital construction account—federal appropriation are provided solely for the acquisition of two 144-car vessels (projects L2200038 and L2200039). The department shall use as much already procured equipment as practicable on the 144-car vessels.

(4) ((~~$8,270,000~~)) $14,728,000 of the Puget Sound capital construction account—federal appropriation, ((~~$3,935,000~~)) $4,038,000 of the Puget Sound capital construction account—state appropriation, and ((~~$1,534,000~~)) $1,535,000 of the multimodal transportation account—state appropriation are provided solely for the Mukilteo ferry terminal (project 952515P). To the greatest extent practicable, the department shall seek additional federal funding for this project. Within the multimodal transportation account—state appropriation amount provided in this subsection, the department shall lease to the city in which the project is located a portion of the department's property associated with this project to provide safe, temporary public access from the easterly terminus of First Street to the vicinity of Front Street. The department shall provide the lease at no cost in recognition of the impacts of this project to the city and require appropriate liability and maintenance coverage in the terms of the lease. Public access must be installed and removed at no cost to the state prior to construction of the multimodal terminal project.

(5) ((~~$4,000,000~~)) $4,935,000 of the Puget Sound capital construction account—state appropriation is provided solely for emergency capital repair costs (project 999910K). Funds may only be spent after approval by the office of financial management.

(6) Consistent with RCW 47.60.662, which requires the Washington state ferry system to collaborate with passenger-only ferry and transit providers to provide service at existing terminals, the department shall ensure that multimodal access, including for passenger-only ferries and transit service providers, is not precluded by any future modifications at the terminal.

(7) ((~~$3,800,000~~)) $4,026,000 of the Puget Sound capital construction account—state appropriation is provided solely for the reservation and communications system projects (L200041 & L200042).

(8) $4,210,000 of the Puget Sound capital construction account—state appropriation is provided solely for the capital program share of $7,259,000 in lease payments for the ferry division's headquarters building. Consistent with the 2012 facilities oversight plan, the department shall strive to consolidate office space in downtown Seattle by the end of 2015. The department shall consider renewing the lease for the ferry division's current headquarters building only if the lease rate is reduced at least fifty percent and analysis shows that this is the least cost and risk option for the department. Consolidation with other divisions or state agencies, or a reduction in leased space, must also be considered as part of any headquarters lease renewal analysis.

(9) ((~~$21,950,000~~)) $23,737,000 of the total appropriation is for preservation work on the Hyak super class vessel (project 944431D), including

installation of a power management system and more efficient propulsion systems, that in combination are anticipated to save up to twenty percent in fuel and reduce maintenance costs. Upon completion of this project, the department shall provide a report to the transportation committees of the legislature on the fuel and maintenance savings achieved for this vessel and the potential to save additional funds through other vessel conversions.

(10) The transportation 2003 account (nickel account)—state appropriation includes up to $50,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.861.

(11) $50,000,000 of the transportation 2003 account (nickel account)—state appropriation is provided solely for the acquisition of one 144-car vessel (project L1000063). If chapter . . . (Engrossed Second Substitute House Bill No. 1129), Laws of 2014 (ferry vessel replacement) is not enacted by June 30, 2014, the amount provided in the subsection lapses.

(12) If the department pursues a conversion of the existing diesel powered Issaquah class fleet to a different fuel source or engine technology, the department must use a design-build procurement process.

(13) $350,000 of the Puget Sound capital construction account—state appropriation is provided solely for the issuance of a request for proposals to convert the Issaquah class vessels to use liquefied natural gas and to provide a one-time stipend to the entity awarded the conversion contract. Of the amounts provided in this subsection:

(a) $100,000 of the Puget Sound capital construction account—state appropriation is for the department to issue a request for proposals for a design-build contract consistent with RCW 47.20.780 to convert six Issaquah class vessels to be powered by liquefied natural gas. Consistent with RCW 47.56.030(2)(c), the legislature finds that the performance needs of the department in converting to liquefied natural gas are for engines with the lowest life-cycle costs, and the department must weigh this criteria as a priority when evaluating the proposals. To encourage cost saving ideas, the department shall limit prescribing design elements in the proposal to those approved or required by the United States coast guard in the liquefied natural gas waterways suitability assessment or those otherwise essential to provide clear direction to bidders. The request for proposals must include a process for evaluating proposals that may include alternative financing arrangements that are in compliance with state private financing law. When evaluating the financial merits of any liquefied natural gas conversion request for proposals, the department shall give consideration to the inability of the state to fund a liquefied natural gas conversion using currently available public resources. The department shall issue the request for proposals within forty-five days of rejecting the liquefied natural gas request for proposals issued under section 308(11), chapter 86, Laws of 2012 or receiving final findings from the United States coast guard on the liquefied natural gas waterways suitability assessment, whichever is later.

(b) $250,000 of the Puget Sound capital construction account—state appropriation is for the entity awarded the contract pursuant to this subsection.

***Sec. 310.** 2013 c 306 s 310 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y—CAPITAL

Essential Rail Assistance Account—State
Appropriation. . . . . ((~~$861,000~~))
$1,020,000

Transportation Infrastructure Account—State
Appropriation. . . . . ((~~$8,582,000~~))
$9,190,000

Multimodal Transportation Account—State
Appropriation. . . . . ((~~$33,156,000~~))
$44,085,000

Multimodal Transportation Account—Federal
Appropriation. . . . . ((~~$333,881,000~~))
$430,193,000

Multimodal Transportation Account—Private/Local
Appropriation. $409,000

TOTAL APPROPRIATION . . . . . ((~~$376,480,000~~))
$484,897,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document ((~~2013-2~~)) 2014-2 ALL PROJECTS as developed ((~~April 23, 2013~~)) March 10, 2014, Program - Rail ((~~Capital~~)) Program (Y).

(b) Within the amounts provided in this section, ((~~$7,332,000~~)) $7,669,000 of the transportation infrastructure account—state appropriation is for low-interest loans through the freight rail investment bank program identified in the LEAP transportation document referenced in (a) of this subsection. The department shall issue freight rail investment bank program loans with a repayment period of no more than ten years, and only so much interest as is necessary to recoup the department's costs to administer the loans.

(c) Within the amounts provided in this section, ((~~$2,439,000~~)) $2,440,000 of the multimodal transportation account—state appropriation, $1,250,000 of the transportation infrastructure account—state appropriation, and $311,000 of the essential rail assistance account—state appropriation are for statewide emergent freight rail assistance projects identified in the LEAP transportation document referenced in (a) of this subsection.

(2) Unsuccessful 2012 freight rail assistance program grant applicants may be awarded freight rail investment bank program loans, if eligible. ((~~If any funds remain in the freight rail investment bank or freight rail assistance program reserves (projects F01001A and F01000A), or any approved grants or loans are terminated,~~)) The department shall issue a call for projects for the freight rail investment bank loan program and the freight rail assistance grant program, and shall evaluate the applications in a manner consistent with past practices as specified in section 309, chapter 367, Laws of 2011. By November 1, ((~~2013~~)) 2014, the department shall submit a prioritized list of recommended

projects to the office of financial management and the transportation committees of the legislature.

(3) ((~~$314,647,000~~)) $424,400,000 of the multimodal transportation account—federal appropriation and ((~~$4,867,000~~)) $10,658,000 of the multimodal transportation account—state appropriation are provided solely for expenditures related to passenger high-speed rail grants. Except for the Mount Vernon project (P01101A), the multimodal transportation account—state appropriation funds reflect one and one-half percent of the total project funds, and are provided solely for expenditures that are not eligible for federal reimbursement. Of the amounts provided in this subsection, $31,500,000 of the multimodal transportation account—federal appropriation is provided solely for the purchase of two new train sets for the state-supported intercity passenger rail service. The department must apply for any federal waivers required to purchase the new train sets, as allowable under existing competitive bidding practices, and seek federal funds in addition to those available from the high-speed rail grants.

(4) As allowable under federal rail authority rules and existing competitive bidding practices, when purchasing new train sets, the department shall give preference to bidders that propose train sets with characteristics and maintenance requirements most similar to those currently owned by the department.

(5) The department shall provide quarterly reports to the office of financial management and the transportation committees of the legislature regarding applications that the department submits for federal funds and the status of such applications.

(6)(a) ((~~$550,000~~)) $709,000 of the essential rail assistance account—state appropriation, $241,000 of the transportation infrastructure account—state appropriation, and $1,893,000 of the multimodal transportation account—state appropriation are provided solely for the purpose of rehabilitation and maintenance of the Palouse river and Coulee City railroad line (project F01111B). The department shall complete an evaluation and assessment of future maintenance needs on the line to ensure appropriate levels of state investment.

(b) Expenditures from the essential rail assistance account—state appropriation in this section may not exceed the combined total of:

(i) Revenues deposited into the essential rail assistance account from leases and sale of property pursuant to RCW 47.76.290; and

(ii) Revenues transferred from the miscellaneous program account to the essential rail assistance account, pursuant to RCW 47.76.360, for the purpose of sustaining the grain train program by maintaining the Palouse river and Coulee City railroad line.

(7) ((~~$31,500,000 of the multimodal transportation account—federal appropriation is provided solely for the purchase of two new train sets for the state-supported intercity passenger rail service. The department must apply for any federal waivers required to purchase the new train sets, as allowable under existing competitive bidding practices, and seek federal funds in addition to those available from the high-speed rail grants~~)) ***(a) When the department identifies a prospective rail project that may have strategic significance for the state, or at the request of a proponent of a prospective rail project or a member of the legislature, the department shall evaluate the prospective project according to the cost-benefit methodology developed during the 2008 interim***

using the legislative priorities specified in (b) of this subsection. The department shall report its cost-benefit evaluation of the prospective rail project, as well as the department's best estimate of an appropriate construction schedule and total project costs, to the office of financial management and the transportation committees of the legislature.

(b) The legislative priorities to be used in the cost-benefit methodology are, in order of relative importance:

(i) Economic, safety, or environmental advantages of freight movement by rail compared to alternative modes;

(ii) Self-sustaining economic development that creates family-wage jobs;

(iii) Preservation of transportation corridors that would otherwise be lost;

(iv) Increased access to efficient and cost-effective transport to market for Washington's agricultural and industrial products;

(v) Better integration and cooperation within the regional, national, and international systems of freight distribution; and

(vi) Mitigation of impacts of increased rail traffic on communities.

***Sec. 310 was partially vetoed. See message at end of chapter.**

Sec. 311. 2013 c 306 s 311 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z—CAPITAL

Highway Infrastructure Account—State Appropriation $207,000

Highway Infrastructure Account—Federal Appropriation. $1,602,000

((~~Freight Mobility Investment Account—State Appropriation. . . . . $11,794,000~~))

Transportation Partnership Account—State Appropriation. . . . . ((~~$7,214,000~~)) $9,236,000

Highway Safety Account—State Appropriation . . . . . ((~~$11,255,000~~)) $8,915,000

Motor Vehicle Account—State Appropriation . . . . . ((~~$6,918,000~~)) $2,201,000

Motor Vehicle Account—Federal Appropriation . . . . . ((~~$28,413,000~~)) $34,581,000

((~~Freight Mobility Multimodal Account—State Appropriation. . . . . $9,736,000~~

~~Freight Mobility Multimodal Account—Private/Local Appropriation. . . . . $1,320,000~~))

Multimodal Transportation Account—State Appropriation. . . . . ((~~$13,913,000~~)) $18,740,000

TOTAL APPROPRIATION . . . . . ((~~$92,372,000~~)) $75,482,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document ((~~2013-2~~)) 2014-2 ALL

PROJECTS as developed ((~~April 23, 2013~~)) March 10, 2014, Program - Local Programs (Z).

(2) With each department budget submittal, the department shall provide an update on the status of the repayment of the twenty million dollars of unobligated federal funds authority advanced by the department in September 2010 to the city of Tacoma for the Murray Morgan/11th Street bridge project. The department may negotiate with the city of Tacoma an agreement for repayment of the funds over a period of up to twenty-five years at terms agreed upon by the department and the city. The funds previously advanced by the department to the city are not to be considered a general obligation of the city but instead an obligation payable from identified revenues set aside for the repayment of the funds.

(3) The amounts identified in the LEAP transportation document referenced under subsection (1) of this section for pedestrian safety/safe routes to school are as follows:

(a) ((~~$12,160,000~~)) $16,543,000 of the multimodal transportation account—state appropriation, ((~~$6,824,000~~)) $8,724,000 of the transportation partnership account—state appropriation, and $62,000 of the motor vehicle account—federal appropriation are provided solely for pedestrian and bicycle safety program projects.

(b) $11,700,000 of the motor vehicle account—federal appropriation((~~, $5,200,000 of the motor vehicle account—state appropriation,~~)) and $6,750,000 of the highway safety account—state appropriation are provided solely for newly selected safe routes to school projects, and ((~~$3,400,000~~)) $6,503,000 of the motor vehicle account—federal appropriation and ((~~$2,055,000~~)) $2,165,000 of the highway safety account—state appropriation are reappropriated for safe routes to school projects selected in the previous biennia. The amount provided for new projects is consistent with federal funding levels from the 2011-2013 omnibus transportation appropriations act and the intent of the fee increases in chapter 74, Laws of 2012 and chapter 80, Laws of 2012. ((~~The motor vehicle account—state appropriation in this subsection (3)(b) is the amount made available by the repeal of the deduction from motor vehicle fuel tax liability for handling losses of motor vehicle fuel, as identified in chapter . . . (Substitute House Bill No. 2041), Laws of 2013 (handling losses of motor vehicle fuel). If chapter . . . (Substitute House Bill No. 2041), Laws of 2013 is not enacted by June 30, 2013, the motor vehicle account—state appropriation in this subsection (3)(b) lapses.~~))

(4) ((~~$84,000 of the motor vehicle account—state appropriation, $3,250,000 of the motor vehicle account—federal appropriation, $2,450,000 of the highway safety account—state appropriation, $11,794,000 of the freight mobility investment account—state appropriation, $9,736,000 of the freight mobility multimodal account—state appropriation, and $1,320,000 of the freight mobility multimodal account—private/local appropriation are provided solely for the projects and activities as listed by project and amount in LEAP Transportation Document 2013-B as developed April 23, 2013. If chapter . . . (Substitute House Bill No. 1256), Laws of 2013 is enacted by June 30, 2013, the amounts provided in this subsection lapse.~~

~~(5)~~)) The department may enter into contracts and make expenditures for projects on behalf of and selected by the freight mobility strategic investment board from the amounts provided in section 301 of this act.

(((~~(6)~~))) (5) The department shall submit a report to the transportation committees of the legislature by December 1, 2013, and December 1, 2014, on the status of projects funded as part of the pedestrian safety/safe routes to school grant program (0LP600P). The report must include, but is not limited to, a list of projects selected and a brief description of each project's status.

(((~~(7)~~))) (6) $50,000 of the motor vehicle account—state appropriation is provided solely for the installation of a guard rail on Deer Harbor Road in San Juan county (L2220054).

Sec. 312. 2013 c 306 s 312 (uncodified) is amended to read as follows:

ANNUAL REPORTING REQUIREMENTS FOR CAPITAL PROGRAM

(1) As part of its budget submittal for the ((~~2014 supplemental~~)) 2015 biennial budget, the department of transportation shall provide an update to the report provided to the legislature in 2013 that: (a) Compares the original project cost estimates approved in the 2003 and 2005 project lists to the completed cost of the project, or the most recent legislatively approved budget and total project costs for projects not yet completed; (b) identifies highway projects that may be reduced in scope and still achieve a functional benefit; (c) identifies highway projects that have experienced scope increases and that can be reduced in scope; (d) identifies highway projects that have lost significant local or regional contributions that were essential to completing the project; and (e) identifies contingency amounts allocated to projects.

(2) As part of its budget submittal for the ((~~2014 supplemental~~)) 2015 biennial budget, the department of transportation shall provide an annual report on the number of toll credits the department has accumulated and how the department has used the toll credits.

TRANSFERS AND DISTRIBUTIONS

Sec. 401. 2013 c 306 s 401 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE

Transportation Partnership Account—State
Appropriation. . . . . ((~~$10,406,000~~)) $3,099,000
Motor Vehicle Account—State Appropriation . . . . . ((~~$450,000~~)) $187,000
State Route Number 520 Corridor Account—State
Appropriation. $3,866,000
Highway Bond Retirement Account—State
Appropriation. . . . . ((~~$1,074,580,000~~)) $1,086,801,000
Ferry Bond Retirement Account—State Appropriation $31,824,000

Transportation Improvement Board Bond Retirement Account—State Appropriation . . . . . ((~~$16,267,000~~)) $16,268,000
Nondebt-Limit Reimbursable Bond Retirement Account—State Appropriation. $25,825,000
Toll Facility Bond Retirement Account—State Appropriation. $52,050,000
((~~Toll Facility Bond Retirement Account—Federal Appropriation. . . . . $64,982,000~~))
Transportation 2003 Account (Nickel Account)—State Appropriation. . . . . ((~~$1,958,000~~)) $682,000
((~~Special Category C Account—State Appropriation. . . . . $2,000~~))
TOTAL APPROPRIATION . . . . . ((~~$1,282,210,000~~)) $1,220,602,000

Sec. 402. 2013 c 306 s 402 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES

Transportation Partnership Account—State Appropriation. . . . . ((~~$1,156,000~~)) $588,000
Motor Vehicle Account—State Appropriation . . . . . ((~~$50,000~~)) $32,000
State Route Number 520 Corridor Account—State Appropriation. $531,000
Transportation 2003 Account (Nickel Account)—State Appropriation. . . . . ((~~$218,000~~)) $123,000
TOTAL APPROPRIATION . . . . . ((~~$1,955,000~~)) $1,274,000

NEW SECTION. **Sec. 403.** A new section is added to 2013 c 306 (uncodified) to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT TO BE PAID BY STATUTORILY PRESCRIBED REVENUE

Toll Facility Bond Retirement Account—Federal Appropriation. $69,913,000

Sec. 404. 2013 c 306 s 404 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax distributions to cities and counties . . . . . ((~~$474,610,000~~)) $478,598,000

Sec. 405. 2013 c 306 s 405 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—TRANSFERS

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax refunds and statutory transfers . . . . . ((~~$1,235,491,000~~)) $1,242,728,000

Sec. 406. 2013 c 306 s 406 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING—TRANSFERS

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax refunds and transfers . . . . . ((~~$138,627,000~~)) $138,494,000

Sec. 407. 2013 c 306 s 407 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS

(1) Recreational Vehicle Account—State Appropriation: For transfer to the Motor Vehicle Account—State $1,300,000

(2) Multimodal Transportation Account—State Appropriation: For transfer to the Puget Sound Ferry Operations Account—State $13,000,000

(3) Rural Mobility Grant Program Account—State Appropriation: For transfer to the Multimodal Transportation Account—State $3,000,000

(4) Motor Vehicle Account—State Appropriation: For transfer to the Special Category C Account—State $1,500,000

(5) Capital Vessel Replacement Account—State Appropriation: For transfer to the Transportation 2003 Account (Nickel Account)—State . . . . . ((~~$7,702,000~~)) $7,571,000

(6) Multimodal Transportation Account—State Appropriation: For transfer to the Public Transportation Grant Program Account—State $26,000,000

(7) Motor Vehicle Account—State Appropriation: For transfer to the Puget Sound Ferry Operations Account—State $28,000,000

(8) Motor Vehicle Account—State Appropriation: For transfer to the Puget Sound Capital Construction Account—State $28,000,000

(9) State Route Number 520 Civil Penalties Account—State Appropriation: For transfer to the State Route Number 520 Corridor Account—State $886,000

(10) Multimodal Transportation Account—State Appropriation: For transfer to the Highway Safety Account—State . . . . . ((~~$10,000,000~~)) $14,000,000

(11) Motor Vehicle Account—State Appropriation: For transfer to the State Patrol Highway Account—State $27,000,000

(12) Highway Safety Account—State Appropriation: For transfer to the Puget Sound Ferry Operations Account—State $42,000,000

(13) Advanced Environmental Mitigation Revolving Account—State Appropriation: For transfer to the Motor Vehicle Account—State $2,000,000

(14) Advanced Right-of-Way Revolving Fund—State Appropriation: For transfer to the Motor Vehicle Account—State $6,000,000

(15) Tacoma Narrows Toll Bridge Account—State Appropriation: For transfer to the Motor Vehicle Account—State $950,000

(16) License Plate Technology Account—State Appropriation: For transfer to the Highway Safety Account—State $3,000,000

(17) Motor Vehicle Account—State Appropriation: For transfer to the Transportation Equipment Fund—State $3,915,000

(18) ((~~Multimodal Transportation Account—State Appropriation: For transfer to the Motor Vehicle Account—State . . . . . $10,000,000~~))

(a) Capital Vessel Replacement Account—State Appropriation: For transfer to Transportation 2003 Account (Nickel Account)—State $11,128,000

(b) If chapter . . . (Engrossed Second Substitute House Bill No. 1129), Laws of 2014 (ferry vessel replacement) is not enacted by June 30, 2014, the amount transferred in (a) of this subsection lapses.

(19) Motor Vehicle Account—State Appropriation: For transfer to the Interstate 405 Express Toll Lanes Operations Account—State. $2,019,000

COMPENSATION

Sec. 501. 2013 c 306 s 517 (uncodified) is amended to read as follows:

COMPENSATION—REPRESENTED EMPLOYEES—SUPER COALITION—INSURANCE BENEFITS

No agreement has been reached between the governor and the health care super coalition under chapter 41.80 RCW for the 2013-2015 fiscal biennium. Appropriations in this act for fiscal year 2014 for state agencies, including institutions of higher education, are sufficient to continue the provisions of the 2011-2013 collective bargaining agreement. An agreement was reached between the governor and the health care super coalition under chapter 41.80 RCW for fiscal year 2015. The agreement includes employer contributions to premiums at eighty-five percent of the total weighted average of the projected health care premiums. Appropriations in this act for fiscal year 2015 are sufficient to fund the provisions of the fiscal year 2015 collective bargaining agreement, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan

must not exceed $809 per eligible employee for fiscal year 2014. For fiscal year 2015, the monthly employer funding rate must not exceed ((~~$820~~)) $703 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board must require any of the following: Employee premium copayments; increases in point-of-service cost sharing; the implementation of managed competition; or other changes to benefits consistent with the collective bargaining agreement and RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2014 and 2015, the subsidy must be $150.00 per month.

Sec. 502. 2013 c 306 s 518 (uncodified) is amended to read as follows:

COMPENSATION—REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION—INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for represented employees outside the super coalition for health benefits and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed $809 per eligible employee for fiscal year 2014. For fiscal year 2015, the monthly employer funding rate must not exceed ((~~$820~~)) $703 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any of the following: Employee premium copayments; increases in point-of-service cost sharing; the implementation of managed competition; or other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2014 and 2015, the subsidy must be $150.00 per month.

Sec. 503. 2013 c 306 s 519 (uncodified) is amended to read as follows:

COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed $809 per eligible employee for fiscal year 2014. For fiscal year 2015, the monthly employer funding rate must not exceed ((~~$820~~)) $703 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any of the following: Employee premium copayments; increases in point-of-service cost sharing; the implementation of managed competition; or make other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2014 and 2015, the subsidy must be $150.00 per month.

IMPLEMENTING PROVISIONS

Sec. 601. 2013 c 306 s 603 (uncodified) is amended to read as follows:

FUND TRANSFERS

(1) The transportation 2003 projects or improvements and the 2005 transportation partnership projects or improvements are listed in the LEAP list titled ((~~2013-1~~)) 2014-1 as developed ((~~April 23, 2013~~)) March 10, 2014, which consists of a list of specific projects by fund source and amount over a ten-year period. Current fiscal biennium funding for each project is a line-item appropriation, while the outer year funding allocations represent a ten-year plan. The department is expected to use the flexibility provided in this section to assist in the delivery and completion of all transportation partnership account and transportation 2003 account (nickel account) projects on the LEAP transportation documents referenced in this act. However, this section does not apply to the I-5/Columbia River Crossing project (400506A). For the 2011-2013 and 2013-2015 project appropriations, unless otherwise provided in this act, the director of financial management may authorize a transfer of appropriation authority between projects funded with transportation 2003 account (nickel account) appropriations, or transportation partnership account appropriations, in order to manage project spending and efficiently deliver all projects in the respective program under the following conditions and limitations:

(a) Transfers may only be made within each specific fund source referenced on the respective project list;

(b) Transfers from a project may not be made as a result of the reduction of the scope of a project or be made to support increases in the scope of a project;

(c) Each transfer between projects may only occur if the director of financial management finds that any resulting change will not hinder the completion of the projects as approved by the legislature. Until the legislature reconvenes to consider the 2014 supplemental omnibus transportation appropriations act, any unexpended 2011-2013 appropriation balance as approved by the office of financial management, in consultation with the legislative staff of the house of representatives and senate transportation committees, may be considered when transferring funds between projects;

(d) Transfers from a project may be made if the funds appropriated to the project are in excess of the amount needed to complete the project;

(e) Transfers may not occur for projects not identified on the applicable project list;

(f) Transfers may not be made while the legislature is in session; and

(g) Transfers between projects may be made, without the approval of the director of the office of financial management, by the department of transportation until the transfer amount by project exceeds two hundred fifty thousand dollars, or ten percent of the total project, whichever is less. These transfers must be reported quarterly to the director of financial management and the chairs of the house of representatives and senate transportation committees.

(2) At the time the department submits a request to transfer funds under this section, a copy of the request must be submitted to the transportation committees of the legislature.

(3) The office of financial management shall work with legislative staff of the house of representatives and senate transportation committees to review the requested transfers in a timely manner.

(4) The office of financial management shall document approved transfers and schedule changes in the transportation executive information system, compare changes to the legislative baseline funding and schedules identified by project identification number identified in the LEAP transportation documents referenced in this act, and transmit revised project lists to chairs of the transportation committees of the legislature on a quarterly basis.

NEW SECTION. **Sec. 602.** A new section is added to 2013 c 306 (uncodified) to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION

Except as otherwise provided in this act, the department may enter into a new agreement with King county for the purpose of public transportation mitigation for the SR 99/Alaskan Way Viaduct -Replacement project through the end of the 2013-2015 fiscal biennium. Before expending any funds, the department must inform the transportation committees of the legislature of the amount and source of the funds.

NEW SECTION. **Sec. 603.** A new section is added to 2013 c 306 (uncodified) to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION

(1) The department shall submit a report to the transportation committees of the legislature detailing engineering errors on highway construction projects resulting in project cost increases in excess of five hundred thousand dollars. The department must submit a full report within ninety days of the negotiated change order resulting from the engineering error.

(2) The department's full report must include an assessment and review of:

(a) How the engineering error happened;

(b) The department of the employee or employees responsible for the engineering error, without disclosing the name of the employee or employees;

(c) What corrective action was taken;

(d) The estimated total cost of the engineering error and how the department plans to mitigate that cost;

(e) Whether the cost of the engineering error will impact the overall project financial plan; and

(f) What action the secretary has recommended to avoid similar engineering errors in the future.

MISCELLANEOUS 2013-2015 FISCAL BIENNIUM

Sec. 701. RCW 47.28.030 and 2011 c 367 s 710 are each amended to read as follows:

(1)(a) A state highway shall be constructed, altered, repaired, or improved, and improvements located on property acquired for right-of-way purposes may be repaired or renovated pending the use of such right-of-way for highway purposes, by contract or state forces. The work or portions thereof may be done by state forces when the estimated costs thereof are less than fifty thousand dollars and effective July 1, 2005, sixty thousand dollars.

(b) When delay of performance of such work would jeopardize a state highway or constitute a danger to the traveling public, the work may be done by state forces when the estimated cost thereof is less than eighty thousand dollars and effective July 1, 2005, one hundred thousand dollars.

(c) When the department of transportation determines to do the work by state forces, it shall enter a statement upon its records to that effect, stating the reasons therefor.

(d) To enable a larger number of small businesses and veteran, minority, and women contractors to effectively compete for department of transportation contracts, the department may adopt rules providing for bids and award of contracts for the performance of work, or furnishing equipment, materials, supplies, or operating services whenever any work is to be performed and the engineer's estimate indicates the cost of the work would not exceed eighty thousand dollars and effective July 1, 2005, one hundred thousand dollars.

(2) The rules adopted under this section:

(a) Shall provide for competitive bids to the extent that competitive sources are available except when delay of performance would jeopardize life or property or inconvenience the traveling public; and

(b) Need not require the furnishing of a bid deposit nor a performance bond, but if a performance bond is not required then progress payments to the contractor may be required to be made based on submittal of paid invoices to

substantiate proof that disbursements have been made to laborers, material suppliers, mechanics, and subcontractors from the previous partial payment; and

(c) May establish prequalification standards and procedures as an alternative to those set forth in RCW 47.28.070, but the prequalification standards and procedures under RCW 47.28.070 shall always be sufficient.

(3) The department of transportation shall comply with such goals and rules as may be adopted by the office of minority and women's business enterprises to implement chapter 39.19 RCW with respect to contracts entered into under this chapter. The department may adopt such rules as may be necessary to comply with the rules adopted by the office of minority and women's business enterprises under chapter 39.19 RCW.

(4)(a) For the period of March 15, ((~~2010~~)) 2014, through June 30, ((~~2013~~)) 2015, work for less than one hundred twenty thousand dollars may be performed on ferry vessels and terminals by state forces.

(b) The department shall hire a disinterested, third party to conduct an independent analysis to identify methods of reducing out-of-service times for vessel maintenance, preservation, and improvement projects. The analysis must include options that consider consolidating work while vessels are at shipyards by having state forces perform services traditionally performed at Eagle Harbor at the shipyard and decreasing the allowable time at shipyards. The analysis must also compare the out-of-service vessel times of performing services by state forces versus contracting out those services which in turn must be used to form a recommendation as to what the threshold of work performed on ferry vessels and terminals by state forces should be. This analysis must be presented to the transportation committees of the senate and house of representatives by December 1, 2010.

(c) The department shall develop a proposed ferry vessel maintenance, preservation, and improvement program and present it to the transportation committees of the senate and house of representatives by December 1, 2010. The proposed program must:

(i) Improve the basis for budgeting vessel maintenance, preservation, and improvement costs and for projecting those costs into a sixteen-year financial plan;

(ii) Limit the amount of planned out-of-service time to the greatest extent possible, including options associated with department staff as well as commercial shipyards; and

(iii) Be based on the service plan in the capital plan, recognizing that vessel preservation and improvement needs may vary by route.

(d) In developing the proposed ferry vessel maintenance, preservation, and improvement program, the department shall consider the following, related to reducing vessel out-of-service time:

(i) The costs compared to benefits of Eagle Harbor repair and maintenance facility operations options to include staffing costs and benefits in terms of reduced out-of-service time;

(ii) The maintenance requirements for on-vessel staff, including the benefits of a systemwide standard;

(iii) The costs compared to benefits of staff performing preservation or maintenance work, or both, while the vessel is underway, tied up between sailings, or not deployed;

(iv) A review of the department's vessel maintenance, preservation, and improvement program contracting process and contractual requirements;

(v) The costs compared to benefits of allowing for increased costs associated with expedited delivery;

(vi) A method for comparing the anticipated out-of-service time of proposed projects and other projects planned during the same construction period;

(vii) Coordination with required United States coast guard dry dockings;

(viii) A method for comparing how proposed projects relate to the service requirements of the route on which the vessel normally operates; and

(ix) A method for evaluating the ongoing maintenance and preservation costs associated with proposed improvement projects.

Sec. 702. RCW 81.53.281 and 2003 c 190 s 3 are each amended to read as follows:

There is hereby created in the state treasury a "grade crossing protective fund" to carry out the provisions of RCW 81.53.261, 81.53.271, 81.53.281, 81.53.291, and 81.53.295; for grants and/or subsidies to public, private, and nonprofit entities for rail safety projects authorized or ordered by the commission; and for personnel and associated costs related to supervising and administering rail safety grants and/or subsidies. During the 2013-2015 fiscal biennium, funds in this account may also be used to conduct the study required under section 102 of this act. The commission shall transfer from the public service revolving fund's miscellaneous fees and penalties accounts moneys appropriated for these purposes as needed. At the time the commission makes each allocation of cost to said grade crossing protective fund, it shall certify that such cost shall be payable out of said fund. When federal-aid highway funds are involved, the department of transportation shall, upon entry of an order by the commission requiring the installation or upgrading of a grade crossing protective device, submit to the commission an estimate for the cost of the proposed installation and related work. Upon receipt of the estimate the commission shall pay to the department of transportation the percentage of the estimate specified in RCW 81.53.295, as now or hereafter amended, to be used as the grade crossing protective fund portion of the cost of the installation and related work.

The commission may adopt rules for the allocation of money from the grade crossing protective fund.

NEW SECTION. **Sec. 703.** A new section is added to 2013 c 306 (uncodified) to read as follows:

The office of the state treasurer shall explore the fiscal implications with respect to outstanding motor vehicle fuel transportation bonds and to future transportation bond sales, relating to any reduction, refunding, crediting, or repeal of the motor vehicle fuel tax, in whole or in part, that may occur in a transition to a potential road usage charge by which transportation activities may be funded in the future. The exploration of fiscal implications must examine possible effects on the state credit rating, interest rates, and other factors that affect the cost of financing transportation projects. The draft report of this work must be shared with the transportation committees of the legislature, the transportation commission, and the office of financial management by September 1, 2014. A final report must be provided to the transportation

committees of the legislature, the transportation commission, and the office of financial management by December 31, 2014.

Sec. 704. RCW 82.70.020 and 2013 c 306 s 718 are each amended to read as follows:

(1) Employers in this state who are taxable under chapter 82.04 or 82.16 RCW and provide financial incentives to their own or other employees for ride sharing, for using public transportation, for using car sharing, or for using nonmotorized commuting before July 1, ((~~2014~~)) 2015, are allowed a credit against taxes payable under chapters 82.04 and 82.16 RCW for amounts paid to or on behalf of employees for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using nonmotorized commuting, not to exceed sixty dollars per employee per fiscal year.

(2) Property managers who are taxable under chapter 82.04 or 82.16 RCW and provide financial incentives to persons employed at a worksite in this state managed by the property manager for ride sharing, for using public transportation, for using car sharing, or for using nonmotorized commuting before July 1, ((~~2014~~)) 2015, are allowed a credit against taxes payable under chapters 82.04 and 82.16 RCW for amounts paid to or on behalf of these persons for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using nonmotorized commuting, not to exceed sixty dollars per person per fiscal year.

(3) The credit under this section is equal to the amount paid to or on behalf of each employee multiplied by fifty percent, but may not exceed sixty dollars per employee per fiscal year. No refunds may be granted for credits under this section.

(4) A person may not receive credit under this section for amounts paid to or on behalf of the same employee under both chapters 82.04 and 82.16 RCW.

(5) A person may not take a credit under this section for amounts claimed for credit by other persons.

Sec. 705. RCW 82.70.040 and 2013 c 306 s 719 are each amended to read as follows:

(1)(a)(i) The department shall keep a running total of all credits allowed under RCW 82.70.020 during each fiscal year. The department shall not allow any credits that would cause the total amount allowed to exceed two million seven hundred fifty thousand dollars in any fiscal year. This limitation includes any deferred credits carried forward under subsection (2)(b)(i) of this section from prior years.

(ii) During the 2013-2015 fiscal biennium, the department shall not allow any credits that would cause the total amount allowed to exceed one million five hundred thousand dollars in any fiscal year. This limitation includes any deferred credits carried forward under subsection (2)(b)(i) of this section from prior years.

(b) If the total amount of credit applied for by all applicants in any year exceeds the limit in this subsection, the department shall ratably reduce the amount of credit allowed for all applicants so that the limit in this subsection is not exceeded. If a credit is reduced under this subsection, the amount of the reduction may not be carried forward and claimed in subsequent fiscal years.

(2)(a) Tax credits under RCW 82.70.020 may not be claimed in excess of the amount of tax otherwise due under chapter 82.04 or 82.16 RCW.

(b)(i) Through June 30, 2005, a person with taxes equal to or in excess of the credit under RCW 82.70.020, and therefore not subject to the limitation in (a) of this subsection, may elect to defer tax credits for a period of not more than three years after the year in which the credits accrue. No credits deferred under this subsection (2)(b)(i) may be used after June 30, 2008. A person deferring tax credits under this subsection (2)(b)(i) must submit an application as provided in RCW 82.70.025 in the year in which the deferred tax credits will be used. This application is subject to the provisions of subsection (1) of this section for the year in which the tax credits will be applied. If a deferred credit is reduced under subsection (1)(b) of this section, the amount of deferred credit disallowed because of the reduction may be carried forward as long as the period of deferral does not exceed three years after the year in which the credit was earned.

(ii) For credits approved by the department after June 30, 2005, the approved credit may be carried forward to subsequent years until used. Credits carried forward as authorized by this subsection are subject to the limitation in subsection (1)(a) of this section for the fiscal year for which the credits were originally approved.

(3) No person shall be approved for tax credits under RCW 82.70.020 in excess of two hundred thousand dollars in any fiscal year. This limitation does not apply to credits carried forward from prior years under subsection (2)(b) of this section.

(4) No person may claim tax credits after June 30, ((~~2014~~)) 2015.

(5) Credits may not be carried forward other than as authorized in subsection (2)(b) of this section.

(6) No person is eligible for tax credits under RCW 82.70.020 if the additional revenues for the multimodal transportation account created by Engrossed Substitute House Bill No. 2231 are terminated.

Sec. 706. RCW 82.70.050 and 2003 c 364 s 5 are each amended to read as follows:

(1) During the 2013-2015 fiscal biennium, the director shall on the 25th of February, May, August, and November of each year advise the state treasurer of the amount of credit taken under RCW 82.70.020 during the preceding calendar quarter ending on the last day of December, March, June, and September, respectively.

(2) On the last day of March, June, September, and December of each year, the state treasurer, based upon information provided by the department, shall deposit to the general fund a sum equal to the dollar amount of the credit provided under RCW 82.70.020 from the multimodal transportation account.

Sec. 707. RCW 82.70.900 and 2013 c 306 s 720 are each amended to read as follows:

This chapter expires ((~~July 1, 2014, except for RCW 82.70.050, which expires January 1, 2015~~)) June 30, 2015.

Sec. 708. RCW 90.03.525 and 2005 c 319 s 140 are each amended to read as follows:

(1) The rate charged by a local government utility to the department of transportation with respect to state highway right-of-way or any section of state

highway right-of-way for the construction, operation, and maintenance of storm water control facilities under chapters 35.67, 35.92, 36.89, 36.94, 57.08, and 86.15 RCW, shall be thirty percent of the rate for comparable real property, except as otherwise provided in this section. The rate charged to the department with respect to state highway right-of-way or any section of state highway right-of-way within a local government utility's jurisdiction shall not, however, exceed the rate charged for comparable city street or county road right-of-way within the same jurisdiction. The legislature finds that the aforesaid rates are presumptively fair and equitable because of the traditional and continuing expenditures of the department of transportation for the construction, operation, and maintenance of storm water control facilities designed to control surface water or storm water runoff from state highway rights-of-way.

(2) Charges paid under subsection (1) of this section by the department of transportation must be used solely for storm water control facilities that directly reduce ((~~state highway~~)) runoff impacts or implementation of best management practices that will reduce the need for such facilities. ((~~By January 1st of each year, beginning with calendar year 1997, the local government utility, in coordination with the department, shall develop a plan for the expenditure of the charges for that calendar year. The plan must be consistent with the objectives identified in RCW 90.78.010. In addition, beginning with the submittal for 1998, the utility shall provide a progress report on the use of charges assessed for the prior year. No charges may be paid until the plan and report have been submitted to the department.~~))

(3) The utility imposing the charge and the department of transportation may, however, agree to either higher or lower rates with respect to the construction, operation, or maintenance of any specific storm water control facilities ((~~based upon the annual plan prescribed in subsection (2) of this section~~)). If, after mediation, the local government utility and the department of transportation cannot agree upon the proper rate, either may commence an action in the superior court for the county in which the state highway right-of-way is located to establish the proper rate. The court in establishing the proper rate shall take into account the extent and adequacy of storm water control facilities constructed by the department and the actual benefits to the sections of state highway rights-of-way from storm water control facilities constructed, operated, and maintained by the local government utility. Control of surface water runoff and storm water runoff from state highway rights-of-way shall be deemed an actual benefit to the state highway rights-of-way. The rate for sections of state highway right-of-way as determined by the court shall be set forth in terms of the percentage of the rate for comparable real property, but shall in no event exceed the rate charged for comparable city street or county road right-of-way within the same jurisdiction.

(4) The legislature finds that the federal clean water act (national pollutant discharge elimination system, 40 C.F.R. parts 122-124), the state water pollution control act, chapter 90.48 RCW, and the highway runoff program under chapter 90.71 RCW, mandate the treatment and control of storm water runoff from state highway rights-of-way owned by the department of transportation. Appropriations made by the legislature to the department of transportation for the construction, operation, and maintenance of storm water control facilities are intended to address applicable federal and state mandates related to storm water

control and treatment. This section is not intended to limit opportunities for sharing the costs of storm water improvements between cities, counties, and the state.

MISCELLANEOUS

NEW SECTION. **Sec. 801.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 802.** Section 701 of this act takes effect if chapter . . . (Engrossed House Bill No. 2684), Laws of 2014 (ferry vessel and terminal work) is not enacted by April 15, 2014.

NEW SECTION. **Sec. 803.** Section 708 of this act expires June 30, 2015.

NEW SECTION. **Sec. 804.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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Passed by the Senate March 12, 2014.
Passed by the House March 11, 2014.
Approved by the Governor April 4, 2014, with the exception of certain items that were vetoed.
Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 201(5); 205(8); 206; 207(8); 208(13); 208(16); 213(7); 306(24); and 310(7)(a) and (b), page 66, line 29 through page 67, line 16, Engrossed Substitute Senate Bill No. 6001 entitled:

"AN ACT Relating to transportation funding and appropriations."

Section 201(5), pages 5-6, Traffic Safety Commission, Funding for Target Zero Task Forces

This section would require the Traffic Safety Commission to continue to provide funding to counties for target zero task forces during the 2013-15 biennium based on levels that were in place on January 1, 2014. The Commission has conducted an extensive Lean-based review of the most effective strategies for implementing traffic safety programs locally. The proviso would affect the Commission's ability to allocate funding to achieve the greatest effect on safety. For this reason, I have vetoed Section 201(5).

The Traffic Safety Commission will continue to conduct stakeholder meetings in the counties that could be affected by this approach.

Section 205(8), pages 13-14, Transportation Commission, Statewide Transportation Plan

The Legislature provided funding for the Transportation Commission to complete the statewide transportation plan and fulfill current federal planning requirements by June 30, 2015. New federal rules will go into effect in the spring of 2016 and will require, among other things, an integrated performance measurement system. It is prudent to wait until the new federal regulations are released before updating the plan. For this reason, I have vetoed Section 205(8).

Section 206, page 14, Freight Mobility Strategic Investment Board, Appropriation Reduction

The proposed appropriation level reduces the Freight Mobility Strategic Investment Board's (Board) 2013-15 biennial budget by $25,000. This reduction results in an appropriation insufficient to sustain current operations. For this reason, I have vetoed Section 206.

During the remainder of the biennium, the Board will maintain a staffing level of two (2) FTEs after the current director retires. The Board will submit staffing and resource allocations for the ensuing biennium with its biennial budget submittal.

Section 207(8), page 16, Washington State Patrol, Security for United States Open

This proviso directs the Washington State Patrol (WSP) to coordinate and support local law enforcement at the United States Open national golf championship in Pierce County in providing traffic control and "other activities" within its existing budget. WSP services for such a significant event are likely to require additional appropriations from the Legislature. For this reason, I have vetoed Section 207(8).

WSP will work with Pierce County to develop a plan with respective responsibilities and estimated costs for further consideration in the 2015 legislative session.

Section 208(13), page 20, Department of Licensing, Intermittent-Use Trailer License Plates (E2SHB 1902)

This proviso provides appropriation authority for the implementation of Engrossed Second Substitute House Bill 1902, intermittent-use trailer license plates. E2SHB 1902 did not pass, so this subsection is unnecessary. For this reason, I have vetoed Section 208(13).

Section 208(16), page 20, Department of Licensing, Washington State Tree License Plates (EHB 2752)

This proviso provides appropriation authority for the implementation of Engrossed House Bill 2752, Washington state tree license plates. EHB 2752 did not pass, so this subsection is unnecessary. For this reason, I have vetoed Section 208(16).

Sections 213(7), page 30, Department of Transportation, Fish Barrier Removals (2SHB 2251)

This proviso directs the Department of Transportation to maximize available resources for eliminating fish passage barriers if Second Substitute House Bill 2251 did not pass. Second Substitute House Bill 2251 was approved during the 2014 legislative session, so this subsection is moot. For this reason, I have vetoed Section 213(7).

Section 306(24), pages 57-58, Department of Transportation, Quarry Road Transfer

This proviso directs the Department of Transportation (Department) to accept the transfer to the state highway system of Quarry Road. This proviso is unnecessary because the Department has reached agreement with Snohomish County to transfer Quarry Road to the state highway system. For this reason, I have vetoed Section 306(24).

Section 310(7)(a) and (b), page 66, line 29 through page 67, line 16, Department of Transportation, Rail Cost-Benefit Methodology

This proviso directs the Department of Transportation (Department) to use a cost-benefit methodology tool developed in 2008 for rail projects, which is the existing standard for departmental operations in analyzing Freight Rail Investment Bank and Freight Rail Assistance Program projects. Given this is current practice, there is no need to direct the Department to use this tool. For this reason, I have vetoed Section 310(7)(a) and (b), page 66, line 29 through page 67, line 16.

If for any reason a different approach is used, I am directing the Department to report to both the Office of Financial Management and legislative transportation committees about why it used an alternative approach.

For these reasons I have vetoed Sections 201(5); 205(8); 206; 207(8); 208(13); 208(16); 213(7); 306(24); and 310(7)(a) and (b), page 66, line 29 through page 67, line 16 of Engrossed Substitute Senate Bill No. 6001.

With the exception of Sections 201(5); 205(8); 206; 207(8); 208(13); 208(16); 213(7); 306(24); and 310(7)(a) and (b), page 66, line 29 through page 67, line 16, Engrossed Substitute Senate Bill No. 6001 is approved."

CHAPTER 223

[Engrossed Second Substitute House Bill 2572]

HEALTH CARE DELIVERY SYSTEM

AN ACT Relating to improving the effectiveness of health care purchasing and transforming the health care delivery system by advancing value-based purchasing, promoting community health, and providing greater integration of chronic illness care and needed social supports; amending RCW 42.56.360 and 70.02.045; adding new sections to chapter 41.05 RCW; adding a new section to chapter 43.70 RCW; adding a new section to chapter 74.09 RCW; adding a new section to chapter 48.02 RCW; adding a new chapter to Title 44 RCW; adding a new chapter to Title 43 RCW; creating new sections; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** (1) The legislature finds that the state of Washington has an opportunity to transform its health care delivery system.

(2) The state health care innovation plan establishes the following primary drivers of health transformation, each with individual key actions that are necessary to achieve the objective:

(a) Improve health overall by stressing prevention and early detection of disease and integration of behavioral health;

(b) Developing linkages between the health care delivery system and community; and

(c) Supporting regional collaboratives for communities and populations, improve health care quality, and lower costs.

***NEW SECTION.** Sec. 2. (1) The health care authority is responsible for coordination, implementation, and administration of interagency efforts and local collaborations of public and private organizations to implement the state health care innovation plan.*

(2) Prior to the authority submitting a grant application for innovation plan funding, the authority must consult a neutral actuarial firm not currently contracted with the agency to review the estimated savings with the innovation plan prior to application submission. The plan and the actuarial information must be presented to the joint select committee on health care oversight, including the scope and details of the grant application and any request for proposal, prior to an application submission. The joint committee must review the application in a timely fashion that enables the grant application, if approved, to be submitted within the required time frame.

(3) The grant application cannot commit the state to any financial obligations beyond the actual grant award amount.

(4) All required federal reporting related to a grant award must be shared with the joint committee at the same time it is submitted to the federal government.

(5) By January 1, 2015, and January 1st of each year through January 1, 2019, the health care authority shall coordinate and submit a status report to the appropriate committees of the legislature regarding implementation of the innovation plan. The report must summarize any actions taken to implement the innovation plan, progress toward achieving the aims of the innovation plan, and anticipated future implementation efforts. In addition, the health care authority shall submit any recommendations for legislation necessary to implement the innovation plan.

***Sec. 2 was vetoed. See message at end of chapter.**

NEW SECTION. **Sec. 3.** (1) The joint select committee on health care oversight is established in statute, continuing the committee created in Engrossed Substitute Senate Concurrent Resolution No. 8401 passed in 2013.

(2) The membership of the joint select committee on health care oversight must consist of the following: (a) The chairs of the health care committees of the senate and the house of representatives, who must serve as cochairs; (b) four additional members of the senate, two each appointed by the leadership of the two largest political parties in the senate; and (c) four additional members of the house of representatives, two each appointed by the leadership of the two largest political parties in the house of representatives. The governor must be invited to appoint, as a liaison to the joint select committee, a person who must be a nonvoting member.

(3) The joint select committee on health care oversight must provide oversight between the health care authority, health benefit exchange, the office of the insurance commissioner, the department of health, and the department of social and health services. The goal must be to ensure that these entities are not duplicating their efforts and are working toward a goal of increased quality of services which will lead to reduced costs to the health care consumer.

(4) The joint select committee on health care oversight must, as necessary, propose legislation to the health care committees and budget recommendations to the ways and means committees of the legislature that aids in their coordination of activities and that leads to better quality and cost savings.

(5) The joint select committee on health care oversight expires on December 31, 2022.

NEW SECTION. **Sec. 4.** A new section is added to chapter 41.05 RCW to read as follows:

(1) The authority shall, subject to the availability of amounts appropriated or grants received for this specific purpose, award grants to support the development of two pilot projects for a community of health. A community of health is a regionally based, voluntary collaborative. The purpose of the collaborative is to align actions to achieve healthy communities and populations, improve health care quality, and lower costs. Grants may only be used for start-up costs.

(2) The authority shall develop a process for designating an entity as a community of health. An entity seeking designation is eligible if:

(a) It is a nonprofit or public-private partnership, including those led by local public health agencies;

(b) Its membership is broad and incorporates key stakeholders, such as the long-term care system, the health care delivery system, behavioral health, social supports and services, primary care and specialty providers, hospitals, consumers, small and large employers, health plans, and public health, with no single entity or organizational cohort serving in a majority capacity; and

(c) It demonstrates an ongoing capacity to:

(i) Lead health improvement activities within the region with other local systems to improve health outcomes and the overall health of the community, improve health care quality, and lower costs; and

(ii) Distribute tools and resources from the health extension program created in section 5 of this act.

(3) In awarding grants under this section, the authority shall consider the extent to which the applicant will:

(a) Base decisions on public input and an active collaboration among key community partners, which can include, but are not limited to, local governments, housing providers, school districts, early learning regional coalitions, large and small businesses, labor organizations, health and human service organizations, tribal governments, health carriers, providers, hospitals, public health agencies, and consumers;

(b) Match the grant funding with funds from other sources; and

(c) Demonstrate capability for sustainability without reliance on state general fund appropriations.

(4) The authority may prioritize applications that commit to providing at least one dollar in matching funds for each grant dollar awarded.

(5) Before grant funds are disbursed, the authority and the applicant must agree on performance requirements.

(6) The authority may adopt rules necessary to implement this section, but may not adopt rules, policies, or procedures beyond the scope of the authority granted in this section.

NEW SECTION. **Sec. 5.** A new section is added to chapter 43.70 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department shall establish a health extension program to provide training, tools, and technical assistance to primary care, behavioral health, and other providers. The program must emphasize high quality preventive, chronic disease, and behavioral health care that is comprehensive and evidence-based.

(2) The health extension program must coordinate dissemination of evidence-based tools and resources that promote:

(a) Integration of physical and behavioral health;

(b) Clinical decision support to promote evidence-based care;

(c) Reports of the Robert Bree collaborative created by RCW 70.250.050 and findings of health technology assessments under RCW 70.14.080 through 70.14.130;

(d) Methods of formal assessment;

(e) Support for patients managing their own conditions;

(f) Identification and use of resources that are available in the community for patients and their families, including community health workers; and

(g) Identification of evidence-based models to effectively treat depression and other conditions in primary care settings, such as the program advancing integrated mental health solutions, and others.

(3) The department may adopt rules necessary to implement this section, but may not adopt rules, policies, or procedures beyond the scope of authority granted in this section.

NEW SECTION. **Sec. 6.** A new section is added to chapter 41.05 RCW to read as follows:

(1) There is created a performance measures committee, the purpose of which is to identify and recommend standard statewide measures of health performance to inform public and private health care purchasers and to propose benchmarks to track costs and improvements in health outcomes.

(2) Members of the committee must include representation from state agencies, small and large employers, health plans, patient groups, federally recognized tribes, consumers, academic experts on health care measurement, hospitals, physicians, and other providers. The governor shall appoint the members of the committee, except that a statewide association representing hospitals may appoint a member representing hospitals, and a statewide association representing physicians may appoint a member representing physicians. The governor shall ensure that members represent diverse geographic locations and both rural and urban communities. The chief executive officer of the lead organization must also serve on the committee. The committee must be chaired by the director of the authority.

(3) The committee shall develop a transparent process for selecting performance measures, and the process must include opportunities for public comment.

(4) By January 1, 2015, the committee shall submit the performance measures to the authority. The measures must include dimensions of:

(a) Prevention and screening;

(b) Effective management of chronic conditions;

(c) Key health outcomes;

(d) Care coordination and patient safety; and

(e) Use of the lowest cost, highest quality care for preventive care and acute and chronic conditions.

(5) The committee shall develop a measure set that:

(a) Is of manageable size;

(b) Is based on readily available claims and clinical data;

(c) Gives preference to nationally reported measures and, where nationally reported measures may not be appropriate, measures used by state agencies that purchase health care or commercial health plans;

(d) Focuses on the overall performance of the system, including outcomes and total cost;

(e) Is aligned with the governor's performance management system measures and common measure requirements specific to medicaid delivery systems under RCW 70.320.020 and 43.20A.895;

(f) Considers the needs of different stakeholders and the populations served; and

(g) Is usable by multiple payers, providers, hospitals, purchasers, public health, and communities as part of health improvement, care improvement,

provider payment systems, benefit design, and administrative simplification for providers and hospitals.

(6) State agencies shall use the measure set developed under this section to inform and set benchmarks for purchasing decisions.

(7) The committee shall establish a public process to periodically evaluate the measure set and make additions or changes to the measure set as needed.

NEW SECTION. **Sec. 7.** A new section is added to chapter 74.09 RCW to read as follows:

(1) The authority and the department may restructure medicaid procurement of health care services and agreements with managed care systems on a phased basis to better support integrated physical health, mental health, and chemical dependency treatment, consistent with assumptions in Second Substitute Senate Bill No. 6312, Laws of 2014, and recommendations provided by the behavioral health task force. The authority and the department may develop and utilize innovative mechanisms to promote and sustain integrated clinical models of physical and behavioral health care.

(2) The authority and the department may incorporate the following principles into future medicaid procurement efforts aimed at integrating the delivery of physical and behavioral health services:

(a) Medicaid purchasing must support delivery of integrated, person-centered care that addresses the spectrum of individuals' health needs in the context of the communities in which they live and with the availability of care continuity as their health needs change;

(b) Accountability for the client outcomes established in RCW 43.20A.895 and 71.36.025 and performance measures linked to those outcomes;

(c) Medicaid benefit design must recognize that adequate preventive care, crisis intervention, and support services promote a recovery-focused approach;

(d) Evidence-based care interventions and continuous quality improvement must be enforced through contract specifications and performance measures that provide meaningful integration at the patient care level with broadly distributed accountability for results;

(e) Active purchasing and oversight of medicaid managed care contracts is a state responsibility;

(f) A deliberate and flexible system change plan with identified benchmarks to promote system stability, provide continuity of treatment for patients, and protect essential existing behavioral health system infrastructure and capacity; and

(g) Community and organizational readiness are key determinants of implementation timing; a phased approach is therefore desirable.

(3) The principles identified in subsection (2) of this section are not intended to create an individual entitlement to services.

(4) The authority shall increase the use of value based contracting, alternative quality contracting, and other payment incentives that promote quality, efficiency, cost savings, and health improvement, for medicaid and public employee purchasing. The authority shall also implement additional chronic disease management techniques that reduce the subsequent need for hospitalization or readmissions. It is the intent of the legislature that the reforms the authority implements under this subsection are anticipated to reduce extraneous medical costs, across all medical programs, when fully phased in by

fiscal year 2017 to generate budget savings identified in the omnibus appropriations act.

NEW SECTION. **Sec. 8.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authority" means the health care authority.

(2) "Carrier" and "health carrier" have the same meaning as in RCW 48.43.005.

(3) "Claims data" means the data required by section 11 of this act to be submitted to the database, as defined by the director in rule. "Claims data" includes: (a) Claims data related to health care coverage and services funded, in whole or in part, in the omnibus appropriations act, including coverage and services funded by appropriated and nonappropriated state and federal moneys, for medicaid programs and the public employees benefits board program; and (b) claims data voluntarily provided by other data suppliers, including carriers and self-funded employers.

(4) "Database" means the statewide all-payer health care claims database established in section 10 of this act.

(5) "Director" means the director of financial management.

(6) "Lead organization" means the organization selected under section 10 of this act.

(7) "Office" means the office of financial management.

NEW SECTION. **Sec. 9.** The legislature finds that:

(1) The activities authorized by this chapter will require collaboration among state agencies and local governments that purchase health care, private health carriers, third-party purchasers, health care providers, and hospitals. These activities will identify strategies to increase the quality and effectiveness of health care delivered in Washington state and are therefore in the best interest of the public.

(2) The benefits of collaboration, together with active state supervision, outweigh potential adverse impacts. Therefore, the legislature intends to exempt from state antitrust laws, and provide immunity through the state action doctrine from federal antitrust laws, activities that are undertaken, reviewed, and approved by the office pursuant to this chapter that might otherwise be constrained by such laws. The legislature does not intend and does not authorize any person or entity to engage in activities not provided for by this chapter, and the legislature neither exempts nor provides immunity for such activities including, but not limited to, agreements among competing providers or carriers to set prices or specific levels of reimbursement for health care services.

NEW SECTION. **Sec. 10.** (1) The office shall establish a statewide all-payer health care claims database to support transparent public reporting of health care information. The database must improve transparency to: Assist patients, providers, and hospitals to make informed choices about care; enable providers, hospitals, and communities to improve by benchmarking their performance against that of others by focusing on best practices; enable purchasers to identify value, build expectations into their purchasing strategy, and reward improvements over time; and promote competition based on quality and cost.

(2) The director shall select a lead organization to coordinate and manage the database. The lead organization is responsible for internal governance, management, funding, and operations of the database. At the direction of the office, the lead organization shall:

(a) Collect claims data from data suppliers as provided in section 11 of this act;

(b) Design data collection mechanisms with consideration for the time and cost involved in collection and the benefits that measurement would achieve;

(c) Ensure protection of collected data and store and use any data with patient-specific information in a manner that protects patient privacy;

(d) Consistent with the requirements of this chapter, make information from the database available as a resource for public and private entities, including carriers, employers, providers, hospitals, and purchasers of health care;

(e) Report performance on cost and quality pursuant to section 14 of this act using, but not limited to, the performance measures developed under section 6 of this act;

(f) Develop protocols and policies to ensure the quality of data releases;

(g) Develop a plan for the financial sustainability of the database and charge fees not to exceed five thousand dollars unless otherwise negotiated for reports and data files as needed to fund the database. Any fees must be approved by the office and must be comparable across data requesters and users; and

(h) Convene advisory committees with the approval and participation of the office, including: (i) A committee on data policy development; and (ii) a committee to establish a data release process consistent with the requirements of this chapter and to provide advice regarding formal data release requests. The advisory committees must include representation from key provider, hospital, payer, public health, health maintenance organization, purchaser, and consumer organizations.

(3) The lead organization governance structure and advisory committees must include representation of the third-party administrator of the uniform medical plan. A payer, health maintenance organization, or third-party administrator must be a data supplier to the all-payer health care claims database to be represented on the lead organization governance structure or advisory committees.

NEW SECTION. **Sec. 11.** (1) Data suppliers must submit claims data to the database within the time frames established by the director in rule and in accordance with procedures established by the lead organization.

(2) An entity that is not a data supplier but that chooses to participate in the database shall require any third-party administrator utilized by the entity's plan to release any claims data related to persons receiving health coverage from the plan.

(3) Each data supplier shall submit an annual status report to the office regarding its compliance with this section. The report to the legislature required by section 2 of this act must include a summary of these status reports.

NEW SECTION. **Sec. 12.** (1) The claims data provided to the database, the database itself, including the data compilation, and any raw data received from the database are not public records and are exempt from public disclosure under chapter 42.56 RCW.

(2) Claims data obtained in the course of activities undertaken pursuant to or supported under this chapter are not subject to subpoena or similar compulsory process in any civil or criminal, judicial, or administrative proceeding, nor may any individual or organization with lawful access to data under this chapter be compelled to testify with regard to such data, except that data pertaining to a party in litigation may be subject to subpoena or similar compulsory process in an action brought by or on behalf of such individual to enforce any liability arising under this chapter.

NEW SECTION. **Sec. 13.** (1) Except as otherwise required by law, claims or other data from the database shall only be available for retrieval in original or processed form to public and private requesters pursuant to this section and shall be made available within a reasonable time after the request.

(2) Except as otherwise required by law, the office shall direct the lead organization to maintain the confidentiality of claims or other data it collects for the database that include direct and indirect patient identifiers. Any agency, researcher, or other person that receives claims or other data under this section containing direct or indirect patient identifiers must also maintain confidentiality and may not release such claims or other data except as consistent with this section. The office shall oversee the lead organization's release of data as follows:

(a) Claims or other data that include direct or indirect patient identifiers, as specifically defined in rule, may be released to:

(i) Federal, state, and local government agencies upon receipt of a signed data use agreement with the office and the lead organization; and

(ii) Researchers with approval of an institutional review board upon receipt of a signed confidentiality agreement with the office and the lead organization.

(b) Claims or other data that do not contain direct patient identifiers but that may contain indirect patient identifiers may be released to agencies, researchers, and other persons upon receipt of a signed data use agreement with the lead organization.

(c) Claims or other data that do not contain direct or indirect patient identifiers may be released upon request.

(3) Recipients of claims or other data under subsection (2)(a) or (b) of this section must agree in a data use agreement or a confidentiality agreement to, at a minimum:

(a) Take steps to protect direct and indirect patient identifying information as described in the agreement; and

(b) Not redisclose the data except as authorized in the agreement consistent with the purpose of the agreement or as otherwise required by law.

(4) Recipients of the claims or other data under subsection (2)(b) of this section must not attempt to determine the identity of persons whose information is included in the data set or use the claims or other data in any manner that identifies the individuals or their families.

(5) For purposes of this section, the following definitions apply unless the context clearly requires otherwise.

(a) "Direct patient identifier" means information that identifies a patient.

(b) "Indirect patient identifier" means information that may identify a patient when combined with other information.

NEW SECTION. **Sec. 14.** (1) Under the supervision of the office, the lead organization shall prepare health care data reports using the database and the statewide health performance and quality measure set, including only those measures that can be completed with readily available claims data. Prior to releasing any health care data reports that use claims data, the lead organization must submit the reports to the office for review and approval.

(2)(a) Health care data reports prepared by the lead organization that use claims data must assist the legislature and the public with awareness and promotion of transparency in the health care market by reporting on:

(i) Whether providers and health systems deliver efficient, high quality care; and

(ii) Geographic and other variations in medical care and costs as demonstrated by data available to the lead organization.

(b) Measures in the health care data reports should be stratified by demography, income, language, health status, and geography when feasible with available data to identify disparities in care and successful efforts to reduce disparities.

(c) Comparisons of costs among providers and health care systems must account for differences in acuity of patients, as appropriate and feasible, and must take into consideration the cost impact of subsidization for uninsured and governmental patients, as well as teaching expenses, when feasible with available data.

(3) The lead organization may not publish any data or health care data reports that:

(a) Directly or indirectly identify patients;

(b) Disclose specific terms of contracts, discounts, or fixed reimbursement arrangements or other specific reimbursement arrangements between an individual provider and a specific payer; or

(c) Compares performance in a report generated for the general public that includes any provider in a practice with fewer than five providers.

(4) The lead organization may not release a report that compares and identifies providers, hospitals, or data suppliers unless it:

(a) Allows the data supplier, the hospital, or the provider to verify the accuracy of the information submitted to the lead organization and submit to the lead organization any corrections of errors with supporting evidence and comments within forty-five days of receipt of the report; and

(b) Corrects data found to be in error within a reasonable amount of time.

(5) The office and the lead organization may use claims data to identify and make available information on payers, providers, and facilities, but may not use claims data to recommend or incentivize direct contracting between providers and employers.

(6) The lead organization shall ensure that no individual data supplier comprises more than twenty-five percent of the claims data used in any report or other analysis generated from the database. For purposes of this subsection, a "data supplier" means a carrier and any self-insured employer that uses the carrier's provider contracts.

NEW SECTION. **Sec. 15.** (1) The director shall adopt any rules necessary to implement this chapter, including:

(a) Definitions of claim and data files that data suppliers must submit to the database, including: Files for covered medical services, pharmacy claims, and dental claims; member eligibility and enrollment data; and provider data with necessary identifiers;

(b) Deadlines for submission of claim files;

(c) Penalties for failure to submit claim files as required;

(d) Procedures for ensuring that all data received from data suppliers are securely collected and stored in compliance with state and federal law; and

(e) Procedures for ensuring compliance with state and federal privacy laws.

(2) The director may not adopt rules, policies, or procedures beyond the authority granted in this chapter.

***NEW SECTION.** Sec. 16. A new section is added to chapter 48.02 RCW to read as follows:*

(1) The commissioner may not use data acquired from the statewide all-payer health care claims database created in section 10 of this act for purposes of reviewing rates pursuant to this title.

(2) The commissioner's authority to access data from any other source for rate review pursuant to this title is not otherwise curtailed, even if that data may have been separately submitted to the statewide all-payer health care claims database.

***Sec. 16 was vetoed. See message at end of chapter.**

Sec. 17. RCW 42.56.360 and 2013 c 19 s 47 are each amended to read as follows:

(1) The following health care information is exempt from disclosure under this chapter:

(a) Information obtained by the pharmacy quality assurance commission as provided in RCW 69.45.090;

(b) Information obtained by the pharmacy quality assurance commission or the department of health and its representatives as provided in RCW 69.41.044, 69.41.280, and 18.64.420;

(c) Information and documents created specifically for, and collected and maintained by a quality improvement committee under RCW 43.70.510, 70.230.080, or 70.41.200, or by a peer review committee under RCW 4.24.250, or by a quality assurance committee pursuant to RCW 74.42.640 or 18.20.390, or by a hospital, as defined in RCW 43.70.056, for reporting of health care-associated infections under RCW 43.70.056, a notification of an incident under RCW 70.56.040(5), and reports regarding adverse events under RCW 70.56.020(2)(b), regardless of which agency is in possession of the information and documents;

(d)(i) Proprietary financial and commercial information that the submitting entity, with review by the department of health, specifically identifies at the time it is submitted and that is provided to or obtained by the department of health in connection with an application for, or the supervision of, an antitrust exemption sought by the submitting entity under RCW 43.72.310;

(ii) If a request for such information is received, the submitting entity must be notified of the request. Within ten business days of receipt of the notice, the submitting entity shall provide a written statement of the continuing need for confidentiality, which shall be provided to the requester. Upon receipt of such

notice, the department of health shall continue to treat information designated under this subsection (1)(d) as exempt from disclosure;

(iii) If the requester initiates an action to compel disclosure under this chapter, the submitting entity must be joined as a party to demonstrate the continuing need for confidentiality;

(e) Records of the entity obtained in an action under RCW 18.71.300 through 18.71.340;

(f) Complaints filed under chapter 18.130 RCW after July 27, 1997, to the extent provided in RCW 18.130.095(1);

(g) Information obtained by the department of health under chapter 70.225 RCW;

(h) Information collected by the department of health under chapter 70.245 RCW except as provided in RCW 70.245.150;

(i) Cardiac and stroke system performance data submitted to national, state, or local data collection systems under RCW 70.168.150(2)(b); ((~~and~~))

(j) All documents, including completed forms, received pursuant to a wellness program under RCW 41.04.362, but not statistical reports that do not identify an individual; and

(k) Data and information exempt from disclosure under section 12 of this act.

(2) Chapter 70.02 RCW applies to public inspection and copying of health care information of patients.

(3)(a) Documents related to infant mortality reviews conducted pursuant to RCW 70.05.170 are exempt from disclosure as provided for in RCW 70.05.170(3).

(b)(i) If an agency provides copies of public records to another agency that are exempt from public disclosure under this subsection (3), those records remain exempt to the same extent the records were exempt in the possession of the originating entity.

(ii) For notice purposes only, agencies providing exempt records under this subsection (3) to other agencies may mark any exempt records as "exempt" so that the receiving agency is aware of the exemption, however whether or not a record is marked exempt does not affect whether the record is actually exempt from disclosure.

Sec. 18. RCW 70.02.045 and 2000 c 5 s 2 are each amended to read as follows:

Third-party payors shall not release health care information disclosed under this chapter, except as required by chapter 43.— RCW (the new chapter created in section 22 of this act) and to the extent that health care providers are authorized to do so under RCW 70.02.050.

NEW SECTION. **Sec. 19.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 20.** Section 3 of this act constitutes a new chapter in Title 44 RCW.

NEW SECTION. **Sec. 21.** Section 4 of this act expires July 1, 2020.

NEW SECTION. **Sec. 22.** Sections 8 through 15 of this act constitute a new chapter in Title 43 RCW.

Passed by the House March 13, 2014.
Passed by the Senate March 13, 2014.
Approved by the Governor April 4, 2014, with the exception of certain items that were vetoed.
Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 2 and 16, Engrossed Second Substitute House Bill No. 2572 entitled:

"AN ACT Relating to improving the effectiveness of health care purchasing and transforming the health care delivery system by advancing value-based purchasing, promoting community health, and providing greater integration of chronic illness care and needed social supports."

This measure, the Health Care Purchasing bill, directs the state to purchase care more effectively by integrating behavioral health with physical health care, begins a process to bring transparency to health care costs, and supports communities as they identify and address local health problems.

However, I am vetoing the following sections:

Section 2 - The intent of the section is commendable, but I am dedicated to LEAN management and there is duplication of actuarial work required. Also, there is a question of appropriate legislative oversight. To ensure the spirit of this section is accomplished, I have instructed the Health Care Authority to comply with the elements in this section.

Section 16 - This section involves the Office of the Insurance Rate Review process. The Office of the Insurance Commissioner has worked out this process with the interested parties, so this provision is unnecessary.

For these reasons I have vetoed Sections 2 and 16 of Engrossed Second Substitute House Bill No. 2572.

With the exception of Sections 2 and 16, Engrossed Second Substitute House Bill No. 2572 is approved."

CHAPTER 224

[Engrossed Substitute Senate Bill 6228]

HEALTH CARE COSTS AND QUALITY—CONSUMER INFORMATION

AN ACT Relating to transparency tools for consumer information on health care cost and quality; adding a new section to chapter 41.05 RCW; adding a new section to chapter 48.43 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** Consumers face a challenge finding reliable, consumer friendly information on health care pricing and quality. Greater transparency of health care prices and quality leads to engaged, activated consumers. Research indicates that engaged and educated consumers help control costs and improve quality with lower costs per patient, lower hospital readmission rates, and the use of higher quality providers. Washington is a leader in efforts to develop and publish provider quality information.

Although data is available today, research indicates the existing information is not user friendly, consumers do not know which measures are most relevant, and quality ratings are inconsistent or nonstandardized. It is the intent of the legislature to ensure consumer tools are available to educate and engage patients in managing their care and understanding the costs and quality.

*__NEW SECTION.__ Sec. 2. A new section is added to chapter 41.05 RCW to read as follows:

(1) There is created a performance measures committee, the purpose of which is to identify and recommend standard statewide measures of health performance to inform public and private health care purchasers and to propose benchmarks to track costs and improvements in health outcomes.

(2) Members of the committee must include representation from state agencies, small and large employers, the two largest health plans by enrollment, patient groups, federally recognized tribal members, consumers, academic experts on health care measurement, hospitals, physicians, and other providers. The governor shall appoint the members of the committee, except that a statewide association representing hospitals may appoint a member representing hospitals, a statewide association representing physicians may appoint a member representing physicians, and a statewide association representing nurses may appoint a member representing nurses. The governor shall ensure that members represent diverse geographic locations and both rural and urban communities. The committee must be chaired by the director of the authority.

(3) The committee shall develop a transparent process for selecting performance measures, and the process must include opportunities for public comment.

(4) By January 1, 2015, the committee shall submit the performance measures to the authority. The measures must include dimensions of:

(a) Prevention and screening;

(b) Effective management of chronic conditions;

(c) Key health outcomes;

(d) Care coordination and patient safety; and

(e) Use of the lowest cost, highest quality care for preventive care and chronic and acute conditions.

(5) The committee shall develop a measure set that:

(a) Is of manageable size;

(b) Gives preference to nationally reported measures and, where nationally reported measures may not be appropriate or available, measures used by state agencies that purchase health care or commercial health plans;

(c) Focuses on the overall performance of the system, including outcomes and total cost;

(d) Is aligned with the governor's performance management system measures and common measure requirements specific to medicaid delivery systems under RCW 70.320.020 and 43.20A.895;

(e) Considers the needs of different stakeholders and the populations served; and

(f) Is usable by multiple payers, providers, hospitals, purchasers, public health, and communities as part of health improvement, care improvement, provider payment systems, benefit design, and administrative simplification for providers and hospitals.

(6) State agencies shall use the measure set developed under this section to inform and set benchmarks for their purchasing.

(7) The committee shall establish a public process to periodically evaluate the measure set and make additions or changes to the measure set as needed.

***Sec. 2 was vetoed. See message at end of chapter.**

NEW SECTION. **Sec. 3.** A new section is added to chapter 48.43 RCW to read as follows:

(1) Each carrier offering or renewing a health benefit plan on or after January 1, 2016, must offer member transparency tools with certain price and quality information to enable the member to make treatment decisions based on cost, quality, and patient experience. The transparency tools must aim for best practices and, at a minimum:

(a) Must display cost data for common treatments within the following categories:

(i) In-patient treatments;

(ii) Outpatient treatments;

(iii) Diagnostic tests; and

(iv) Office visits;

(b) Recognizing integrated health care delivery systems focus on total cost of care, carrier's operating integrated care delivery systems may meet the requirement of (a) of this subsection by providing meaningful consumer data based on the total cost of care. This subsection applies only to the portion of enrollment a carrier offers pursuant to chapter 48.46 RCW and as part of an integrated delivery system, and does not exempt from (a) of this subsection coverage offered pursuant to chapter 48.21, 48.44, or 48.46 RCW if not part of an integrated delivery system;

(c) Are encouraged to display the cost for prescription medications on their member web site or through a link to a third party that manages the prescription benefits;

(d) Must include a patient review option or method for members to provide a rating or feedback on their experience with the medical provider that allows other members to see the patient review, the feedback must be monitored for appropriateness and validity, and the site may include independently compiled quality of care ratings of providers and facilities;

(e) Must allow members to access the estimated cost of the treatment, or the total cost of care, as set forth in (a) and (b) of this subsection on a portable electronic device;

(f) Must display options based on the selected search criteria for members to compare;

(g) Must display the estimated cost of the treatment, or total cost of the care episode, and the estimated out-of-pocket costs of the treatment for the member and display the application of personalized benefits such as deductibles and cost-sharing;

(h) Must display quality information on providers when available; and

(i) Are encouraged to display alternatives that are more cost-effective when there are alternatives available, such as the use of an ambulatory surgical center when one is available or medical versus surgical alternatives as appropriate.

(2) In addition to the required features on cost and quality information, the member transparency tools must include information to allow a provider and hospital search of in-network providers and hospitals with provider information including specialists, distance from patient, the provider's contact information, the provider's education, board certification and other credentials, where to find

information on malpractice history and disciplinary actions, affiliated hospitals and other providers in a clinic, and directions to provider offices and hospitals.

(3) Each carrier offering or renewing a health benefit plan on or after January 1, 2016, must provide enrollees with the performance information required by section 2717 of the patient protection and affordable care act, P.L. 111-148 (2010), as amended by the health care and education reconciliation act, P.L. 111-152 (2010), and any federal regulations or guidance issued under that section of the affordable care act.

(4) Each carrier offering or renewing a health benefit plan on or after January 1, 2016, must, within thirty days from the offer or renewal date, attest to the office of the insurance commissioner that the member transparency tools meet the requirements in this section and access to the tools is available on the home page within the health plan's secured member web site.

Passed by the Senate March 10, 2014.
Passed by the House March 7, 2014.
Approved by the Governor April 4, 2014, with the exception of certain items that were vetoed.
Filed in Office of Secretary of State April 4, 2014.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 2, Engrossed Substitute Senate Bill No. 6228 entitled:

"AN ACT Relating to transparency tools for consumer information on health care cost and quality."

This bill requires that by 2016 health insurance carriers offer their members a host of good on-line tools with certain health care price and quality information. It complements my requested innovative health care purchasing bill, HB 2572. Together, I hope these bills help to transform the marketplace to make health care more affordable for Washingtonians.

Section 2 is an amendment to the original bill that includes nearly identical language as a section in HB 2572. This creates an unnecessary duplication in the law. In addition, the section in HB 2572 includes language that corresponds to the other health care purchasing innovations, so it is preferable to keep that language.

For these reasons I have vetoed Section 2 of Engrossed Substitute Senate Bill No. 6228.

With the exception of Section 2, Engrossed Substitute Senate Bill No. 6228 is approved."

CHAPTER 225

[Second Substitute Senate Bill 6312]

MENTAL HEALTH AND CHEMICAL DEPENDENCY TREATMENT SERVICES

AN ACT Relating to state purchasing of mental health and chemical dependency treatment services; amending RCW 71.24.015, 71.24.016, 71.24.025, 71.24.035, 71.24.045, 71.24.045, 71.24.100, 71.24.110, 71.24.340, 71.24.420, 70.96A.010, 70.96A.011, 70.96A.020, 70.96A.030, 70.96A.040, 70.96A.050, 70.96A.060, 70.96A.080, 70.96A.085, 70.96A.100, 70.96A.110, 70.96A.140, 70.96A.190, 70.96A.300, 70.96A.320, 70.96A.800, 71.24.049, 71.24.061, 71.24.155, 71.24.160, 71.24.250, 71.24.300, 71.24.310, 71.24.350, 71.24.370, 71.24.455, 71.24.470, 71.24.480, 71.24.845, 71.24.055, 71.24.065, 71.24.240, 71.24.320, 71.24.330, 71.24.360, 71.24.405, 71.24.430, 74.09.522, 9.41.280, 10.77.010, 10.77.065, 28A.310.202, 43.185.060, 43.185.070, 43.185.110, 43.20A.895, 43.20A.897, 43.20C.020, 43.20C.030, 44.28.800, 48.01.220, 70.02.010, 70.02.230, 70.02.250, 70.320.010, 70.96B.010, 70.96B.020, 70.96B.030, 70.96C.010, 70.97.010, 71.05.025, 71.05.026, 71.05.027, 71.05.110, 71.05.365, 71.05.445, 71.05.730, 71.05.740, 71.34.330, 71.34.415, 71.36.010, 71.36.025, 71.36.040, 72.09.350, 72.09.381, 72.10.060, 72.23.025, 72.78.020, 74.09.515,

74.09.521, 74.34.068, 82.04.4277, 70.48.100, 70.38.111, 70.320.020, and 18.205.040; amending 2013 c 338 s 1 (uncodified); reenacting and amending RCW 10.31.110, 71.05.020, 71.05.300, 72.09.370, and 74.09.555; adding new sections to chapter 43.20A RCW; adding new sections to chapter 71.24 RCW; adding a new section to chapter 70.320 RCW; providing effective dates; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. 2013 c 338 s 1 (uncodified) is amended to read as follows:

(1)(a) Beginning ((~~May~~)) April 1, 2014, the legislature shall convene a task force to examine reform of the adult behavioral health system, with voting members as provided in this subsection.

(i) The president of the senate shall appoint one member and one alternate member from each of the two largest caucuses of the senate.

(ii) The speaker of the house of representatives shall appoint one member and one alternate member from each of the two largest caucuses in the house of representatives.

*(iii) The governor shall appoint [((~~five~~))] three members consisting of the secretary of the department of social and health services or the secretary's designee, the director of the health care authority or the director's designee, [((~~the director of the office of financial management or the director's designee, the secretary of the department of corrections or the secretary's designee,~~))] and a representative of the governor.

(iv) The Washington state association of counties shall appoint three members.

(v) The governor shall request participation by a representative of tribal governments.

(b) The task force shall choose two cochairs from among its legislative members.

(c) The task force shall adopt a bottom-up approach and welcome input and participation from all stakeholders interested in the improvement of the adult behavioral health system. To that end, the task force must invite participation from, at a minimum, the following: The department of commerce, the department of corrections, the office of financial management, behavioral health service recipients and their families; local government; representatives of regional support networks; representatives of county coordinators; law enforcement; city and county jails; tribal representatives; behavioral health service providers; housing providers; labor representatives; counties with state hospitals; mental health advocates; chemical dependency advocates; public defenders with involuntary mental health commitment or mental health court experience; chemical dependency experts working with drug courts; medicaid managed care plan and associated delivery system representatives; long-term care service providers; the Washington state hospital association; and individuals with expertise in evidence-based and research-based behavioral health service practices. Leadership of subcommittees formed by the task force may be drawn from this body of invited participants.

(2) The task force shall undertake a systemwide review of the adult behavioral health system and make recommendations for reform concerning, but not limited to, the following:

(a) The means by which services are purchased and delivered for adults with mental illness and chemical dependency disorders through the department of social and health services and the health care authority, including:

(i) Guidance for the creation of common regional service areas for purchasing behavioral health services and medical care services by the department of social and health services and the health care authority, taking into consideration any proposal submitted by the Washington state association of counties under section 2 of this act;

(ii) Identification of key issues which must be addressed by the department of social and health services to accomplish the integration of chemical dependency purchasing primarily with managed care contracts by April 1, 2016, under section 5 of this act, including review of the results of any available actuarial study to establish provider rates;

(iii) Strategies for moving towards full integration of medical and behavioral health services by January 1, 2020, and identification of key issues that must be addressed by the health care authority and the department of social and health services in furtherance of this goal;

(iv) By August 1, 2014, a review of performance measures and outcomes developed pursuant to RCW 43.20A.895 and chapter 70.320 RCW;

(v) Review criteria developed by the department of social and health services and the health care authority concerning submission of detailed plans and requests for early adoption of fully integrated purchasing and incentives under section 5 of this act;

(vi) Whether a statewide behavioral health ombuds office should be created;

(vii) Whether the state chemical dependency program should be mandated to provide twenty-four hour detoxification services, medication-assisted outpatient treatment, or contracts for case management and residential treatment services for pregnant and parenting women;

(viii) Review legal, clinical, and technological obstacles to sharing relevant health care information related to mental health, chemical dependency, and physical health across practice settings; and

(ix) Review the extent and causes of variations in commitment rates in different jurisdictions across the state;

(b) Availability of effective means to promote recovery and prevent harm associated with mental illness and chemical dependency;

(c) Availability of crisis services, including boarding of mental health patients outside of regularly certified treatment beds;

(d) Best practices for cross-system collaboration between behavioral health treatment providers, medical care providers, long-term care service providers, entities providing health home services to high-risk medicaid clients, law enforcement, and criminal justice agencies; ((~~and~~))

(e) Public safety practices involving persons with mental illness and chemical dependency with forensic involvement.

(3) Staff support for the task force must be provided by the senate committee services and the house of representatives office of program research.

(4) Legislative members of the task force must be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(5) The expenses of the task force must be paid jointly by the senate and house of representatives. Task force expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.

(6) The task force shall report ((~~its~~)) initial findings and recommendations to the governor and the appropriate committees of the legislature in a preliminary report by ((~~January 1, 2015~~)) December 15, 2014, and a final report by December 15, 2015. Recommendations under subsection (2)(a)(i) of this section must be submitted to the governor by September 1, 2014.

(7) This section expires ((~~June~~)) July 1, ((~~2015~~)) 2016.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.20A RCW to read as follows:

(1) Upon receipt of guidance for the creation of common regional service areas from the adult behavioral health system task force established in section 1, chapter 338, Laws of 2013, the department and the health care authority shall jointly establish regional service areas as provided in this section.

(2) Counties, through the Washington state association of counties, must be given the opportunity to propose the composition of regional service areas. Each service area must:

(a) Include a sufficient number of medicaid lives to support full financial risk managed care contracting for services included in contracts with the department or the health care authority;

(b) Include full counties that are contiguous with one another; and

(c) Reflect natural medical and behavioral health service referral patterns and shared clinical, health care service, behavioral health service, and behavioral health crisis response resources.

(3) The Washington state association of counties must submit their recommendations to the department, the health care authority, and the task force described in section 1 of this act on or before August 1, 2014.

NEW SECTION. **Sec. 3.** A new section is added to chapter 43.20A RCW to read as follows:

(1) Any agreement or contract by the department or the health care authority to provide behavioral health services as defined under RCW 71.24.025 to persons eligible for benefits under medicaid, Title XIX of the social security act, and to persons not eligible for medicaid must include the following:

(a) Contractual provisions consistent with the intent expressed in RCW 71.24.015, 71.36.005, 70.96A.010, and 70.96A.011;

(b) Standards regarding the quality of services to be provided, including increased use of evidence-based, research-based, and promising practices, as defined in RCW 71.24.025;

(c) Accountability for the client outcomes established in RCW 43.20A.895, 70.320.020, and 71.36.025 and performance measures linked to those outcomes;

(d) Standards requiring behavioral health organizations to maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the department or the health care authority and to protect essential existing behavioral health system infrastructure and capacity, including a continuum of chemical dependency services;

(e) Provisions to require that medically necessary chemical dependency and mental health treatment services be available to clients;

(f) Standards requiring the use of behavioral health service provider reimbursement methods that incentivize improved performance with respect to the client outcomes established in RCW 43.20A.895 and 71.36.025, integration of behavioral health and primary care services at the clinical level, and improved care coordination for individuals with complex care needs;

(g) Standards related to the financial integrity of the responding organization. The department shall adopt rules establishing the solvency requirements and other financial integrity standards for behavioral health organizations. This subsection does not limit the authority of the department to take action under a contract upon finding that a behavioral health organization's financial status jeopardizes the organization's ability to meet its contractual obligations;

(h) Mechanisms for monitoring performance under the contract and remedies for failure to substantially comply with the requirements of the contract including, but not limited to, financial deductions, termination of the contract, receivership, reprocurement of the contract, and injunctive remedies;

(i) Provisions to maintain the decision-making independence of designated mental health professionals or designated chemical dependency specialists; and

(j) Provisions stating that public funds appropriated by the legislature may not be used to promote or deter, encourage, or discourage employees from exercising their rights under Title 29, chapter 7, subchapter II, United States Code or chapter 41.56 RCW.

(2) The following factors must be given significant weight in any purchasing process:

(a) Demonstrated commitment and experience in serving low-income populations;

(b) Demonstrated commitment and experience serving persons who have mental illness, chemical dependency, or co-occurring disorders;

(c) Demonstrated commitment to and experience with partnerships with county and municipal criminal justice systems, housing services, and other critical support services necessary to achieve the outcomes established in RCW 43.20A.895, 70.320.020, and 71.36.025;

(d) Recognition that meeting enrollees' physical and behavioral health care needs is a shared responsibility of contracted behavioral health organizations, managed health care systems, service providers, the state, and communities;

(e) Consideration of past and current performance and participation in other state or federal behavioral health programs as a contractor; and

(f) The ability to meet requirements established by the department.

(3) For purposes of purchasing behavioral health services and medical care services for persons eligible for benefits under medicaid, Title XIX of the social security act and for persons not eligible for medicaid, the department and the health care authority must use common regional service areas. The regional service areas must be established by the department and the health care authority as provided in section 2 of this act.

(4) Consideration must be given to using multiple-biennia contracting periods.

(5) Each behavioral health organization operating pursuant to a contract issued under this section shall enroll clients within its regional service area who meet the department's eligibility criteria for mental health and chemical dependency services.

NEW SECTION. **Sec. 4.** A new section is added to chapter 43.20A RCW to read as follows:

The secretary shall require that behavioral health organizations offer contracts to managed health care systems under chapter 74.09 RCW or primary care practice settings to promote access to the services of chemical dependency professionals under chapter 18.205 RCW and mental health professionals, as defined by the department in rule, for the purposes of integrating such services into primary care settings for individuals with behavioral health and medical comorbidities.

NEW SECTION. **Sec. 5.** A new section is added to chapter 71.24 RCW to read as follows:

(1) The secretary shall purchase mental health and chemical dependency treatment services primarily through managed care contracting, but may continue to purchase behavioral health services directly from tribal clinics and other tribal providers.

(2)(a) The secretary shall request a detailed plan from the entities identified in (b) of this subsection that demonstrates compliance with the contractual elements of section 3 of this act and federal regulations related to medicaid managed care contracting, including, but not limited to: Having a sufficient network of providers to provide adequate access to mental health and chemical dependency services for residents of the regional service area that meet eligibility criteria for services, ability to maintain and manage adequate reserves, and maintenance of quality assurance processes. Any responding entity that submits a detailed plan that demonstrates that it can meet the requirements of this section must be awarded the contract to serve as the behavioral health organization.

(b)(i) For purposes of responding to the request for a detailed plan under (a) of this subsection, the entities from which a plan will be requested are:

(A) A county in a single county regional service area that currently serves as the regional support network for that area;

(B) In the event that a county has made a decision prior to January 1, 2014, not to contract as a regional support network, any private entity that serves as the regional support network for that area;

(C) All counties within a regional service area that includes more than one county, which shall form a responding entity through the adoption of an interlocal agreement. The interlocal agreement must specify the terms by which the responding entity shall serve as the behavioral health organization within the regional service area.

(ii) In the event that a regional service area is comprised of multiple counties including one that has made a decision prior to January 1, 2014, not to contract as a regional support network the counties shall adopt an interlocal agreement and may respond to the request for a detailed plan under (a) of this subsection and the private entity may also respond to the request for a detailed plan. If both responding entities meet the requirements of this section, the

responding entities shall follow the department's procurement process established in subsection (3) of this section.

(3) If an entity that has received a request under this section to submit a detailed plan does not respond to the request, a responding entity under subsection (1) of this section is unable to substantially meet the requirements of the request for a detailed plan, or more than one responding entity substantially meets the requirements for the request for a detailed plan, the department shall use a procurement process in which other entities recognized by the secretary may bid to serve as the behavioral health organization in that regional service area.

(4) Contracts for behavioral health organizations must begin on April 1, 2016.

(5) Upon request of all of the county authorities in a regional service area, the department and the health care authority may jointly purchase behavioral health services through an integrated medical and behavioral health services contract with a behavioral health organization or a managed health care system as defined in RCW 74.09.522, pursuant to standards to be developed jointly by the secretary and the health care authority. Any contract for such a purchase must comply with all federal medicaid and state law requirements related to managed health care contracting.

(6) As an incentive to county authorities to become early adopters of fully integrated purchasing of medical and behavioral health services, the standards adopted by the secretary and the health care authority under subsection (5) of this section shall provide for an incentive payment to counties which elect to move to full integration by January 1, 2016. Subject to federal approval, the incentive payment shall be targeted at ten percent of savings realized by the state within the regional service area in which the fully integrated purchasing takes place. Savings shall be calculated in alignment with the outcome and performance measures established in RCW 43.20A.895, 70.320.020, and 71.36.025, and incentive payments for early adopter counties shall be made available for up to a six-year period, or until full integration of medical and behavioral health services is accomplished statewide, whichever comes sooner, according to rules to be developed by the secretary and health care authority.

Sec. 6. RCW 71.24.015 and 2005 c 503 s 1 are each amended to read as follows:

It is the intent of the legislature to establish a community mental health program which shall help people experiencing mental illness to retain a respected and productive position in the community. This will be accomplished through programs that focus on resilience and recovery, and practices that are evidence-based, research-based, consensus-based, or, where these do not exist, promising or emerging best practices, which provide for:

(1) Access to mental health services for adults ((~~of the state who are acutely mentally ill, chronically mentally ill, or seriously disturbed~~)) with mental illness and children ((~~of the state who are acutely mentally ill, severely emotionally disturbed, or seriously disturbed,~~)) with mental illness or emotional disturbances who meet access to care standards which services recognize the special needs of underserved populations, including minorities, children, the elderly, ((~~disabled~~)) individuals with disabilities, and low-income persons. Access to mental health services shall not be limited by a person's history of confinement in a state,

federal, or local correctional facility. It is also the purpose of this chapter to promote the early identification of ((~~mentally ill~~)) children with mental illness and to ensure that they receive the mental health care and treatment which is appropriate to their developmental level. This care should improve home, school, and community functioning, maintain children in a safe and nurturing home environment, and should enable treatment decisions to be made in response to clinical needs in accordance with sound professional judgment while also recognizing parents' rights to participate in treatment decisions for their children;

(2) The involvement of persons with mental illness, their family members, and advocates in designing and implementing mental health services that reduce unnecessary hospitalization and incarceration and promote the recovery and employment of persons with mental illness. To improve the quality of services available and promote the rehabilitation, recovery, and reintegration of persons with mental illness, consumer and advocate participation in mental health services is an integral part of the community mental health system and shall be supported;

(3) Accountability of efficient and effective services through state-of-the-art outcome and performance measures and statewide standards for monitoring client and system outcomes, performance, and reporting of client and system outcome information. These processes shall be designed so as to maximize the use of available resources for direct care of people with a mental illness and to assure uniform data collection across the state;

(4) Minimum service delivery standards;

(5) Priorities for the use of available resources for the care of ((~~the mentally ill~~)) individuals with mental illness consistent with the priorities defined in the statute;

(6) Coordination of services within the department, including those divisions within the department that provide services to children, between the department and the office of the superintendent of public instruction, and among state mental hospitals, county authorities, ((~~regional support networks~~)) behavioral health organizations, community mental health services, and other support services, which shall to the maximum extent feasible also include the families of ((~~the mentally ill~~)) individuals with mental illness, and other service providers; and

(7) Coordination of services aimed at reducing duplication in service delivery and promoting complementary services among all entities that provide mental health services to adults and children.

It is the policy of the state to encourage the provision of a full range of treatment and rehabilitation services in the state for mental disorders including services operated by consumers and advocates. The legislature intends to encourage the development of regional mental health services with adequate local flexibility to assure eligible people in need of care access to the least-restrictive treatment alternative appropriate to their needs, and the availability of treatment components to assure continuity of care. To this end, counties ((~~are encouraged to~~)) must enter into joint operating agreements with other counties to form regional systems of care that are consistent with the regional service areas established under section 2 of this act. Regional systems of care, whether operated by a county, group of counties, or another entity shall integrate

planning, administration, and service delivery duties under chapters 71.05 and 71.24 RCW to consolidate administration, reduce administrative layering, and reduce administrative costs. The legislature hereby finds and declares that sound fiscal management requires vigilance to ensure that funds appropriated by the legislature for the provision of needed community mental health programs and services are ultimately expended solely for the purpose for which they were appropriated, and not for any other purpose.

It is further the intent of the legislature to integrate the provision of services to provide continuity of care through all phases of treatment. To this end, the legislature intends to promote active engagement with ((~~mentally ill~~)) persons with mental illness and collaboration between families and service providers.

Sec. 7. RCW 71.24.016 and 2006 c 333 s 102 are each amended to read as follows:

(1) The legislature intends that eastern and western state hospitals shall operate as clinical centers for handling the most complicated long-term care needs of patients with a primary diagnosis of mental disorder. It is further the intent of the legislature that the community mental health service delivery system focus on maintaining ((~~mentally ill~~)) individuals with mental illness in the community. The program shall be evaluated and managed through a limited number of outcome and performance measures ((~~designed to hold each regional support network accountable for program success~~)), as provided in RCW 43.20A.895, 70.320.020, and 71.36.025.

(2) The legislature intends to address the needs of people with mental disorders with a targeted, coordinated, and comprehensive set of evidence-based practices that are effective in serving individuals in their community and will reduce the need for placements in state mental hospitals. The legislature further intends to explicitly hold ((~~regional support networks~~)) behavioral health organizations accountable for serving people with mental disorders within the boundaries of their ((~~geographic boundaries~~)) regional service area and for not exceeding their allocation of state hospital beds. ((~~Within funds appropriated by the legislature for this purpose, regional support networks shall develop the means to serve the needs of people with mental disorders within their geographic boundaries. Elements of the program may include:~~

~~(a) Crisis triage;~~

~~(b) Evaluation and treatment and community hospital beds;~~

~~(c) Residential beds;~~

~~(d) Programs for community treatment teams; and~~

~~(e) Outpatient services.~~

~~(3) The regional support network shall have the flexibility, within the funds appropriated by the legislature for this purpose, to design the mix of services that will be most effective within their service area of meeting the needs of people with mental disorders and avoiding placement of such individuals at the state mental hospital. Regional support networks are encouraged to maximize the use of evidence-based practices and alternative resources with the goal of substantially reducing and potentially eliminating the use of institutions for mental diseases.~~))

NEW SECTION. **Sec. 8.** A new section is added to chapter 71.24 RCW to read as follows:

(1) By December 1, 2018, the department and the health care authority shall report to the governor and the legislature regarding the preparedness of each regional service area to provide mental health services, chemical dependency services, and medical care services to medicaid clients under a fully integrated managed care health system.

(2) By January 1, 2020, the community behavioral health program must be fully integrated in a managed care health system that provides mental health services, chemical dependency services, and medical care services to medicaid clients.

NEW SECTION. **Sec. 9.** A new section is added to chapter 71.24 RCW to read as follows:

(1) Within funds appropriated by the legislature for this purpose, behavioral health organizations shall develop the means to serve the needs of people with mental disorders residing within the boundaries of their regional service area. Elements of the program may include:

(a) Crisis diversion services;

(b) Evaluation and treatment and community hospital beds;

(c) Residential treatment;

(d) Programs for intensive community treatment;

(e) Outpatient services;

(f) Peer support services;

(g) Community support services;

(h) Resource management services; and

(i) Supported housing and supported employment services.

(2) The behavioral health organization shall have the flexibility, within the funds appropriated by the legislature for this purpose and the terms of their contract, to design the mix of services that will be most effective within their service area of meeting the needs of people with mental disorders and avoiding placement of such individuals at the state mental hospital. Behavioral health organizations are encouraged to maximize the use of evidence-based practices and alternative resources with the goal of substantially reducing and potentially eliminating the use of institutions for mental diseases.

Sec. 10. RCW 71.24.025 and 2013 c 338 s 5 are each amended to read as follows:

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

(1) "Acutely mentally ill" means a condition which is limited to a short-term severe crisis episode of:

(a) A mental disorder as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020;

(b) Being gravely disabled as defined in RCW 71.05.020 or, in the case of a child, a gravely disabled minor as defined in RCW 71.34.020; or

(c) Presenting a likelihood of serious harm as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020.

(2) "Available resources" means funds appropriated for the purpose of providing community mental health programs, federal funds, except those provided according to Title XIX of the Social Security Act, and state funds appropriated under this chapter or chapter 71.05 RCW by the legislature during

any biennium for the purpose of providing residential services, resource management services, community support services, and other mental health services. This does not include funds appropriated for the purpose of operating and administering the state psychiatric hospitals.

(3) "Child" means a person under the age of eighteen years.

(4) "Chronically mentally ill adult" or "adult who is chronically mentally ill" means an adult who has a mental disorder and meets at least one of the following criteria:

(a) Has undergone two or more episodes of hospital care for a mental disorder within the preceding two years; or

(b) Has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding year; or

(c) Has been unable to engage in any substantial gainful activity by reason of any mental disorder which has lasted for a continuous period of not less than twelve months. "Substantial gainful activity" shall be defined by the department by rule consistent with Public Law 92-603, as amended.

(5) "Clubhouse" means a community-based program that provides rehabilitation services and is certified by the department of social and health services.

(6) "Community mental health program" means all mental health services, activities, or programs using available resources.

(7) "Community mental health service delivery system" means public, ((~~or~~)) private, or tribal agencies that provide services specifically to persons with mental disorders as defined under RCW 71.05.020 and receive funding from public sources.

(8) "Community support services" means services authorized, planned, and coordinated through resource management services including, at a minimum, assessment, diagnosis, emergency crisis intervention available twenty-four hours, seven days a week, prescreening determinations for persons who are mentally ill being considered for placement in nursing homes as required by federal law, screening for patients being considered for admission to residential services, diagnosis and treatment for children who are acutely mentally ill or severely emotionally disturbed discovered under screening through the federal Title XIX early and periodic screening, diagnosis, and treatment program, investigation, legal, and other nonresidential services under chapter 71.05 RCW, case management services, psychiatric treatment including medication supervision, counseling, psychotherapy, assuring transfer of relevant patient information between service providers, recovery services, and other services determined by ((~~regional support networks~~)) behavioral health organizations.

(9) "Consensus-based" means a program or practice that has general support among treatment providers and experts, based on experience or professional literature, and may have anecdotal or case study support, or that is agreed but not possible to perform studies with random assignment and controlled groups.

(10) "County authority" means the board of county commissioners, county council, or county executive having authority to establish a community mental health program, or two or more of the county authorities specified in this subsection which have entered into an agreement to provide a community mental health program.

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

(12) "Designated mental health professional" means a mental health professional designated by the county or other authority authorized in rule to perform the duties specified in this chapter.

(13) "Emerging best practice" or "promising practice" means a program or practice that, based on statistical analyses or a well established theory of change, shows potential for meeting the evidence-based or research-based criteria, which may include the use of a program that is evidence-based for outcomes other than those listed in subsection (14) of this section.

(14) "Evidence-based" means a program or practice that has been tested in heterogeneous or intended populations with multiple randomized, or statistically controlled evaluations, or both; or one large multiple site randomized, or statistically controlled evaluation, or both, where the weight of the evidence from a systemic review demonstrates sustained improvements in at least one outcome. "Evidence-based" also means a program or practice that can be implemented with a set of procedures to allow successful replication in Washington and, when possible, is determined to be cost-beneficial.

(15) "Licensed service provider" means an entity licensed according to this chapter or chapter 71.05 or 70.96A RCW or an entity deemed to meet state minimum standards as a result of accreditation by a recognized behavioral health accrediting body recognized and having a current agreement with the department, or tribal attestation that meets state minimum standards, or persons licensed under chapter 18.57, 18.71, 18.83, or 18.79 RCW, as it applies to registered nurses and advanced registered nurse practitioners.

(16) "Long-term inpatient care" means inpatient services for persons committed for, or voluntarily receiving intensive treatment for, periods of ninety days or greater under chapter 71.05 RCW. "Long-term inpatient care" as used in this chapter does not include: (a) Services for individuals committed under chapter 71.05 RCW who are receiving services pursuant to a conditional release or a court-ordered less restrictive alternative to detention; or (b) services for individuals voluntarily receiving less restrictive alternative treatment on the grounds of the state hospital.

(17) "Mental health services" means all services provided by ((~~regional support networks~~)) behavioral health organizations and other services provided by the state for persons who are mentally ill.

(18) "Mentally ill persons," "persons who are mentally ill," and "the mentally ill" mean persons and conditions defined in subsections (1), (4), (27), and (28) of this section.

(19) "Recovery" means the process in which people are able to live, work, learn, and participate fully in their communities.

(20) "((~~Regional support network~~)) Behavioral health organization" means ((~~a~~)) any county authority or group of county authorities or other entity recognized by the secretary in contract in a defined region.

(21) "Registration records" include all the records of the department, ((~~regional support networks~~)) behavioral health organizations, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify persons who are receiving or who at any time have received services for mental illness.

(22) "Research-based" means a program or practice that has been tested with a single randomized, or statistically controlled evaluation, or both,

demonstrating sustained desirable outcomes; or where the weight of the evidence from a systemic review supports sustained outcomes as described in subsection (14) of this section but does not meet the full criteria for evidence-based.

(23) "Residential services" means a complete range of residences and supports authorized by resource management services and which may involve a facility, a distinct part thereof, or services which support community living, for persons who are acutely mentally ill, adults who are chronically mentally ill, children who are severely emotionally disturbed, or adults who are seriously disturbed and determined by the ((~~regional support network~~)) behavioral health organization to be at risk of becoming acutely or chronically mentally ill. The services shall include at least evaluation and treatment services as defined in chapter 71.05 RCW, acute crisis respite care, long-term adaptive and rehabilitative care, and supervised and supported living services, and shall also include any residential services developed to service persons who are mentally ill in nursing homes, assisted living facilities, and adult family homes, and may include outpatient services provided as an element in a package of services in a supported housing model. Residential services for children in out-of-home placements related to their mental disorder shall not include the costs of food and shelter, except for children's long-term residential facilities existing prior to January 1, 1991.

(24) "Resilience" means the personal and community qualities that enable individuals to rebound from adversity, trauma, tragedy, threats, or other stresses, and to live productive lives.

(25) "Resource management services" mean the planning, coordination, and authorization of residential services and community support services administered pursuant to an individual service plan for: (a) Adults and children who are acutely mentally ill; (b) adults who are chronically mentally ill; (c) children who are severely emotionally disturbed; or (d) adults who are seriously disturbed and determined solely by a ((~~regional support network~~)) behavioral health organization to be at risk of becoming acutely or chronically mentally ill. Such planning, coordination, and authorization shall include mental health screening for children eligible under the federal Title XIX early and periodic screening, diagnosis, and treatment program. Resource management services include seven day a week, twenty-four hour a day availability of information regarding enrollment of adults and children who are mentally ill in services and their individual service plan to designated mental health professionals, evaluation and treatment facilities, and others as determined by the ((~~regional support network~~)) behavioral health organization.

(26) "Secretary" means the secretary of social and health services.

(27) "Seriously disturbed person" means a person who:

(a) Is gravely disabled or presents a likelihood of serious harm to himself or herself or others, or to the property of others, as a result of a mental disorder as defined in chapter 71.05 RCW;

(b) Has been on conditional release status, or under a less restrictive alternative order, at some time during the preceding two years from an evaluation and treatment facility or a state mental health hospital;

(c) Has a mental disorder which causes major impairment in several areas of daily living;

(d) Exhibits suicidal preoccupation or attempts; or

(e) Is a child diagnosed by a mental health professional, as defined in chapter 71.34 RCW, as experiencing a mental disorder which is clearly interfering with the child's functioning in family or school or with peers or is clearly interfering with the child's personality development and learning.

(28) "Severely emotionally disturbed child" or "child who is severely emotionally disturbed" means a child who has been determined by the ((~~regional support network~~)) behavioral health organization to be experiencing a mental disorder as defined in chapter 71.34 RCW, including those mental disorders that result in a behavioral or conduct disorder, that is clearly interfering with the child's functioning in family or school or with peers and who meets at least one of the following criteria:

(a) Has undergone inpatient treatment or placement outside of the home related to a mental disorder within the last two years;

(b) Has undergone involuntary treatment under chapter 71.34 RCW within the last two years;

(c) Is currently served by at least one of the following child-serving systems: Juvenile justice, child-protection/welfare, special education, or developmental disabilities;

(d) Is at risk of escalating maladjustment due to:

(i) Chronic family dysfunction involving a caretaker who is mentally ill or inadequate;

(ii) Changes in custodial adult;

(iii) Going to, residing in, or returning from any placement outside of the home, for example, psychiatric hospital, short-term inpatient, residential treatment, group or foster home, or a correctional facility;

(iv) Subject to repeated physical abuse or neglect;

(v) Drug or alcohol abuse; or

(vi) Homelessness.

(29) "State minimum standards" means minimum requirements established by rules adopted by the secretary and necessary to implement this chapter for: (a) Delivery of mental health services; (b) licensed service providers for the provision of mental health services; (c) residential services; and (d) community support services and resource management services.

(30) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others.

(31) "Tribal authority," for the purposes of this section and RCW 71.24.300 only, means: The federally recognized Indian tribes and the major Indian organizations recognized by the secretary insofar as these organizations do not have a financial relationship with any ((~~regional support network~~)) behavioral health organization that would present a conflict of interest.

(32) "Behavioral health services" means mental health services as described in this chapter and chapter 71.36 RCW and chemical dependency treatment services as described in chapter 70.96A RCW.

Sec. 11. RCW 71.24.035 and 2013 c 200 s 24 are each amended to read as follows:

(1) The department is designated as the state mental health authority.

(2) The secretary shall provide for public, client, tribal, and licensed service provider participation in developing the state mental health program, developing contracts with ((~~regional support networks~~)) behavioral health organizations, and any waiver request to the federal government under medicaid.

(3) The secretary shall provide for participation in developing the state mental health program for children and other underserved populations, by including representatives on any committee established to provide oversight to the state mental health program.

(4) The secretary shall be designated as the ((~~regional support network~~)) behavioral health organization if the ((~~regional support network~~)) behavioral health organization fails to meet state minimum standards or refuses to exercise responsibilities under its contract or RCW 71.24.045, until such time as a new ((~~regional support network~~)) behavioral health organization is designated ((~~under RCW 71.24.320~~)).

(5) The secretary shall:

(a) Develop a biennial state mental health program that incorporates regional biennial needs assessments and regional mental health service plans and state services for adults and children with mental illness((~~. The secretary shall also develop a six-year state mental health plan~~));

(b) Assure that any ((~~regional~~)) behavioral health organization or county community mental health program provides ((~~access to treatment for the region's residents, including parents who are respondents in dependency cases, in the following order of priority: (i) Persons with acute mental illness; (ii) adults with chronic mental illness and children who are severely emotionally disturbed; and (iii) persons who are seriously disturbed. Such programs shall provide:~~

~~(A) Outpatient services;~~

~~(B) Emergency care services for twenty-four hours per day;~~

~~(C) Day treatment for persons with mental illness which includes training in basic living and social skills, supported work, vocational rehabilitation, and day activities. Such services may include therapeutic treatment. In the case of a child, day treatment includes age-appropriate basic living and social skills, educational and prevocational services, day activities, and therapeutic treatment;~~

~~(D) Screening for patients being considered for admission to state mental health facilities to determine the appropriateness of admission;~~

~~(E) Employment services, which may include supported employment, transitional work, placement in competitive employment, and other work-related services, that result in persons with mental illness becoming engaged in meaningful and gainful full or part-time work. Other sources of funding such as the division of vocational rehabilitation may be utilized by the secretary to maximize federal funding and provide for integration of services;~~

~~(F) Consultation and education services; and~~

~~(G) Community support services~~)) medically necessary services to medicaid recipients consistent with the state's medicaid state plan or federal waiver

authorities, and nonmedicaid services consistent with priorities established by the department;

(c) Develop and adopt rules establishing state minimum standards for the delivery of mental health services pursuant to RCW 71.24.037 including, but not limited to:

(i) Licensed service providers. These rules shall permit a county-operated mental health program to be licensed as a service provider subject to compliance with applicable statutes and rules. The secretary shall provide for deeming of compliance with state minimum standards for those entities accredited by recognized behavioral health accrediting bodies recognized and having a current agreement with the department;

(ii) ((~~Regional support networks; and~~

~~(iii)~~)) Inpatient services, evaluation and treatment services and facilities under chapter 71.05 RCW, resource management services, and community support services;

(d) Assure that the special needs of persons who are minorities, elderly, disabled, children, low-income, and parents who are respondents in dependency cases are met within the priorities established in this section;

(e) Establish a standard contract or contracts, consistent with state minimum standards((~~, RCW 71.24.320 and 71.24.330,~~)) which shall be used in contracting with ((~~regional support networks~~)) behavioral health organizations. The standard contract shall include a maximum fund balance, which shall be consistent with that required by federal regulations or waiver stipulations;

(f) Establish, to the extent possible, a standardized auditing procedure which is designed to assure compliance with contractual agreements authorized by this chapter and minimizes paperwork requirements of ((~~regional support networks~~)) behavioral health organizations and licensed service providers. The audit procedure shall focus on the outcomes of service ((~~and not the processes for accomplishing them~~)) as provided in RCW 43.20A.895, 70.320.020, and 71.36.025;

(g) Develop and maintain an information system to be used by the state and ((~~regional support networks~~)) behavioral health organizations that includes a tracking method which allows the department and ((~~regional support networks~~)) behavioral health organizations to identify mental health clients' participation in any mental health service or public program on an immediate basis. The information system shall not include individual patient's case history files. Confidentiality of client information and records shall be maintained as provided in this chapter and chapter 70.02 RCW;

(h) License service providers who meet state minimum standards;

(i) ((~~Certify regional support networks that meet state minimum standards;~~

~~(j)~~)) Periodically monitor the compliance of ((~~certified regional support networks~~)) behavioral health organizations and their network of licensed service providers for compliance with the contract between the department, the ((~~regional support network~~)) behavioral health organization, and federal and state rules at reasonable times and in a reasonable manner;

(((~~(k)~~)) (j) Fix fees to be paid by evaluation and treatment centers to the secretary for the required inspections;

((~~(l)~~)) (k) Monitor and audit ((~~regional support networks~~)) behavioral health organizations and licensed service providers as needed to assure compliance with contractual agreements authorized by this chapter;

((~~(m)~~)) (l) Adopt such rules as are necessary to implement the department's responsibilities under this chapter;

((~~(n) Assure the availability of an appropriate amount, as determined by the legislature in the operating budget by amounts appropriated for this specific purpose, of community-based, geographically distributed residential services;~~

~~(o)~~)) (m) License or certify crisis stabilization units that meet state minimum standards;

((~~(p)~~)) (n) License or certify clubhouses that meet state minimum standards; and

((~~(q)~~)) (o) License or certify triage facilities that meet state minimum standards.

(6) The secretary shall use available resources only for ((~~regional support networks~~)) behavioral health organizations, except:

(a) To the extent authorized, and in accordance with any priorities or conditions specified, in the biennial appropriations act; or

(b) To incentivize improved performance with respect to the client outcomes established in RCW 43.20A.895, 70.320.020, and 71.36.025, integration of behavioral health and medical services at the clinical level, and improved care coordination for individuals with complex care needs.

(7) Each ((~~certified regional support network~~)) behavioral health organization and licensed service provider shall file with the secretary, on request, such data, statistics, schedules, and information as the secretary reasonably requires. A ((~~certified regional support network~~)) behavioral health organization or licensed service provider which, without good cause, fails to furnish any data, statistics, schedules, or information as requested, or files fraudulent reports thereof, may ((~~have its~~)) be subject to the behavioral health organization contractual remedies in section 3 of this act or may have its service provider certification or license revoked or suspended.

(8) The secretary may suspend, revoke, limit, or restrict a certification or license, or refuse to grant a certification or license for failure to conform to: (a) The law; (b) applicable rules and regulations; (c) applicable standards; or (d) state minimum standards.

(9) The superior court may restrain any ((~~regional support network~~)) behavioral health organization or service provider from operating without a contract, certification, or a license or any other violation of this section. The court may also review, pursuant to procedures contained in chapter 34.05 RCW, any denial, suspension, limitation, restriction, or revocation of certification or license, and grant other relief required to enforce the provisions of this chapter.

(10) Upon petition by the secretary, and after hearing held upon reasonable notice to the facility, the superior court may issue a warrant to an officer or employee of the secretary authorizing him or her to enter at reasonable times, and examine the records, books, and accounts of any ((~~regional support network~~)) behavioral health organizations or service provider refusing to consent to inspection or examination by the authority.

(11) Notwithstanding the existence or pursuit of any other remedy, the secretary may file an action for an injunction or other process against any person

or governmental unit to restrain or prevent the establishment, conduct, or operation of a ((~~regional support network~~)) behavioral health organization or service provider without a contract, certification, or a license under this chapter.

(12) The standards for certification or licensure of evaluation and treatment facilities shall include standards relating to maintenance of good physical and mental health and other services to be afforded persons pursuant to this chapter and chapters 71.05 and 71.34 RCW, and shall otherwise assure the effectuation of the purposes of these chapters.

(13) The standards for certification or licensure of crisis stabilization units shall include standards that:

(a) Permit location of the units at a jail facility if the unit is physically separate from the general population of the jail;

(b) Require administration of the unit by mental health professionals who direct the stabilization and rehabilitation efforts; and

(c) Provide an environment affording security appropriate with the alleged criminal behavior and necessary to protect the public safety.

(14) The standards for certification or licensure of a clubhouse shall at a minimum include:

(a) The facilities may be peer-operated and must be recovery-focused;

(b) Members and employees must work together;

(c) Members must have the opportunity to participate in all the work of the clubhouse, including administration, research, intake and orientation, outreach, hiring, training and evaluation of staff, public relations, advocacy, and evaluation of clubhouse effectiveness;

(d) Members and staff and ultimately the clubhouse director must be responsible for the operation of the clubhouse, central to this responsibility is the engagement of members and staff in all aspects of clubhouse operations;

(e) Clubhouse programs must be comprised of structured activities including but not limited to social skills training, vocational rehabilitation, employment training and job placement, and community resource development;

(f) Clubhouse programs must provide in-house educational programs that significantly utilize the teaching and tutoring skills of members and assist members by helping them to take advantage of adult education opportunities in the community;

(g) Clubhouse programs must focus on strengths, talents, and abilities of its members;

(h) The work-ordered day may not include medication clinics, day treatment, or other therapy programs within the clubhouse.

(15) The department shall distribute appropriated state and federal funds in accordance with any priorities, terms, or conditions specified in the appropriations act.

(16) The secretary shall assume all duties assigned to the nonparticipating ((~~regional support networks~~)) behavioral health organizations under chapters 71.05 and 71.34 RCW and this chapter. Such responsibilities shall include those which would have been assigned to the nonparticipating counties in regions where there are not participating ((~~regional support networks~~)) behavioral health organizations.

The ((~~regional support networks~~)) behavioral health organizations, or the secretary's assumption of all responsibilities under chapters 71.05 and 71.34

RCW and this chapter, shall be included in all state and federal plans affecting the state mental health program including at least those required by this chapter, the medicaid program, and P.L. 99-660. Nothing in these plans shall be inconsistent with the intent and requirements of this chapter.

(17) The secretary shall:

(a) Disburse funds for the ((~~regional support networks~~)) behavioral health organizations within sixty days of approval of the biennial contract. The department must either approve or reject the biennial contract within sixty days of receipt.

(b) Enter into biennial contracts with ((~~regional support networks~~)) behavioral health organizations. The contracts shall be consistent with available resources. No contract shall be approved that does not include progress toward meeting the goals of this chapter by taking responsibility for: (i) Short-term commitments; (ii) residential care; and (iii) emergency response systems.

(c) Notify ((~~regional support networks~~)) behavioral health organizations of their allocation of available resources at least sixty days prior to the start of a new biennial contract period.

(d) Deny all or part of the funding allocations to ((~~regional support networks~~)) behavioral health organizations based solely upon formal findings of noncompliance with the terms of the ((~~regional support network's~~)) behavioral health organization's contract with the department. ((~~Regional support networks~~)) Behavioral health organizations disputing the decision of the secretary to withhold funding allocations are limited to the remedies provided in the department's contracts with the ((~~regional support networks~~)) behavioral health organizations.

(18) The department, in cooperation with the state congressional delegation, shall actively seek waivers of federal requirements and such modifications of federal regulations as are necessary to allow federal medicaid reimbursement for services provided by freestanding evaluation and treatment facilities certified under chapter 71.05 RCW. The department shall periodically report its efforts to the appropriate committees of the senate and the house of representatives.

Sec. 12. RCW 71.24.045 and 2006 c 333 s 105 are each amended to read as follows:

The regional support network shall:

(1) Contract as needed with licensed service providers. The regional support network may, in the absence of a licensed service provider entity, become a licensed service provider entity pursuant to minimum standards required for licensing by the department for the purpose of providing services not available from licensed service providers;

(2) Operate as a licensed service provider if it deems that doing so is more efficient and cost effective than contracting for services. When doing so, the regional support network shall comply with rules promulgated by the secretary that shall provide measurements to determine when a regional support network provided service is more efficient and cost effective;

(3) Monitor and perform biennial fiscal audits of licensed service providers who have contracted with the regional support network to provide services required by this chapter. The monitoring and audits shall be performed by means of a formal process which insures that the licensed service providers and professionals designated in this subsection meet the terms of their contracts;

(4) Establish reasonable limitations on administrative costs for agencies that contract with the behavioral health organization;

(5) Assure that the special needs of minorities, ((~~the elderly~~)) older adults, ((~~disabled~~)) individuals with disabilities, children, and low-income persons are met within the priorities established in this chapter;

(((~~5~~))) (6) Maintain patient tracking information in a central location as required for resource management services and the department's information system;

(((~~6~~))) (7) Collaborate to ensure that policies do not result in an adverse shift of ((~~mentally ill~~)) persons with mental illness into state and local correctional facilities;

(((~~7~~))) (8) Work with the department to expedite the enrollment or re-enrollment of eligible persons leaving state or local correctional facilities and institutions for mental diseases;

(((~~8~~))) (9) If a regional support network is not operated by the county, work closely with the county designated mental health professional or county designated crisis responder to maximize appropriate placement of persons into community services; and

(((~~9~~))) (10) Coordinate services for individuals who have received services through the community mental health system and who become patients at a state ((~~mental~~)) psychiatric hospital to ensure they are transitioned into the community in accordance with mutually agreed upon discharge plans and upon determination by the medical director of the state ((~~mental~~)) psychiatric hospital that they no longer need intensive inpatient care.

Sec. 13. RCW 71.24.045 and 2014 c . . . s 11 (section 12 of this act) are each amended to read as follows:

The ((~~regional support network~~)) behavioral health organization shall:

(1) Contract as needed with licensed service providers. The ((~~regional support network~~)) behavioral health organization may, in the absence of a licensed service provider entity, become a licensed service provider entity pursuant to minimum standards required for licensing by the department for the purpose of providing services not available from licensed service providers;

(2) Operate as a licensed service provider if it deems that doing so is more efficient and cost effective than contracting for services. When doing so, the ((~~regional support network~~)) behavioral health organization shall comply with rules promulgated by the secretary that shall provide measurements to determine when a ((~~regional support network~~)) behavioral health organization provided service is more efficient and cost effective;

(3) Monitor and perform biennial fiscal audits of licensed service providers who have contracted with the ((~~regional support network~~)) behavioral health organization to provide services required by this chapter. The monitoring and audits shall be performed by means of a formal process which insures that the licensed service providers and professionals designated in this subsection meet the terms of their contracts;

(4) Establish reasonable limitations on administrative costs for agencies that contract with the behavioral health organization;

(5) Assure that the special needs of minorities, older adults, individuals with disabilities, children, and low-income persons are met within the priorities established in this chapter;

(6) Maintain patient tracking information in a central location as required for resource management services and the department's information system;

(7) Collaborate to ensure that policies do not result in an adverse shift of persons with mental illness into state and local correctional facilities;

(8) Work with the department to expedite the enrollment or re-enrollment of eligible persons leaving state or local correctional facilities and institutions for mental diseases;

(9) ((~~If a regional support network is not operated by the county,~~)) Work closely with the county designated mental health professional or county designated crisis responder to maximize appropriate placement of persons into community services; and

(10) Coordinate services for individuals who have received services through the community mental health system and who become patients at a state psychiatric hospital to ensure they are transitioned into the community in accordance with mutually agreed upon discharge plans and upon determination by the medical director of the state psychiatric hospital that they no longer need intensive inpatient care.

Sec. 14. RCW 71.24.100 and 2012 c 117 s 442 are each amended to read as follows:

A county authority or a group of county authorities may enter into a joint operating agreement to ((~~form~~)) respond to a request for a detailed plan and contract with the state to operate a ((~~regional support network~~)) behavioral health organization whose boundaries are consistent with the regional service areas established under section 2 of this act. Any agreement between two or more county authorities ((~~for the establishment of a regional support network~~)) shall provide:

(1) That each county shall bear a share of the cost of mental health services; and

(2) That the treasurer of one participating county shall be the custodian of funds made available for the purposes of such mental health services, and that the treasurer may make payments from such funds upon audit by the appropriate auditing officer of the county for which he or she is treasurer.

Sec. 15. RCW 71.24.110 and 1999 c 10 s 7 are each amended to read as follows:

An agreement ((~~for the establishment of a community mental health program~~)) to contract with the state to operate a behavioral health organization under RCW 71.24.100 may also provide:

(1) For the joint supervision or operation of services and facilities, or for the supervision or operation of service and facilities by one participating county under contract for the other participating counties; and

(2) For such other matters as are necessary or proper to effectuate the purposes of this chapter.

Sec. 16. RCW 71.24.340 and 2005 c 503 s 13 are each amended to read as follows:

The secretary shall require the ((~~regional support networks~~)) behavioral health organizations to develop ((~~interlocal agreements pursuant to RCW 74.09.555. To this end, the regional support networks shall~~)) agreements with

city and county jails to accept referrals for enrollment on behalf of a confined person, prior to the person's release.

Sec. 17. RCW 71.24.420 and 2001 c 323 s 2 are each amended to read as follows:

The department shall operate the community mental health service delivery system authorized under this chapter within the following constraints:

(1) The full amount of federal funds for mental health services, plus qualifying state expenditures as appropriated in the biennial operating budget, shall be appropriated to the department each year in the biennial appropriations act to carry out the provisions of the community mental health service delivery system authorized in this chapter.

(2) The department may expend funds defined in subsection (1) of this section in any manner that will effectively accomplish the outcome measures ((~~defined in section 5 of this act~~)) established in RCW 43.20A.895 and 71.36.025 and performance measures linked to those outcomes.

(3) The department shall implement strategies that accomplish the outcome measures ((~~identified in section 5 of this act that are within the funding constraints in this section~~)) established in RCW 43.20A.895, 70.320.020, and 71.36.025 and performance measures linked to those outcomes.

(4) The department shall monitor expenditures against the appropriation levels provided for in subsection (1) of this section.

Sec. 18. RCW 70.96A.010 and 1989 c 271 s 304 are each amended to read as follows:

It is the policy of this state that ((~~alcoholics~~)) persons with alcoholism and intoxicated persons may not be subjected to criminal prosecution solely because of their consumption of alcoholic beverages but rather should, within available funds, be afforded a continuum of treatment in order that they may lead normal lives as productive members of society. Within available funds, treatment should also be provided for ((~~drug addicts~~)) persons with drug addiction.

Sec. 19. RCW 70.96A.011 and 1989 c 270 s 1 are each amended to read as follows:

The legislature finds that the use of alcohol and other drugs has become a serious threat to the health of the citizens of the state of Washington. The use of psychoactive chemicals has been found to be a prime factor in the current AIDS epidemic. Therefore, a comprehensive statute to deal with alcoholism and other drug addiction is necessary.

The legislature agrees with the 1987 resolution of the American Medical Association that endorses the proposition that all chemical dependencies, including alcoholism, are diseases. It is the intent of the legislature to ((~~end the sharp distinctions between alcoholism services and other drug addiction services, to~~)) recognize that chemical dependency is a disease, and to insure that prevention and treatment services are available and are of high quality. It is the purpose of this chapter to provide the financial assistance necessary to enable the department of social and health services to provide a ((~~discrete~~)) program of alcoholism and other drug addiction services.

Sec. 20. RCW 70.96A.020 and 2001 c 13 s 1 are each amended to read as follows:

For the purposes of this chapter the following words and phrases shall have the following meanings unless the context clearly requires otherwise:

(1) ((~~"Alcoholic" means a person who suffers from the disease of alcoholism.~~

~~(2)~~)) "Alcoholism" means a disease, characterized by a dependency on alcoholic beverages, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(((~~(3)~~))) (2) "Approved treatment program" means a ((~~discrete~~)) program ((~~of chemical dependency treatment~~)) for persons with a substance use disorder provided by a treatment program certified by the department of social and health services as meeting standards adopted under this chapter.

(((~~(4)~~))) (3) "Chemical dependency" means:

(a) Alcoholism; (b) drug addiction; or (c) dependence on alcohol and one or more other psychoactive chemicals, as the context requires.

(((~~(5)~~))) (4) "Chemical dependency program" means expenditures and activities of the department designed and conducted to prevent or treat alcoholism and other drug addiction, including reasonable administration and overhead.

(((~~(6)~~))) (5) "Department" means the department of social and health services.

(((~~(7)~~))) (6) "Designated chemical dependency specialist" or "specialist" means a person designated by the behavioral health organization or by the county alcoholism and other drug addiction program coordinator designated under RCW 70.96A.310 to perform the commitment duties described in RCW 70.96A.140 and qualified to do so by meeting standards adopted by the department.

(((~~(8)~~))) (7) "Director" means the person administering the ((~~chemical dependency~~)) substance use disorder program within the department.

(((~~(9) "Drug addict" means a person who suffers from the disease of drug addiction.~~

~~(10)~~))) (8) "Drug addiction" means a disease characterized by a dependency on psychoactive chemicals, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(((~~(11)~~))) (9) "Emergency service patrol" means a patrol established under RCW 70.96A.170.

(((~~(12)~~))) (10) "Gravely disabled by alcohol or other psychoactive chemicals" or "gravely disabled" means that a person, as a result of the use of alcohol or other psychoactive chemicals: (a) Is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or (b) manifests severe deterioration in routine functioning evidenced by a repeated and escalating loss of cognition or volitional control over his or her actions and is not receiving care as essential for his or her health or safety.

(((~~(13)~~))) (11) "History of one or more violent acts" refers to the period of time ten years prior to the filing of a petition under this chapter, excluding any time spent, but not any violent acts committed, in a mental health facility, or a long-term alcoholism or drug treatment facility, or in confinement.

(((~~(14)~~))) (12) "Incapacitated by alcohol or other psychoactive chemicals" means that a person, as a result of the use of alcohol or other psychoactive chemicals, is gravely disabled or presents a likelihood of serious harm to himself or herself, to any other person, or to property.

(((~~(15)~~))) (13) "Incompetent person" means a person who has been adjudged incompetent by the superior court.

(((~~(16)~~))) (14) "Intoxicated person" means a person whose mental or physical functioning is substantially impaired as a result of the use of alcohol or other psychoactive chemicals.

(((~~(17)~~))) (15) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(((~~(18)~~))) (16) "Likelihood of serious harm" means:

(a) A substantial risk that: (i) Physical harm will be inflicted by an individual upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on one's self; (ii) physical harm will be inflicted by an individual upon another, as evidenced by behavior that has caused the harm or that places another person or persons in reasonable fear of sustaining the harm; or (iii) physical harm will be inflicted by an individual upon the property of others, as evidenced by behavior that has caused substantial loss or damage to the property of others; or

(b) The individual has threatened the physical safety of another and has a history of one or more violent acts.

(((~~(19)~~))) (17) "Medical necessity" for inpatient care of a minor means a requested certified inpatient service that is reasonably calculated to: (a) Diagnose, arrest, or alleviate a chemical dependency; or (b) prevent the ((~~worsening of chemical dependency conditions~~)) progression of substance use disorders that endanger life or cause suffering and pain, or result in illness or infirmity or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no adequate less restrictive alternative available.

(((~~(20)~~))) (18) "Minor" means a person less than eighteen years of age.

(((~~(21)~~))) (19) "Parent" means the parent or parents who have the legal right to custody of the child. Parent includes custodian or guardian.

(((~~(22)~~))) (20) "Peace officer" means a law enforcement official of a public agency or governmental unit, and includes persons specifically given peace officer powers by any state law, local ordinance, or judicial order of appointment.

(((~~(23)~~))) (21) "Person" means an individual, including a minor.

(((~~(24)~~))) (22) "Professional person in charge" or "professional person" means a physician or chemical dependency counselor as defined in rule by the department, who is empowered by a certified treatment program with authority to make assessment, admission, continuing care, and discharge decisions on behalf of the certified program.

(((~~(25)~~))) (23) "Secretary" means the secretary of the department of social and health services.

(((~~(26)~~))) (24) "Treatment" means the broad range of emergency, ((~~detoxification~~)) withdrawal management, residential, and outpatient services and care, including diagnostic evaluation, chemical dependency education and counseling, medical, psychiatric, psychological, and social service care,

vocational rehabilitation and career counseling, which may be extended to ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons.

(((~~(27)~~))) (25) "Treatment program" means an organization, institution, or corporation, public or private, engaged in the care, treatment, or rehabilitation of ((~~alcoholics or other drug addicts~~)) persons with substance use disorder.

(((~~(28)~~))) (26) "Violent act" means behavior that resulted in homicide, attempted suicide, nonfatal injuries, or substantial damage to property.

(27) "Behavioral health organization" means a county authority or group of county authorities or other entity recognized by the secretary in contract in a defined regional service area.

(28) "Behavioral health services" means mental health services as described in chapters 71.24 and 71.36 RCW and chemical dependency treatment services as described in this chapter.

(29) "Substance use disorder" means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a substance use disorder is based on a pathological pattern of behaviors related to the use of the substances.

Sec. 21. RCW 70.96A.030 and 1989 c 270 s 4 are each amended to read as follows:

A ((~~discrete~~)) program ((~~of chemical dependency~~)) for persons with a substance use disorder is established within the department of social and health services, to be administered by a qualified person who has training and experience in handling alcoholism and other drug addiction problems or the organization or administration of treatment services for persons suffering from alcoholism or other drug addiction problems.

Sec. 22. RCW 70.96A.040 and 1989 c 270 s 5 are each amended to read as follows:

The department, in the operation of the chemical dependency program may:

(1) Plan, establish, and maintain prevention and treatment programs as necessary or desirable;

(2) Make contracts necessary or incidental to the performance of its duties and the execution of its powers, including managed care contracts for behavioral health services, contracts entered into under RCW 74.09.522, and contracts with public and private agencies, organizations, and individuals to pay them for services rendered or furnished to ((~~alcoholics or other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, or intoxicated persons;

(3) Enter into agreements for monitoring of verification of qualifications of counselors employed by approved treatment programs;

(4) Adopt rules under chapter 34.05 RCW to carry out the provisions and purposes of this chapter and contract, cooperate, and coordinate with other public or private agencies or individuals for those purposes;

(5) Solicit and accept for use any gift of money or property made by will or otherwise, and any grant of money, services, or property from the federal government, the state, or any political subdivision thereof or any private source,

and do all things necessary to cooperate with the federal government or any of its agencies in making an application for any grant;

(6) Administer or supervise the administration of the provisions relating to ((~~alcoholics, other drug addicts,~~)) persons with substance use disorders and intoxicated persons of any state plan submitted for federal funding pursuant to federal health, welfare, or treatment legislation;

(7) Coordinate its activities and cooperate with chemical dependency programs in this and other states, and make contracts and other joint or cooperative arrangements with state, local, or private agencies in this and other states for the treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons and for the common advancement of chemical dependency programs;

(8) Keep records and engage in research and the gathering of relevant statistics;

(9) Do other acts and things necessary or convenient to execute the authority expressly granted to it;

(10) Acquire, hold, or dispose of real property or any interest therein, and construct, lease, or otherwise provide treatment programs.

Sec. 23. RCW 70.96A.050 and 2001 c 13 s 2 are each amended to read as follows:

The department shall:

(1) Develop, encourage, and foster statewide, regional, and local plans and programs for the prevention of alcoholism and other drug addiction, treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons in cooperation with public and private agencies, organizations, and individuals and provide technical assistance and consultation services for these purposes;

(2) Assure that any behavioral health organization managed care contract, or managed care contract under RCW 74.09.522 for behavioral health services or programs for the treatment of persons with substance use disorders, and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons provides medically necessary services to medicaid recipients. This must include a continuum of mental health and chemical dependency services consistent with the state's medicaid plan or federal waiver authorities, and nonmedicaid services consistent with priorities established by the department;

(3) Coordinate the efforts and enlist the assistance of all public and private agencies, organizations, and individuals interested in prevention of alcoholism and drug addiction, and treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons;

(((~~3~~))) (4) Cooperate with public and private agencies in establishing and conducting programs to provide treatment for ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons who are clients of the correctional system;

((~~(4)~~)) (5) Cooperate with the superintendent of public instruction, state board of education, schools, police departments, courts, and other public and private agencies, organizations and individuals in establishing programs for the prevention of alcoholism and other drug addiction, treatment of ((~~alcoholics or other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons, and preparing curriculum materials thereon for use at all levels of school education;

((~~(5)~~)) (6) Prepare, publish, evaluate, and disseminate educational material dealing with the nature and effects of alcohol and other psychoactive chemicals and the consequences of their use;

((~~(6)~~)) (7) Develop and implement, as an integral part of treatment programs, an educational program for use in the treatment of ((~~alcoholics or other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons, which program shall include the dissemination of information concerning the nature and effects of alcohol and other psychoactive chemicals, the consequences of their use, the principles of recovery, and HIV and AIDS;

((~~(7)~~)) (8) Organize and foster training programs for persons engaged in treatment of ((~~alcoholics or other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons;

((~~(8)~~)) (9) Sponsor and encourage research into the causes and nature of alcoholism and other drug addiction, treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons, and serve as a clearinghouse for information relating to alcoholism or other drug addiction;

((~~(9)~~)) (10) Specify uniform methods for keeping statistical information by public and private agencies, organizations, and individuals, and collect and make available relevant statistical information, including number of persons treated, frequency of admission and readmission, and frequency and duration of treatment;

((~~(10)~~)) (11) Advise the governor in the preparation of a comprehensive plan for treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons for inclusion in the state's comprehensive health plan;

((~~(11)~~)) (12) Review all state health, welfare, and treatment plans to be submitted for federal funding under federal legislation, and advise the governor on provisions to be included relating to ((~~alcoholism and other drug addiction, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons~~)) substance use disorders;

((~~(12)~~)) (13) Assist in the development of, and cooperate with, programs for alcohol and other psychoactive chemical education and treatment for employees of state and local governments and businesses and industries in the state;

((~~(13)~~)) (14) Use the support and assistance of interested persons in the community to encourage ((~~alcoholics and other drug addicts~~)) persons with substance use disorders voluntarily to undergo treatment;

(((~~(14)~~))) (15) Cooperate with public and private agencies in establishing and conducting programs designed to deal with the problem of persons operating motor vehicles while intoxicated;

(((~~(15)~~))) (16) Encourage general hospitals and other appropriate health facilities to admit without discrimination ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons and to provide them with adequate and appropriate treatment;

(((~~(16)~~))) (17) Encourage all health and disability insurance programs to include alcoholism and other drug addiction as a covered illness; and

(((~~(17)~~))) (18) Organize and sponsor a statewide program to help court personnel, including judges, better understand the disease of alcoholism and other drug addiction and the uses of chemical dependency treatment programs.

Sec. 24. RCW 70.96A.060 and 1989 c 270 s 8 are each amended to read as follows:

(1) An interdepartmental coordinating committee is established, composed of the superintendent of public instruction or his or her designee, the director of licensing or his or her designee, the executive secretary of the Washington state law enforcement training commission or his or her designee, and one or more designees (not to exceed three) of the secretary, one of whom shall be the director of the chemical dependency program. The committee shall meet at least twice annually at the call of the secretary, or his or her designee, who shall be its chair. The committee shall provide for the coordination of, and exchange of information on, all programs relating to alcoholism and other drug addiction, and shall act as a permanent liaison among the departments engaged in activities affecting ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons. The committee shall assist the secretary and director in formulating a comprehensive plan for prevention of alcoholism and other drug addiction, for treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons.

(2) In exercising its coordinating functions, the committee shall assure that:

(a) The appropriate state agencies provide or assure all necessary medical, social, treatment, and educational services for ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons and for the prevention of alcoholism and other chemical dependency, without unnecessary duplication of services;

(b) The several state agencies cooperate in the use of facilities and in the treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons; and

(c) All state agencies adopt approaches to the prevention of ((~~alcoholism and other drug addiction~~)) substance use disorders, the treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons consistent with the policy of this chapter.

Sec. 25. RCW 70.96A.080 and 1989 c 270 s 18 are each amended to read as follows:

(1) In coordination with the health care authority, the department shall establish by ((~~all~~)) appropriate means, ((~~including contracting for services,~~)) a comprehensive and coordinated ((~~discrete~~)) program for the treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons.

(2)(a) The program shall include, but not necessarily be limited to, a continuum of chemical dependency treatment services that includes:

(((~~a) Detoxification~~)) (i) Withdrawal management;

(((~~b~~))) (ii) Residential treatment; and

(((~~c~~))) (iii) Outpatient treatment.

(b) The program may include peer support, supported housing, supported employment, crisis diversion, or recovery support services.

(3) All appropriate public and private resources shall be coordinated with and used in the program when possible.

(4) The department may contract for the use of an approved treatment program or other individual or organization if the secretary considers this to be an effective and economical course to follow.

(5) By April 1, 2016, treatment provided under this chapter must be purchased primarily through managed care contracts. Consistent with RCW 70.96A.350, services and funding provided through the criminal justice treatment account are intended to be exempted from managed care contracting.

Sec. 26. RCW 70.96A.085 and 1989 c 270 s 12 are each amended to read as follows:

A city, town, or county that does not have its own facility or program for the treatment and rehabilitation of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders may share in the use of a facility or program maintained by another city or county so long as it contributes no less than two percent of its share of liquor taxes and profits to the support of the facility or program.

Sec. 27. RCW 70.96A.100 and 1989 c 270 s 23 are each amended to read as follows:

The secretary shall adopt and may amend and repeal rules for acceptance of persons into the approved treatment program, considering available treatment resources and facilities, for the purpose of early and effective treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons. In establishing the rules, the secretary shall be guided by the following standards:

(1) If possible a patient shall be treated on a voluntary rather than an involuntary basis.

(2) A patient shall be initially assigned or transferred to outpatient treatment, unless he or she is found to require residential treatment.

(3) A person shall not be denied treatment solely because he or she has withdrawn from treatment against medical advice on a prior occasion or because he or she has relapsed after earlier treatment.

(4) An individualized treatment plan shall be prepared and maintained on a current basis for each patient.

(5) Provision shall be made for a continuum of coordinated treatment services, so that a person who leaves a facility or a form of treatment will have available and use other appropriate treatment.

Sec. 28. RCW 70.96A.110 and 1990 c 151 s 7 are each amended to read as follows:

(1) ((~~An alcoholic or other drug addict~~)) An individual with a substance use disorder may apply for voluntary treatment directly to an approved treatment program. If the proposed patient is a minor or an incompetent person, he or she, a parent, a legal guardian, or other legal representative may make the application.

(2) Subject to rules adopted by the secretary, the administrator in charge of an approved treatment program may determine who shall be admitted for treatment. If a person is refused admission to an approved treatment program, the administrator, subject to rules adopted by the secretary, shall refer the person to another approved treatment program for treatment if possible and appropriate.

(3) If a patient receiving inpatient care leaves an approved treatment program, he or she shall be encouraged to consent to appropriate outpatient treatment. If it appears to the administrator in charge of the treatment program that the patient is ((~~an alcoholic or other drug addict~~)) an individual with a substance use disorder who requires help, the department may arrange for assistance in obtaining supportive services and residential programs.

(4) If a patient leaves an approved public treatment program, with or against the advice of the administrator in charge of the program, the department may make reasonable provisions for his or her transportation to another program or to his or her home. If the patient has no home he or she should be assisted in obtaining shelter. If the patient is less than fourteen years of age or an incompetent person the request for discharge from an inpatient program shall be made by a parent, legal guardian, or other legal representative or by the minor or incompetent if he or she was the original applicant.

Sec. 29. RCW 70.96A.140 and 2001 c 13 s 3 are each amended to read as follows:

(1) When a designated chemical dependency specialist receives information alleging that a person presents a likelihood of serious harm or is gravely disabled as a result of chemical dependency, the designated chemical dependency specialist, after investigation and evaluation of the specific facts alleged and of the reliability and credibility of the information, may file a petition for commitment of such person with the superior court, district court, or in another court permitted by court rule.

If a petition for commitment is not filed in the case of a minor, the parent, guardian, or custodian who has custody of the minor may seek review of that decision made by the designated chemical dependency specialist in superior or district court. The parent, guardian, or custodian shall file notice with the court and provide a copy of the designated chemical dependency specialist's report.

If the designated chemical dependency specialist finds that the initial needs of such person would be better served by placement within the mental health system, the person shall be referred to either a ((~~county~~)) designated mental

health professional or an evaluation and treatment facility as defined in RCW 71.05.020 or 71.34.020. If placement in a chemical dependency program is available and deemed appropriate, the petition shall allege that: The person is chemically dependent and presents a likelihood of serious harm or is gravely disabled by alcohol or drug addiction, or that the person has twice before in the preceding twelve months been admitted for ((~~detoxification~~)) withdrawal management, sobering services, or chemical dependency treatment pursuant to RCW 70.96A.110 or 70.96A.120, and is in need of a more sustained treatment program, or that the person is chemically dependent and has threatened, attempted, or inflicted physical harm on another and is likely to inflict physical harm on another unless committed. A refusal to undergo treatment, by itself, does not constitute evidence of lack of judgment as to the need for treatment. The petition shall be accompanied by a certificate of a licensed physician who has examined the person within five days before submission of the petition, unless the person whose commitment is sought has refused to submit to a medical examination, in which case the fact of refusal shall be alleged in the petition. The certificate shall set forth the licensed physician's findings in support of the allegations of the petition. A physician employed by the petitioning program or the department is eligible to be the certifying physician.

(2) Upon filing the petition, the court shall fix a date for a hearing no less than two and no more than seven days after the date the petition was filed unless the person petitioned against is presently being detained in a program, pursuant to RCW 70.96A.120, 71.05.210, or ((~~71.34.050~~)) 71.34.710, in which case the hearing shall be held within seventy-two hours of the filing of the petition: PROVIDED, HOWEVER, That the above specified seventy-two hours shall be computed by excluding Saturdays, Sundays, and holidays: PROVIDED FURTHER, That, the court may, upon motion of the person whose commitment is sought, or upon motion of petitioner with written permission of the person whose commitment is sought, or his or her counsel and, upon good cause shown, extend the date for the hearing. A copy of the petition and of the notice of the hearing, including the date fixed by the court, shall be served by the designated chemical dependency specialist on the person whose commitment is sought, his or her next of kin, a parent or his or her legal guardian if he or she is a minor, and any other person the court believes advisable. A copy of the petition and certificate shall be delivered to each person notified.

(3) At the hearing the court shall hear all relevant testimony, including, if possible, the testimony, which may be telephonic, of at least one licensed physician who has examined the person whose commitment is sought. Communications otherwise deemed privileged under the laws of this state are deemed to be waived in proceedings under this chapter when a court of competent jurisdiction in its discretion determines that the waiver is necessary to protect either the detained person or the public. The waiver of a privilege under this section is limited to records or testimony relevant to evaluation of the detained person for purposes of a proceeding under this chapter. Upon motion by the detained person, or on its own motion, the court shall examine a record or testimony sought by a petitioner to determine whether it is within the scope of the waiver.

The record maker shall not be required to testify in order to introduce medical, nursing, or psychological records of detained persons so long as the

requirements of RCW 5.45.020 are met, except that portions of the record that contain opinions as to whether the detained person is chemically dependent shall be deleted from the records unless the person offering the opinions is available for cross-examination. The person shall be present unless the court believes that his or her presence is likely to be injurious to him or her; in this event the court may deem it appropriate to appoint a guardian ad litem to represent him or her throughout the proceeding. If deemed advisable, the court may examine the person out of courtroom. If the person has refused to be examined by a licensed physician, he or she shall be given an opportunity to be examined by a court appointed licensed physician. If he or she refuses and there is sufficient evidence to believe that the allegations of the petition are true, or if the court believes that more medical evidence is necessary, the court may make a temporary order committing him or her to the department for a period of not more than five days for purposes of a diagnostic examination.

(4) If after hearing all relevant evidence, including the results of any diagnostic examination, the court finds that grounds for involuntary commitment have been established by clear, cogent, and convincing proof, it shall make an order of commitment to an approved treatment program. It shall not order commitment of a person unless it determines that an approved treatment program is available and able to provide adequate and appropriate treatment for him or her.

(5) A person committed under this section shall remain in the program for treatment for a period of sixty days unless sooner discharged. At the end of the sixty-day period, he or she shall be discharged automatically unless the program, before expiration of the period, files a petition for his or her recommitment upon the grounds set forth in subsection (1) of this section for a further period of ninety days unless sooner discharged.

If a petition for recommitment is not filed in the case of a minor, the parent, guardian, or custodian who has custody of the minor may seek review of that decision made by the designated chemical dependency specialist in superior or district court. The parent, guardian, or custodian shall file notice with the court and provide a copy of the treatment progress report.

If a person has been committed because he or she is chemically dependent and likely to inflict physical harm on another, the program shall apply for recommitment if after examination it is determined that the likelihood still exists.

(6) Upon the filing of a petition for recommitment under subsection (5) of this section, the court shall fix a date for hearing no less than two and no more than seven days after the date the petition was filed: PROVIDED, That, the court may, upon motion of the person whose commitment is sought and upon good cause shown, extend the date for the hearing. A copy of the petition and of the notice of hearing, including the date fixed by the court, shall be served by the treatment program on the person whose commitment is sought, his or her next of kin, the original petitioner under subsection (1) of this section if different from the petitioner for recommitment, one of his or her parents or his or her legal guardian if he or she is a minor, and his or her attorney and any other person the court believes advisable. At the hearing the court shall proceed as provided in subsection (3) of this section.

(7) The approved treatment program shall provide for adequate and appropriate treatment of a person committed to its custody. A person committed under this section may be transferred from one approved public treatment program to another if transfer is medically advisable.

(8) A person committed to the custody of a program for treatment shall be discharged at any time before the end of the period for which he or she has been committed and he or she shall be discharged by order of the court if either of the following conditions are met:

(a) In case of a chemically dependent person committed on the grounds of likelihood of infliction of physical harm upon himself, herself, or another, the likelihood no longer exists; or further treatment will not be likely to bring about significant improvement in the person's condition, or treatment is no longer adequate or appropriate.

(b) In case of a chemically dependent person committed on the grounds of the need of treatment and incapacity, that the incapacity no longer exists.

(9) The court shall inform the person whose commitment or recommitment is sought of his or her right to contest the application, be represented by counsel at every stage of any proceedings relating to his or her commitment and recommitment, and have counsel appointed by the court or provided by the court, if he or she wants the assistance of counsel and is unable to obtain counsel. If the court believes that the person needs the assistance of counsel, the court shall require, by appointment if necessary, counsel for him or her regardless of his or her wishes. The person shall, if he or she is financially able, bear the costs of such legal service; otherwise such legal service shall be at public expense. The person whose commitment or recommitment is sought shall be informed of his or her right to be examined by a licensed physician of his or her choice. If the person is unable to obtain a licensed physician and requests examination by a physician, the court shall employ a licensed physician.

(10) A person committed under this chapter may at any time seek to be discharged from commitment by writ of habeas corpus in a court of competent jurisdiction.

(11) The venue for proceedings under this section is the county in which person to be committed resides or is present.

(12) When in the opinion of the professional person in charge of the program providing involuntary treatment under this chapter, the committed patient can be appropriately served by less restrictive treatment before expiration of the period of commitment, then the less restrictive care may be required as a condition for early release for a period which, when added to the initial treatment period, does not exceed the period of commitment. If the program designated to provide the less restrictive treatment is other than the program providing the initial involuntary treatment, the program so designated must agree in writing to assume such responsibility. A copy of the conditions for early release shall be given to the patient, the designated chemical dependency specialist of original commitment, and the court of original commitment. The program designated to provide less restrictive care may modify the conditions for continued release when the modifications are in the best interests of the patient. If the program providing less restrictive care and the designated chemical dependency specialist determine that a conditionally released patient is failing to adhere to the terms and conditions of his or her release, or that substantial deterioration in the

patient's functioning has occurred, then the designated chemical dependency specialist shall notify the court of original commitment and request a hearing to be held no less than two and no more than seven days after the date of the request to determine whether or not the person should be returned to more restrictive care. The designated chemical dependency specialist shall file a petition with the court stating the facts substantiating the need for the hearing along with the treatment recommendations. The patient shall have the same rights with respect to notice, hearing, and counsel as for the original involuntary treatment proceedings. The issues to be determined at the hearing are whether the conditionally released patient did or did not adhere to the terms and conditions of his or her release to less restrictive care or that substantial deterioration of the patient's functioning has occurred and whether the conditions of release should be modified or the person should be returned to a more restrictive program. The hearing may be waived by the patient and his or her counsel and his or her guardian or conservator, if any, but may not be waived unless all such persons agree to the waiver. Upon waiver, the person may be returned for involuntary treatment or continued on conditional release on the same or modified conditions.

Sec. 30. RCW 70.96A.190 and 1989 c 270 s 32 are each amended to read as follows:

(1) No county, municipality, or other political subdivision may adopt or enforce a local law, ordinance, resolution, or rule having the force of law that includes drinking, being ((~~an alcoholic or drug addict~~)) an individual with a substance use disorder, or being found in an intoxicated condition as one of the elements of the offense giving rise to a criminal or civil penalty or sanction.

(2) No county, municipality, or other political subdivision may interpret or apply any law of general application to circumvent the provision of subsection (1) of this section.

(3) Nothing in this chapter affects any law, ordinance, resolution, or rule against drunken driving, driving under the influence of alcohol or other psychoactive chemicals, or other similar offense involving the operation of a vehicle, aircraft, boat, machinery, or other equipment, or regarding the sale, purchase, dispensing, possessing, or use of alcoholic beverages or other psychoactive chemicals at stated times and places or by a particular class of persons; nor shall evidence of intoxication affect, other than as a defense, the application of any law, ordinance, resolution, or rule to conduct otherwise establishing the elements of an offense.

Sec. 31. RCW 70.96A.300 and 1989 c 270 s 15 are each amended to read as follows:

(1) A county or combination of counties acting jointly by agreement, referred to as "county" in this chapter, may create an alcoholism and other drug addiction board. This board may also be designated as a board for other related purposes.

(2) The board shall be composed of not less than seven nor more than fifteen members, who shall be chosen for their demonstrated concern for alcoholism and other drug addiction problems. Members of the board shall be representative of the community, shall include at least one-quarter recovered ((~~alcoholics or other recovered drug addicts~~)) persons with substance use

disorders, and shall include minority group representation. No member may be a provider of alcoholism and other drug addiction treatment services. No more than four elected or appointed city or county officials may serve on the board at the same time. Members of the board shall serve three-year terms and hold office until their successors are appointed and qualified. They shall not be compensated for the performance of their duties as members of the board, but may be reimbursed for travel expenses.

(3) The alcoholism and other drug addiction board shall:

(a) Conduct public hearings and other investigations to determine the needs and priorities of county citizens;

(b) Prepare and recommend to the county legislative authority for approval, all plans, budgets, and applications by the county to the department and other state agencies on behalf of the county alcoholism and other drug addiction program;

(c) Monitor the implementation of the alcoholism and other drug addiction plan and evaluate the performance of the alcoholism and drug addiction program at least annually;

(d) Advise the county legislative authority and county alcoholism and other drug addiction program coordinator on matters relating to the alcoholism and other drug addiction program, including prevention and education;

(e) Nominate individuals to the county legislative authority for the position of county alcoholism and other drug addiction program coordinator. The nominees should have training and experience in the administration of alcoholism and other drug addiction services and shall meet the minimum qualifications established by rule of the department;

(f) Carry out other duties that the department may prescribe by rule.

Sec. 32. RCW 70.96A.320 and 2013 c 320 s 8 are each amended to read as follows:

(1) A county legislative authority, or two or more counties acting jointly, may establish an alcoholism and other drug addiction program. If two or more counties jointly establish the program, they shall designate one county to provide administrative and financial services.

(2) To be eligible for funds from the department for the support of the county alcoholism and other drug addiction program, the county legislative authority shall establish a county alcoholism and other drug addiction board under RCW 70.96A.300 and appoint a county alcoholism and other drug addiction program coordinator under RCW 70.96A.310.

(3) The county legislative authority may apply to the department for financial support for the county program of alcoholism and other drug addiction. To receive financial support, the county legislative authority shall submit a plan that meets the following conditions:

(a) It shall describe the prevention, early intervention, or recovery support services and activities to be provided;

(b) It shall include anticipated expenditures and revenues;

(c) It shall be prepared by the county alcoholism and other drug addiction program board and be adopted by the county legislative authority;

(d) It shall reflect maximum effective use of existing services and programs; and

(e) It shall meet other conditions that the secretary may require.

(4) The county may accept and spend gifts, grants, and fees, from public and private sources, to implement its program of alcoholism and other drug addiction.

(5) The department shall require that any agreement to provide financial support to a county that performs the activities of a service coordination organization for alcoholism and other drug addiction services must incorporate the expected outcomes and criteria to measure the performance of service coordination organizations as provided in chapter 70.320 RCW.

(6) The county may subcontract for ((~~detoxification~~)) withdrawal management, residential treatment, or outpatient treatment with treatment programs that are approved treatment programs. The county may subcontract for other services with individuals or organizations approved by the department.

(7) To continue to be eligible for financial support from the department for the county alcoholism and other drug addiction program, an increase in state financial support shall not be used to supplant local funds from a source that was used to support the county alcoholism and other drug addiction program before the effective date of the increase.

Sec. 33. RCW 70.96A.800 and 2008 c 320 s 1 are each amended to read as follows:

(1) Subject to funds appropriated for this specific purpose, the secretary shall select and contract with counties to provide intensive case management for chemically dependent persons with histories of high utilization of crisis services at two sites. In selecting the two sites, the secretary shall endeavor to site one in an urban county, and one in a rural county; and to site them in counties other than those selected pursuant to RCW 70.96B.020, to the extent necessary to facilitate evaluation of pilot project results. Subject to funds appropriated for this specific purpose, the secretary may contract with additional counties to provide intensive case management.

(2) The contracted sites shall implement the pilot programs by providing intensive case management to persons with a primary chemical dependency diagnosis or dual primary chemical dependency and mental health diagnoses, through the employment of chemical dependency case managers. The chemical dependency case managers shall:

(a) Be trained in and use the integrated, comprehensive screening and assessment process adopted under RCW 70.96C.010;

(b) Reduce the use of crisis medical, chemical dependency and mental health services, including but not limited to, emergency room admissions, hospitalizations, ((~~detoxification~~)) withdrawal management programs, inpatient psychiatric admissions, involuntary treatment petitions, emergency medical services, and ambulance services;

(c) Reduce the use of emergency first responder services including police, fire, emergency medical, and ambulance services;

(d) Reduce the number of criminal justice interventions including arrests, violations of conditions of supervision, bookings, jail days, prison sanction day for violations, court appearances, and prosecutor and defense costs;

(e) Where appropriate and available, work with therapeutic courts including drug courts and mental health courts to maximize the outcomes for the individual and reduce the likelihood of reoffense;

(f) Coordinate with local offices of the economic services administration to assist the person in accessing and remaining enrolled in those programs to which the person may be entitled;

(g) Where appropriate and available, coordinate with primary care and other programs operated through the federal government including federally qualified health centers, Indian health programs, and veterans' health programs for which the person is eligible to reduce duplication of services and conflicts in case approach;

(h) Where appropriate, advocate for the client's needs to assist the person in achieving and maintaining stability and progress toward recovery;

(i) Document the numbers of persons with co-occurring mental and substance abuse disorders and the point of determination of the co-occurring disorder by quadrant of intensity of need; and

(j) Where a program participant is under supervision by the department of corrections, collaborate with the department of corrections to maximize treatment outcomes and reduce the likelihood of reoffense.

(3) The pilot programs established by this section shall begin providing services by March 1, 2006.

Sec. 34. RCW 71.24.049 and 2001 c 323 s 13 are each amended to read as follows:

By January 1st of each odd-numbered year, the ((~~regional support network~~)) behavioral health organization shall identify: (1) The number of children in each priority group, as defined by this chapter, who are receiving mental health services funded in part or in whole under this chapter, (2) the amount of funds under this chapter used for children's mental health services, (3) an estimate of the number of unserved children in each priority group, and (4) the estimated cost of serving these additional children and their families.

Sec. 35. RCW 71.24.061 and 2007 c 359 s 7 are each amended to read as follows:

(1) The department shall provide flexibility in provider contracting to ((~~regional support networks~~)) behavioral health organizations for children's mental health services. Beginning with 2007-2009 biennium contracts, ((~~regional support network~~)) behavioral health organization contracts shall authorize ((~~regional support networks~~)) behavioral health organizations to allow and encourage licensed community mental health centers to subcontract with individual licensed mental health professionals when necessary to meet the need for an adequate, culturally competent, and qualified children's mental health provider network.

(2) To the extent that funds are specifically appropriated for this purpose or that nonstate funds are available, a children's mental health evidence-based practice institute shall be established at the University of Washington division of public behavioral health and justice policy. The institute shall closely collaborate with entities currently engaged in evaluating and promoting the use of evidence-based, research-based, promising, or consensus-based practices in children's mental health treatment, including but not limited to the University of Washington department of psychiatry and behavioral sciences, children's hospital and regional medical center, the University of Washington school of nursing, the University of Washington school of social work, and the

Washington state institute for public policy. To ensure that funds appropriated are used to the greatest extent possible for their intended purpose, the University of Washington's indirect costs of administration shall not exceed ten percent of appropriated funding. The institute shall:

(a) Improve the implementation of evidence-based and research-based practices by providing sustained and effective training and consultation to licensed children's mental health providers and child-serving agencies who are implementing evidence-based or researched-based practices for treatment of children's emotional or behavioral disorders, or who are interested in adapting these practices to better serve ethnically or culturally diverse children. Efforts under this subsection should include a focus on appropriate oversight of implementation of evidence-based practices to ensure fidelity to these practices and thereby achieve positive outcomes;

(b) Continue the successful implementation of the "partnerships for success" model by consulting with communities so they may select, implement, and continually evaluate the success of evidence-based practices that are relevant to the needs of children, youth, and families in their community;

(c) Partner with youth, family members, family advocacy, and culturally competent provider organizations to develop a series of information sessions, literature, and online resources for families to become informed and engaged in evidence-based and research-based practices;

(d) Participate in the identification of outcome-based performance measures under RCW 71.36.025(2) and partner in a statewide effort to implement statewide outcomes monitoring and quality improvement processes; and

(e) Serve as a statewide resource to the department and other entities on child and adolescent evidence-based, research-based, promising, or consensus-based practices for children's mental health treatment, maintaining a working knowledge through ongoing review of academic and professional literature, and knowledge of other evidence-based practice implementation efforts in Washington and other states.

(3) To the extent that funds are specifically appropriated for this purpose, the department in collaboration with the evidence-based practice institute shall implement a pilot program to support primary care providers in the assessment and provision of appropriate diagnosis and treatment of children with mental and behavioral health disorders and track outcomes of this program. The program shall be designed to promote more accurate diagnoses and treatment through timely case consultation between primary care providers and child psychiatric specialists, and focused educational learning collaboratives with primary care providers.

Sec. 36. RCW 71.24.155 and 2001 c 323 s 14 are each amended to read as follows:

Grants shall be made by the department to ((~~regional support networks~~)) behavioral health organizations for community mental health programs totaling not less than ninety-five percent of available resources. The department may use up to forty percent of the remaining five percent to provide community demonstration projects, including early intervention or primary prevention programs for children, and the remainder shall be for emergency needs and technical assistance under this chapter.

Sec. 37. RCW 71.24.160 and 2011 c 343 s 6 are each amended to read as follows:

The ((~~regional support networks~~)) behavioral health organizations shall make satisfactory showing to the secretary that state funds shall in no case be used to replace local funds from any source being used to finance mental health services prior to January 1, 1990. Maintenance of effort funds devoted to judicial services related to involuntary commitment reimbursed under RCW 71.05.730 must be expended for other purposes that further treatment for mental health and chemical dependency disorders.

Sec. 38. RCW 71.24.250 and 2001 c 323 s 16 are each amended to read as follows:

The ((~~regional support network~~)) behavioral health organization may accept and expend gifts and grants received from private, county, state, and federal sources.

Sec. 39. RCW 71.24.300 and 2008 c 261 s 4 are each amended to read as follows:

(1) Upon the request of a tribal authority or authorities within a ((~~regional support network~~)) behavioral health organization the joint operating agreement or the county authority shall allow for the inclusion of the tribal authority to be represented as a party to the ((~~regional support network~~)) behavioral health organization.

(2) The roles and responsibilities of the county and tribal authorities shall be determined by the terms of that agreement including a determination of membership on the governing board and advisory committees, the number of tribal representatives to be party to the agreement, and the provisions of law and shall assure the provision of culturally competent services to the tribes served.

(3) The state mental health authority may not determine the roles and responsibilities of county authorities as to each other under ((~~regional support networks~~)) behavioral health organizations by rule, except to assure that all duties required of ((~~regional support networks~~)) behavioral health organizations are assigned and that counties and the ((~~regional support network~~)) behavioral health organization do not duplicate functions and that a single authority has final responsibility for all available resources and performance under the ((~~regional support network's~~)) behavioral health organization's contract with the secretary.

(4) If a ((~~regional support network~~)) behavioral health organization is a private entity, the department shall allow for the inclusion of the tribal authority to be represented as a party to the ((~~regional support network~~)) behavioral health organization.

(5) The roles and responsibilities of the private entity and the tribal authorities shall be determined by the department, through negotiation with the tribal authority.

(6) ((~~Regional support networks~~)) Behavioral health organizations shall submit an overall six-year operating and capital plan, timeline, and budget and submit progress reports and an updated two-year plan biennially thereafter, to assume within available resources all of the following duties:

(a) Administer and provide for the availability of all resource management services, residential services, and community support services.

(b) Administer and provide for the availability of all investigation, transportation, court-related, and other services provided by the state or counties pursuant to chapter 71.05 RCW.

(c) Provide within the boundaries of each ((~~regional support network~~)) behavioral health organization evaluation and treatment services for at least ninety percent of persons detained or committed for periods up to seventeen days according to chapter 71.05 RCW. ((~~Regional support networks~~)) Behavioral health organizations may contract to purchase evaluation and treatment services from other ((~~networks~~)) organizations if they are unable to provide for appropriate resources within their boundaries. Insofar as the original intent of serving persons in the community is maintained, the secretary is authorized to approve exceptions on a case-by-case basis to the requirement to provide evaluation and treatment services within the boundaries of each ((~~regional support network~~)) behavioral health organization. Such exceptions are limited to:

(i) Contracts with neighboring or contiguous regions; or

(ii) Individuals detained or committed for periods up to seventeen days at the state hospitals at the discretion of the secretary.

(d) Administer and provide for the availability of all other mental health services, which shall include patient counseling, day treatment, consultation, education services, employment services as ((~~defined~~)) described in RCW 71.24.035, and mental health services to children.

(e) Establish standards and procedures for reviewing individual service plans and determining when that person may be discharged from resource management services.

(7) A ((~~regional support network~~)) behavioral health organization may request that any state-owned land, building, facility, or other capital asset which was ever purchased, deeded, given, or placed in trust for the care of the persons with mental illness and which is within the boundaries of a ((~~regional support network~~)) behavioral health organization be made available to support the operations of the ((~~regional support network~~)) behavioral health organization. State agencies managing such capital assets shall give first priority to requests for their use pursuant to this chapter.

(8) Each ((~~regional support network~~)) behavioral health organization shall appoint a mental health advisory board which shall review and provide comments on plans and policies developed under this chapter, provide local oversight regarding the activities of the ((~~regional support network~~)) behavioral health organization, and work with the ((~~regional support network~~)) behavioral health organization to resolve significant concerns regarding service delivery and outcomes. The department shall establish statewide procedures for the operation of regional advisory committees including mechanisms for advisory board feedback to the department regarding ((~~regional support network~~)) behavioral health organization performance. The composition of the board shall be broadly representative of the demographic character of the region and shall include, but not be limited to, representatives of consumers and families, law enforcement, and where the county is not the ((~~regional support network~~)) behavioral health organization, county elected officials. Composition and length of terms of board members may differ between ((~~regional support networks~~)) behavioral health organizations but shall be included in each ((~~regional support~~

~~network's~~)) behavioral health organization's contract and approved by the secretary.

(9) ((~~Regional support networks~~)) Behavioral health organizations shall assume all duties specified in their plans and joint operating agreements through biennial contractual agreements with the secretary.

(10) ((~~Regional support networks~~)) Behavioral health organizations may receive technical assistance from the housing trust fund and may identify and submit projects for housing and housing support services to the housing trust fund established under chapter 43.185 RCW. Projects identified or submitted under this subsection must be fully integrated with the ((~~regional support network~~)) behavioral health organization six-year operating and capital plan, timeline, and budget required by subsection (6) of this section.

Sec. 40. RCW 71.24.310 and 2013 2nd sp.s. c 4 s 994 are each amended to read as follows:

The legislature finds that administration of chapter 71.05 RCW and this chapter can be most efficiently and effectively implemented as part of the ((~~regional support network~~)) behavioral health organization defined in RCW 71.24.025. For this reason, the legislature intends that the department and the ((~~regional support networks~~)) behavioral health organizations shall work together to implement chapter 71.05 RCW as follows:

(1) By June 1, 2006, ((~~regional support networks~~)) behavioral health organizations shall recommend to the department the number of state hospital beds that should be allocated for use by each ((~~regional support network~~)) behavioral health organization. The statewide total allocation shall not exceed the number of state hospital beds offering long-term inpatient care, as defined in this chapter, for which funding is provided in the biennial appropriations act.

(2) If there is consensus among the ((~~regional support networks~~)) behavioral health organizations regarding the number of state hospital beds that should be allocated for use by each ((~~regional support network~~)) behavioral health organization, the department shall contract with each ((~~regional support network~~)) behavioral health organization accordingly.

(3) If there is not consensus among the ((~~regional support networks~~)) behavioral health organizations regarding the number of beds that should be allocated for use by each ((~~regional support network~~)) behavioral health organization, the department shall establish by emergency rule the number of state hospital beds that are available for use by each ((~~regional support network~~)) behavioral health organization. The emergency rule shall be effective September 1, 2006. The primary factor used in the allocation shall be the estimated number of adults with acute and chronic mental illness in each ((~~regional support network~~)) behavioral health organization area, based upon population-adjusted incidence and utilization.

(4) The allocation formula shall be updated at least every three years to reflect demographic changes, and new evidence regarding the incidence of acute and chronic mental illness and the need for long-term inpatient care. In the updates, the statewide total allocation shall include (a) all state hospital beds offering long-term inpatient care for which funding is provided in the biennial appropriations act; plus (b) the estimated equivalent number of beds or comparable diversion services contracted in accordance with subsection (5) of this section.

(5) The department is encouraged to enter performance-based contracts with ((~~regional support networks~~)) behavioral health organizations to provide some or all of the ((~~regional support network's~~)) behavioral health organization's allocated long-term inpatient treatment capacity in the community, rather than in the state hospital. The performance contracts shall specify the number of patient days of care available for use by the ((~~regional support network~~)) behavioral health organization in the state hospital.

(6) If a ((~~regional support network~~)) behavioral health organization uses more state hospital patient days of care than it has been allocated under subsection (3) or (4) of this section, or than it has contracted to use under subsection (5) of this section, whichever is less, it shall reimburse the department for that care, except during the period of July 1, 2012, through December 31, 2013, where reimbursements may be temporarily altered per section 204, chapter 4, Laws of 2013 2nd sp. sess. The reimbursement rate per day shall be the hospital's total annual budget for long-term inpatient care, divided by the total patient days of care assumed in development of that budget.

(7) One-half of any reimbursements received pursuant to subsection (6) of this section shall be used to support the cost of operating the state hospital and, during the 2007-2009 fiscal biennium, implementing new services that will enable a ((~~regional support network~~)) behavioral health organization to reduce its utilization of the state hospital. The department shall distribute the remaining half of such reimbursements among ((~~regional support networks~~)) behavioral health organizations that have used less than their allocated or contracted patient days of care at that hospital, proportional to the number of patient days of care not used.

Sec. 41. RCW 71.24.350 and 2013 c 23 s 189 are each amended to read as follows:

The department shall require each ((~~regional support network~~)) behavioral health organization to provide for a separately funded mental health ombuds office in each ((~~regional support network~~)) behavioral health organization that is independent of the ((~~regional support network~~)) behavioral health organization. The ombuds office shall maximize the use of consumer advocates.

Sec. 42. RCW 71.24.370 and 2006 c 333 s 103 are each amended to read as follows:

(1) Except for monetary damage claims which have been reduced to final judgment by a superior court, this section applies to all claims against the state, state agencies, state officials, or state employees that exist on or arise after March 29, 2006.

(2) Except as expressly provided in contracts entered into between the department and the ((~~regional support networks~~)) behavioral health organizations after March 29, 2006, the entities identified in subsection (3) of this section shall have no claim for declaratory relief, injunctive relief, judicial review under chapter 34.05 RCW, or civil liability against the state or state agencies for actions or inactions performed pursuant to the administration of this chapter with regard to the following: (a) The allocation or payment of federal or state funds; (b) the use or allocation of state hospital beds; or (c) financial responsibility for the provision of inpatient mental health care.

(3) This section applies to counties, ((~~regional support networks~~)) behavioral health organizations, and entities which contract to provide ((~~regional support network~~)) behavioral health organization services and their subcontractors, agents, or employees.

Sec. 43. RCW 71.24.455 and 1997 c 342 s 2 are each amended to read as follows:

(1) The secretary shall select and contract with a ((~~regional support network~~)) behavioral health organization or private provider to provide specialized access and services to ((~~mentally ill~~)) offenders with mental illness upon release from total confinement within the department of corrections who have been identified by the department of corrections and selected by the ((~~regional support network~~)) behavioral health organization or private provider as high-priority clients for services and who meet service program entrance criteria. The program shall enroll no more than twenty-five offenders at any one time, or a number of offenders that can be accommodated within the appropriated funding level, and shall seek to fill any vacancies that occur.

(2) Criteria shall include a determination by department of corrections staff that:

(a) The offender suffers from a major mental illness and needs continued mental health treatment;

(b) The offender's previous crime or crimes have been determined by either the court or department of corrections staff to have been substantially influenced by the offender's mental illness;

(c) It is believed the offender will be less likely to commit further criminal acts if provided ongoing mental health care;

(d) The offender is unable or unlikely to obtain housing and/or treatment from other sources for any reason; and

(e) The offender has at least one year remaining before his or her sentence expires but is within six months of release to community housing and is currently housed within a work release facility or any department of corrections' division of prisons facility.

(3) The ((~~regional support network~~)) behavioral health organization or private provider shall provide specialized access and services to the selected offenders. The services shall be aimed at lowering the risk of recidivism. An oversight committee composed of a representative of the department, a representative of the selected ((~~regional support network~~)) behavioral health organization or private provider, and a representative of the department of corrections shall develop policies to guide the pilot program, provide dispute resolution including making determinations as to when entrance criteria or required services may be waived in individual cases, advise the department of corrections and the ((~~regional support network~~)) behavioral health organization or private provider on the selection of eligible offenders, and set minimum requirements for service contracts. The selected ((~~regional support network~~)) behavioral health organization or private provider shall implement the policies and service contracts. The following services shall be provided:

(a) Intensive case management to include a full range of intensive community support and treatment in client-to-staff ratios of not more than ten offenders per case manager including: (i) A minimum of weekly group and weekly individual counseling; (ii) home visits by the program manager at least

two times per month; and (iii) counseling focusing on relapse prevention and past, current, or future behavior of the offender.

(b) The case manager shall attempt to locate and procure housing appropriate to the living and clinical needs of the offender and as needed to maintain the psychiatric stability of the offender. The entire range of emergency, transitional, and permanent housing and involuntary hospitalization must be considered as available housing options. A housing subsidy may be provided to offenders to defray housing costs up to a maximum of six thousand six hundred dollars per offender per year and be administered by the case manager. Additional funding sources may be used to offset these costs when available.

(c) The case manager shall collaborate with the assigned prison, work release, or community corrections staff during release planning, prior to discharge, and in ongoing supervision of the offender while under the authority of the department of corrections.

(d) Medications including the full range of psychotropic medications including atypical antipsychotic medications may be required as a condition of the program. Medication prescription, medication monitoring, and counseling to support offender understanding, acceptance, and compliance with prescribed medication regimens must be included.

(e) A systematic effort to engage offenders to continuously involve themselves in current and long-term treatment and appropriate habilitative activities shall be made.

(f) Classes appropriate to the clinical and living needs of the offender and appropriate to his or her level of understanding.

(g) The case manager shall assist the offender in the application and qualification for entitlement funding, including medicaid, state assistance, and other available government and private assistance at any point that the offender is qualified and resources are available.

(h) The offender shall be provided access to daily activities such as drop-in centers, prevocational and vocational training and jobs, and volunteer activities.

(4) Once an offender has been selected into the pilot program, the offender shall remain in the program until the end of his or her sentence or unless the offender is released from the pilot program earlier by the department of corrections.

(5) Specialized training in the management and supervision of high-crime risk ((~~mentally ill~~)) offenders with mental illness shall be provided to all participating mental health providers by the department and the department of corrections prior to their participation in the program and as requested thereafter.

(6) The pilot program provided for in this section must be providing services by July 1, 1998.

Sec. 44. RCW 71.24.470 and 2009 c 319 s 1 are each amended to read as follows:

(1) The secretary shall contract, to the extent that funds are appropriated for this purpose, for case management services and such other services as the secretary deems necessary to assist offenders identified under RCW 72.09.370 for participation in the offender reentry community safety program. The contracts may be with ((~~regional support networks~~)) behavioral health organizations or any other qualified and appropriate entities.

(2) The case manager has the authority to assist these offenders in obtaining the services, as set forth in the plan created under RCW 72.09.370(2), for up to five years. The services may include coordination of mental health services, assistance with unfunded medical expenses, obtaining chemical dependency treatment, housing, employment services, educational or vocational training, independent living skills, parenting education, anger management services, and such other services as the case manager deems necessary.

(3) The legislature intends that funds appropriated for the purposes of RCW 72.09.370, 71.05.145, and 71.05.212, and this section and distributed to the ((~~regional support networks~~)) behavioral health organizations are to supplement and not to supplant general funding. Funds appropriated to implement RCW 72.09.370, 71.05.145, and 71.05.212, and this section are not to be considered available resources as defined in RCW 71.24.025 and are not subject to the priorities, terms, or conditions in the appropriations act established pursuant to RCW 71.24.035.

(4) The offender reentry community safety program was formerly known as the community integration assistance program.

Sec. 45. RCW 71.24.480 and 2009 c 319 s 2 are each amended to read as follows:

(1) A licensed service provider or ((~~regional support network~~)) behavioral health organization, acting in the course of the provider's or ((~~network's~~)) organization's duties under this chapter, is not liable for civil damages resulting from the injury or death of another caused by a participant in the offender reentry community safety program who is a client of the provider or ((~~network~~)) organization, unless the act or omission of the provider or ((~~network~~)) organization constitutes:

(a) Gross negligence;

(b) Willful or wanton misconduct; or

(c) A breach of the duty to warn of and protect from a client's threatened violent behavior if the client has communicated a serious threat of physical violence against a reasonably ascertainable victim or victims.

(2) In addition to any other requirements to report violations, the licensed service provider and ((~~regional support network~~)) behavioral health organization shall report an offender's expressions of intent to harm or other predatory behavior, regardless of whether there is an ascertainable victim, in progress reports and other established processes that enable courts and supervising entities to assess and address the progress and appropriateness of treatment.

(3) A licensed service provider's or ((~~regional support network's~~)) behavioral health organization's mere act of treating a participant in the offender reentry community safety program is not negligence. Nothing in this subsection alters the licensed service provider's or ((~~regional support network's~~)) behavioral health organization's normal duty of care with regard to the client.

(4) The limited liability provided by this section applies only to the conduct of licensed service providers and ((~~regional support networks~~)) behavioral health organizations and does not apply to conduct of the state.

(5) For purposes of this section, "participant in the offender reentry community safety program" means a person who has been identified under RCW 72.09.370 as an offender who: (a) Is reasonably believed to be dangerous to himself or herself or others; and (b) has a mental disorder.

Sec. 46. RCW 71.24.845 and 2013 c 230 s 1 are each amended to read as follows:

The ((~~regional support networks~~)) behavioral health organizations shall jointly develop a uniform transfer agreement to govern the transfer of clients between ((~~regional support networks~~)) behavioral health organizations. By September 1, 2013, the ((~~regional support networks~~)) behavioral health organizations shall submit the uniform transfer agreement to the department. By December 1, 2013, the department shall establish guidelines to implement the uniform transfer agreement and may modify the uniform transfer agreement as necessary to avoid impacts on state administrative systems.

Sec. 47. RCW 71.24.055 and 2007 c 359 s 4 are each amended to read as follows:

As part of the system transformation initiative, the department of social and health services shall undertake the following activities related specifically to children's mental health services:

(1) The development of recommended revisions to the access to care standards for children. The recommended revisions shall reflect the policies and principles set out in RCW 71.36.005, 71.36.010, and 71.36.025, and recognize that early identification, intervention and prevention services, and brief intervention services may be provided outside of the ((~~regional support network~~)) behavioral health organization system. Revised access to care standards shall assess a child's need for mental health services based upon the child's diagnosis and its negative impact upon his or her persistent impaired functioning in family, school, or the community, and should not solely condition the receipt of services upon a determination that a child is engaged in high risk behavior or is in imminent need of hospitalization or out-of-home placement. Assessment and diagnosis for children under five years of age shall be determined using a nationally accepted assessment tool designed specifically for children of that age. The recommendations shall also address whether amendments to RCW 71.24.025 (((~~(26) and~~)) (27) and (28) and 71.24.035(5) are necessary to implement revised access to care standards;

(2) Development of a revised children's mental health benefit package. The department shall ensure that services included in the children's mental health benefit package reflect the policies and principles included in RCW 71.36.005 and 71.36.025, to the extent allowable under medicaid, Title XIX of the federal social security act. Strong consideration shall be given to developmentally appropriate evidence-based and research-based practices, family-based interventions, the use of natural and peer supports, and community support services. This effort shall include a review of other states' efforts to fund family-centered children's mental health services through their medicaid programs;

(3) Consistent with the timeline developed for the system transformation initiative, recommendations for revisions to the children's access to care standards and the children's mental health services benefits package shall be presented to the legislature by January 1, 2009.

Sec. 48. RCW 71.24.065 and 2007 c 359 s 10 are each amended to read as follows:

To the extent funds are specifically appropriated for this purpose, the department of social and health services shall contract for implementation of a wraparound model of integrated children's mental health services delivery in up to four ((~~regional support network~~)) behavioral health organization regions in Washington state in which wraparound programs are not currently operating, and in up to two ((~~regional support network~~)) behavioral health organization regions in which wraparound programs are currently operating. Contracts in regions with existing wraparound programs shall be for the purpose of expanding the number of children served.

(1) Funding provided may be expended for: Costs associated with a request for proposal and contracting process; administrative costs associated with successful bidders' operation of the wraparound model; the evaluation under subsection (5) of this section; and funding for services needed by children enrolled in wraparound model sites that are not otherwise covered under existing state programs. The services provided through the wraparound model sites shall include, but not be limited to, services covered under the medicaid program. The department shall maximize the use of medicaid and other existing state-funded programs as a funding source. However, state funds provided may be used to develop a broader service package to meet needs identified in a child's care plan. Amounts provided shall supplement, and not supplant, state, local, or other funding for services that a child being served through a wraparound site would otherwise be eligible to receive.

(2) The wraparound model sites shall serve children with serious emotional or behavioral disturbances who are at high risk of residential or correctional placement or psychiatric hospitalization, and who have been referred for services from the department, a county juvenile court, a tribal court, a school, or a licensed mental health provider or agency.

(3) Through a request for proposal process, the department shall contract, with ((~~regional support networks~~)) behavioral health organizations, alone or in partnership with either educational service districts or entities licensed to provide mental health services to children with serious emotional or behavioral disturbances, to operate the wraparound model sites. The contractor shall provide care coordination and facilitate the delivery of services and other supports to families using a strength-based, highly individualized wraparound process. The request for proposal shall require that:

(a) The ((~~regional support network~~)) behavioral health organization agree to use its medicaid revenues to fund services included in the existing ((~~regional support network's~~)) behavioral health organization's benefit package that a medicaid-eligible child participating in the wraparound model site is determined to need;

(b) The contractor provide evidence of commitments from at least the following entities to participate in wraparound care plan development and service provision when appropriate: Community mental health agencies, schools, the department of social and health services children's administration, juvenile courts, the department of social and health services juvenile rehabilitation administration, and managed health care systems contracting with the department under RCW 74.09.522; and

(c) The contractor will operate the wraparound model site in a manner that maintains fidelity to the wraparound process as defined in RCW 71.36.010.

(4) Contracts for operation of the wraparound model sites shall be executed on or before April 1, 2008, with enrollment and service delivery beginning on or before July 1, 2008.

(5) The evidence-based practice institute established in RCW 71.24.061 shall evaluate the wraparound model sites, measuring outcomes for children served. Outcomes measured shall include, but are not limited to: Decreased out-of-home placement, including residential, group, and foster care, and increased stability of such placements, school attendance, school performance, recidivism, emergency room utilization, involvement with the juvenile justice system, decreased use of psychotropic medication, and decreased hospitalization.

(6) The evidence-based practice institute shall provide a report and recommendations to the appropriate committees of the legislature by December 1, 2010.

Sec. 49. RCW 71.24.240 and 2005 c 503 s 10 are each amended to read as follows:

In order to establish eligibility for funding under this chapter, any ((~~regional support network~~)) behavioral health organization seeking to obtain federal funds for the support of any aspect of a community mental health program as defined in this chapter shall submit program plans to the secretary for prior review and approval before such plans are submitted to any federal agency.

Sec. 50. RCW 71.24.320 and 2008 c 261 s 5 are each amended to read as follows:

(1) If an existing ((~~regional support network~~)) behavioral health organization chooses not to respond to a request for ((~~qualifications~~)) a detailed plan, or is unable to substantially meet the requirements of a request for ((~~qualifications~~)) a detailed plan, or notifies the department of social and health services it will no longer serve as a ((~~regional support network~~)) behavioral health organization, the department shall utilize a procurement process in which other entities recognized by the secretary may bid to serve as the ((~~regional support network~~)) behavioral health organization.

(a) The request for proposal shall include a scoring factor for proposals that include additional financial resources beyond that provided by state appropriation or allocation.

(b) The department shall provide detailed briefings to all bidders in accordance with department and state procurement policies.

(c) The request for proposal shall also include a scoring factor for proposals submitted by nonprofit entities that include a component to maximize the utilization of state provided resources and the leverage of other funds for the support of mental health services to persons with mental illness.

(2) A ((~~regional support network~~)) behavioral health organization that voluntarily terminates, refuses to renew, or refuses to sign a mandatory amendment to its contract to act as a ((~~regional support network~~)) behavioral health organization is prohibited from responding to a procurement under this section or serving as a ((~~regional support network~~)) behavioral health organization for five years from the date that the department signs a contract with the entity that will serve as the ((~~regional support network~~)) behavioral health organization.

Sec. 51. RCW 71.24.330 and 2013 c 320 s 9 are each amended to read as follows:

(1)(a) Contracts between a ((~~regional support network~~)) behavioral health organization and the department shall include mechanisms for monitoring performance under the contract and remedies for failure to substantially comply with the requirements of the contract including, but not limited to, financial penalties, termination of the contract, and reprocurement of the contract.

(b) The department shall incorporate the criteria to measure the performance of service coordination organizations into contracts with ((~~regional support networks~~)) behavioral health organizations as provided in chapter 70.320 RCW.

(2) The ((~~regional support network~~)) behavioral health organization procurement processes shall encourage the preservation of infrastructure previously purchased by the community mental health service delivery system, the maintenance of linkages between other services and delivery systems, and maximization of the use of available funds for services versus profits. However, a ((~~regional support network~~)) behavioral health organization selected through the procurement process is not required to contract for services with any county-owned or operated facility. The ((~~regional support network~~)) behavioral health organization procurement process shall provide that public funds appropriated by the legislature shall not be used to promote or deter, encourage, or discourage employees from exercising their rights under Title 29, chapter 7, subchapter II, United States Code or chapter 41.56 RCW.

(3) In addition to the requirements of RCW 71.24.035, contracts shall:

(a) Define administrative costs and ensure that the ((~~regional support network~~)) behavioral health organization does not exceed an administrative cost of ten percent of available funds;

(b) Require effective collaboration with law enforcement, criminal justice agencies, and the chemical dependency treatment system;

(c) Require substantial implementation of department adopted integrated screening and assessment process and matrix of best practices;

(d) Maintain the decision-making independence of designated mental health professionals;

(e) Except at the discretion of the secretary or as specified in the biennial budget, require ((~~regional support networks~~)) behavioral health organizations to pay the state for the costs associated with individuals who are being served on the grounds of the state hospitals and who are not receiving long-term inpatient care as defined in RCW 71.24.025;

(f) Include a negotiated alternative dispute resolution clause; and

(g) Include a provision requiring either party to provide one hundred eighty days' notice of any issue that may cause either party to voluntarily terminate, refuse to renew, or refuse to sign a mandatory amendment to the contract to act as a ((~~regional support network~~)) behavioral health organization. If either party decides to voluntarily terminate, refuse to renew, or refuse to sign a mandatory amendment to the contract to serve as a ((~~regional support network~~)) behavioral health organization they shall provide ninety days' advance notice in writing to the other party.

Sec. 52. RCW 71.24.360 and 2012 c 91 s 1 are each amended to read as follows:

(1) The department may establish new ((~~regional support network~~)) behavioral health organization boundaries in any part of the state:

(a) Where more than one ((~~network~~)) organization chooses not to respond to, or is unable to substantially meet the requirements of, the request for ((~~qualifications~~)) a detailed plan under RCW 71.24.320;

(b) Where a ((~~regional support network~~)) behavioral health organization is subject to reprocurement under RCW 71.24.330; or

(c) Where two or more ((~~regional support networks~~)) behavioral health organizations propose to reconfigure themselves to achieve consolidation, in which case the procurement process described in RCW 71.24.320 and 71.24.330(2) does not apply.

(2) The department may establish no fewer than six and no more than fourteen ((~~regional support networks~~)) behavioral health organizations under this chapter. No entity shall be responsible for more than three ((~~regional support networks~~)) behavioral health organizations.

Sec. 53. RCW 71.24.405 and 2001 c 323 s 19 are each amended to read as follows:

The department shall establish a comprehensive and collaborative effort within ((~~regional support networks~~)) behavioral health organizations and with local mental health service providers aimed at creating innovative and streamlined community mental health service delivery systems, in order to carry out the purposes set forth in RCW 71.24.400 and to capture the diversity of the community mental health service delivery system.

The department must accomplish the following:

(1) Identification, review, and cataloging of all rules, regulations, duplicative administrative and monitoring functions, and other requirements that currently lead to inefficiencies in the community mental health service delivery system and, if possible, eliminate the requirements;

(2) The systematic and incremental development of a single system of accountability for all federal, state, and local funds provided to the community mental health service delivery system. Systematic efforts should be made to include federal and local funds into the single system of accountability;

(3) The elimination of process regulations and related contract and reporting requirements. In place of the regulations and requirements, a set of outcomes for mental health adult and children clients according to chapter 71.24 RCW must be used to measure the performance of mental health service providers and ((~~regional support networks~~)) behavioral health organizations. Such outcomes shall focus on stabilizing out-of-home and hospital care, increasing stable community living, increasing age-appropriate activities, achieving family and consumer satisfaction with services, and system efficiencies;

(4) Evaluation of the feasibility of contractual agreements between the department of social and health services and ((~~regional support networks~~)) behavioral health organizations and mental health service providers that link financial incentives to the success or failure of mental health service providers and ((~~regional support networks~~)) behavioral health organizations to meet outcomes established for mental health service clients;

(5) The involvement of mental health consumers and their representatives. Mental health consumers and their representatives will be involved in the

development of outcome standards for mental health clients under section 5 of this act; and

(6) An independent evaluation component to measure the success of the department in fully implementing the provisions of RCW 71.24.400 and this section.

Sec. 54. RCW 71.24.430 and 2001 c 323 s 3 are each amended to read as follows:

(1) The department shall ensure the coordination of allied services for mental health clients. The department shall implement strategies for resolving organizational, regulatory, and funding issues at all levels of the system, including the state, the ((~~regional support networks~~)) behavioral health organizations, and local service providers.

(2) The department shall propose, in operating budget requests, transfers of funding among programs to support collaborative service delivery to persons who require services from multiple department programs. The department shall report annually to the appropriate committees of the senate and house of representatives on actions and projects it has taken to promote collaborative service delivery.

Sec. 55. RCW 74.09.522 and 2013 2nd sp.s. c 17 s 13 are each amended to read as follows:

(1) For the purposes of this section:

(a) "Managed health care system" means any health care organization, including health care providers, insurers, health care service contractors, health maintenance organizations, health insuring organizations, or any combination thereof, that provides directly or by contract health care services covered under this chapter and rendered by licensed providers, on a prepaid capitated basis and that meets the requirements of section 1903(m)(1)(A) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(b) "Nonparticipating provider" means a person, health care provider, practitioner, facility, or entity, acting within their scope of practice, that does not have a written contract to participate in a managed health care system's provider network, but provides health care services to enrollees of programs authorized under this chapter whose health care services are provided by the managed health care system.

(2) The authority shall enter into agreements with managed health care systems to provide health care services to recipients of temporary assistance for needy families under the following conditions:

(a) Agreements shall be made for at least thirty thousand recipients statewide;

(b) Agreements in at least one county shall include enrollment of all recipients of temporary assistance for needy families;

(c) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act, recipients shall have a choice of systems in which to enroll and shall have the right to terminate their enrollment in a system: PROVIDED, That the authority may limit recipient termination of enrollment without cause to the first month of

a period of enrollment, which period shall not exceed twelve months: AND PROVIDED FURTHER, That the authority shall not restrict a recipient's right to terminate enrollment in a system for good cause as established by the authority by rule;

(d) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act, participating managed health care systems shall not enroll a disproportionate number of medical assistance recipients within the total numbers of persons served by the managed health care systems, except as authorized by the authority under federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(e)(i) In negotiating with managed health care systems the authority shall adopt a uniform procedure to enter into contractual arrangements, to be included in contracts issued or renewed on or after January 1, 2015, including:

(A) Standards regarding the quality of services to be provided;

(B) The financial integrity of the responding system;

(C) Provider reimbursement methods that incentivize chronic care management within health homes, including comprehensive medication management services for patients with multiple chronic conditions consistent with the findings and goals established in RCW 74.09.5223;

(D) Provider reimbursement methods that reward health homes that, by using chronic care management, reduce emergency department and inpatient use;

(E) Promoting provider participation in the program of training and technical assistance regarding care of people with chronic conditions described in RCW 43.70.533, including allocation of funds to support provider participation in the training, unless the managed care system is an integrated health delivery system that has programs in place for chronic care management;

(F) Provider reimbursement methods within the medical billing processes that incentivize pharmacists or other qualified providers licensed in Washington state to provide comprehensive medication management services consistent with the findings and goals established in RCW 74.09.5223; ((~~and~~))

(G) Evaluation and reporting on the impact of comprehensive medication management services on patient clinical outcomes and total health care costs, including reductions in emergency department utilization, hospitalization, and drug costs; and

(H) Established consistent processes to incentivize integration of behavioral health services in the primary care setting, promoting care that is integrated, collaborative, co-located, and preventive.

(ii)(A) Health home services contracted for under this subsection may be prioritized to enrollees with complex, high cost, or multiple chronic conditions.

(B) Contracts that include the items in (e)(i)(C) through (G) of this subsection must not exceed the rates that would be paid in the absence of these provisions;

(f) The authority shall seek waivers from federal requirements as necessary to implement this chapter;

(g) The authority shall, wherever possible, enter into prepaid capitation contracts that include inpatient care. However, if this is not possible or feasible,

the authority may enter into prepaid capitation contracts that do not include inpatient care;

(h) The authority shall define those circumstances under which a managed health care system is responsible for out-of-plan services and assure that recipients shall not be charged for such services;

(i) Nothing in this section prevents the authority from entering into similar agreements for other groups of people eligible to receive services under this chapter; and

(j) The authority must consult with the federal center for medicare and medicaid innovation and seek funding opportunities to support health homes.

(3) The authority shall ensure that publicly supported community health centers and providers in rural areas, who show serious intent and apparent capability to participate as managed health care systems are seriously considered as contractors. The authority shall coordinate its managed care activities with activities under chapter 70.47 RCW.

(4) The authority shall work jointly with the state of Oregon and other states in this geographical region in order to develop recommendations to be presented to the appropriate federal agencies and the United States congress for improving health care of the poor, while controlling related costs.

(5) The legislature finds that competition in the managed health care marketplace is enhanced, in the long term, by the existence of a large number of managed health care system options for medicaid clients. In a managed care delivery system, whose goal is to focus on prevention, primary care, and improved enrollee health status, continuity in care relationships is of substantial importance, and disruption to clients and health care providers should be minimized. To help ensure these goals are met, the following principles shall guide the authority in its healthy options managed health care purchasing efforts:

(a) All managed health care systems should have an opportunity to contract with the authority to the extent that minimum contracting requirements defined by the authority are met, at payment rates that enable the authority to operate as far below appropriated spending levels as possible, consistent with the principles established in this section.

(b) Managed health care systems should compete for the award of contracts and assignment of medicaid beneficiaries who do not voluntarily select a contracting system, based upon:

(i) Demonstrated commitment to or experience in serving low-income populations;

(ii) Quality of services provided to enrollees;

(iii) Accessibility, including appropriate utilization, of services offered to enrollees;

(iv) Demonstrated capability to perform contracted services, including ability to supply an adequate provider network;

(v) Payment rates; and

(vi) The ability to meet other specifically defined contract requirements established by the authority, including consideration of past and current performance and participation in other state or federal health programs as a contractor.

(c) Consideration should be given to using multiple year contracting periods.

(d) Quality, accessibility, and demonstrated commitment to serving low-income populations shall be given significant weight in the contracting, evaluation, and assignment process.

(e) All contractors that are regulated health carriers must meet state minimum net worth requirements as defined in applicable state laws. The authority shall adopt rules establishing the minimum net worth requirements for contractors that are not regulated health carriers. This subsection does not limit the authority of the Washington state health care authority to take action under a contract upon finding that a contractor's financial status seriously jeopardizes the contractor's ability to meet its contract obligations.

(f) Procedures for resolution of disputes between the authority and contract bidders or the authority and contracting carriers related to the award of, or failure to award, a managed care contract must be clearly set out in the procurement document.

(6) The authority may apply the principles set forth in subsection (5) of this section to its managed health care purchasing efforts on behalf of clients receiving supplemental security income benefits to the extent appropriate.

(7) By April 1, 2016, any contract with a managed health care system to provide services to medical assistance enrollees shall require that managed health care systems offer contracts to behavioral health organizations, mental health providers, or chemical dependency treatment providers to provide access to primary care services integrated into behavioral health clinical settings, for individuals with behavioral health and medical comorbidities.

(8) Managed health care system contracts effective on or after April 1, 2016, shall serve geographic areas that correspond to the regional service areas established in section 2 of this act.

(9) A managed health care system shall pay a nonparticipating provider that provides a service covered under this chapter to the system's enrollee no more than the lowest amount paid for that service under the managed health care system's contracts with similar providers in the state.

((~~(8)~~)) (10) For services covered under this chapter to medical assistance or medical care services enrollees and provided on or after August 24, 2011, nonparticipating providers must accept as payment in full the amount paid by the managed health care system under subsection (7) of this section in addition to any deductible, coinsurance, or copayment that is due from the enrollee for the service provided. An enrollee is not liable to any nonparticipating provider for covered services, except for amounts due for any deductible, coinsurance, or copayment under the terms and conditions set forth in the managed health care system contract to provide services under this section.

((~~(9)~~)) (11) Pursuant to federal managed care access standards, 42 C.F.R. Sec. 438, managed health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the authority, including hospital-based physician services. The authority will monitor and periodically report on the proportion of services provided by contracted providers and nonparticipating providers, by county, for each managed health care system to ensure that managed health care systems are meeting network adequacy requirements. No later than January 1st of each year, the authority will review

and report its findings to the appropriate policy and fiscal committees of the legislature for the preceding state fiscal year.

(((~~(10)~~))) (12) Payments under RCW 74.60.130 are exempt from this section.

(((~~(11)~~))) (13) Subsections (((~~(7)~~))) (9) through (((~~(9)~~))) (11) of this section expire July 1, 2016.

Sec. 56. RCW 9.41.280 and 2009 c 453 s 1 are each amended to read as follows:

(1) It is unlawful for a person to carry onto, or to possess on, public or private elementary or secondary school premises, school-provided transportation, or areas of facilities while being used exclusively by public or private schools:

(a) Any firearm;

(b) Any other dangerous weapon as defined in RCW 9.41.250;

(c) Any device commonly known as "nun-chu-ka sticks", consisting of two or more lengths of wood, metal, plastic, or similar substance connected with wire, rope, or other means;

(d) Any device, commonly known as "throwing stars", which are multi-pointed, metal objects designed to embed upon impact from any aspect;

(e) Any air gun, including any air pistol or air rifle, designed to propel a BB, pellet, or other projectile by the discharge of compressed air, carbon dioxide, or other gas; or

(f)(i) Any portable device manufactured to function as a weapon and which is commonly known as a stun gun, including a projectile stun gun which projects wired probes that are attached to the device that emit an electrical charge designed to administer to a person or an animal an electric shock, charge, or impulse; or

(ii) Any device, object, or instrument which is used or intended to be used as a weapon with the intent to injure a person by an electric shock, charge, or impulse.

(2) Any such person violating subsection (1) of this section is guilty of a gross misdemeanor. If any person is convicted of a violation of subsection (1)(a) of this section, the person shall have his or her concealed pistol license, if any revoked for a period of three years. Anyone convicted under this subsection is prohibited from applying for a concealed pistol license for a period of three years. The court shall send notice of the revocation to the department of licensing, and the city, town, or county which issued the license.

Any violation of subsection (1) of this section by elementary or secondary school students constitutes grounds for expulsion from the state's public schools in accordance with RCW 28A.600.010. An appropriate school authority shall promptly notify law enforcement and the student's parent or guardian regarding any allegation or indication of such violation.

Upon the arrest of a person at least twelve years of age and not more than twenty-one years of age for violating subsection (1)(a) of this section, the person shall be detained or confined in a juvenile or adult facility for up to seventy-two hours. The person shall not be released within the seventy-two hours until after the person has been examined and evaluated by the designated mental health professional unless the court in its discretion releases the person sooner after a determination regarding probable cause or on probation bond or bail.

Within twenty-four hours of the arrest, the arresting law enforcement agency shall refer the person to the designated mental health professional for examination and evaluation under chapter 71.05 or 71.34 RCW and inform a parent or guardian of the person of the arrest, detention, and examination. The designated mental health professional shall examine and evaluate the person subject to the provisions of chapter 71.05 or 71.34 RCW. The examination shall occur at the facility in which the person is detained or confined. If the person has been released on probation, bond, or bail, the examination shall occur wherever is appropriate.

The designated mental health professional may determine whether to refer the person to the county-designated chemical dependency specialist for examination and evaluation in accordance with chapter 70.96A RCW. The county-designated chemical dependency specialist shall examine the person subject to the provisions of chapter 70.96A RCW. The examination shall occur at the facility in which the person is detained or confined. If the person has been released on probation, bond, or bail, the examination shall occur wherever is appropriate.

Upon completion of any examination by the designated mental health professional or the county-designated chemical dependency specialist, the results of the examination shall be sent to the court, and the court shall consider those results in making any determination about the person.

The designated mental health professional and county-designated chemical dependency specialist shall, to the extent permitted by law, notify a parent or guardian of the person that an examination and evaluation has taken place and the results of the examination. Nothing in this subsection prohibits the delivery of additional, appropriate mental health examinations to the person while the person is detained or confined.

If the designated mental health professional determines it is appropriate, the designated mental health professional may refer the person to the local ((~~regional support network~~)) behavioral health organization for follow-up services or the department of social and health services or other community providers for other services to the family and individual.

(3) Subsection (1) of this section does not apply to:

(a) Any student or employee of a private military academy when on the property of the academy;

(b) Any person engaged in military, law enforcement, or school district security activities. However, a person who is not a commissioned law enforcement officer and who provides school security services under the direction of a school administrator may not possess a device listed in subsection (1)(f) of this section unless he or she has successfully completed training in the use of such devices that is equivalent to the training received by commissioned law enforcement officers;

(c) Any person who is involved in a convention, showing, demonstration, lecture, or firearms safety course authorized by school authorities in which the firearms of collectors or instructors are handled or displayed;

(d) Any person while the person is participating in a firearms or air gun competition approved by the school or school district;

(e) Any person in possession of a pistol who has been issued a license under RCW 9.41.070, or is exempt from the licensing requirement by RCW 9.41.060, while picking up or dropping off a student;

(f) Any nonstudent at least eighteen years of age legally in possession of a firearm or dangerous weapon that is secured within an attended vehicle or concealed from view within a locked unattended vehicle while conducting legitimate business at the school;

(g) Any nonstudent at least eighteen years of age who is in lawful possession of an unloaded firearm, secured in a vehicle while conducting legitimate business at the school; or

(h) Any law enforcement officer of the federal, state, or local government agency.

(4) Subsections (1)(c) and (d) of this section do not apply to any person who possesses nun-chu-ka sticks, throwing stars, or other dangerous weapons to be used in martial arts classes authorized to be conducted on the school premises.

(5) Subsection (1)(f)(i) of this section does not apply to any person who possesses a device listed in subsection (1)(f)(i) of this section, if the device is possessed and used solely for the purpose approved by a school for use in a school authorized event, lecture, or activity conducted on the school premises.

(6) Except as provided in subsection (3)(b), (c), (f), and (h) of this section, firearms are not permitted in a public or private school building.

(7) "GUN-FREE ZONE" signs shall be posted around school facilities giving warning of the prohibition of the possession of firearms on school grounds.

Sec. 57. RCW 10.31.110 and 2011 c 305 s 7 and 2011 c 148 s 3 are each reenacted and amended to read as follows:

(1) When a police officer has reasonable cause to believe that the individual has committed acts constituting a nonfelony crime that is not a serious offense as identified in RCW 10.77.092 and the individual is known by history or consultation with the ((~~regional support network~~)) behavioral health organization to suffer from a mental disorder, the arresting officer may:

(a) Take the individual to a crisis stabilization unit as defined in RCW 71.05.020(6). Individuals delivered to a crisis stabilization unit pursuant to this section may be held by the facility for a period of up to twelve hours. The individual must be examined by a mental health professional within three hours of arrival;

(b) Take the individual to a triage facility as defined in RCW 71.05.020. An individual delivered to a triage facility which has elected to operate as an involuntary facility may be held up to a period of twelve hours. The individual must be examined by a mental health professional within three hours of arrival;

(c) Refer the individual to a mental health professional for evaluation for initial detention and proceeding under chapter 71.05 RCW; or

(d) Release the individual upon agreement to voluntary participation in outpatient treatment.

(2) If the individual is released to the community, the mental health provider shall inform the arresting officer of the release within a reasonable period of time after the release if the arresting officer has specifically requested notification and provided contact information to the provider.

(3) In deciding whether to refer the individual to treatment under this section, the police officer shall be guided by standards mutually agreed upon with the prosecuting authority, which address, at a minimum, the length, seriousness, and recency of the known criminal history of the individual, the mental health history of the individual, where available, and the circumstances surrounding the commission of the alleged offense.

(4) Any agreement to participate in treatment shall not require individuals to stipulate to any of the alleged facts regarding the criminal activity as a prerequisite to participation in a mental health treatment alternative. The agreement is inadmissible in any criminal or civil proceeding. The agreement does not create immunity from prosecution for the alleged criminal activity.

(5) If an individual violates such agreement and the mental health treatment alternative is no longer appropriate:

(a) The mental health provider shall inform the referring law enforcement agency of the violation; and

(b) The original charges may be filed or referred to the prosecutor, as appropriate, and the matter may proceed accordingly.

(6) The police officer is immune from liability for any good faith conduct under this section.

Sec. 58. RCW 10.77.010 and 2011 c 89 s 4 are each amended to read as follows:

As used in this chapter:

(1) "Admission" means acceptance based on medical necessity, of a person as a patient.

(2) "Commitment" means the determination by a court that a person should be detained for a period of either evaluation or treatment, or both, in an inpatient or a less-restrictive setting.

(3) "Conditional release" means modification of a court-ordered commitment, which may be revoked upon violation of any of its terms.

(4) A "criminally insane" person means any person who has been acquitted of a crime charged by reason of insanity, and thereupon found to be a substantial danger to other persons or to present a substantial likelihood of committing criminal acts jeopardizing public safety or security unless kept under further control by the court or other persons or institutions.

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

(6) "Designated mental health professional" has the same meaning as provided in RCW 71.05.020.

(7) "Detention" or "detain" means the lawful confinement of a person, under the provisions of this chapter, pending evaluation.

(8) "Developmental disabilities professional" means a person who has specialized training and three years of experience in directly treating or working with persons with developmental disabilities and is a psychiatrist or psychologist, or a social worker, and such other developmental disabilities professionals as may be defined by rules adopted by the secretary.

(9) "Developmental disability" means the condition as defined in RCW 71A.10.020((~~(3)~~))(4).

(10) "Discharge" means the termination of hospital medical authority. The commitment may remain in place, be terminated, or be amended by court order.

(11) "Furlough" means an authorized leave of absence for a resident of a state institution operated by the department designated for the custody, care, and treatment of the criminally insane, consistent with an order of conditional release from the court under this chapter, without any requirement that the resident be accompanied by, or be in the custody of, any law enforcement or institutional staff, while on such unescorted leave.

(12) "Habilitative services" means those services provided by program personnel to assist persons in acquiring and maintaining life skills and in raising their levels of physical, mental, social, and vocational functioning. Habilitative services include education, training for employment, and therapy. The habilitative process shall be undertaken with recognition of the risk to the public safety presented by the person being assisted as manifested by prior charged criminal conduct.

(13) "History of one or more violent acts" means violent acts committed during: (a) The ten-year period of time prior to the filing of criminal charges; plus (b) the amount of time equal to time spent during the ten-year period in a mental health facility or in confinement as a result of a criminal conviction.

(14) "Immediate family member" means a spouse, child, stepchild, parent, stepparent, grandparent, sibling, or domestic partner.

(15) "Incompetency" means a person lacks the capacity to understand the nature of the proceedings against him or her or to assist in his or her own defense as a result of mental disease or defect.

(16) "Indigent" means any person who is financially unable to obtain counsel or other necessary expert or professional services without causing substantial hardship to the person or his or her family.

(17) "Individualized service plan" means a plan prepared by a developmental disabilities professional with other professionals as a team, for an individual with developmental disabilities, which shall state:

(a) The nature of the person's specific problems, prior charged criminal behavior, and habilitation needs;

(b) The conditions and strategies necessary to achieve the purposes of habilitation;

(c) The intermediate and long-range goals of the habilitation program, with a projected timetable for the attainment;

(d) The rationale for using this plan of habilitation to achieve those intermediate and long-range goals;

(e) The staff responsible for carrying out the plan;

(f) Where relevant in light of past criminal behavior and due consideration for public safety, the criteria for proposed movement to less-restrictive settings, criteria for proposed eventual release, and a projected possible date for release; and

(g) The type of residence immediately anticipated for the person and possible future types of residences.

(18) "Professional person" means:

(a) A psychiatrist licensed as a physician and surgeon in this state who has, in addition, completed three years of graduate training in psychiatry in a program approved by the American medical association or the American osteopathic association and is certified or eligible to be certified by the

American board of psychiatry and neurology or the American osteopathic board of neurology and psychiatry;

(b) A psychologist licensed as a psychologist pursuant to chapter 18.83 RCW; or

(c) A social worker with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010.

(19) "Registration records" include all the records of the department, ((~~regional support networks~~)) behavioral health organizations, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify persons who are receiving or who at any time have received services for mental illness.

(20) "Release" means legal termination of the court-ordered commitment under the provisions of this chapter.

(21) "Secretary" means the secretary of the department of social and health services or his or her designee.

(22) "Treatment" means any currently standardized medical or mental health procedure including medication.

(23) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others.

(24) "Violent act" means behavior that: (a)(i) Resulted in; (ii) if completed as intended would have resulted in; or (iii) was threatened to be carried out by a person who had the intent and opportunity to carry out the threat and would have resulted in, homicide, nonfatal injuries, or substantial damage to property; or (b) recklessly creates an immediate risk of serious physical injury to another person. As used in this subsection, "nonfatal injuries" means physical pain or injury, illness, or an impairment of physical condition. "Nonfatal injuries" shall be construed to be consistent with the definition of "bodily injury," as defined in RCW 9A.04.110.

Sec. 59. RCW 10.77.065 and 2013 c 214 s 1 are each amended to read as follows:

(1)(a)(i) The expert conducting the evaluation shall provide his or her report and recommendation to the court in which the criminal proceeding is pending. For a competency evaluation of a defendant who is released from custody, if the evaluation cannot be completed within twenty-one days due to a lack of cooperation by the defendant, the evaluator shall notify the court that he or she is unable to complete the evaluation because of such lack of cooperation.

(ii) A copy of the report and recommendation shall be provided to the designated mental health professional, the prosecuting attorney, the defense attorney, and the professional person at the local correctional facility where the defendant is being held, or if there is no professional person, to the person designated under (a)(iv) of this subsection. Upon request, the evaluator shall

also provide copies of any source documents relevant to the evaluation to the designated mental health professional.

(iii) Any facility providing inpatient services related to competency shall discharge the defendant as soon as the facility determines that the defendant is competent to stand trial. Discharge shall not be postponed during the writing and distribution of the evaluation report. Distribution of an evaluation report by a facility providing inpatient services shall ordinarily be accomplished within two working days or less following the final evaluation of the defendant. If the defendant is discharged to the custody of a local correctional facility, the local correctional facility must continue the medication regimen prescribed by the facility, when clinically appropriate, unless the defendant refuses to cooperate with medication.

(iv) If there is no professional person at the local correctional facility, the local correctional facility shall designate a professional person as defined in RCW 71.05.020 or, in cooperation with the ((~~regional support network~~)) behavioral health organization, a professional person at the ((~~regional support network~~)) behavioral health organization to receive the report and recommendation.

(v) Upon commencement of a defendant's evaluation in the local correctional facility, the local correctional facility must notify the evaluator of the name of the professional person, or person designated under (a)(iv) of this subsection, to receive the report and recommendation.

(b) If the evaluator concludes, under RCW 10.77.060(3)(f), the person should be evaluated by a designated mental health professional under chapter 71.05 RCW, the court shall order such evaluation be conducted prior to release from confinement when the person is acquitted or convicted and sentenced to confinement for twenty-four months or less, or when charges are dismissed pursuant to a finding of incompetent to stand trial.

(2) The designated mental health professional shall provide written notification within twenty-four hours of the results of the determination whether to commence proceedings under chapter 71.05 RCW. The notification shall be provided to the persons identified in subsection (1)(a) of this section.

(3) The prosecuting attorney shall provide a copy of the results of any proceedings commenced by the designated mental health professional under subsection (2) of this section to the secretary.

(4) A facility conducting a civil commitment evaluation under RCW 10.77.086(4) or 10.77.088(1)(b)(ii) that makes a determination to release the person instead of filing a civil commitment petition must provide written notice to the prosecutor and defense attorney at least twenty-four hours prior to release. The notice may be given by electronic mail, facsimile, or other means reasonably likely to communicate the information immediately.

(5) The fact of admission and all information and records compiled, obtained, or maintained in the course of providing services under this chapter may also be disclosed to the courts solely to prevent the entry of any evaluation or treatment order that is inconsistent with any order entered under chapter 71.05 RCW.

Sec. 60. RCW 28A.310.202 and 2007 c 359 s 9 are each amended to read as follows:

Educational service district boards may partner with ((~~regional support networks~~)) behavioral health organizations to respond to a request for proposal for operation of a wraparound model site under chapter 359, Laws of 2007 and, if selected, may contract for the provision of services to coordinate care and facilitate the delivery of services and other supports under a wraparound model.

Sec. 61. RCW 43.185.060 and 1994 c 160 s 2 are each amended to read as follows:

Organizations that may receive assistance from the department under this chapter are local governments, local housing authorities, ((~~regional support networks~~)) behavioral health organizations established under chapter 71.24 RCW, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations.

Eligibility for assistance from the department under this chapter also requires compliance with the revenue and taxation laws, as applicable to the recipient, at the time the grant is made.

Sec. 62. RCW 43.185.070 and 2013 c 145 s 3 are each amended to read as follows:

(1) During each calendar year in which funds from the housing trust fund or other legislative appropriations are available for use by the department for the housing assistance program, the department must announce to all known interested parties, and through major media throughout the state, a grant and loan application period of at least ninety days' duration. This announcement must be made as often as the director deems appropriate for proper utilization of resources. The department must then promptly grant as many applications as will utilize available funds less appropriate administrative costs of the department as provided in RCW 43.185.050.

(2) In awarding funds under this chapter, the department must:

(a) Provide for a geographic distribution on a statewide basis; and

(b) Until June 30, 2013, consider the total cost and per-unit cost of each project for which an application is submitted for funding under RCW 43.185.050(2) (a) and (j), as compared to similar housing projects constructed or renovated within the same geographic area.

(3) The department, with advice and input from the affordable housing advisory board established in RCW 43.185B.020, or a subcommittee of the affordable housing advisory board, must report recommendations for awarding funds in a cost-effective manner. The report must include an implementation plan, timeline, and any other items the department identifies as important to consider to the legislature by December 1, 2012.

(4) The department must give first priority to applications for projects and activities which utilize existing privately owned housing stock including privately owned housing stock purchased by nonprofit public development authorities and public housing authorities as created in chapter 35.82 RCW. As used in this subsection, privately owned housing stock includes housing that is acquired by a federal agency through a default on the mortgage by the private owner. Such projects and activities must be evaluated under subsection (5) of this section. Second priority must be given to activities and projects which utilize existing publicly owned housing stock. All projects and activities must

be evaluated by some or all of the criteria under subsection (5) of this section, and similar projects and activities shall be evaluated under the same criteria.

(5) The department must give preference for applications based on some or all of the criteria under this subsection, and similar projects and activities must be evaluated under the same criteria:

(a) The degree of leveraging of other funds that will occur;

(b) The degree of commitment from programs to provide necessary habilitation and support services for projects focusing on special needs populations;

(c) Recipient contributions to total project costs, including allied contributions from other sources such as professional, craft and trade services, and lender interest rate subsidies;

(d) Local government project contributions in the form of infrastructure improvements, and others;

(e) Projects that encourage ownership, management, and other project-related responsibility opportunities;

(f) Projects that demonstrate a strong probability of serving the original target group or income level for a period of at least twenty-five years;

(g) The applicant has the demonstrated ability, stability and resources to implement the project;

(h) Projects which demonstrate serving the greatest need;

(i) Projects that provide housing for persons and families with the lowest incomes;

(j) Projects serving special needs populations which are under statutory mandate to develop community housing;

(k) Project location and access to employment centers in the region or area;

(l) Projects that provide employment and training opportunities for disadvantaged youth under a youthbuild or youthbuild-type program as defined in RCW 50.72.020; and

(m) Project location and access to available public transportation services.

(6) The department may only approve applications for projects for persons with mental illness that are consistent with a ((~~regional support network~~)) behavioral health organization six-year capital and operating plan.

Sec. 63. RCW 43.185.110 and 1993 c 478 s 15 are each amended to read as follows:

The affordable housing advisory board established in RCW 43.185B.020 shall advise the director on housing needs in this state, including housing needs for persons ((~~who are mentally ill or developmentally disabled~~)) with mental illness or developmental disabilities or youth who are blind or deaf or otherwise disabled, operational aspects of the grant and loan program or revenue collection programs established by this chapter, and implementation of the policy and goals of this chapter. Such advice shall be consistent with policies and plans developed by ((~~regional support networks~~)) behavioral health organizations according to chapter 71.24 RCW for ((~~the mentally ill~~)) individuals with mental illness and the developmental disabilities planning council for ((~~the developmentally disabled~~)) individuals with developmental disabilities.

Sec. 64. RCW 43.20A.895 and 2013 c 338 s 2 are each amended to read as follows:

(1) The systems responsible for financing, administration, and delivery of publicly funded mental health and chemical dependency services to adults must be designed and administered to achieve improved outcomes for adult clients served by those systems through increased use and development of evidence-based, research-based, and promising practices, as defined in RCW 71.24.025. For purposes of this section, client outcomes include: Improved health status; increased participation in employment and education; reduced involvement with the criminal justice system; enhanced safety and access to treatment for forensic patients; reduction in avoidable utilization of and costs associated with hospital, emergency room, and crisis services; increased housing stability; improved quality of life, including measures of recovery and resilience; and decreased population level disparities in access to treatment and treatment outcomes.

(2) The department and the health care authority must implement a strategy for the improvement of the adult behavioral health system.

(a) The department must establish a steering committee that includes at least the following members: Behavioral health service recipients and their families; local government; representatives of ((~~regional support networks~~)) behavioral health organizations; representatives of county coordinators; law enforcement; city and county jails; tribal representatives; behavioral health service providers, including at least one chemical dependency provider and at least one psychiatric advanced registered nurse practitioner; housing providers; medicaid managed care plan representatives; long-term care service providers; organizations representing health care professionals providing services in mental health settings; the Washington state hospital association; the Washington state medical association; individuals with expertise in evidence-based and research-based behavioral health service practices; and the health care authority.

(b) The adult behavioral health system improvement strategy must include:

(i) An assessment of the capacity of the current publicly funded behavioral health services system to provide evidence-based, research-based, and promising practices;

(ii) Identification, development, and increased use of evidence-based, research-based, and promising practices;

(iii) Design and implementation of a transparent quality management system, including analysis of current system capacity to implement outcomes reporting and development of baseline and improvement targets for each outcome measure provided in this section;

(iv) Identification and phased implementation of service delivery, financing, or other strategies that will promote improvement of the behavioral health system as described in this section and incentivize the medical care, behavioral health, and long-term care service delivery systems to achieve the improvements described in this section and collaborate across systems. The strategies must include phased implementation of public reporting of outcome and performance measures in a form that allows for comparison of performance and levels of improvement between geographic regions of Washington; and

(v) Identification of effective methods for promoting workforce capacity, efficiency, stability, diversity, and safety.

(c) The department must seek private foundation and federal grant funding to support the adult behavioral health system improvement strategy.

(d) By May 15, 2014, the Washington state institute for public policy, in consultation with the department, the University of Washington evidence-based practice institute, the University of Washington alcohol and drug abuse institute, and the Washington institute for mental health research and training, shall prepare an inventory of evidence-based, research-based, and promising practices for prevention and intervention services pursuant to subsection (1) of this section. The department shall use the inventory in preparing the behavioral health improvement strategy. The department shall provide the institute with data necessary to complete the inventory.

(e) By August 1, 2014, the department must report to the governor and the relevant fiscal and policy committees of the legislature on the status of implementation of the behavioral health improvement strategy, including strategies developed or implemented to date, timelines, and costs to accomplish phased implementation of the adult behavioral health system improvement strategy.

(3) The department must contract for the services of an independent consultant to review the provision of forensic mental health services in Washington state and provide recommendations as to whether and how the state's forensic mental health system should be modified to provide an appropriate treatment environment for individuals with mental disorders who have been charged with a crime while enhancing the safety and security of the public and other patients and staff at forensic treatment facilities. By August 1, 2014, the department must submit a report regarding the recommendations of the independent consultant to the governor and the relevant fiscal and policy committees of the legislature.

Sec. 65. RCW 43.20A.897 and 2013 c 338 s 7 are each amended to read as follows:

(1) By November 30, 2013, the department and the health care authority must report to the governor and the relevant fiscal and policy committees of the legislature, consistent with RCW 43.01.036, a plan that establishes a tribal-centric behavioral health system incorporating both mental health and chemical dependency services. The plan must assure that child, adult, and older adult American Indians and Alaskan Natives eligible for medicaid have increased access to culturally appropriate mental health and chemical dependency services. The plan must:

(a) Include implementation dates, major milestones, and fiscal estimates as needed;

(b) Emphasize the use of culturally appropriate evidence-based and promising practices;

(c) Address equitable access to crisis services, outpatient care, voluntary and involuntary hospitalization, and behavioral health care coordination;

(d) Identify statutory changes necessary to implement the tribal-centric behavioral health system; and

(e) Be developed with the department's Indian policy advisory committee and the American Indian health commission, in consultation with Washington's federally recognized tribes.

(2) The department shall enter into agreements with the tribes and urban Indian health programs and modify ((~~regional support network~~)) behavioral

health organization contracts as necessary to develop a tribal-centric behavioral health system that better serves the needs of the tribes.

Sec. 66. RCW 43.20C.020 and 2012 c 232 s 3 are each amended to read as follows:

The department of social and health services shall accomplish the following in consultation and collaboration with the Washington state institute for public policy, the evidence-based practice institute at the University of Washington, a university-based child welfare partnership and research entity, other national experts in the delivery of evidence-based services, and organizations representing Washington practitioners:

(1) By September 30, 2012, the Washington state institute for public policy, the University of Washington evidence-based practice institute, in consultation with the department shall publish descriptive definitions of evidence-based, research-based, and promising practices in the areas of child welfare, juvenile rehabilitation, and children's mental health services.

(a) In addition to descriptive definitions, the Washington state institute for public policy and the University of Washington evidence-based practice institute must prepare an inventory of evidence-based, research-based, and promising practices for prevention and intervention services that will be used for the purpose of completing the baseline assessment described in subsection (2) of this section. The inventory shall be periodically updated as more practices are identified.

(b) In identifying evidence-based and research-based services, the Washington state institute for public policy and the University of Washington evidence-based practice institute must:

(i) Consider any available systemic evidence-based assessment of a program's efficacy and cost-effectiveness; and

(ii) Attempt to identify assessments that use valid and reliable evidence.

(c) Using state, federal, or private funds, the department shall prioritize the assessment of promising practices identified in (a) of this subsection with the goal of increasing the number of such practices that meet the standards for evidence-based and research-based practices.

(2) By June 30, 2013, the department and the health care authority shall complete a baseline assessment of utilization of evidence-based and research-based practices in the areas of child welfare, juvenile rehabilitation, and children's mental health services. The assessment must include prevention and intervention services provided through medicaid fee-for-service and healthy options managed care contracts. The assessment shall include estimates of:

(a) The number of children receiving each service;

(b) For juvenile rehabilitation and child welfare services, the total amount of state and federal funds expended on the service;

(c) For children's mental health services, the number and percentage of encounters using these services that are provided to children served by ((~~regional support networks~~)) behavioral health organizations and children receiving mental health services through medicaid fee-for-service or healthy options;

(d) The relative availability of the service in the various regions of the state; and

(e) To the extent possible, the unmet need for each service.

(3)(a) By December 30, 2013, the department and the health care authority shall report to the governor and to the appropriate fiscal and policy committees of the legislature on recommended strategies, timelines, and costs for increasing the use of evidence-based and research-based practices. The report must distinguish between a reallocation of existing funding to support the recommended strategies and new funding needed to increase the use of the practices.

(b) The department shall provide updated recommendations to the governor and the legislature by December 30, 2014, and by December 30, 2015.

(4)(a) The report required under subsection (3) of this section must include recommendations for the reallocation of resources for evidence-based and research-based practices and substantial increases above the baseline assessment of the use of evidence-based and research-based practices for the 2015-2017 and the 2017-2019 biennia. The recommendations for increases shall be consistent with subsection (2) of this section.

(b) If the department or health care authority anticipates that it will not meet its recommended levels for an upcoming biennium as set forth in its report, it must report to the legislature by November 1st of the year preceding the biennium. The report shall include:

(i) The identified impediments to meeting the recommended levels;

(ii) The current and anticipated performance level; and

(iii) Strategies that will be undertaken to improve performance.

(5) Recommendations made pursuant to subsections (3) and (4) of this section must include strategies to identify programs that are effective with ethnically diverse clients and to consult with tribal governments, experts within ethnically diverse communities, and community organizations that serve diverse communities.

Sec. 67. RCW 43.20C.030 and 2012 c 232 s 4 are each amended to read as follows:

The department of social and health services, in consultation with a university-based evidence-based practice institute entity in Washington, the Washington partnership council on juvenile justice, the child mental health systems of care planning committee, the children, youth, and family advisory committee, the Washington state racial disproportionality advisory committee, a university-based child welfare research entity in Washington state, ((~~regional support networks~~)) behavioral health organizations, the Washington association of juvenile court administrators, and the Washington state institute for public policy, shall:

(1) Develop strategies to use unified and coordinated case plans for children, youth, and their families who are or are likely to be involved in multiple systems within the department;

(2) Use monitoring and quality control procedures designed to measure fidelity with evidence-based and research-based prevention and treatment programs; and

(3) Utilize any existing data reporting and system of quality management processes at the state and local level for monitoring the quality control and fidelity of the implementation of evidence-based and research-based practices.

Sec. 68. RCW 44.28.800 and 1998 c 297 s 61 are each amended to read as follows:

The joint legislative audit and review committee shall conduct an evaluation of the efficiency and effectiveness of chapter 297, Laws of 1998 in meeting its stated goals. Such an evaluation shall include the operation of the state mental hospitals and the ((~~regional support networks~~)) behavioral health organizations, as well as any other appropriate entity. The joint legislative audit and review committee shall prepare an interim report of its findings which shall be delivered to the appropriate legislative committees of the house of representatives and the senate no later than September 1, 2000. In addition, the joint legislative audit and review committee shall prepare a final report of its findings which shall be delivered to the appropriate legislative committees of the house of representatives and the senate no later than January 1, 2001.

Sec. 69. RCW 48.01.220 and 1993 c 462 s 104 are each amended to read as follows:

The activities and operations of mental health ((~~regional support networks~~)) behavioral health organizations, to the extent they pertain to the operation of a medical assistance managed care system in accordance with chapters 71.24 and 74.09 RCW, are exempt from the requirements of this title.

Sec. 70. RCW 70.02.010 and 2013 c 200 s 1 are each amended to read as follows:

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

(1) "Admission" has the same meaning as in RCW 71.05.020.

(2) "Audit" means an assessment, evaluation, determination, or investigation of a health care provider by a person not employed by or affiliated with the provider to determine compliance with:

(a) Statutory, regulatory, fiscal, medical, or scientific standards;

(b) A private or public program of payments to a health care provider; or

(c) Requirements for licensing, accreditation, or certification.

(3) "Commitment" has the same meaning as in RCW 71.05.020.

(4) "Custody" has the same meaning as in RCW 71.05.020.

(5) "Deidentified" means health information that does not identify an individual and with respect to which there is no reasonable basis to believe that the information can be used to identify an individual.

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

(7) "Designated mental health professional" has the same meaning as in RCW 71.05.020 or 71.34.020, as applicable.

(8) "Detention" or "detain" has the same meaning as in RCW 71.05.020.

(9) "Directory information" means information disclosing the presence, and for the purpose of identification, the name, location within a health care facility, and the general health condition of a particular patient who is a patient in a health care facility or who is currently receiving emergency health care in a health care facility.

(10) "Discharge" has the same meaning as in RCW 71.05.020.

(11) "Evaluation and treatment facility" has the same meaning as in RCW 71.05.020 or 71.34.020, as applicable.

(12) "Federal, state, or local law enforcement authorities" means an officer of any agency or authority in the United States, a state, a tribe, a territory, or a political subdivision of a state, a tribe, or a territory who is empowered by law to: (a) Investigate or conduct an official inquiry into a potential criminal violation of law; or (b) prosecute or otherwise conduct a criminal proceeding arising from an alleged violation of law.

(13) "General health condition" means the patient's health status described in terms of "critical," "poor," "fair," "good," "excellent," or terms denoting similar conditions.

(14) "Health care" means any care, service, or procedure provided by a health care provider:

(a) To diagnose, treat, or maintain a patient's physical or mental condition; or

(b) That affects the structure or any function of the human body.

(15) "Health care facility" means a hospital, clinic, nursing home, laboratory, office, or similar place where a health care provider provides health care to patients.

(16) "Health care information" means any information, whether oral or recorded in any form or medium, that identifies or can readily be associated with the identity of a patient and directly relates to the patient's health care, including a patient's deoxyribonucleic acid and identified sequence of chemical base pairs. The term includes any required accounting of disclosures of health care information.

(17) "Health care operations" means any of the following activities of a health care provider, health care facility, or third-party payor to the extent that the activities are related to functions that make an entity a health care provider, a health care facility, or a third-party payor:

(a) Conducting: Quality assessment and improvement activities, including outcomes evaluation and development of clinical guidelines, if the obtaining of generalizable knowledge is not the primary purpose of any studies resulting from such activities; population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, contacting of health care providers and patients with information about treatment alternatives; and related functions that do not include treatment;

(b) Reviewing the competence or qualifications of health care professionals, evaluating practitioner and provider performance and third-party payor performance, conducting training programs in which students, trainees, or practitioners in areas of health care learn under supervision to practice or improve their skills as health care providers, training of nonhealth care professionals, accreditation, certification, licensing, or credentialing activities;

(c) Underwriting, premium rating, and other activities relating to the creation, renewal, or replacement of a contract of health insurance or health benefits, and ceding, securing, or placing a contract for reinsurance of risk relating to claims for health care, including stop-loss insurance and excess of loss insurance, if any applicable legal requirements are met;

(d) Conducting or arranging for medical review, legal services, and auditing functions, including fraud and abuse detection and compliance programs;

(e) Business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating

the health care facility or third-party payor, including formulary development and administration, development, or improvement of methods of payment or coverage policies; and

(f) Business management and general administrative activities of the health care facility, health care provider, or third-party payor including, but not limited to:

(i) Management activities relating to implementation of and compliance with the requirements of this chapter;

(ii) Customer service, including the provision of data analyses for policy holders, plan sponsors, or other customers, provided that health care information is not disclosed to such policy holder, plan sponsor, or customer;

(iii) Resolution of internal grievances;

(iv) The sale, transfer, merger, or consolidation of all or part of a health care provider, health care facility, or third-party payor with another health care provider, health care facility, or third-party payor or an entity that following such activity will become a health care provider, health care facility, or third-party payor, and due diligence related to such activity; and

(v) Consistent with applicable legal requirements, creating deidentified health care information or a limited dataset for the benefit of the health care provider, health care facility, or third-party payor.

(18) "Health care provider" means a person who is licensed, certified, registered, or otherwise authorized by the law of this state to provide health care in the ordinary course of business or practice of a profession.

(19) "Human immunodeficiency virus" or "HIV" has the same meaning as in RCW 70.24.017.

(20) "Imminent" has the same meaning as in RCW 71.05.020.

(21) "Information and records related to mental health services" means a type of health care information that relates to all information and records, including mental health treatment records, compiled, obtained, or maintained in the course of providing services by a mental health service agency, as defined in this section. This may include documents of legal proceedings under chapter 71.05, 71.34, or 10.77 RCW, or somatic health care information. For health care information maintained by a hospital as defined in RCW 70.41.020 or a health care facility or health care provider that participates with a hospital in an organized health care arrangement defined under federal law, "information and records related to mental health services" is limited to information and records of services provided by a mental health professional or information and records of services created by a hospital-operated community mental health program as defined in RCW 71.24.025(6).

(22) "Information and records related to sexually transmitted diseases" means a type of health care information that relates to the identity of any person upon whom an HIV antibody test or other sexually transmitted infection test is performed, the results of such tests, and any information relating to diagnosis of or treatment for any confirmed sexually transmitted infections.

(23) "Institutional review board" means any board, committee, or other group formally designated by an institution, or authorized under federal or state law, to review, approve the initiation of, or conduct periodic review of research programs to assure the protection of the rights and welfare of human research subjects.

(24) "Legal counsel" has the same meaning as in RCW 71.05.020.

(25) "Local public health officer" has the same meaning as in RCW 70.24.017.

(26) "Maintain," as related to health care information, means to hold, possess, preserve, retain, store, or control that information.

(27) "Mental health professional" has the same meaning as in RCW 71.05.020.

(28) "Mental health service agency" means a public or private agency that provides services to persons with mental disorders as defined under RCW 71.05.020 or 71.34.020 and receives funding from public sources. This includes evaluation and treatment facilities as defined in RCW 71.34.020, community mental health service delivery systems, or community mental health programs, as defined in RCW 71.24.025, and facilities conducting competency evaluations and restoration under chapter 10.77 RCW.

(29) "Mental health treatment records" include registration records, as defined in RCW 71.05.020, and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. "Mental health treatment records" include mental health information contained in a medical bill including, but not limited to, mental health drugs, a mental health diagnosis, provider name, and dates of service stemming from a medical service. "Mental health treatment records" do not include notes or records maintained for personal use by a person providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others.

(30) "Minor" has the same meaning as in RCW 71.34.020.

(31) "Parent" has the same meaning as in RCW 71.34.020.

(32) "Patient" means an individual who receives or has received health care. The term includes a deceased individual who has received health care.

(33) "Payment" means:

(a) The activities undertaken by:

(i) A third-party payor to obtain premiums or to determine or fulfill its responsibility for coverage and provision of benefits by the third-party payor; or

(ii) A health care provider, health care facility, or third-party payor, to obtain or provide reimbursement for the provision of health care; and

(b) The activities in (a) of this subsection that relate to the patient to whom health care is provided and that include, but are not limited to:

(i) Determinations of eligibility or coverage, including coordination of benefits or the determination of cost-sharing amounts, and adjudication or subrogation of health benefit claims;

(ii) Risk adjusting amounts due based on enrollee health status and demographic characteristics;

(iii) Billing, claims management, collection activities, obtaining payment under a contract for reinsurance, including stop-loss insurance and excess of loss insurance, and related health care data processing;

(iv) Review of health care services with respect to medical necessity, coverage under a health plan, appropriateness of care, or justification of charges;

(v) Utilization review activities, including precertification and preauthorization of services, and concurrent and retrospective review of services; and

(vi) Disclosure to consumer reporting agencies of any of the following health care information relating to collection of premiums or reimbursement:

(A) Name and address;

(B) Date of birth;

(C) Social security number;

(D) Payment history;

(E) Account number; and

(F) Name and address of the health care provider, health care facility, and/or third-party payor.

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

(35) "Professional person" has the same meaning as in RCW 71.05.020.

(36) "Psychiatric advanced registered nurse practitioner" has the same meaning as in RCW 71.05.020.

(37) "Reasonable fee" means the charges for duplicating or searching the record, but shall not exceed sixty-five cents per page for the first thirty pages and fifty cents per page for all other pages. In addition, a clerical fee for searching and handling may be charged not to exceed fifteen dollars. These amounts shall be adjusted biennially in accordance with changes in the consumer price index, all consumers, for Seattle-Tacoma metropolitan statistical area as determined by the secretary of health. However, where editing of records by a health care provider is required by statute and is done by the provider personally, the fee may be the usual and customary charge for a basic office visit.

(38) "Release" has the same meaning as in RCW 71.05.020.

(39) "Resource management services" has the same meaning as in RCW 71.05.020.

(40) "Serious violent offense" has the same meaning as in RCW 71.05.020.

(41) "Sexually transmitted infection" or "sexually transmitted disease" has the same meaning as "sexually transmitted disease" in RCW 70.24.017.

(42) "Test for a sexually transmitted disease" has the same meaning as in RCW 70.24.017.

(43) "Third-party payor" means an insurer regulated under Title 48 RCW authorized to transact business in this state or other jurisdiction, including a health care service contractor, and health maintenance organization; or an employee welfare benefit plan, excluding fitness or wellness plans; or a state or federal health benefit program.

(44) "Treatment" means the provision, coordination, or management of health care and related services by one or more health care providers or health care facilities, including the coordination or management of health care by a health care provider or health care facility with a third party; consultation between health care providers or health care facilities relating to a patient; or the referral of a patient for health care from one health care provider or health care facility to another.

Sec. 71. RCW 70.02.230 and 2013 c 200 s 7 are each amended to read as follows:

(1) Except as provided in this section, RCW 70.02.050, 71.05.445, 70.96A.150, 74.09.295, 70.02.210, 70.02.240, 70.02.250, and 70.02.260, or pursuant to a valid authorization under RCW 70.02.030, the fact of admission to a provider for mental health services and all information and records compiled, obtained, or maintained in the course of providing mental health services to either voluntary or involuntary recipients of services at public or private agencies must be confidential.

(2) Information and records related to mental health services, other than those obtained through treatment under chapter 71.34 RCW, may be disclosed only:

(a) In communications between qualified professional persons to meet the requirements of chapter 71.05 RCW, in the provision of services or appropriate referrals, or in the course of guardianship proceedings if provided to a professional person:

(i) Employed by the facility;

(ii) Who has medical responsibility for the patient's care;

(iii) Who is a designated mental health professional;

(iv) Who is providing services under chapter 71.24 RCW;

(v) Who is employed by a state or local correctional facility where the person is confined or supervised; or

(vi) Who is providing evaluation, treatment, or follow-up services under chapter 10.77 RCW;

(b) When the communications regard the special needs of a patient and the necessary circumstances giving rise to such needs and the disclosure is made by a facility providing services to the operator of a facility in which the patient resides or will reside;

(c)(i) When the person receiving services, or his or her guardian, designates persons to whom information or records may be released, or if the person is a minor, when his or her parents make such a designation;

(ii) A public or private agency shall release to a person's next of kin, attorney, personal representative, guardian, or conservator, if any:

(A) The information that the person is presently a patient in the facility or that the person is seriously physically ill;

(B) A statement evaluating the mental and physical condition of the patient, and a statement of the probable duration of the patient's confinement, if such information is requested by the next of kin, attorney, personal representative, guardian, or conservator; and

(iii) Other information requested by the next of kin or attorney as may be necessary to decide whether or not proceedings should be instituted to appoint a guardian or conservator;

(d)(i) To the courts as necessary to the administration of chapter 71.05 RCW or to a court ordering an evaluation or treatment under chapter 10.77 RCW solely for the purpose of preventing the entry of any evaluation or treatment order that is inconsistent with any order entered under chapter 71.05 RCW.

(ii) To a court or its designee in which a motion under chapter 10.77 RCW has been made for involuntary medication of a defendant for the purpose of competency restoration.

(iii) Disclosure under this subsection is mandatory for the purpose of the federal health insurance portability and accountability act;

(e)(i) When a mental health professional is requested by a representative of a law enforcement or corrections agency, including a police officer, sheriff, community corrections officer, a municipal attorney, or prosecuting attorney to undertake an investigation or provide treatment under RCW 71.05.150, 10.31.110, or 71.05.153, the mental health professional shall, if requested to do so, advise the representative in writing of the results of the investigation including a statement of reasons for the decision to detain or release the person investigated. The written report must be submitted within seventy-two hours of the completion of the investigation or the request from the law enforcement or corrections representative, whichever occurs later.

(ii) Disclosure under this subsection is mandatory for the purposes of the federal health insurance portability and accountability act;

(f) To the attorney of the detained person;

(g) To the prosecuting attorney as necessary to carry out the responsibilities of the office under RCW 71.05.330(2), 71.05.340(1)(b), and 71.05.335. The prosecutor must be provided access to records regarding the committed person's treatment and prognosis, medication, behavior problems, and other records relevant to the issue of whether treatment less restrictive than inpatient treatment is in the best interest of the committed person or others. Information must be disclosed only after giving notice to the committed person and the person's counsel;

(h)(i) To appropriate law enforcement agencies and to a person, when the identity of the person is known to the public or private agency, whose health and safety has been threatened, or who is known to have been repeatedly harassed, by the patient. The person may designate a representative to receive the disclosure. The disclosure must be made by the professional person in charge of the public or private agency or his or her designee and must include the dates of commitment, admission, discharge, or release, authorized or unauthorized absence from the agency's facility, and only any other information that is pertinent to the threat or harassment. The agency or its employees are not civilly liable for the decision to disclose or not, so long as the decision was reached in good faith and without gross negligence.

(ii) Disclosure under this subsection is mandatory for the purposes of the federal health insurance portability and accountability act;

(i)(i) To appropriate corrections and law enforcement agencies all necessary and relevant information in the event of a crisis or emergent situation that poses a significant and imminent risk to the public. The mental health service agency or its employees are not civilly liable for the decision to disclose or not so long as the decision was reached in good faith and without gross negligence.

(ii) Disclosure under this subsection is mandatory for the purposes of the health insurance portability and accountability act;

(j) To the persons designated in RCW 71.05.425 for the purposes described in those sections;

(k) Upon the death of a person. The person's next of kin, personal representative, guardian, or conservator, if any, must be notified. Next of kin who are of legal age and competent must be notified under this section in the following order: Spouse, parents, children, brothers and sisters, and other relatives according to the degree of relation. Access to all records and

information compiled, obtained, or maintained in the course of providing services to a deceased patient are governed by RCW 70.02.140;

(l) To mark headstones or otherwise memorialize patients interred at state hospital cemeteries. The department of social and health services shall make available the name, date of birth, and date of death of patients buried in state hospital cemeteries fifty years after the death of a patient;

(m) To law enforcement officers and to prosecuting attorneys as are necessary to enforce RCW 9.41.040(2)(a)(ii). The extent of information that may be released is limited as follows:

(i) Only the fact, place, and date of involuntary commitment, an official copy of any order or orders of commitment, and an official copy of any written or oral notice of ineligibility to possess a firearm that was provided to the person pursuant to RCW 9.41.047(1), must be disclosed upon request;

(ii) The law enforcement and prosecuting attorneys may only release the information obtained to the person's attorney as required by court rule and to a jury or judge, if a jury is waived, that presides over any trial at which the person is charged with violating RCW 9.41.040(2)(a)(ii);

(iii) Disclosure under this subsection is mandatory for the purposes of the federal health insurance portability and accountability act;

(n) When a patient would otherwise be subject to the provisions of this section and disclosure is necessary for the protection of the patient or others due to his or her unauthorized disappearance from the facility, and his or her whereabouts is unknown, notice of the disappearance, along with relevant information, may be made to relatives, the department of corrections when the person is under the supervision of the department, and governmental law enforcement agencies designated by the physician or psychiatric advanced registered nurse practitioner in charge of the patient or the professional person in charge of the facility, or his or her professional designee;

(o) Pursuant to lawful order of a court;

(p) To qualified staff members of the department, to the director of ((~~regional support networks~~)) behavioral health organizations, to resource management services responsible for serving a patient, or to service providers designated by resource management services as necessary to determine the progress and adequacy of treatment and to determine whether the person should be transferred to a less restrictive or more appropriate treatment modality or facility;

(q) Within the treatment facility where the patient is receiving treatment, confidential information may be disclosed to persons employed, serving in bona fide training programs, or participating in supervised volunteer programs, at the facility when it is necessary to perform their duties;

(r) Within the department as necessary to coordinate treatment for mental illness, developmental disabilities, alcoholism, or drug abuse of persons who are under the supervision of the department;

(s) To a licensed physician or psychiatric advanced registered nurse practitioner who has determined that the life or health of the person is in danger and that treatment without the information contained in the mental health treatment records could be injurious to the patient's health. Disclosure must be limited to the portions of the records necessary to meet the medical emergency;

(t) Consistent with the requirements of the federal health information portability and accountability act, to a licensed mental health professional or a health care professional licensed under chapter 18.71, 18.71A, 18.57, 18.57A, 18.79, or 18.36A RCW who is providing care to a person, or to whom a person has been referred for evaluation or treatment, to assure coordinated care and treatment of that person. Psychotherapy notes, as defined in 45 C.F.R. Sec. 164.501, may not be released without authorization of the person who is the subject of the request for release of information;

(u) To administrative and office support staff designated to obtain medical records for those licensed professionals listed in (t) of this subsection;

(v) To a facility that is to receive a person who is involuntarily committed under chapter 71.05 RCW, or upon transfer of the person from one treatment facility to another. The release of records under this subsection is limited to the mental health treatment records required by law, a record or summary of all somatic treatments, and a discharge summary. The discharge summary may include a statement of the patient's problem, the treatment goals, the type of treatment which has been provided, and recommendation for future treatment, but may not include the patient's complete treatment record;

(w) To the person's counsel or guardian ad litem, without modification, at any time in order to prepare for involuntary commitment or recommitment proceedings, reexaminations, appeals, or other actions relating to detention, admission, commitment, or patient's rights under chapter 71.05 RCW;

(x) To staff members of the protection and advocacy agency or to staff members of a private, nonprofit corporation for the purpose of protecting and advocating the rights of persons with mental disorders or developmental disabilities. Resource management services may limit the release of information to the name, birthdate, and county of residence of the patient, information regarding whether the patient was voluntarily admitted, or involuntarily committed, the date and place of admission, placement, or commitment, the name and address of a guardian of the patient, and the date and place of the guardian's appointment. Any staff member who wishes to obtain additional information must notify the patient's resource management services in writing of the request and of the resource management services' right to object. The staff member shall send the notice by mail to the guardian's address. If the guardian does not object in writing within fifteen days after the notice is mailed, the staff member may obtain the additional information. If the guardian objects in writing within fifteen days after the notice is mailed, the staff member may not obtain the additional information;

(y) To all current treating providers of the patient with prescriptive authority who have written a prescription for the patient within the last twelve months. For purposes of coordinating health care, the department may release without written authorization of the patient, information acquired for billing and collection purposes as described in RCW 70.02.050(1)(e). The department shall notify the patient that billing and collection information has been released to named providers, and provide the substance of the information released and the dates of such release. The department may not release counseling, inpatient psychiatric hospitalization, or drug and alcohol treatment information without a signed written release from the client;

(z)(i) To the secretary of social and health services for either program evaluation or research, or both so long as the secretary adopts rules for the conduct of the evaluation or research, or both. Such rules must include, but need not be limited to, the requirement that all evaluators and researchers sign an oath of confidentiality substantially as follows:

"As a condition of conducting evaluation or research concerning persons who have received services from (fill in the facility, agency, or person) I, ..., agree not to divulge, publish, or otherwise make known to unauthorized persons or the public any information obtained in the course of such evaluation or research regarding persons who have received services such that the person who received such services is identifiable.

I recognize that unauthorized release of confidential information may subject me to civil liability under the provisions of state law.

/s/ . . . . . ."

(ii) Nothing in this chapter may be construed to prohibit the compilation and publication of statistical data for use by government or researchers under standards, including standards to assure maintenance of confidentiality, set forth by the secretary.

(3) Whenever federal law or federal regulations restrict the release of information contained in the treatment records of any patient who receives treatment for chemical dependency, the department may restrict the release of the information as necessary to comply with federal law and regulations.

(4) Civil liability and immunity for the release of information about a particular person who is committed to the department of social and health services under RCW 71.05.280(3) and 71.05.320(3)(c) after dismissal of a sex offense as defined in RCW 9.94A.030, is governed by RCW 4.24.550.

(5) The fact of admission to a provider of mental health services, as well as all records, files, evidence, findings, or orders made, prepared, collected, or maintained pursuant to chapter 71.05 RCW are not admissible as evidence in any legal proceeding outside that chapter without the written authorization of the person who was the subject of the proceeding except as provided in RCW 70.02.260, in a subsequent criminal prosecution of a person committed pursuant to RCW 71.05.280(3) or 71.05.320(3)(c) on charges that were dismissed pursuant to chapter 10.77 RCW due to incompetency to stand trial, in a civil commitment proceeding pursuant to chapter 71.09 RCW, or, in the case of a minor, a guardianship or dependency proceeding. The records and files maintained in any court proceeding pursuant to chapter 71.05 RCW must be confidential and available subsequent to such proceedings only to the person who was the subject of the proceeding or his or her attorney. In addition, the court may order the subsequent release or use of such records or files only upon good cause shown if the court finds that appropriate safeguards for strict confidentiality are and will be maintained.

(6)(a) Except as provided in RCW 4.24.550, any person may bring an action against an individual who has willfully released confidential information or records concerning him or her in violation of the provisions of this section, for the greater of the following amounts:

(i) One thousand dollars; or

(ii) Three times the amount of actual damages sustained, if any.

(b) It is not a prerequisite to recovery under this subsection that the plaintiff suffered or was threatened with special, as contrasted with general, damages.

(c) Any person may bring an action to enjoin the release of confidential information or records concerning him or her or his or her ward, in violation of the provisions of this section, and may in the same action seek damages as provided in this subsection.

(d) The court may award to the plaintiff, should he or she prevail in any action authorized by this subsection, reasonable attorney fees in addition to those otherwise provided by law.

(e) If an action is brought under this subsection, no action may be brought under RCW 70.02.170.

Sec. 72. RCW 70.02.250 and 2013 c 200 s 9 are each amended to read as follows:

(1) Information and records related to mental health services delivered to a person subject to chapter 9.94A or 9.95 RCW must be released, upon request, by a mental health service agency to department of corrections personnel for whom the information is necessary to carry out the responsibilities of their office. The information must be provided only for the purpose of completing presentence investigations, supervision of an incarcerated person, planning for and provision of supervision of a person, or assessment of a person's risk to the community. The request must be in writing and may not require the consent of the subject of the records.

(2) The information to be released to the department of corrections must include all relevant records and reports, as defined by rule, necessary for the department of corrections to carry out its duties, including those records and reports identified in subsection (1) of this section.

(3) The department shall, subject to available resources, electronically, or by the most cost-effective means available, provide the department of corrections with the names, last dates of services, and addresses of specific ((~~regional support networks~~)) behavioral health organizations and mental health service agencies that delivered mental health services to a person subject to chapter 9.94A or 9.95 RCW pursuant to an agreement between the departments.

(4) The department and the department of corrections, in consultation with ((~~regional support networks~~)) behavioral health organizations, mental health service agencies as defined in RCW 70.02.010, mental health consumers, and advocates for persons with mental illness, shall adopt rules to implement the provisions of this section related to the type and scope of information to be released. These rules must:

(a) Enhance and facilitate the ability of the department of corrections to carry out its responsibility of planning and ensuring community protection with respect to persons subject to sentencing under chapter 9.94A or 9.95 RCW, including accessing and releasing or disclosing information of persons who received mental health services as a minor; and

(b) Establish requirements for the notification of persons under the supervision of the department of corrections regarding the provisions of this section.

(5) The information received by the department of corrections under this section must remain confidential and subject to the limitations on disclosure outlined in chapter 71.34 RCW, except as provided in RCW 72.09.585.

(6) No mental health service agency or individual employed by a mental health service agency may be held responsible for information released to or used by the department of corrections under the provisions of this section or rules adopted under this section.

(7) Whenever federal law or federal regulations restrict the release of information contained in the treatment records of any patient who receives treatment for alcoholism or drug dependency, the release of the information may be restricted as necessary to comply with federal law and regulations.

(8) This section does not modify the terms and conditions of disclosure of information related to sexually transmitted diseases under this chapter.

Sec. 73. RCW 70.320.010 and 2013 c 320 s 1 are each amended to read as follows:

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

(1) "Authority" means the health care authority.

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

(3) "Emerging best practice" or "promising practice" means a program or practice that, based on statistical analyses or a well-established theory of change, shows potential for meeting the evidence-based or research-based criteria, which may include the use of a program that is evidence-based for outcomes other than those listed in this section.

(4) "Evidence-based" means a program or practice that has been tested in heterogeneous or intended populations with multiple randomized, or statistically controlled evaluations, or both; or one large multiple site randomized, or statistically controlled evaluation, or both, where the weight of the evidence from a systemic review demonstrates sustained improvements in at least one outcome. "Evidence-based" also means a program or practice that can be implemented with a set of procedures to allow successful replication in Washington and, when possible, is determined to be cost-beneficial.

(5) "Research-based" means a program or practice that has been tested with a single randomized, or statistically controlled evaluation, or both, demonstrating sustained desirable outcomes; or where the weight of the evidence from a systemic review supports sustained outcomes as described in this subsection but does not meet the full criteria for evidence-based.

(6) "Service coordination organization" or "service contracting entity" means the authority and department, or an entity that may contract with the state to provide, directly or through subcontracts, a comprehensive delivery system of medical, behavioral, long-term care, or social support services, including entities such as ((~~regional support networks~~)) behavioral health organizations as defined in RCW 71.24.025, managed care organizations that provide medical services to clients under chapter 74.09 RCW, counties providing chemical dependency services under chapters 74.50 and 70.96A RCW, and area agencies on aging providing case management services under chapter 74.39A RCW.

Sec. 74. RCW 70.96B.010 and 2011 c 89 s 10 are each amended to read as follows:

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

(1) "Admission" or "admit" means a decision by a physician that a person should be examined or treated as a patient in a hospital, an evaluation and treatment facility, or other inpatient facility, or a decision by a professional person in charge or his or her designee that a person should be detained as a patient for evaluation and treatment in a secure detoxification facility or other certified chemical dependency provider.

(2) "Antipsychotic medications" means that class of drugs primarily used to treat serious manifestations of mental illness associated with thought disorders, which includes but is not limited to atypical antipsychotic medications.

(3) "Approved treatment program" means a discrete program of chemical dependency treatment provided by a treatment program certified by the department as meeting standards adopted under chapter 70.96A RCW.

(4) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a patient.

(5) "Chemical dependency" means:

(a) Alcoholism;

(b) Drug addiction; or

(c) Dependence on alcohol and one or more other psychoactive chemicals, as the context requires.

(6) "Chemical dependency professional" means a person certified as a chemical dependency professional by the department of health under chapter 18.205 RCW.

(7) "Commitment" means the determination by a court that a person should be detained for a period of either evaluation or treatment, or both, in an inpatient or a less restrictive setting.

(8) "Conditional release" means a revocable modification of a commitment that may be revoked upon violation of any of its terms.

(9) "Custody" means involuntary detention under either chapter 71.05 or 70.96A RCW or this chapter, uninterrupted by any period of unconditional release from commitment from a facility providing involuntary care and treatment.

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

(11) "Designated chemical dependency specialist" or "specialist" means a person designated by the county alcoholism and other drug addiction program coordinator designated under RCW 70.96A.310 to perform the commitment duties described in RCW 70.96A.140 and this chapter, and qualified to do so by meeting standards adopted by the department.

(12) "Designated crisis responder" means a person designated by the county or ((~~regional support network~~)) behavioral health organization to perform the duties specified in this chapter.

(13) "Designated mental health professional" means a mental health professional designated by the county or other authority authorized in rule to perform the duties specified in this chapter.

(14) "Detention" or "detain" means the lawful confinement of a person under this chapter, or chapter 70.96A or 71.05 RCW.

(15) "Developmental disabilities professional" means a person who has specialized training and three years of experience in directly treating or working with individuals with developmental disabilities and is a psychiatrist,

psychologist, or social worker, and such other developmental disabilities professionals as may be defined by rules adopted by the secretary.

(16) "Developmental disability" means that condition defined in RCW 71A.10.020.

(17) "Discharge" means the termination of facility authority. The commitment may remain in place, be terminated, or be amended by court order.

(18) "Evaluation and treatment facility" means any facility that can provide directly, or by direct arrangement with other public or private agencies, emergency evaluation and treatment, outpatient care, and timely and appropriate inpatient care to persons suffering from a mental disorder, and that is certified as such by the department. A physically separate and separately operated portion of a state hospital may be designated as an evaluation and treatment facility. A facility that is part of, or operated by, the department or any federal agency does not require certification. No correctional institution or facility, or jail, may be an evaluation and treatment facility within the meaning of this chapter.

(19) "Facility" means either an evaluation and treatment facility or a secure detoxification facility.

(20) "Gravely disabled" means a condition in which a person, as a result of a mental disorder, or as a result of the use of alcohol or other psychoactive chemicals:

(a) Is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or

(b) Manifests severe deterioration in routine functioning evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety.

(21) "History of one or more violent acts" refers to the period of time ten years before the filing of a petition under this chapter, or chapter 70.96A or 71.05 RCW, excluding any time spent, but not any violent acts committed, in a mental health facility or a long-term alcoholism or drug treatment facility, or in confinement as a result of a criminal conviction.

(22) "Imminent" means the state or condition of being likely to occur at any moment or near at hand, rather than distant or remote.

(23) "Intoxicated person" means a person whose mental or physical functioning is substantially impaired as a result of the use of alcohol or other psychoactive chemicals.

(24) "Judicial commitment" means a commitment by a court under this chapter.

(25) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(26) "Likelihood of serious harm" means:

(a) A substantial risk that:

(i) Physical harm will be inflicted by a person upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself;

(ii) Physical harm will be inflicted by a person upon another, as evidenced by behavior that has caused such harm or that places another person or persons in reasonable fear of sustaining such harm; or

(iii) Physical harm will be inflicted by a person upon the property of others, as evidenced by behavior that has caused substantial loss or damage to the property of others; or

(b) The person has threatened the physical safety of another and has a history of one or more violent acts.

(27) "Mental disorder" means any organic, mental, or emotional impairment that has substantial adverse effects on a person's cognitive or volitional functions.

(28) "Mental health professional" means a psychiatrist, psychologist, psychiatric nurse, or social worker, and such other mental health professionals as may be defined by rules adopted by the secretary under the authority of chapter 71.05 RCW.

(29) "Peace officer" means a law enforcement official of a public agency or governmental unit, and includes persons specifically given peace officer powers by any state law, local ordinance, or judicial order of appointment.

(30) "Person in charge" means a physician or chemical dependency counselor as defined in rule by the department, who is empowered by a certified treatment program with authority to make assessment, admission, continuing care, and discharge decisions on behalf of the certified program.

(31) "Private agency" means any person, partnership, corporation, or association that is not a public agency, whether or not financed in whole or in part by public funds, that constitutes an evaluation and treatment facility or private institution, or hospital, or approved treatment program, that is conducted for, or includes a department or ward conducted for, the care and treatment of persons who are mentally ill and/or chemically dependent.

(32) "Professional person" means a mental health professional or chemical dependency professional and shall also mean a physician, registered nurse, and such others as may be defined by rules adopted by the secretary pursuant to the provisions of this chapter.

(33) "Psychiatrist" means a person having a license as a physician and surgeon in this state who has in addition completed three years of graduate training in psychiatry in a program approved by the American medical association or the American osteopathic association and is certified or eligible to be certified by the American board of psychiatry and neurology.

(34) "Psychologist" means a person who has been licensed as a psychologist under chapter 18.83 RCW.

(35) "Public agency" means any evaluation and treatment facility or institution, or hospital, or approved treatment program that is conducted for, or includes a department or ward conducted for, the care and treatment of persons who are mentally ill and/or chemically dependent, if the agency is operated directly by federal, state, county, or municipal government, or a combination of such governments.

(36) "Registration records" means all the records of the department, ((~~regional support networks~~)) behavioral health organizations, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify persons who are receiving or who at any time have received services for mental illness.

(37) "Release" means legal termination of the commitment under chapter 70.96A or 71.05 RCW or this chapter.

(38) "Secretary" means the secretary of the department or the secretary's designee.

(39) "Secure detoxification facility" means a facility operated by either a public or private agency or by the program of an agency that serves the purpose of providing evaluation and assessment, and acute and/or subacute detoxification services for intoxicated persons and includes security measures sufficient to protect the patients, staff, and community.

(40) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010.

(41) "Treatment records" means registration records and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others.

(42) "Violent act" means behavior that resulted in homicide, attempted suicide, nonfatal injuries, or substantial damage to property.

Sec. 75. RCW 70.96B.020 and 2005 c 504 s 203 are each amended to read as follows:

(1) The secretary, after consulting with the Washington state association of counties, shall select and contract with ((~~regional support networks~~)) behavioral health organizations or counties to provide two integrated crisis response and involuntary treatment pilot programs for adults and shall allocate resources for both integrated services and secure detoxification services in the pilot areas. In selecting the two ((~~regional support networks~~)) behavioral health organizations or counties, the secretary shall endeavor to site one in an urban and one in a rural ((~~regional support network~~)) behavioral health organization or county; and to site them in counties other than those selected pursuant to RCW 70.96A.800, to the extent necessary to facilitate evaluation of pilot project results.

(2) The ((~~regional support networks~~)) behavioral health organizations or counties shall implement the pilot programs by providing integrated crisis response and involuntary treatment to persons with a chemical dependency, a mental disorder, or both, consistent with this chapter. The pilot programs shall:

(a) Combine the crisis responder functions of a designated mental health professional under chapter 71.05 RCW and a designated chemical dependency specialist under chapter 70.96A RCW by establishing a new designated crisis responder who is authorized to conduct investigations and detain persons up to seventy-two hours to the proper facility;

(b) Provide training to the crisis responders as required by the department;

(c) Provide sufficient staff and resources to ensure availability of an adequate number of crisis responders twenty-four hours a day, seven days a week;

(d) Provide the administrative and court-related staff, resources, and processes necessary to facilitate the legal requirements of the initial detention and the commitment hearings for persons with a chemical dependency;

(e) Participate in the evaluation and report to assess the outcomes of the pilot programs including providing data and information as requested;

(f) Provide the other services necessary to the implementation of the pilot programs, consistent with this chapter as determined by the secretary in contract; and

(g) Collaborate with the department of corrections where persons detained or committed are also subject to supervision by the department of corrections.

(3) The pilot programs established by this section shall begin providing services by March 1, 2006.

Sec. 76. RCW 70.96B.030 and 2005 c 504 s 204 are each amended to read as follows:

To qualify as a designated crisis responder, a person must have received chemical dependency training as determined by the department and be a:

(1) Psychiatrist, psychologist, psychiatric nurse, or social worker;

(2) Person with a master's degree or further advanced degree in counseling or one of the social sciences from an accredited college or university and who have, in addition, at least two years of experience in direct treatment of persons with mental illness or emotional disturbance, such experience gained under the direction of a mental health professional;

(3) Person who meets the waiver criteria of RCW 71.24.260, which waiver was granted before 1986;

(4) Person who had an approved waiver to perform the duties of a mental health professional that was requested by the ((~~regional support network~~)) behavioral health organization and granted by the department before July 1, 2001; or

(5) Person who has been granted a time-limited exception of the minimum requirements of a mental health professional by the department consistent with rules adopted by the secretary.

Sec. 77. RCW 70.96C.010 and 2005 c 504 s 601 are each amended to read as follows:

(1) The department of social and health services, in consultation with the members of the team charged with developing the state plan for co-occurring mental and substance abuse disorders, shall adopt, not later than January 1, 2006, an integrated and comprehensive screening and assessment process for chemical dependency and mental disorders and co-occurring chemical dependency and mental disorders.

(a) The process adopted shall include, at a minimum:

(i) An initial screening tool that can be used by intake personnel system-wide and which will identify the most common types of co-occurring disorders;

(ii) An assessment process for those cases in which assessment is indicated that provides an appropriate degree of assessment for most situations, which can be expanded for complex situations;

(iii) Identification of triggers in the screening that indicate the need to begin an assessment;

(iv) Identification of triggers after or outside the screening that indicate a need to begin or resume an assessment;

(v) The components of an assessment process and a protocol for determining whether part or all of the assessment is necessary, and at what point; and

(vi) Emphasis that the process adopted under this section is to replace and not to duplicate existing intake, screening, and assessment tools and processes.

(b) The department shall consider existing models, including those already adopted by other states, and to the extent possible, adopt an established, proven model.

(c) The integrated, comprehensive screening and assessment process shall be implemented statewide by all chemical dependency and mental health treatment providers as well as all designated mental health professionals, designated chemical dependency specialists, and designated crisis responders not later than January 1, 2007.

(2) The department shall provide adequate training to effect statewide implementation by the dates designated in this section and shall report the rates of co-occurring disorders and the stage of screening or assessment at which the co-occurring disorder was identified to the appropriate committees of the legislature.

(3) The department shall establish contractual penalties to contracted treatment providers, the ((~~regional support networks~~)) behavioral health organizations, and their contracted providers for failure to implement the integrated screening and assessment process by July 1, 2007.

Sec. 78. RCW 70.97.010 and 2011 c 89 s 11 are each amended to read as follows:

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

(1) "Antipsychotic medications" means that class of drugs primarily used to treat serious manifestations of mental illness associated with thought disorders, which includes but is not limited to atypical antipsychotic medications.

(2) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a patient.

(3) "Chemical dependency" means alcoholism, drug addiction, or dependence on alcohol and one or more other psychoactive chemicals, as the context requires and as those terms are defined in chapter 70.96A RCW.

(4) "Chemical dependency professional" means a person certified as a chemical dependency professional by the department of health under chapter 18.205 RCW.

(5) "Commitment" means the determination by a court that an individual should be detained for a period of either evaluation or treatment, or both, in an inpatient or a less restrictive setting.

(6) "Conditional release" means a modification of a commitment that may be revoked upon violation of any of its terms.

(7) "Custody" means involuntary detention under chapter 71.05 or 70.96A RCW, uninterrupted by any period of unconditional release from commitment from a facility providing involuntary care and treatment.

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

(9) "Designated responder" means a designated mental health professional, a designated chemical dependency specialist, or a designated crisis responder as those terms are defined in chapter 70.96A, 71.05, or 70.96B RCW.

(10) "Detention" or "detain" means the lawful confinement of an individual under chapter 70.96A or 71.05 RCW.

(11) "Discharge" means the termination of facility authority. The commitment may remain in place, be terminated, or be amended by court order.

(12) "Enhanced services facility" means a facility that provides treatment and services to persons for whom acute inpatient treatment is not medically necessary and who have been determined by the department to be inappropriate for placement in other licensed facilities due to the complex needs that result in behavioral and security issues.

(13) "Expanded community services program" means a nonsecure program of enhanced behavioral and residential support provided to long-term and residential care providers serving specifically eligible clients who would otherwise be at risk for hospitalization at state hospital geriatric units.

(14) "Facility" means an enhanced services facility.

(15) "Gravely disabled" means a condition in which an individual, as a result of a mental disorder, as a result of the use of alcohol or other psychoactive chemicals, or both:

(a) Is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or

(b) Manifests severe deterioration in routine functioning evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety.

(16) "History of one or more violent acts" refers to the period of time ten years before the filing of a petition under this chapter, or chapter 70.96A or 71.05 RCW, excluding any time spent, but not any violent acts committed, in a mental health facility or a long-term alcoholism or drug treatment facility, or in confinement as a result of a criminal conviction.

(17) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(18) "Likelihood of serious harm" means:

(a) A substantial risk that:

(i) Physical harm will be inflicted by an individual upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself;

(ii) Physical harm will be inflicted by an individual upon another, as evidenced by behavior that has caused such harm or that places another person or persons in reasonable fear of sustaining such harm; or

(iii) Physical harm will be inflicted by an individual upon the property of others, as evidenced by behavior that has caused substantial loss or damage to the property of others; or

(b) The individual has threatened the physical safety of another and has a history of one or more violent acts.

(19) "Mental disorder" means any organic, mental, or emotional impairment that has substantial adverse effects on an individual's cognitive or volitional functions.

(20) "Mental health professional" means a psychiatrist, psychologist, psychiatric nurse, or social worker, and such other mental health professionals as

may be defined by rules adopted by the secretary under the authority of chapter 71.05 RCW.

(21) "Professional person" means a mental health professional and also means a physician, registered nurse, and such others as may be defined in rules adopted by the secretary pursuant to the provisions of this chapter.

(22) "Psychiatrist" means a person having a license as a physician and surgeon in this state who has in addition completed three years of graduate training in psychiatry in a program approved by the American medical association or the American osteopathic association and is certified or eligible to be certified by the American board of psychiatry and neurology.

(23) "Psychologist" means a person who has been licensed as a psychologist under chapter 18.83 RCW.

(24) "Registration records" include all the records of the department, ((~~regional support networks~~)) behavioral health organizations, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify individuals who are receiving or who at any time have received services for mental illness.

(25) "Release" means legal termination of the commitment under chapter 70.96A or 71.05 RCW.

(26) "Resident" means a person admitted to an enhanced services facility.

(27) "Secretary" means the secretary of the department or the secretary's designee.

(28) "Significant change" means:

(a) A deterioration in a resident's physical, mental, or psychosocial condition that has caused or is likely to cause clinical complications or life-threatening conditions; or

(b) An improvement in the resident's physical, mental, or psychosocial condition that may make the resident eligible for release or for treatment in a less intensive or less secure setting.

(29) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010.

(30) "Treatment" means the broad range of emergency, detoxification, residential, inpatient, and outpatient services and care, including diagnostic evaluation, mental health or chemical dependency education and counseling, medical, psychiatric, psychological, and social service care, vocational rehabilitation, and career counseling, which may be extended to persons with mental disorders, chemical dependency disorders, or both, and their families.

(31) "Treatment records" include registration and all other records concerning individuals who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. "Treatment records" do not include notes or records maintained for personal use by an individual providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others.

(32) "Violent act" means behavior that resulted in homicide, attempted suicide, nonfatal injuries, or substantial damage to property.

Sec. 79. RCW 71.05.020 and 2011 c 148 s 1 and 2011 c 89 s 14 are each reenacted and amended to read as follows:

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

(1) "Admission" or "admit" means a decision by a physician or psychiatric advanced registered nurse practitioner that a person should be examined or treated as a patient in a hospital;

(2) "Antipsychotic medications" means that class of drugs primarily used to treat serious manifestations of mental illness associated with thought disorders, which includes, but is not limited to atypical antipsychotic medications;

(3) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a patient;

(4) "Commitment" means the determination by a court that a person should be detained for a period of either evaluation or treatment, or both, in an inpatient or a less restrictive setting;

(5) "Conditional release" means a revocable modification of a commitment, which may be revoked upon violation of any of its terms;

(6) "Crisis stabilization unit" means a short-term facility or a portion of a facility licensed by the department of health and certified by the department of social and health services under RCW 71.24.035, such as an evaluation and treatment facility or a hospital, which has been designed to assess, diagnose, and treat individuals experiencing an acute crisis without the use of long-term hospitalization;

(7) "Custody" means involuntary detention under the provisions of this chapter or chapter 10.77 RCW, uninterrupted by any period of unconditional release from commitment from a facility providing involuntary care and treatment;

(8) "Department" means the department of social and health services;

(9) "Designated chemical dependency specialist" means a person designated by the county alcoholism and other drug addiction program coordinator designated under RCW 70.96A.310 to perform the commitment duties described in chapters 70.96A and 70.96B RCW;

(10) "Designated crisis responder" means a mental health professional appointed by the county or the ((~~regional support network~~)) behavioral health organization to perform the duties specified in this chapter;

(11) "Designated mental health professional" means a mental health professional designated by the county or other authority authorized in rule to perform the duties specified in this chapter;

(12) "Detention" or "detain" means the lawful confinement of a person, under the provisions of this chapter;

(13) "Developmental disabilities professional" means a person who has specialized training and three years of experience in directly treating or working with persons with developmental disabilities and is a psychiatrist, psychologist, psychiatric advanced registered nurse practitioner, or social worker, and such other developmental disabilities professionals as may be defined by rules adopted by the secretary;

(14) "Developmental disability" means that condition defined in RCW 71A.10.020((~~(3)~~))(4);

(15) "Discharge" means the termination of hospital medical authority. The commitment may remain in place, be terminated, or be amended by court order;

(16) "Evaluation and treatment facility" means any facility which can provide directly, or by direct arrangement with other public or private agencies, emergency evaluation and treatment, outpatient care, and timely and appropriate inpatient care to persons suffering from a mental disorder, and which is certified as such by the department. A physically separate and separately operated portion of a state hospital may be designated as an evaluation and treatment facility. A facility which is part of, or operated by, the department or any federal agency will not require certification. No correctional institution or facility, or jail, shall be an evaluation and treatment facility within the meaning of this chapter;

(17) "Gravely disabled" means a condition in which a person, as a result of a mental disorder: (a) Is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or (b) manifests severe deterioration in routine functioning evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety;

(18) "Habilitative services" means those services provided by program personnel to assist persons in acquiring and maintaining life skills and in raising their levels of physical, mental, social, and vocational functioning. Habilitative services include education, training for employment, and therapy. The habilitative process shall be undertaken with recognition of the risk to the public safety presented by the person being assisted as manifested by prior charged criminal conduct;

(19) "History of one or more violent acts" refers to the period of time ten years prior to the filing of a petition under this chapter, excluding any time spent, but not any violent acts committed, in a mental health facility or in confinement as a result of a criminal conviction;

(20) "Imminent" means the state or condition of being likely to occur at any moment or near at hand, rather than distant or remote;

(21) "Individualized service plan" means a plan prepared by a developmental disabilities professional with other professionals as a team, for a person with developmental disabilities, which shall state:

(a) The nature of the person's specific problems, prior charged criminal behavior, and habilitation needs;

(b) The conditions and strategies necessary to achieve the purposes of habilitation;

(c) The intermediate and long-range goals of the habilitation program, with a projected timetable for the attainment;

(d) The rationale for using this plan of habilitation to achieve those intermediate and long-range goals;

(e) The staff responsible for carrying out the plan;

(f) Where relevant in light of past criminal behavior and due consideration for public safety, the criteria for proposed movement to less-restrictive settings, criteria for proposed eventual discharge or release, and a projected possible date for discharge or release; and

(g) The type of residence immediately anticipated for the person and possible future types of residences;

(22) "Information related to mental health services" means all information and records compiled, obtained, or maintained in the course of providing services to either voluntary or involuntary recipients of services by a mental health service provider. This may include documents of legal proceedings under this chapter or chapter 71.34 or 10.77 RCW, or somatic health care information;

(23) "Judicial commitment" means a commitment by a court pursuant to the provisions of this chapter;

(24) "Legal counsel" means attorneys and staff employed by county prosecutor offices or the state attorney general acting in their capacity as legal representatives of public mental health service providers under RCW 71.05.130;

(25) "Likelihood of serious harm" means:

(a) A substantial risk that: (i) Physical harm will be inflicted by a person upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself; (ii) physical harm will be inflicted by a person upon another, as evidenced by behavior which has caused such harm or which places another person or persons in reasonable fear of sustaining such harm; or (iii) physical harm will be inflicted by a person upon the property of others, as evidenced by behavior which has caused substantial loss or damage to the property of others; or

(b) The person has threatened the physical safety of another and has a history of one or more violent acts;

(26) "Mental disorder" means any organic, mental, or emotional impairment which has substantial adverse effects on a person's cognitive or volitional functions;

(27) "Mental health professional" means a psychiatrist, psychologist, psychiatric advanced registered nurse practitioner, psychiatric nurse, or social worker, and such other mental health professionals as may be defined by rules adopted by the secretary pursuant to the provisions of this chapter;

(28) "Mental health service provider" means a public or private agency that provides mental health services to persons with mental disorders as defined under this section and receives funding from public sources. This includes, but is not limited to, hospitals licensed under chapter 70.41 RCW, evaluation and treatment facilities as defined in this section, community mental health service delivery systems or community mental health programs as defined in RCW 71.24.025, facilities conducting competency evaluations and restoration under chapter 10.77 RCW, and correctional facilities operated by state and local governments;

(29) "Peace officer" means a law enforcement official of a public agency or governmental unit, and includes persons specifically given peace officer powers by any state law, local ordinance, or judicial order of appointment;

(30) "Private agency" means any person, partnership, corporation, or association that is not a public agency, whether or not financed in whole or in part by public funds, which constitutes an evaluation and treatment facility or private institution, or hospital, which is conducted for, or includes a department or ward conducted for, the care and treatment of persons who are mentally ill;

(31) "Professional person" means a mental health professional and shall also mean a physician, psychiatric advanced registered nurse practitioner, registered nurse, and such others as may be defined by rules adopted by the secretary pursuant to the provisions of this chapter;

(32) "Psychiatric advanced registered nurse practitioner" means a person who is licensed as an advanced registered nurse practitioner pursuant to chapter 18.79 RCW; and who is board certified in advanced practice psychiatric and mental health nursing;

(33) "Psychiatrist" means a person having a license as a physician and surgeon in this state who has in addition completed three years of graduate training in psychiatry in a program approved by the American medical association or the American osteopathic association and is certified or eligible to be certified by the American board of psychiatry and neurology;

(34) "Psychologist" means a person who has been licensed as a psychologist pursuant to chapter 18.83 RCW;

(35) "Public agency" means any evaluation and treatment facility or institution, or hospital which is conducted for, or includes a department or ward conducted for, the care and treatment of persons with mental illness, if the agency is operated directly by, federal, state, county, or municipal government, or a combination of such governments;

(36) "Registration records" include all the records of the department, ((~~regional support networks~~)) behavioral health organizations, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify persons who are receiving or who at any time have received services for mental illness;

(37) "Release" means legal termination of the commitment under the provisions of this chapter;

(38) "Resource management services" has the meaning given in chapter 71.24 RCW;

(39) "Secretary" means the secretary of the department of social and health services, or his or her designee;

(40) "Serious violent offense" has the same meaning as provided in RCW 9.94A.030;

(41) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010;

(42) "Therapeutic court personnel" means the staff of a mental health court or other therapeutic court which has jurisdiction over defendants who are dually diagnosed with mental disorders, including court personnel, probation officers, a court monitor, prosecuting attorney, or defense counsel acting within the scope of therapeutic court duties;

(43) "Triage facility" means a short-term facility or a portion of a facility licensed by the department of health and certified by the department of social and health services under RCW 71.24.035, which is designed as a facility to assess and stabilize an individual or determine the need for involuntary commitment of an individual, and must meet department of health residential treatment facility standards. A triage facility may be structured as a voluntary or involuntary placement facility;

(44) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. Treatment records include mental health information contained in a

medical bill including but not limited to mental health drugs, a mental health diagnosis, provider name, and dates of service stemming from a medical service. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others;

(45) "Violent act" means behavior that resulted in homicide, attempted suicide, nonfatal injuries, or substantial damage to property.

Sec. 80. RCW 71.05.025 and 2000 c 94 s 2 are each amended to read as follows:

The legislature intends that the procedures and services authorized in this chapter be integrated with those in chapter 71.24 RCW to the maximum extent necessary to assure a continuum of care to persons ((~~who are mentally ill~~)) with mental illness or who have mental disorders, as defined in either or both this chapter and chapter 71.24 RCW. To this end, ((~~regional support networks~~)) behavioral health organizations established in accordance with chapter 71.24 RCW shall institute procedures which require timely consultation with resource management services by ((~~county~~))designated mental health professionals and evaluation and treatment facilities to assure that determinations to admit, detain, commit, treat, discharge, or release persons with mental disorders under this chapter are made only after appropriate information regarding such person's treatment history and current treatment plan has been sought from resource management services.

Sec. 81. RCW 71.05.026 and 2006 c 333 s 301 are each amended to read as follows:

(1) Except for monetary damage claims which have been reduced to final judgment by a superior court, this section applies to all claims against the state, state agencies, state officials, or state employees that exist on or arise after March 29, 2006.

(2) Except as expressly provided in contracts entered into between the department and the ((~~regional support networks~~)) behavioral health organizations after March 29, 2006, the entities identified in subsection (3) of this section shall have no claim for declaratory relief, injunctive relief, judicial review under chapter 34.05 RCW, or civil liability against the state or state agencies for actions or inactions performed pursuant to the administration of this chapter with regard to the following: (a) The allocation or payment of federal or state funds; (b) the use or allocation of state hospital beds; or (c) financial responsibility for the provision of inpatient mental health care.

(3) This section applies to counties, ((~~regional support networks~~)) behavioral health organizations, and entities which contract to provide ((~~regional support network~~)) behavioral health organization services and their subcontractors, agents, or employees.

Sec. 82. RCW 71.05.027 and 2005 c 504 s 103 are each amended to read as follows:

(1) Not later than January 1, 2007, all persons providing treatment under this chapter shall also implement the integrated comprehensive screening and assessment process for chemical dependency and mental disorders adopted pursuant to RCW 70.96C.010 and shall document the numbers of clients with

co-occurring mental and substance abuse disorders based on a quadrant system of low and high needs.

(2) Treatment providers and ((~~regional support networks~~)) behavioral health organizations who fail to implement the integrated comprehensive screening and assessment process for chemical dependency and mental disorders by July 1, 2007, shall be subject to contractual penalties established under RCW 70.96C.010.

Sec. 83. RCW 71.05.110 and 2011 c 343 s 5 are each amended to read as follows:

Attorneys appointed for persons pursuant to this chapter shall be compensated for their services as follows: (1) The person for whom an attorney is appointed shall, if he or she is financially able pursuant to standards as to financial capability and indigency set by the superior court of the county in which the proceeding is held, bear the costs of such legal services; (2) if such person is indigent pursuant to such standards, the ((~~regional support network~~)) behavioral health organization shall reimburse the county in which the proceeding is held for the direct costs of such legal services, as provided in RCW 71.05.730.

Sec. 84. RCW 71.05.300 and 2009 c 293 s 5 and 2009 c 217 s 4 are each reenacted and amended to read as follows:

(1) The petition for ninety day treatment shall be filed with the clerk of the superior court at least three days before expiration of the fourteen-day period of intensive treatment. At the time of filing such petition, the clerk shall set a time for the person to come before the court on the next judicial day after the day of filing unless such appearance is waived by the person's attorney, and the clerk shall notify the designated mental health professional. The designated mental health professional shall immediately notify the person detained, his or her attorney, if any, and his or her guardian or conservator, if any, the prosecuting attorney, and the ((~~regional support network~~)) behavioral health organization administrator, and provide a copy of the petition to such persons as soon as possible. The ((~~regional support network~~)) behavioral health organization administrator or designee may review the petition and may appear and testify at the full hearing on the petition.

(2) At the time set for appearance the detained person shall be brought before the court, unless such appearance has been waived and the court shall advise him or her of his or her right to be represented by an attorney, his or her right to a jury trial, and his or her loss of firearm rights if involuntarily committed. If the detained person is not represented by an attorney, or is indigent or is unwilling to retain an attorney, the court shall immediately appoint an attorney to represent him or her. The court shall, if requested, appoint a reasonably available licensed physician, psychiatric advanced registered nurse practitioner, psychologist, or psychiatrist, designated by the detained person to examine and testify on behalf of the detained person.

(3) The court may, if requested, also appoint a professional person as defined in RCW 71.05.020 to seek less restrictive alternative courses of treatment and to testify on behalf of the detained person. In the case of a person with a developmental disability who has been determined to be incompetent

pursuant to RCW 10.77.086(4), then the appointed professional person under this section shall be a developmental disabilities professional.

(4) The court shall also set a date for a full hearing on the petition as provided in RCW 71.05.310.

Sec. 85. RCW 71.05.365 and 2013 c 338 s 4 are each amended to read as follows:

When a person has been involuntarily committed for treatment to a hospital for a period of ninety or one hundred eighty days, and the superintendent or professional person in charge of the hospital determines that the person no longer requires active psychiatric treatment at an inpatient level of care, the ((~~regional support network~~)) behavioral health organization responsible for resource management services for the person must work with the hospital to develop an individualized discharge plan and arrange for a transition to the community in accordance with the person's individualized discharge plan within twenty-one days of the determination.

Sec. 86. RCW 71.05.445 and 2013 c 200 s 31 are each amended to read as follows:

(1)(a) When a mental health service provider conducts its initial assessment for a person receiving court-ordered treatment, the service provider shall inquire and shall be told by the offender whether he or she is subject to supervision by the department of corrections.

(b) When a person receiving court-ordered treatment or treatment ordered by the department of corrections discloses to his or her mental health service provider that he or she is subject to supervision by the department of corrections, the mental health service provider shall notify the department of corrections that he or she is treating the offender and shall notify the offender that his or her community corrections officer will be notified of the treatment, provided that if the offender has received relief from disclosure pursuant to RCW 9.94A.562, 70.96A.155, or 71.05.132 and the offender has provided the mental health service provider with a copy of the order granting relief from disclosure pursuant to RCW 9.94A.562, 70.96A.155, or 71.05.132, the mental health service provider is not required to notify the department of corrections that the mental health service provider is treating the offender. The notification may be written or oral and shall not require the consent of the offender. If an oral notification is made, it must be confirmed by a written notification. For purposes of this section, a written notification includes notification by e-mail or facsimile, so long as the notifying mental health service provider is clearly identified.

(2) The information to be released to the department of corrections shall include all relevant records and reports, as defined by rule, necessary for the department of corrections to carry out its duties.

(3) The department and the department of corrections, in consultation with ((~~regional support networks~~)) behavioral health organizations, mental health service providers as defined in RCW 71.05.020, mental health consumers, and advocates for persons with mental illness, shall adopt rules to implement the provisions of this section related to the type and scope of information to be released. These rules shall:

(a) Enhance and facilitate the ability of the department of corrections to carry out its responsibility of planning and ensuring community protection with

respect to persons subject to sentencing under chapter 9.94A or 9.95 RCW, including accessing and releasing or disclosing information of persons who received mental health services as a minor; and

(b) Establish requirements for the notification of persons under the supervision of the department of corrections regarding the provisions of this section.

(4) The information received by the department of corrections under this section shall remain confidential and subject to the limitations on disclosure outlined in chapter 71.05 RCW, except as provided in RCW 72.09.585.

(5) No mental health service provider or individual employed by a mental health service provider shall be held responsible for information released to or used by the department of corrections under the provisions of this section or rules adopted under this section.

(6) Whenever federal law or federal regulations restrict the release of information contained in the treatment records of any patient who receives treatment for alcoholism or drug dependency, the release of the information may be restricted as necessary to comply with federal law and regulations.

(7) This section does not modify the terms and conditions of disclosure of information related to sexually transmitted diseases under chapter 70.24 RCW.

(8) The department shall, subject to available resources, electronically, or by the most cost-effective means available, provide the department of corrections with the names, last dates of services, and addresses of specific ((~~regional support networks~~)) behavioral health organizations and mental health service providers that delivered mental health services to a person subject to chapter 9.94A or 9.95 RCW pursuant to an agreement between the departments.

Sec. 87. RCW 71.05.730 and 2011 c 343 s 2 are each amended to read as follows:

(1) A county may apply to its ((~~regional support network~~)) behavioral health organization on a quarterly basis for reimbursement of its direct costs in providing judicial services for civil commitment cases under this chapter and chapter 71.34 RCW. The ((~~regional support network~~)) behavioral health organization shall in turn be entitled to reimbursement from the ((~~regional support network~~)) behavioral health organization that serves the county of residence of the individual who is the subject of the civil commitment case. Reimbursements under this section shall be paid out of the ((~~regional support network's~~)) behavioral health organization's nonmedicaid appropriation.

(2) Reimbursement for judicial services shall be provided per civil commitment case at a rate to be determined based on an independent assessment of the county's actual direct costs. This assessment must be based on an average of the expenditures for judicial services within the county over the past three years. In the event that a baseline cannot be established because there is no significant history of similar cases within the county, the reimbursement rate shall be equal to eighty percent of the median reimbursement rate of counties included in the independent assessment.

(3) For the purposes of this section:

(a) "Civil commitment case" includes all judicial hearings related to a single episode of hospitalization, or less restrictive alternative detention in lieu of hospitalization, except that the filing of a petition for a one hundred eighty-day commitment under this chapter or a petition for a successive one hundred eighty-

day commitment under chapter 71.34 RCW shall be considered to be a new case regardless of whether there has been a break in detention. "Civil commitment case" does not include the filing of a petition for a one hundred eighty-day commitment under this chapter on behalf of a patient at a state psychiatric hospital.

(b) "Judicial services" means a county's reasonable direct costs in providing prosecutor services, assigned counsel and defense services, court services, and court clerk services for civil commitment cases under this chapter and chapter 71.34 RCW.

(4) To the extent that resources have shared purpose, the ((~~regional support network~~)) behavioral health organization may only reimburse counties to the extent such resources are necessary for and devoted to judicial services as described in this section.

(5) No filing fee may be charged or collected for any civil commitment case subject to reimbursement under this section.

Sec. 88. RCW 71.05.740 and 2013 c 216 s 2 are each amended to read as follows:

By August 1, 2013, all ((~~regional support networks~~)) behavioral health organizations in the state of Washington must forward historical mental health involuntary commitment information retained by the organization including identifying information and dates of commitment to the department. As soon as feasible, the ((~~regional support networks~~)) behavioral health organizations must arrange to report new commitment data to the department within twenty-four hours. Commitment information under this section does not need to be resent if it is already in the possession of the department. ((~~Regional support networks~~)) Behavioral health organizations and the department shall be immune from liability related to the sharing of commitment information under this section.

Sec. 89. RCW 71.34.330 and 2011 c 343 s 8 are each amended to read as follows:

Attorneys appointed for minors under this chapter shall be compensated for their services as follows:

(1) Responsible others shall bear the costs of such legal services if financially able according to standards set by the court of the county in which the proceeding is held.

(2) If all responsible others are indigent as determined by these standards, the ((~~regional support network~~)) behavioral health organization shall reimburse the county in which the proceeding is held for the direct costs of such legal services, as provided in RCW 71.05.730.

Sec. 90. RCW 71.34.415 and 2011 c 343 s 4 are each amended to read as follows:

A county may apply to its ((~~regional support network~~)) behavioral health organization for reimbursement of its direct costs in providing judicial services for civil commitment cases under this chapter, as provided in RCW 71.05.730.

Sec. 91. RCW 71.36.010 and 2007 c 359 s 2 are each amended to read as follows:

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

(1) "Agency" means a state, tribal, or local governmental entity or a private not-for-profit organization.

(2) "Child" means a person under eighteen years of age, except as expressly provided otherwise in state or federal law.

(3) "Consensus-based" means a program or practice that has general support among treatment providers and experts, based on experience or professional literature, and may have anecdotal or case study support, or that is agreed but not possible to perform studies with random assignment and controlled groups.

(4) "County authority" means the board of county commissioners or county executive.

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

(6) "Early periodic screening, diagnosis, and treatment" means the component of the federal medicaid program established pursuant to 42 U.S.C. Sec. 1396d(r), as amended.

(7) "Evidence-based" means a program or practice that has had multiple site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective for the population.

(8) "Family" means a child's biological parents, adoptive parents, foster parents, guardian, legal custodian authorized pursuant to Title 26 RCW, a relative with whom a child has been placed by the department of social and health services, or a tribe.

(9) "Promising practice" or "emerging best practice" means a practice that presents, based upon preliminary information, potential for becoming a research-based or consensus-based practice.

(10) "((~~Regional support network~~)) Behavioral health organization" means a county authority or group of county authorities or other nonprofit entity that has entered into contracts with the secretary pursuant to chapter 71.24 RCW.

(11) "Research-based" means a program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices.

(12) "Secretary" means the secretary of social and health services.

(13) "Wraparound process" means a family driven planning process designed to address the needs of children and youth by the formation of a team that empowers families to make key decisions regarding the care of the child or youth in partnership with professionals and the family's natural community supports. The team produces a community-based and culturally competent intervention plan which identifies the strengths and needs of the child or youth and family and defines goals that the team collaborates on achieving with respect for the unique cultural values of the family. The "wraparound process" shall emphasize principles of persistence and outcome-based measurements of success.

Sec. 92. RCW 71.36.025 and 2007 c 359 s 3 are each amended to read as follows:

(1) It is the goal of the legislature that, by 2012, the children's mental health system in Washington state include the following elements:

(a) A continuum of services from early identification, intervention, and prevention through crisis intervention and inpatient treatment, including peer support and parent mentoring services;

(b) Equity in access to services for similarly situated children, including children with co-occurring disorders;

(c) Developmentally appropriate, high quality, and culturally competent services available statewide;

(d) Treatment of each child in the context of his or her family and other persons that are a source of support and stability in his or her life;

(e) A sufficient supply of qualified and culturally competent children's mental health providers;

(f) Use of developmentally appropriate evidence-based and research-based practices;

(g) Integrated and flexible services to meet the needs of children who, due to mental illness or emotional or behavioral disturbance, are at risk of out-of-home placement or involved with multiple child-serving systems.

(2) The effectiveness of the children's mental health system shall be determined through the use of outcome-based performance measures. The department and the evidence-based practice institute established in RCW 71.24.061, in consultation with parents, caregivers, youth, ((~~regional support networks~~)) behavioral health organizations, mental health services providers, health plans, primary care providers, tribes, and others, shall develop outcome-based performance measures such as:

(a) Decreased emergency room utilization;

(b) Decreased psychiatric hospitalization;

(c) Lessening of symptoms, as measured by commonly used assessment tools;

(d) Decreased out-of-home placement, including residential, group, and foster care, and increased stability of such placements, when necessary;

(e) Decreased runaways from home or residential placements;

(f) Decreased rates of chemical dependency;

(g) Decreased involvement with the juvenile justice system;

(h) Improved school attendance and performance;

(i) Reductions in school or child care suspensions or expulsions;

(j) Reductions in use of prescribed medication where cognitive behavioral therapies are indicated;

(k) Improved rates of high school graduation and employment; and

(l) Decreased use of mental health services upon reaching adulthood for mental disorders other than those that require ongoing treatment to maintain stability.

Performance measure reporting for children's mental health services should be integrated into existing performance measurement and reporting systems developed and implemented under chapter 71.24 RCW.

Sec. 93. RCW 71.36.040 and 2003 c 281 s 2 are each amended to read as follows:

(1) The legislature supports recommendations made in the August 2002 study of the public mental health system for children conducted by the joint legislative audit and review committee.

(2) The department shall, within available funds:

(a) Identify internal business operation issues that limit the agency's ability to meet legislative intent to coordinate existing categorical children's mental health programs and funding;

(b) Collect reliable mental health cost, service, and outcome data specific to children. This information must be used to identify best practices and methods of improving fiscal management;

(c) Revise the early periodic screening diagnosis and treatment plan to reflect the mental health system structure in place on July 27, 2003, and thereafter revise the plan as necessary to conform to subsequent changes in the structure.

(3) The department and the office of the superintendent of public instruction shall jointly identify school districts where mental health and education systems coordinate services and resources to provide public mental health care for children. The department and the office of the superintendent of public instruction shall work together to share information about these approaches with other school districts, ((~~regional support networks~~)) behavioral health organizations, and state agencies.

Sec. 94. RCW 72.09.350 and 1993 c 459 s 1 are each amended to read as follows:

(1) The department of corrections and the University of Washington may enter into a collaborative arrangement to provide improved services for ((~~mentally ill~~)) offenders with mental illness with a focus on prevention, treatment, and reintegration into society. The participants in the collaborative arrangement may develop a strategic plan within sixty days after May 17, 1993, to address the management of ((~~mentally ill~~)) offenders with mental illness within the correctional system, facilitating their reentry into the community and the mental health system, and preventing the inappropriate incarceration of ((~~mentally ill~~)) individuals with mental illness. The collaborative arrangement may also specify the establishment and maintenance of a corrections mental health center located at McNeil Island corrections center. The collaborative arrangement shall require that an advisory panel of key stakeholders be established and consulted throughout the development and implementation of the center. The stakeholders advisory panel shall include a broad array of interest groups drawn from representatives of mental health, criminal justice, and correctional systems. The stakeholders advisory panel shall include, but is not limited to, membership from: The department of corrections, the department of social and health services mental health division and division of juvenile rehabilitation, ((~~regional support networks~~)) behavioral health organizations, local and regional law enforcement agencies, the sentencing guidelines commission, county and city jails, mental health advocacy groups for ((~~the mentally ill, developmentally disabled~~)) individuals with mental illness or developmental disabilities, and the traumatically brain-injured, and the general public. The center established by the department of corrections and University of Washington, in consultation with the stakeholder advisory groups, shall have the authority to:

(a) Develop new and innovative treatment approaches for corrections mental health clients;

(b) Improve the quality of mental health services within the department and throughout the corrections system;

(c) Facilitate mental health staff recruitment and training to meet departmental, county, and municipal needs;

(d) Expand research activities within the department in the area of treatment services, the design of delivery systems, the development of organizational models, and training for corrections mental health care professionals;

(e) Improve the work environment for correctional employees by developing the skills, knowledge, and understanding of how to work with offenders with special chronic mental health challenges;

(f) Establish a more positive rehabilitative environment for offenders;

(g) Strengthen multidisciplinary mental health collaboration between the University of Washington, other groups committed to the intent of this section, and the department of corrections;

(h) Strengthen department linkages between institutions of higher education, public sector mental health systems, and county and municipal corrections;

(i) Assist in the continued formulation of corrections mental health policies;

(j) Develop innovative and effective recruitment and training programs for correctional personnel working with ((~~mentally ill~~)) offenders with mental illness;

(k) Assist in the development of a coordinated continuum of mental health care capable of providing services from corrections entry to community return; and

(l) Evaluate all current and innovative approaches developed within this center in terms of their effective and efficient achievement of improved mental health of inmates, development and utilization of personnel, the impact of these approaches on the functioning of correctional institutions, and the relationship of the corrections system to mental health and criminal justice systems. Specific attention should be paid to evaluating the effects of programs on the reintegration of ((~~mentally ill~~)) offenders with mental illness into the community and the prevention of inappropriate incarceration of ((~~mentally ill~~)) persons with mental illness.

(2) The corrections mental health center may conduct research, training, and treatment activities for the ((~~mentally ill~~)) offender with mental illness within selected sites operated by the department. The department shall provide support services for the center such as food services, maintenance, perimeter security, classification, offender supervision, and living unit functions. The University of Washington may develop, implement, and evaluate the clinical, treatment, research, and evaluation components of the mentally ill offender center. The institute of ((~~[for]~~)) for public policy and management may be consulted regarding the development of the center and in the recommendations regarding public policy. As resources permit, training within the center shall be available to state, county, and municipal agencies requiring the services. Other state colleges, state universities, and mental health providers may be involved in activities as required on a subcontract basis. Community mental health organizations, research groups, and community advocacy groups may be critical components of the center's operations and involved as appropriate to annual objectives. ((~~Mentally ill~~)) Clients with mental illness may be drawn from throughout the department's population and transferred to the center as clinical need, available services, and department jurisdiction permits.

(3) The department shall prepare a report of the center's progress toward the attainment of stated goals and provide the report to the legislature annually.

Sec. 95. RCW 72.09.370 and 2009 c 319 s 3 and 2009 c 28 s 36 are each reenacted and amended to read as follows:

(1) The offender reentry community safety program is established to provide intensive services to offenders identified under this subsection and to thereby promote public safety. The secretary shall identify offenders in confinement or partial confinement who: (a) Are reasonably believed to be dangerous to themselves or others; and (b) have a mental disorder. In determining an offender's dangerousness, the secretary shall consider behavior known to the department and factors, based on research, that are linked to an increased risk for dangerousness of offenders with mental illnesses and shall include consideration of an offender's chemical dependency or abuse.

(2) Prior to release of an offender identified under this section, a team consisting of representatives of the department of corrections, the division of mental health, and, as necessary, the indeterminate sentence review board, other divisions or administrations within the department of social and health services, specifically including the division of alcohol and substance abuse and the division of developmental disabilities, the appropriate ((~~regional support network~~)) behavioral health organization, and the providers, as appropriate, shall develop a plan, as determined necessary by the team, for delivery of treatment and support services to the offender upon release. In developing the plan, the offender shall be offered assistance in executing a mental health directive under chapter 71.32 RCW, after being fully informed of the benefits, scope, and purposes of such directive. The team may include a school district representative for offenders under the age of twenty-one. The team shall consult with the offender's counsel, if any, and, as appropriate, the offender's family and community. The team shall notify the crime victim/witness program, which shall provide notice to all people registered to receive notice under RCW 72.09.712 of the proposed release plan developed by the team. Victims, witnesses, and other interested people notified by the department may provide information and comments to the department on potential safety risk to specific individuals or classes of individuals posed by the specific offender. The team may recommend: (a) That the offender be evaluated by the designated mental health professional, as defined in chapter 71.05 RCW; (b) department-supervised community treatment; or (c) voluntary community mental health or chemical dependency or abuse treatment.

(3) Prior to release of an offender identified under this section, the team shall determine whether or not an evaluation by a designated mental health professional is needed. If an evaluation is recommended, the supporting documentation shall be immediately forwarded to the appropriate designated mental health professional. The supporting documentation shall include the offender's criminal history, history of judicially required or administratively ordered involuntary antipsychotic medication while in confinement, and any known history of involuntary civil commitment.

(4) If an evaluation by a designated mental health professional is recommended by the team, such evaluation shall occur not more than ten days, nor less than five days, prior to release.

(5) A second evaluation by a designated mental health professional shall occur on the day of release if requested by the team, based upon new information

or a change in the offender's mental condition, and the initial evaluation did not result in an emergency detention or a summons under chapter 71.05 RCW.

(6) If the designated mental health professional determines an emergency detention under chapter 71.05 RCW is necessary, the department shall release the offender only to a state hospital or to a consenting evaluation and treatment facility. The department shall arrange transportation of the offender to the hospital or facility.

(7) If the designated mental health professional believes that a less restrictive alternative treatment is appropriate, he or she shall seek a summons, pursuant to the provisions of chapter 71.05 RCW, to require the offender to appear at an evaluation and treatment facility. If a summons is issued, the offender shall remain within the corrections facility until completion of his or her term of confinement and be transported, by corrections personnel on the day of completion, directly to the identified evaluation and treatment facility.

(8) The secretary shall adopt rules to implement this section.

Sec. 96. RCW 72.09.381 and 1999 c 214 s 11 are each amended to read as follows:

The secretary of the department of corrections and the secretary of the department of social and health services shall, in consultation with the ((~~regional support networks~~)) behavioral health organizations and provider representatives, each adopt rules as necessary to implement chapter 214, Laws of 1999.

Sec. 97. RCW 72.10.060 and 1998 c 297 s 48 are each amended to read as follows:

The secretary shall, for any person committed to a state correctional facility after July 1, 1998, inquire at the time of commitment whether the person had received outpatient mental health treatment within the two years preceding confinement and the name of the person providing the treatment.

The secretary shall inquire of the treatment provider if he or she wishes to be notified of the release of the person from confinement, for purposes of offering treatment upon the inmate's release. If the treatment provider wishes to be notified of the inmate's release, the secretary shall attempt to provide such notice at least seven days prior to release.

At the time of an inmate's release if the secretary is unable to locate the treatment provider, the secretary shall notify the ((~~regional support network~~)) behavioral health organization in the county the inmate will most likely reside following release.

If the secretary has, prior to the release from the facility, evaluated the inmate and determined he or she requires postrelease mental health treatment, a copy of relevant records and reports relating to the inmate's mental health treatment or status shall be promptly made available to the offender's present or future treatment provider. The secretary shall determine which records and reports are relevant and may provide a summary in lieu of copies of the records.

Sec. 98. RCW 72.23.025 and 2011 1st sp.s. c 21 s 1 are each amended to read as follows:

(1) It is the intent of the legislature to improve the quality of service at state hospitals, eliminate overcrowding, and more specifically define the role of the state hospitals. The legislature intends that eastern and western state hospitals shall become clinical centers for handling the most complicated long-term care

needs of patients with a primary diagnosis of mental disorder. To this end, the legislature intends that funds appropriated for mental health programs, including funds for ((~~regional support networks~~)) behavioral health organizations and the state hospitals be used for persons with primary diagnosis of mental disorder. The legislature finds that establishment of institutes for the study and treatment of mental disorders at both eastern state hospital and western state hospital will be instrumental in implementing the legislative intent.

(2)(a) There is established at eastern state hospital and western state hospital, institutes for the study and treatment of mental disorders. The institutes shall be operated by joint operating agreements between state colleges and universities and the department of social and health services. The institutes are intended to conduct training, research, and clinical program development activities that will directly benefit persons with mental illness who are receiving treatment in Washington state by performing the following activities:

(i) Promote recruitment and retention of highly qualified professionals at the state hospitals and community mental health programs;

(ii) Improve clinical care by exploring new, innovative, and scientifically based treatment models for persons presenting particularly difficult and complicated clinical syndromes;

(iii) Provide expanded training opportunities for existing staff at the state hospitals and community mental health programs;

(iv) Promote bilateral understanding of treatment orientation, possibilities, and challenges between state hospital professionals and community mental health professionals.

(b) To accomplish these purposes the institutes may, within funds appropriated for this purpose:

(i) Enter joint operating agreements with state universities or other institutions of higher education to accomplish the placement and training of students and faculty in psychiatry, psychology, social work, occupational therapy, nursing, and other relevant professions at the state hospitals and community mental health programs;

(ii) Design and implement clinical research projects to improve the quality and effectiveness of state hospital services and operations;

(iii) Enter into agreements with community mental health service providers to accomplish the exchange of professional staff between the state hospitals and community mental health service providers;

(iv) Establish a student loan forgiveness and conditional scholarship program to retain qualified professionals at the state hospitals and community mental health providers when the secretary has determined a shortage of such professionals exists.

(c) Notwithstanding any other provisions of law to the contrary, the institutes may enter into agreements with the department or the state hospitals which may involve changes in staffing necessary to implement improved patient care programs contemplated by this section.

(d) The institutes are authorized to seek and accept public or private gifts, grants, contracts, or donations to accomplish their purposes under this section.

Sec. 99. RCW 72.78.020 and 2007 c 483 s 102 are each amended to read as follows:

(1) Each county or group of counties shall conduct an inventory of the services and resources available in the county or group of counties to assist offenders in reentering the community.

(2) In conducting its inventory, the county or group of counties should consult with the following:

(a) The department of corrections, including community corrections officers;

(b) The department of social and health services in applicable program areas;

(c) Representatives from county human services departments and, where applicable, multicounty ((~~regional support networks~~)) behavioral health organizations;

(d) Local public health jurisdictions;

(e) City and county law enforcement;

(f) Local probation/supervision programs;

(g) Local community and technical colleges;

(h) The local worksource center operated under the statewide workforce investment system;

(i) Faith-based and nonprofit organizations providing assistance to offenders;

(j) Housing providers;

(k) Crime victims service providers; and

(l) Other community stakeholders interested in reentry efforts.

(3) The inventory must include, but is not limited to:

(a) A list of programs available through the entities listed in subsection (2) of this section and services currently available in the community for offenders including, but not limited to, housing assistance, employment assistance, education, vocational training, parenting education, financial literacy, treatment for substance abuse, mental health, anger management, life skills training, specialized treatment programs such as batterers treatment and sex offender treatment, and any other service or program that will assist the former offender to successfully transition into the community; and

(b) An indication of the availability of community representatives or volunteers to assist the offender with his or her transition.

(4) No later than January 1, 2008, each county or group of counties shall present its inventory to the policy advisory committee convened in RCW 72.78.030(8).

Sec. 100. RCW 74.09.515 and 2011 1st sp.s. c 15 s 26 are each amended to read as follows:

(1) The authority shall adopt rules and policies providing that when youth who were enrolled in a medical assistance program immediately prior to confinement are released from confinement, their medical assistance coverage will be fully reinstated on the day of their release, subject to any expedited review of their continued eligibility for medical assistance coverage that is required under federal or state law.

(2) The authority, in collaboration with the department, county juvenile court administrators, and ((~~regional support networks~~)) behavioral health organizations, shall establish procedures for coordination between department field offices, juvenile rehabilitation administration institutions, and county

juvenile courts that result in prompt reinstatement of eligibility and speedy eligibility determinations for youth who are likely to be eligible for medical assistance services upon release from confinement. Procedures developed under this subsection must address:

(a) Mechanisms for receiving medical assistance services' applications on behalf of confined youth in anticipation of their release from confinement;

(b) Expeditious review of applications filed by or on behalf of confined youth and, to the extent practicable, completion of the review before the youth is released; and

(c) Mechanisms for providing medical assistance services' identity cards to youth eligible for medical assistance services immediately upon their release from confinement.

(3) For purposes of this section, "confined" or "confinement" means detained in a facility operated by or under contract with the department of social and health services, juvenile rehabilitation administration, or detained in a juvenile detention facility operated under chapter 13.04 RCW.

(4) The authority shall adopt standardized statewide screening and application practices and forms designed to facilitate the application of a confined youth who is likely to be eligible for a medical assistance program.

Sec. 101. RCW 74.09.521 and 2011 1st sp.s. c 15 s 28 are each amended to read as follows:

(1) To the extent that funds are specifically appropriated for this purpose the authority shall revise its medicaid healthy options managed care and fee-for-service program standards under medicaid, Title XIX of the federal social security act to improve access to mental health services for children who do not meet the ((~~regional support network~~)) behavioral health organization access to care standards. The program standards shall be revised to allow outpatient therapy services to be provided by licensed mental health professionals, as defined in RCW 71.34.020, or by a mental health professional regulated under Title 18 RCW who is under the direct supervision of a licensed mental health professional, and up to twenty outpatient therapy hours per calendar year, including family therapy visits integral to a child's treatment. This section shall be administered in a manner consistent with federal early and periodic screening, diagnosis, and treatment requirements related to the receipt of medically necessary services when a child's need for such services is identified through developmental screening.

(2) The authority and the children's mental health evidence-based practice institute established in RCW 71.24.061 shall collaborate to encourage and develop incentives for the use of prescribing practices and evidence-based and research-based treatment practices developed under RCW 74.09.490 by mental health professionals serving children under this section.

Sec. 102. RCW 74.09.555 and 2011 1st sp.s. c 36 s 32 and 2011 1st sp.s c 15 s 34 are each reenacted and amended to read as follows:

(1) The authority shall adopt rules and policies providing that when persons with a mental disorder, who were enrolled in medical assistance immediately prior to confinement, are released from confinement, their medical assistance coverage will be fully reinstated on the day of their release, subject to any

expedited review of their continued eligibility for medical assistance coverage that is required under federal or state law.

(2) The authority, in collaboration with the Washington association of sheriffs and police chiefs, the department of corrections, and the ((~~regional support networks~~)) behavioral health organizations, shall establish procedures for coordination between the authority and department field offices, institutions for mental disease, and correctional institutions, as defined in RCW 9.94.049, that result in prompt reinstatement of eligibility and speedy eligibility determinations for persons who are likely to be eligible for medical assistance services upon release from confinement. Procedures developed under this subsection must address:

(a) Mechanisms for receiving medical assistance services applications on behalf of confined persons in anticipation of their release from confinement;

(b) Expeditious review of applications filed by or on behalf of confined persons and, to the extent practicable, completion of the review before the person is released;

(c) Mechanisms for providing medical assistance services identity cards to persons eligible for medical assistance services immediately upon their release from confinement; and

(d) Coordination with the federal social security administration, through interagency agreements or otherwise, to expedite processing of applications for federal supplemental security income or social security disability benefits, including federal acceptance of applications on behalf of confined persons.

(3) Where medical or psychiatric examinations during a person's confinement indicate that the person is disabled, the correctional institution or institution for mental diseases shall provide the authority with that information for purposes of making medical assistance eligibility and enrollment determinations prior to the person's release from confinement. The authority shall, to the maximum extent permitted by federal law, use the examination in making its determination whether the person is disabled and eligible for medical assistance.

(4) For purposes of this section, "confined" or "confinement" means incarcerated in a correctional institution, as defined in RCW 9.94.049, or admitted to an institute for mental disease, as defined in 42 C.F.R. part 435, Sec. 1009 on July 24, 2005.

(5) For purposes of this section, "likely to be eligible" means that a person:

(a) Was enrolled in medicaid or supplemental security income or the medical care services program immediately before he or she was confined and his or her enrollment was terminated during his or her confinement; or

(b) Was enrolled in medicaid or supplemental security income or the medical care services program at any time during the five years before his or her confinement, and medical or psychiatric examinations during the person's confinement indicate that the person continues to be disabled and the disability is likely to last at least twelve months following release.

(6) The economic services administration within the department shall adopt standardized statewide screening and application practices and forms designed to facilitate the application of a confined person who is likely to be eligible for medicaid.

Sec. 103. RCW 74.34.068 and 2001 c 233 s 2 are each amended to read as follows:

(1) After the investigation is complete, the department may provide a written report of the outcome of the investigation to an agency or program described in this subsection when the department determines from its investigation that an incident of abuse, abandonment, financial exploitation, or neglect occurred. Agencies or programs that may be provided this report are home health, hospice, or home care agencies, or after January 1, 2002, any in-home services agency licensed under chapter 70.127 RCW, a program authorized under chapter 71A.12 RCW, an adult day care or day health program, ((~~regional support networks~~)) behavioral health organizations authorized under chapter 71.24 RCW, or other agencies. The report may contain the name of the vulnerable adult and the alleged perpetrator. The report shall not disclose the identity of the person who made the report or any witness without the written permission of the reporter or witness. The department shall notify the alleged perpetrator regarding the outcome of the investigation. The name of the vulnerable adult must not be disclosed during this notification.

(2) The department may also refer a report or outcome of an investigation to appropriate state or local governmental authorities responsible for licensing or certification of the agencies or programs listed in subsection (1) of this section.

(3) The department shall adopt rules necessary to implement this section.

Sec. 104. RCW 82.04.4277 and 2011 1st sp.s. c 19 s 1 are each amended to read as follows:

(1) A health or social welfare organization may deduct from the measure of tax amounts received as compensation for providing mental health services under a government-funded program.

(2) A ((~~regional support network~~)) behavioral health organization may deduct from the measure of tax amounts received from the state of Washington for distribution to a health or social welfare organization that is eligible to deduct the distribution under subsection (1) of this section.

(3) A person claiming a deduction under this section must file a complete annual report with the department under RCW 82.32.534.

(4) The definitions in this subsection apply to this section.

(a) "Health or social welfare organization" has the meaning provided in RCW 82.04.431.

(b) "Mental health services" and "((~~regional support network~~)) behavioral health organization" have the meanings provided in RCW 71.24.025.

(5) This section expires August 1, 2016.

Sec. 105. RCW 70.48.100 and 1990 c 3 s 130 are each amended to read as follows:

(1) A department of corrections or chief law enforcement officer responsible for the operation of a jail shall maintain a jail register, open to the public, into which shall be entered in a timely basis:

(a) The name of each person confined in the jail with the hour, date and cause of the confinement; and

(b) The hour, date and manner of each person's discharge.

(2) Except as provided in subsection (3) of this section the records of a person confined in jail shall be held in confidence and shall be made available only to criminal justice agencies as defined in RCW 43.43.705; or

(a) For use in inspections made pursuant to RCW 70.48.070;

(b) In jail certification proceedings;

(c) For use in court proceedings upon the written order of the court in which the proceedings are conducted; ((~~or~~))

(d) To the Washington association of sheriffs and police chiefs;

(e) To the Washington institute for public policy, research and data analysis division of the department of social and health services, higher education institutions of Washington state, Washington state health care authority, state auditor's office, caseload forecast council, office of financial management, or the successor entities of these organizations, for the purpose of research in the public interest. Data disclosed for research purposes must comply with relevant state and federal statutes; or

(f) Upon the written permission of the person.

(3)(a) Law enforcement may use booking photographs of a person arrested or confined in a local or state penal institution to assist them in conducting investigations of crimes.

(b) Photographs and information concerning a person convicted of a sex offense as defined in RCW 9.94A.030 may be disseminated as provided in RCW 4.24.550, 9A.44.130, 9A.44.140, 10.01.200, 43.43.540, 43.43.745, 46.20.187, 70.48.470, 72.09.330, and section 401, chapter 3, Laws of 1990.

Sec. 106. RCW 70.38.111 and 2012 c 10 s 48 are each amended to read as follows:

(1) The department shall not require a certificate of need for the offering of an inpatient tertiary health service by:

(a) A health maintenance organization or a combination of health maintenance organizations if (i) the organization or combination of organizations has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals, (ii) the facility in which the service will be provided is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization or organizations in the combination;

(b) A health care facility if (i) the facility primarily provides or will provide inpatient health services, (ii) the facility is or will be controlled, directly or indirectly, by a health maintenance organization or a combination of health maintenance organizations which has, in the service area of the organization or service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals, (iii) the facility is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iv) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization or organizations in the combination; or

(c) A health care facility (or portion thereof) if (i) the facility is or will be leased by a health maintenance organization or combination of health maintenance organizations which has, in the service area of the organization or

the service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals and, on the date the application is submitted under subsection (2) of this section, at least fifteen years remain in the term of the lease, (ii) the facility is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization;
if, with respect to such offering or obligation by a nursing home, the department has, upon application under subsection (2) of this section, granted an exemption from such requirement to the organization, combination of organizations, or facility.

(2) A health maintenance organization, combination of health maintenance organizations, or health care facility shall not be exempt under subsection (1) of this section from obtaining a certificate of need before offering a tertiary health service unless:

(a) It has submitted at least thirty days prior to the offering of services reviewable under RCW 70.38.105(4)(d) an application for such exemption; and

(b) The application contains such information respecting the organization, combination, or facility and the proposed offering or obligation by a nursing home as the department may require to determine if the organization or combination meets the requirements of subsection (1) of this section or the facility meets or will meet such requirements; and

(c) The department approves such application. The department shall approve or disapprove an application for exemption within thirty days of receipt of a completed application. In the case of a proposed health care facility (or portion thereof) which has not begun to provide tertiary health services on the date an application is submitted under this subsection with respect to such facility (or portion), the facility (or portion) shall meet the applicable requirements of subsection (1) of this section when the facility first provides such services. The department shall approve an application submitted under this subsection if it determines that the applicable requirements of subsection (1) of this section are met.

(3) A health care facility (or any part thereof) with respect to which an exemption was granted under subsection (1) of this section may not be sold or leased and a controlling interest in such facility or in a lease of such facility may not be acquired and a health care facility described in (1)(c) which was granted an exemption under subsection (1) of this section may not be used by any person other than the lessee described in (1)(c) unless:

(a) The department issues a certificate of need approving the sale, lease, acquisition, or use; or

(b) The department determines, upon application, that (i) the entity to which the facility is proposed to be sold or leased, which intends to acquire the controlling interest, or which intends to use the facility is a health maintenance organization or a combination of health maintenance organizations which meets the requirements of (1)(a)(i), and (ii) with respect to such facility, meets the requirements of (1)(a)(ii) or (iii) or the requirements of (1)(b)(i) and (ii).

(4) In the case of a health maintenance organization, an ambulatory care facility, or a health care facility, which ambulatory or health care facility is controlled, directly or indirectly, by a health maintenance organization or a

combination of health maintenance organizations, the department may under the program apply its certificate of need requirements to the offering of inpatient tertiary health services to the extent that such offering is not exempt under the provisions of this section or RCW 70.38.105(7).

(5)(a) The department shall not require a certificate of need for the construction, development, or other establishment of a nursing home, or the addition of beds to an existing nursing home, that is owned and operated by a continuing care retirement community that:

(i) Offers services only to contractual members;

(ii) Provides its members a contractually guaranteed range of services from independent living through skilled nursing, including some assistance with daily living activities;

(iii) Contractually assumes responsibility for the cost of services exceeding the member's financial responsibility under the contract, so that no third party, with the exception of insurance purchased by the retirement community or its members, but including the medicaid program, is liable for costs of care even if the member depletes his or her personal resources;

(iv) Has offered continuing care contracts and operated a nursing home continuously since January 1, 1988, or has obtained a certificate of need to establish a nursing home;

(v) Maintains a binding agreement with the state assuring that financial liability for services to members, including nursing home services, will not fall upon the state;

(vi) Does not operate, and has not undertaken a project that would result in a number of nursing home beds in excess of one for every four living units operated by the continuing care retirement community, exclusive of nursing home beds; and

(vii) Has obtained a professional review of pricing and long-term solvency within the prior five years which was fully disclosed to members.

(b) A continuing care retirement community shall not be exempt under this subsection from obtaining a certificate of need unless:

(i) It has submitted an application for exemption at least thirty days prior to commencing construction of, is submitting an application for the licensure of, or is commencing operation of a nursing home, whichever comes first; and

(ii) The application documents to the department that the continuing care retirement community qualifies for exemption.

(c) The sale, lease, acquisition, or use of part or all of a continuing care retirement community nursing home that qualifies for exemption under this subsection shall require prior certificate of need approval to qualify for licensure as a nursing home unless the department determines such sale, lease, acquisition, or use is by a continuing care retirement community that meets the conditions of (a) of this subsection.

(6) A rural hospital, as defined by the department, reducing the number of licensed beds to become a rural primary care hospital under the provisions of Part A Title XVIII of the Social Security Act Section 1820, 42 U.S.C., 1395c et seq. may, within three years of the reduction of beds licensed under chapter 70.41 RCW, increase the number of licensed beds to no more than the previously licensed number without being subject to the provisions of this chapter.

(7) A rural health care facility licensed under RCW 70.175.100 formerly licensed as a hospital under chapter 70.41 RCW may, within three years of the effective date of the rural health care facility license, apply to the department for a hospital license and not be subject to the requirements of RCW 70.38.105(4)(a) as the construction, development, or other establishment of a new hospital, provided there is no increase in the number of beds previously licensed under chapter 70.41 RCW and there is no redistribution in the number of beds used for acute care or long-term care, the rural health care facility has been in continuous operation, and the rural health care facility has not been purchased or leased.

(8)(a) A nursing home that voluntarily reduces the number of its licensed beds to provide assisted living, licensed assisted living facility care, adult day care, adult day health, respite care, hospice, outpatient therapy services, congregate meals, home health, or senior wellness clinic, or to reduce to one or two the number of beds per room or to otherwise enhance the quality of life for residents in the nursing home, may convert the original facility or portion of the facility back, and thereby increase the number of nursing home beds to no more than the previously licensed number of nursing home beds without obtaining a certificate of need under this chapter, provided the facility has been in continuous operation and has not been purchased or leased. Any conversion to the original licensed bed capacity, or to any portion thereof, shall comply with the same life and safety code requirements as existed at the time the nursing home voluntarily reduced its licensed beds; unless waivers from such requirements were issued, in which case the converted beds shall reflect the conditions or standards that then existed pursuant to the approved waivers.

(b) To convert beds back to nursing home beds under this subsection, the nursing home must:

(i) Give notice of its intent to preserve conversion options to the department of health no later than thirty days after the effective date of the license reduction; and

(ii) Give notice to the department of health and to the department of social and health services of the intent to convert beds back. If construction is required for the conversion of beds back, the notice of intent to convert beds back must be given, at a minimum, one year prior to the effective date of license modification reflecting the restored beds; otherwise, the notice must be given a minimum of ninety days prior to the effective date of license modification reflecting the restored beds. Prior to any license modification to convert beds back to nursing home beds under this section, the licensee must demonstrate that the nursing home meets the certificate of need exemption requirements of this section.

The term "construction," as used in (b)(ii) of this subsection, is limited to those projects that are expected to equal or exceed the expenditure minimum amount, as determined under this chapter.

(c) Conversion of beds back under this subsection must be completed no later than four years after the effective date of the license reduction. However, for good cause shown, the four-year period for conversion may be extended by the department of health for one additional four-year period.

(d) Nursing home beds that have been voluntarily reduced under this section shall be counted as available nursing home beds for the purpose of evaluating

need under RCW 70.38.115(2) (a) and (k) so long as the facility retains the ability to convert them back to nursing home use under the terms of this section.

(e) When a building owner has secured an interest in the nursing home beds, which are intended to be voluntarily reduced by the licensee under (a) of this subsection, the applicant shall provide the department with a written statement indicating the building owner's approval of the bed reduction.

(9)(a) The department shall not require a certificate of need for a hospice agency if:

(i) The hospice agency is designed to serve the unique religious or cultural needs of a religious group or an ethnic minority and commits to furnishing hospice services in a manner specifically aimed at meeting the unique religious or cultural needs of the religious group or ethnic minority;

(ii) The hospice agency is operated by an organization that:

(A) Operates a facility, or group of facilities, that offers a comprehensive continuum of long-term care services, including, at a minimum, a licensed, medicare-certified nursing home, assisted living, independent living, day health, and various community-based support services, designed to meet the unique social, cultural, and religious needs of a specific cultural and ethnic minority group;

(B) Has operated the facility or group of facilities for at least ten continuous years prior to the establishment of the hospice agency;

(iii) The hospice agency commits to coordinating with existing hospice programs in its community when appropriate;

(iv) The hospice agency has a census of no more than forty patients;

(v) The hospice agency commits to obtaining and maintaining medicare certification;

(vi) The hospice agency only serves patients located in the same county as the majority of the long-term care services offered by the organization that operates the agency; and

(vii) The hospice agency is not sold or transferred to another agency.

(b) The department shall include the patient census for an agency exempted under this subsection (9) in its calculations for future certificate of need applications.

(10) To alleviate the need to board psychiatric patients in emergency departments, for fiscal year 2015 the department shall suspend the certificate of need requirement for a hospital licensed under chapter 70.41 RCW that changes the use of licensed beds to increase the number of beds to provide psychiatric services, including involuntary treatment services. A certificate of need exemption under this section shall be valid for two years.

Sec. 107. RCW 70.320.020 and 2013 c 320 s 2 are each amended to read as follows:

(1) The authority and the department shall base contract performance measures developed under RCW 70.320.030 on the following outcomes when contracting with service contracting entities: Improvements in client health status and wellness; increases in client participation in meaningful activities; reductions in client involvement with criminal justice systems; reductions in avoidable costs in hospitals, emergency rooms, crisis services, and jails and prisons; increases in stable housing in the community; improvements in client

satisfaction with quality of life; and reductions in population-level health disparities.

(2) The performance measures must demonstrate the manner in which the following principles are achieved within each of the outcomes under subsection (1) of this section:

(a) Maximization of the use of evidence-based practices will be given priority over the use of research-based and promising practices, and research-based practices will be given priority over the use of promising practices. The agencies will develop strategies to identify programs that are effective with ethnically diverse clients and to consult with tribal governments, experts within ethnically diverse communities and community organizations that serve diverse communities;

(b) The maximization of the client's independence, recovery, and employment;

(c) The maximization of the client's participation in treatment decisions; and

(d) The collaboration between consumer-based support programs in providing services to the client.

(3) In developing performance measures under RCW 70.320.030, the authority and the department shall consider expected outcomes relevant to the general populations that each agency serves. The authority and the department may adapt the outcomes to account for the unique needs and characteristics of discrete subcategories of populations receiving services, including ethnically diverse communities.

(4) The authority and the department shall coordinate the establishment of the expected outcomes and the performance measures between each agency as well as each program to identify expected outcomes and performance measures that are common to the clients enrolled in multiple programs and to eliminate conflicting standards among the agencies and programs.

(5)(a) The authority and the department shall establish timelines and mechanisms for service contracting entities to report data related to performance measures and outcomes, including phased implementation of public reporting of outcome and performance measures in a form that allows for comparison of performance measures and levels of improvement between geographic regions of Washington.

(b) The authority and the department may not release any public reports of client outcomes unless the data have been deidentified and aggregated in such a way that the identity of individual clients cannot be determined through directly identifiable data or the combination of multiple data elements.

Sec. 108. RCW 18.205.040 and 2008 c 135 s 17 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, nothing in this chapter shall be construed to authorize the use of the title "certified chemical dependency professional" or "certified chemical dependency professional trainee" when treating patients in settings other than programs approved under chapter 70.96A RCW.

(2) A person who holds a credential as a "certified chemical dependency professional" or a "certified chemical dependency professional trainee" may use such title when treating patients in settings other than programs approved under chapter 70.96A RCW if the person also holds a license as: An advanced

registered nurse practitioner under chapter 18.79 RCW; a marriage and family therapist, mental health counselor, advanced social worker, or independent clinical social health worker under chapter 18.225 RCW; a psychologist under chapter 18.83 RCW; an osteopathic physician under chapter 18.57 RCW; an osteopathic physician assistant under chapter 18.57A RCW; a physician under chapter 18.71 RCW; or a physician assistant under chapter 18.71A RCW.

NEW SECTION. **Sec. 109.** A new section is added to chapter 70.320 RCW to read as follows:

The authority, the department, and service contracting entities shall establish record retention schedules for maintaining data reported by service contracting entities under RCW 70.320.020. For data elements related to the identity of individual clients, the schedules may not allow the retention of data for longer than required by law unless the authority, the department, or service contracting entities require the data for purposes contemplated by RCW 70.320.020 or to meet other service requirements. Regardless of how long data reported by service contracting entities under RCW 70.320.020 is kept, it must be protected in a way that prevents improper use or disclosure of confidential client information.

NEW SECTION. **Sec. 110.** A new section is added to chapter 71.24 RCW to read as follows:

(1) The department and the health care authority shall develop a plan to provide integrated managed health and mental health care for foster children receiving care through the medical assistance program. The plan shall detail the steps necessary to implement and operate a fully integrated program for foster children, including development of a service delivery system, benefit design, reimbursement mechanisms, and standards for contracting with health plans. The plan must be designed so that all of the requirements for providing mental health services to children under the *T.R. v. Dreyfus and Porter* settlement are met. The plan shall include an implementation timeline and funding estimate. The department and the health care authority shall submit the plan to the legislature by December 1, 2014.

(2) This section expires July 1, 2015.

NEW SECTION. **Sec. 111.** Section 1 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

NEW SECTION. **Sec. 112.** Sections 7, 10, 13 through 54, 56 through 84, and 86 through 104 of this act take effect April 1, 2016.

NEW SECTION. **Sec. 113.** Section 85 of this act takes effect July 1, 2018.

*Reviser's note: Amendatory changes made to subsection (1)(a)(iii) are displayed as indicated by Rule 13 of the Joint Rules of the Senate and House of Representatives and RCW 44.20.060.

Passed by the Senate March 12, 2014.
Passed by the House March 12, 2014.
Approved by the Governor April 4, 2014.
Filed in Office of Secretary of State April 4, 2014.

AUTHENTICATION

I, K. Kyle Thiessen, Code Reviser of the State of Washington, certify that, with the exception of such corrections as I have made in accordance with the powers vested in me by RCW 44.20.060, the laws published in this volume are a true and correct reproduction of the copies of the enrolled laws of the 2014 session (63rd Legislature), chapters 148 through 225, as certified and transmitted to the Statute Law Committee by the Secretary of State under RCW 44.20.020.

IN TESTIMONY WHEREOF, I have hereunto set my hand at Olympia, Washington, this 25th day of April, 2014.

K. KYLE THIESSEN
Code Reviser

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LEGEND

ADD	=	Add a new section
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DECD	=	Decodify existing law
RECD	=	Recodify existing law
REEN	=	Reenact existing law
REMD	=	Reenact and amend
REP	=	Repeal existing law

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30.04.285	AMD	37	128
30.04.295	RECD	37	4
30.04.300	RECD	37	4
30.04.330	RECD	37	4
30.04.330	AMD	37	129
30.04.375	RECD	37	4
30.04.375	AMD	37	130
30.04.380	RECD	37	4
30.04.380	AMD	37	131
30.04.390	RECD	37	4
30.04.390	AMD	37	132
30.04.395	RECD	37	4

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30.04.400	RECD	37	4
30.04.400	AMD	37	133
30.04.405	RECD	37	4
30.04.405	AMD	37	134
30.04.410	RECD	37	4
30.04.410	AMD	37	135
30.04.450	RECD	37	4
30.04.450	AMD	37	136
30.04.455	RECD	37	4
30.04.455	AMD	37	137
30.04.460	RECD	37	4
30.04.460	AMD	37	138
30.04.465	RECD	37	4
30.04.465	AMD	37	139
30.04.470	RECD	37	4
30.04.470	AMD	37	140
30.04.475	RECD	37	4
30.04.475	AMD	37	141
30.04.500	RECD	37	4
30.04.500	AMD	37	142
30.04.505	RECD	37	4
30.04.505	AMD	37	143
30.04.510	RECD	37	4
30.04.510	AMD	37	144
30.04.515	RECD	37	4
30.04.515	AMD	37	145
30.04.550	RECD	37	4
30.04.555	RECD	37	4
30.04.555	AMD	37	146
30.04.560	RECD	37	4
30.04.560	AMD	37	147
30.04.565	RECD	37	4
30.04.570	RECD	37	4
30.04.570	AMD	37	148
30.04.575	RECD	37	4
30.04.600	RECD	37	4
30.04.605	RECD	37	4
30.04.610	RECD	37	4
30.04.650	RECD	37	4
30.04.901	RECD	37	4
30.08.010	RECD	37	4
30.08.010	REMD	37	150
30.08.020	RECD	37	4
30.08.020	AMD	37	151
30.08.025	RECD	37	4
30.08.025	AMD	37	152
30.08.030	RECD	37	4
30.08.030	AMD	37	153
30.08.040	RECD	37	4
30.08.050	RECD	37	4
30.08.055	RECD	37	4
30.08.055	AMD	37	154
30.08.060	RECD	37	4
30.08.060	AMD	37	155
30.08.070	RECD	37	4
30.08.070	AMD	37	156
30.08.080	RECD	37	4
30.08.080	AMD	37	157
30.08.081	RECD	37	4
30.08.081	AMD	37	158
30.08.082	RECD	37	4
30.08.082	REMD	37	159
30.08.083	RECD	37	4
30.08.084	RECD	37	4
30.08.084	AMD	37	160
30.08.086	RECD	37	4
30.08.086	AMD	37	161
30.08.087	RECD	37	4
30.08.087	AMD	37	162
30.08.088	RECD	37	4
30.08.090	RECD	37	4
30.08.090	REMD	37	163
30.08.092	RECD	37	4
30.08.092	REMD	37	164
30.08.140	RECD	37	4
30.08.140	AMD	37	165
30.08.140	AMD	37	166
30.08.150	RECD	37	4
30.08.150	AMD	37	167
30.08.155	REP	37	263
30.08.160	RECD	37	4
30.08.170	RECD	37	4
30.08.180	RECD	37	4
30.08.180	AMD	37	168
30.08.190	RECD	37	4
30.08.190	REMD	37	169
30.12.010	RECD	37	4
30.12.010	REMD	37	170
30.12.020	RECD	37	4
30.12.020	AMD	37	171
30.12.025	RECD	37	4
30.12.025	AMD	37	172
30.12.030	RECD	37	4
30.12.030	AMD	37	173
30.12.040	RECD	37	4
30.12.040	AMD	37	174
30.12.0401	RECD	37	4
30.12.0401	AMD	37	175
30.12.042	RECD	37	4
30.12.042	AMD	37	176

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30.12.044	RECD	37	4
30.12.044	AMD	37	177
30.12.045	RECD	37	4
30.12.046	RECD	37	4
30.12.047	RECD	37	4
30.12.047	AMD	37	178
30.12.060	RECD	37	4
30.12.060	AMD	37	179
30.12.070	RECD	37	4
30.12.070	AMD	37	180
30.12.090	RECD	37	4
30.12.090	AMD	37	181
30.12.100	RECD	37	4
30.12.100	AMD	37	182
30.12.110	RECD	37	4
30.12.110	AMD	37	183
30.12.115	RECD	37	4
30.12.120	RECD	37	4
30.12.130	RECD	37	4
30.12.180	RECD	37	4
30.12.180	AMD	37	184
30.12.190	RECD	37	4
30.12.190	AMD	37	185
30.12.205	RECD	37	4
30.12.205	AMD	37	186
30.12.220	RECD	37	4
30.12.220	AMD	37	187
30.12.230	RECD	37	4
30.12.240	RECD	37	4
30.12.240	AMD	37	188
30.16.010	RECD	37	4
30.16.010	AMD	37	189
30.20.005	RECD	37	4
30.20.005	AMD	37	190
30.20.025	RECD	37	4
30.20.025	AMD	37	191
30.20.060	RECD	37	4
30.20.060	AMD	37	192
30.20.090	RECD	37	4
30.20.090	AMD	37	193
30.22.010	RECD	37	4
30.22.020	RECD	37	4
30.22.030	RECD	37	4
30.22.040	RECD	37	4
30.22.040	REMD	37	194
30.22.041	RECD	37	4
30.22.041	AMD	37	195
30.22.050	RECD	37	4
30.22.060	RECD	37	4
30.22.070	RECD	37	4
30.22.080	RECD	37	4
30.22.090	RECD	37	4
30.22.100	RECD	37	4
30.22.110	RECD	37	4
30.22.120	RECD	37	4
30.22.120	AMD	37	196
30.22.130	RECD	37	4
30.22.130	AMD	37	197
30.22.140	RECD	37	4
30.22.150	RECD	37	4
30.22.160	RECD	37	4
30.22.170	RECD	37	4
30.22.180	RECD	37	4
30.22.190	RECD	37	4
30.22.190	AMD	37	198
30.22.200	RECD	37	4
30.22.210	RECD	37	4
30.22.220	RECD	37	4
30.22.220	AMD	37	199
30.22.230	RECD	37	4
30.22.240	RECD	37	4
30.22.245	RECD	37	4
30.22.250	RECD	37	4
30.22.260	RECD	37	4
30.22.900	RECD	37	4
30.22.901	RECD	37	4
30.22.902	RECD	37	4
30.24.080	RECD	37	4
30.32.010	RECD	37	4
30.32.010	AMD	37	200
30.32.020	RECD	37	4
30.32.020	AMD	37	201
30.32.030	RECD	37	4
30.32.030	AMD	37	202
30.32.040	RECD	37	4
30.32.040	AMD	37	203
30.36.010	RECD	37	4
30.36.010	AMD	37	204
30.36.020	RECD	37	4
30.36.020	AMD	37	205
30.36.030	RECD	37	4
30.36.030	AMD	37	206
30.36.040	RECD	37	4
30.36.040	AMD	37	207
30.36.050	RECD	37	4
30.38.005	RECD	37	4
30.38.010	RECD	37	4
30.38.010	AMD	37	208
30.38.015	RECD	37	4
30.38.020	RECD	37	4

RCW		CH.	SEC.	RCW		CH.	SEC.
30.38.030	RECD	37	4	30.42.290	RECD	37	4
30.38.030	AMD	37	209	30.42.300	RECD	37	4
30.38.040	RECD	37	4	30.42.310	RECD	37	4
30.38.050	RECD	37	4	30.42.310	AMD	37	221
30.38.060	RECD	37	4	30.42.320	RECD	37	4
30.38.070	RECD	37	4	30.42.330	RECD	37	4
30.38.070	AMD	37	210	30.42.340	RECD	37	4
30.38.080	RECD	37	4	30.42.340	AMD	37	222
30.38.900	RECD	37	4	30.42.900	RECD	37	4
30.42.010	RECD	37	4	30.43.005	RECD	37	4
30.42.020	RECD	37	4	30.44.010	RECD	37	4
30.42.020	AMD	37	211	30.44.010	AMD	37	223
30.42.030	RECD	37	4	30.44.020	RECD	37	4
30.42.040	RECD	37	4	30.44.020	AMD	37	224
30.42.050	RECD	37	4	30.44.030	RECD	37	4
30.42.060	RECD	37	4	30.44.030	AMD	37	225
30.42.060	AMD	37	212	30.44.040	RECD	37	4
30.42.070	RECD	37	4	30.44.040	AMD	37	226
30.42.070	AMD	37	213	30.44.050	RECD	37	4
30.42.080	RECD	37	4	30.44.050	AMD	37	227
30.42.090	RECD	37	4	30.44.060	RECD	37	4
30.42.090	AMD	37	214	30.44.070	RECD	37	4
30.42.100	RECD	37	4	30.44.080	RECD	37	4
30.42.105	RECD	37	4	30.44.090	RECD	37	4
30.42.105	AMD	37	215	30.44.100	RECD	37	4
30.42.115	RECD	37	4	30.44.100	AMD	37	228
30.42.115	AMD	37	216	30.44.110	RECD	37	4
30.42.120	RECD	37	4	30.44.110	AMD	37	229
30.42.120	AMD	37	217	30.44.120	RECD	37	4
30.42.130	RECD	37	4	30.44.120	AMD	37	230
30.42.130	AMD	37	218	30.44.130	RECD	37	4
30.42.140	RECD	37	4	30.44.140	RECD	37	4
30.42.145	RECD	37	4	30.44.150	RECD	37	4
30.42.150	RECD	37	4	30.44.150	AMD	37	231
30.42.155	RECD	37	4	30.44.160	RECD	37	4
30.42.155	AMD	37	219	30.44.160	AMD	37	232
30.42.160	RECD	37	4	30.44.170	RECD	37	4
30.42.170	RECD	37	4	30.44.170	AMD	37	233
30.42.180	RECD	37	4	30.44.180	RECD	37	4
30.42.190	RECD	37	4	30.44.180	AMD	37	234
30.42.200	RECD	37	4	30.44.190	RECD	37	4
30.42.210	RECD	37	4	30.44.190	AMD	37	235
30.42.220	RECD	37	4	30.44.200	RECD	37	4
30.42.230	RECD	37	4	30.44.200	AMD	37	236
30.42.240	RECD	37	4	30.44.210	RECD	37	4
30.42.250	RECD	37	4	30.44.210	AMD	37	237
30.42.260	RECD	37	4	30.44.220	RECD	37	4
30.42.270	RECD	37	4	30.44.220	AMD	37	238
30.42.280	RECD	37	4	30.44.230	RECD	37	4
30.42.280	AMD	37	220	30.44.230	AMD	37	239

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30.44.240	RECD	37	4
30.44.240	AMD	37	240
30.44.250	RECD	37	4
30.44.250	AMD	37	241
30.44.260	RECD	37	4
30.44.270	RECD	37	4
30.44.270	AMD	37	242
30.44.280	RECD	37	4
30.44.280	AMD	37	243
30.46.010	RECD	37	4
30.46.010	AMD	37	244
30.46.020	RECD	37	4
30.46.020	AMD	37	245
30.46.030	RECD	37	4
30.46.030	AMD	37	246
30.46.040	RECD	37	4
30.46.040	AMD	37	247
30.46.050	RECD	37	4
30.46.050	AMD	37	248
30.46.060	RECD	37	4
30.46.060	AMD	37	249
30.46.070	RECD	37	4
30.46.070	AMD	37	250
30.46.080	RECD	37	4
30.46.080	AMD	37	251
30.46.090	RECD	37	4
30.46.090	AMD	37	252
30.46.100	RECD	37	4
30.49.010	RECD	37	4
30.49.020	RECD	37	4
30.49.020	AMD	37	253
30.49.030	RECD	37	4
30.49.040	RECD	37	4
30.49.050	RECD	37	4
30.49.060	RECD	37	4
30.49.070	RECD	37	4
30.49.070	AMD	37	254
30.49.080	RECD	37	4
30.49.090	RECD	37	4
30.49.100	RECD	37	4
30.49.110	RECD	37	4
30.49.120	RECD	37	4
30.49.125	RECD	37	4
30.49.125	AMD	37	255
30.49.130	RECD	37	4
30.53.010	REP	37	263
30.53.020	REP	37	263
30.53.030	REP	37	263
30.53.040	REP	37	263
30.53.050	REP	37	263
30.53.060	REP	37	263
30.53.070	REP	37	263
30.53.080	REP	37	263
30.56.010	RECD	37	4
30.56.020	RECD	37	4
30.56.030	RECD	37	4
30.56.040	RECD	37	4
30.56.050	RECD	37	4
30.56.050	AMD	37	256
30.56.060	RECD	37	4
30.56.060	AMD	37	257
30.56.070	RECD	37	4
30.56.080	RECD	37	4
30.56.090	RECD	37	4
30.56.100	RECD	37	4
30.60.010	RECD	37	4
30.60.020	RECD	37	4
30.60.030	RECD	37	4
30.60.900	RECD	37	4
30.60.901	RECD	37	4
30.98.010	RECD	37	4
30.98.020	RECD	37	4
30.98.030	RECD	37	4
30.98.040	RECD	37	4
30.98.050	RECD	37	4
30.98.060	RECD	37	4
30A	ADD	37	4
			101-261
30B	ADD	37	301-406
31.04.045	AMD	36	5
31.04.093	AMD	36	6
31.12.461	AMD	8	1
31.45	ADD	36	8,9
31.45.110	AMD	36	7
32.04	ADD	37	501
32.08.210	AMD	37	502
33.04	ADD	37	601
33.12.010	AMD	37	602
34.05.010	AMD	97	101
34.05.271	AMD	21	1
34.05.272	AMD	22	1
35.13.270	AMD	123	1
35.21.005	AMD	121	2
35.21.404	AMD	120	9
35.21.860	AMD	118	2
35.21.870	AMD	216	306
35.63.230	AMD	120	10
35A.01.040	AMD	121	3
35A.14.801	AMD	123	2
35A.21.290	AMD	120	11

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35A.63.250	AMD	120	12
36	ADD	51	1-10
36.22.179	AMD	200	1
36.28A.300	AMD	221	912
36.28A.320	AMD	221	913
36.61	ADD	85	3,9,11
36.61.010	AMD	85	1
36.61.020	AMD	85	2
36.61.030	AMD	85	8
36.61.070	AMD	85	4
36.61.170	AMD	85	10
36.61.220	AMD	85	5
36.61.250	AMD	85	6
36.61.260	AMD	85	7
36.70.982	AMD	120	13
36.70.992	AMD	120	14
36.70A.040	AMD	147	1
36.70A.060	AMD	147	2
36.70A.280	AMD	147	3
36.70A.367	AMD	149	1
36.70A.460	AMD	120	15
36.75.300	AMD	205	1
38.12.125	AMD	178	1
38.42	ADD	65	3-6
38.42.010	AMD	65	1
38.42.020	AMD	65	2
39.04	ADD	151	1
39.10.210	AMD	42	1
39.10.280	AMD	42	2
39.10.330	AMD	19	1
39.10.340	AMD	42	3
39.10.350	AMD	42	4
39.10.360	AMD	42	5
39.10.370	AMD	42	6
39.10.390	AMD	42	7
39.10.470	AMD	19	2
39.12.070	AMD	148	1
39.26	ADD	135	3,4
39.26.010	REMD	135	2
39.42	ADD	216	408
39.102.040	AMD	112	105
41.05	ADD	115	1
41.05	ADD	223	4,6
41.05.130	AMD	221	914
41.06.0711	REP	174	18
41.26	ADD	91	1
41.34.040	AMD	95	1
41.50.770	AMD	172	1
42.16.010	AMD	162	2
42.30	ADD	61	2
42.30	ADD	66	2
42.30.110	AMD	174	4
42.52.160	AMD	28	1
42.56	ADD	14	1
42.56	ADD	66	3-5
42.56.230	REMD	142	1
42.56.250	REMD	106	1
42.56.270	AMD	144	6
42.56.270	AMD	174	5
42.56.270	AMD	192	6
42.56.300	AMD	165	1
42.56.330	AMD	33	1
42.56.330	AMD	170	2
42.56.360	AMD	223	17
43	ADD	68	1-5
43	ADD	223	8-15
43.06.010	AMD	202	305
43.17.385	AMD	68	6
43.19.025	AMD	221	915
43.20A	ADD	225	2-4
43.20A.710	AMD	88	2
43.20A.895	AMD	225	64
43.20A.897	AMD	225	65
43.20C.020	AMD	225	66
43.20C.030	AMD	225	67
43.21A	ADD	173	3
43.21A.667	REMD	76	1
43.21C.0382	AMD	120	16
43.30.385	AMD	32	2
43.41	ADD	14	2
43.41	ADD	168	2
43.43.400	AMD	202	306
43.43.839	AMD	221	916
43.43.842	AMD	88	1
43.60A.075	AMD	184	8
43.60A.160	AMD	179	1
43.60A.165	REP	179	4
43.60A.170	REP	179	4
43.60A.175	AMD	179	2
43.60A.185	AMD	179	3
43.60A.190	AMD	182	1
43.70	ADD	38	1
43.70	ADD	71	4,5
43.70	ADD	126	1
43.70	ADD	223	5
43.70.052	AMD	220	2
43.70.327	AMD	77	4
43.70.327	AMD	94	1
43.70.442	REMD	71	2
43.71	ADD	84	1

RCW		CH.	SEC.
43.71.075	AMD	220	3
43.84.092	REMD	32	6
43.84.092	REMD	32	7
43.84.092	REMD	74	5
43.84.092	REMD	74	6
43.84.092	REMD	112	106
43.84.092	REMD	112	107
43.88.110	AMD	162	4
43.101.220	AMD	221	918
43.131	ADD	119	7,8
43.131.405	REP	179	4
43.131.406	REP	179	4
43.131.408	REMD	19	3
43.131.408	REMD	42	8
43.131.418	AMD	112	122
43.135	ADD	216	407
43.136	ADD	207	11
43.160.060	AMD	112	108
43.160.900	AMD	112	109
43.162.005	REP	112	123
43.162.010	REP	112	123
43.162.012	REP	112	123
43.162.015	REP	112	123
43.162.020	REP	112	123
43.162.025	REP	112	123
43.162.030	REP	112	123
43.162.040	REP	112	123
43.185.060	AMD	225	61
43.185.070	AMD	225	62
43.185.110	AMD	225	63
43.185C.060	AMD	200	2
43.185C.240	AMD	200	3
43.215	ADD	9	1
43.215.405	AMD	160	3
43.215.405	AMD	160	4
43.330.010	AMD	112	401
43.330.050	AMD	112	110
43.330.080	AMD	112	111
43.330.082	AMD	112	112
43.330.090	AMD	112	113
43.330.250	AMD	112	114
43.330.270	AMD	112	115
43.330.280	AMD	112	116
43.330.290	REP	112	402
43.330.310	REMD	112	117
43.330.375	AMD	112	118
43.333	ADD	174	8,9
			19,20
43.333.010	REP	174	18
43.333.020	REP	174	18
43.333.030	AMD	174	10
43.333.040	AMD	174	11
43.333.050	AMD	174	12
43.333.800	REP	174	18
43.333.900	REP	174	18
43.333.901	REP	174	18
43.336.010	REP	112	301
43.336.020	REP	112	301
43.336.030	REP	112	301
43.336.040	REP	112	301
43.336.050	REP	112	301
43.336.060	REP	112	301
43.336.900	REP	112	301
43.374.010	REP	112	201
44	ADD	223	3
44.28.800	AMD	225	68
44.28.816	AMD	162	3
46.04	ADD	6	5
46.04	ADD	72	2
46.04	ADD	77	6
46.04	ADD	181	4
46.12.555	AMD	12	1
46.12.630	AMD	79	1
46.16A.020	AMD	80	2
46.16A.050	AMD	197	1
46.16A.060	AMD	72	1
46.16A.060	AMD	216	207
46.16A.110	REMD	80	3
46.16A.200	AMD	80	1
46.16A.200	AMD	181	2
46.17.040	AMD	59	2
46.17.050	AMD	59	3
46.17.060	AMD	59	4
46.17.200	AMD	80	4
46.17.220	AMD	6	2
46.17.220	AMD	77	2
46.17.350	AMD	30	1
46.17.350	AMD	30	2
46.18.060	REMD	6	4
46.18.060	REMD	77	5
46.18.130	AMD	80	5
46.18.140	REMD	80	6
46.18.200	AMD	6	1
46.18.200	AMD	77	1
46.18.230	AMD	181	1
46.18.277	AMD	181	3
46.19.010	AMD	124	2
46.19.020	AMD	124	3
46.19.030	AMD	124	4
46.19.040	AMD	124	5

RCW SECTIONS AFFECTED BY 2014 STATUTES

RCW		CH.	SEC.
46.19.050	AMD	124	6
46.20.117	AMD	185	2
46.20.161	AMD	185	1
46.20.740	AMD	101	2
46.20.750	AMD	101	3
46.29.550	AMD	17	1
46.29.560	AMD	17	2
46.29.580	AMD	17	3
46.29.600	AMD	17	4
46.37.140	AMD	154	1
46.37.467	AMD	216	208
46.48.170	AMD	154	2
46.61	ADD	167	1
46.61.350	AMD	154	3
46.61.5055	AMD	100	1
46.61.582	AMD	124	7
46.61.583	AMD	124	8
46.63.020	AMD	124	9
46.68	ADD	79	2
46.68.420	AMD	6	3
46.68.425	AMD	77	3
46.70.045	AMD	214	1
46.74.010	REMD	97	501
46.96	ADD	214	8
46.96.020	AMD	214	2
46.96.060	AMD	214	3
46.96.080	AMD	214	4
46.96.090	AMD	214	5
46.96.105	AMD	214	6
46.96.185	AMD	214	7
47.28.030	AMD	222	701
47.60.322	AMD	59	1
48.01.220	AMD	225	69
48.43	ADD	84	2
48.43	ADD	115	2
48.43	ADD	224	3
48.43.700	AMD	31	1
48.43.705	AMD	31	2
48.110.020	AMD	82	1
48.110.030	AMD	82	2
48.165	ADD	141	1
49.12	ADD	131	1
49.46.010	REMD	131	2
49.48.086	AMD	210	1
49.60	ADD	49	1
50.04	ADD	131	4
50.16.010	AMD	221	920
50.38.050	AMD	112	119
51.04.063	AMD	142	2
51.12.070	AMD	193	1
51.16	ADD	131	3
52.06.090	AMD	25	1
52.06.100	AMD	25	2
52.06.140	AMD	25	3
52.30	ADD	207	10
53.04.023	AMD	15	1
53.08	ADD	195	203
53.08.310	AMD	195	205
59.12	ADD	3	1
60.28.040	REMD	97	301
61.24.005	REMD	164	1
61.24.031	AMD	164	2
61.24.080	AMD	107	2
61.24.163	AMD	164	3
61.24.165	AMD	164	4
61.24.172	AMD	164	5
64	ADD	58	1-17
64.38.035	AMD	20	1
66.08.030	AMD	63	2
66.08.050	AMD	63	3
66.20	ADD	199	1
66.20.300	REMD	29	2
66.20.300	AMD	78	2
66.20.310	REMD	29	3
66.20.310	AMD	78	3
66.24	ADD	29	1
66.24	ADD	78	1
66.24.140	AMD	92	4
66.24.145	AMD	92	1
66.24.170	AMD	27	1
66.24.170	AMD	105	1
66.24.175	AMD	105	2
66.24.244	AMD	105	3
66.28	ADD	54	1
66.28	ADD	63	1
66.28.040	AMD	92	2
66.28.310	AMD	92	5
66.44.350	AMD	29	4
67.16.270	AMD	62	1
67.70.260	AMD	221	921
69	ADD	64	1-5
69.04	ADD	98	2
69.07.120	AMD	98	3
69.50.101	REMD	192	1
69.50.325	AMD	192	2
69.50.354	AMD	192	3
69.50.357	AMD	192	4
69.50.360	AMD	192	5
69.50.535	AMD	192	7

RCW		CH.	SEC.
70	ADD	74	1-4
			7
70.02.010	AMD	220	4
70.02.010	AMD	225	70
70.02.020	AMD	220	5
70.02.030	AMD	220	15
70.02.045	AMD	223	18
70.02.050	AMD	220	6
70.02.200	AMD	220	7
70.02.210	AMD	220	8
70.02.230	AMD	220	9
70.02.230	AMD	225	71
70.02.250	AMD	225	72
70.02.270	AMD	220	10
70.02.280	AMD	220	11
70.02.290	AMD	220	1
70.02.310	AMD	220	12
70.02.340	AMD	220	13
70.38.111	AMD	225	106
70.47.110	AMD	198	1
70.48.100	AMD	225	105
70.83	ADD	18	2,3
70.83.020	AMD	18	1
70.87.170	AMD	190	5
70.93.200	AMD	76	2
70.93.220	AMD	76	3
70.93.250	AMD	76	4
70.94.162	AMD	76	5
70.95.530	AMD	76	6
70.95.545	REP	76	14
70.95I.020	AMD	173	1
70.95I.030	AMD	173	2
70.95J.025	AMD	76	7
70.95M	ADD	119	10
70.96A.010	AMD	225	18
70.96A.011	AMD	225	19
70.96A.020	AMD	225	20
70.96A.030	AMD	225	21
70.96A.040	AMD	225	22
70.96A.050	AMD	225	23
70.96A.060	AMD	225	24
70.96A.080	AMD	225	25
70.96A.085	AMD	225	26
70.96A.100	AMD	225	27
70.96A.110	AMD	225	28
70.96A.140	AMD	225	29
70.96A.190	AMD	225	30
70.96A.300	AMD	225	31
70.96A.320	AMD	225	32
70.96A.800	AMD	225	33
70.96B.010	AMD	225	74
70.96B.020	AMD	225	75
70.96B.030	AMD	225	76
70.96C.010	AMD	225	77
70.97.010	AMD	225	78
70.120A.040	REP	76	14
70.120A.050	AMD	76	8
70.210	ADD	174	21
70.210.020	AMD	174	13
70.210.030	AMD	174	14
70.210.040	AMD	174	15
70.210.050	AMD	174	16
70.210.060	AMD	174	17
70.275	ADD	119	6
70.275.020	REMD	119	2
70.275.030	AMD	119	3
70.275.040	AMD	119	4
70.275.050	AMD	119	5
70.275.080	RECD	119	10
70.275.120	REP	119	9
70.320	ADD	225	109
70.320.010	AMD	225	73
70.320.020	AMD	225	107
71.05.020	REMD	225	79
71.05.025	AMD	225	80
71.05.026	AMD	225	81
71.05.027	AMD	225	82
71.05.110	AMD	225	83
71.05.300	REMD	225	84
71.05.365	AMD	225	85
71.05.445	AMD	220	14
71.05.445	AMD	225	86
71.05.730	AMD	225	87
71.05.740	AMD	225	88
71.24	ADD	225	5,8,9
			110
71.24.015	AMD	225	6
71.24.016	AMD	225	7
71.24.025	AMD	225	10
71.24.035	AMD	225	11
71.24.045	AMD	225	12
71.24.045	AMD	225	13
71.24.049	AMD	225	34
71.24.055	AMD	225	47
71.24.061	AMD	225	35
71.24.065	AMD	225	48
71.24.100	AMD	225	14
71.24.110	AMD	225	15
71.24.155	AMD	225	36
71.24.160	AMD	225	37

RCW		CH.	SEC.
71.24.240	AMD	225	49
71.24.250	AMD	225	38
71.24.300	AMD	225	39
71.24.310	AMD	225	40
71.24.320	AMD	225	50
71.24.330	AMD	225	51
71.24.340	AMD	225	16
71.24.350	AMD	225	41
71.24.360	AMD	225	52
71.24.370	AMD	225	42
71.24.405	AMD	225	53
71.24.420	AMD	225	17
71.24.430	AMD	225	54
71.24.455	AMD	225	43
71.24.470	AMD	225	44
71.24.480	AMD	225	45
71.24.845	AMD	225	46
71.34.330	AMD	225	89
71.34.415	AMD	225	90
71.36.010	AMD	225	91
71.36.025	AMD	225	92
71.36.040	AMD	225	93
71A.10.020	AMD	139	2
71A.16.050	AMD	139	3
72.09.340	AMD	35	2
72.09.350	AMD	225	94
72.09.370	REMD	225	95
72.09.381	AMD	225	96
72.10.060	AMD	225	97
72.23.025	AMD	225	98
72.36	ADD	184	1
72.36.020	AMD	184	2
72.36.030	AMD	184	3
72.36.035	AMD	184	4
72.36.055	AMD	184	5
72.36.070	AMD	184	6
72.36.075	AMD	184	7
72.78.020	AMD	225	99
73.16.070	AMD	65	7
74.04	ADD	180	1
74.09	ADD	39	1
74.09	ADD	223	7
74.09.515	AMD	225	100
74.09.521	AMD	225	101
74.09.522	AMD	225	55
74.09.5225	AMD	57	2
74.09.555	REMD	225	102
74.12.037	AMD	75	1
74.13	ADD	104	1
74.13.031	REMD	122	2
74.13.700	AMD	88	4
74.15	ADD	88	3
74.15.030	REMD	104	2
74.34.068	AMD	225	103
74.39A	ADD	70	1
74.39A.076	AMD	139	7
74.39A.095	AMD	40	1
74.39A.325	AMD	40	2
74.39A.341	AMD	139	8
74.60.030	AMD	143	1
74.60.120	AMD	143	2
74.60.130	AMD	143	3
76.04	ADD	81	1
76.04.005	AMD	90	1
76.04.455	AMD	90	2
77	ADD	202	102-104
			106-120
77.08.010	REMD	48	1
77.08.010	REMD	202	301
77.08.075	AMD	48	2
77.12.020	AMD	202	302
77.12.203	AMD	55	1
77.12.875	REP	202	310
77.12.878	REP	202	310
77.12.879	AMD	202	309
77.12.882	REP	202	310
77.15	ADD	48	24,25
77.15	ADD	202	201-203
			205,206
77.15.080	AMD	48	3
77.15.080	AMD	202	303
77.15.100	AMD	48	4
77.15.120	AMD	48	5
77.15.130	AMD	48	6
77.15.160	AMD	48	7
77.15.160	AMD	202	204
77.15.170	AMD	48	8
77.15.180	AMD	48	9
77.15.190	AMD	48	10
77.15.240	AMD	48	11
77.15.250	AMD	48	12
77.15.253	REP	202	310
77.15.290	AMD	202	304
77.15.293	REP	202	310
77.15.360	AMD	202	308
77.15.370	AMD	48	13
77.15.380	AMD	48	14
77.15.390	AMD	48	15
77.15.420	AMD	48	16
77.15.425	AMD	48	17

RCW		CH.	SEC.
77.15.460	AMD	48	18
77.15.470	AMD	48	19
77.15.480	AMD	48	20
77.15.560	REP	48	29
77.15.630	AMD	48	21
77.15.740	AMD	48	22
77.15.770	AMD	48	23
77.32.010	AMD	48	26
77.36.170	AMD	221	922
77.55.181	AMD	120	1
77.60.110	REP	202	310
77.60.120	REP	202	310
77.65.280	AMD	48	27
77.65.340	AMD	48	28
77.95	ADD	120	6
77.95.160	AMD	120	4
77.95.170	AMD	120	3
77.95.180	AMD	120	2
79.10	ADD	114	2,3
79.10.120	AMD	114	4
79.10.130	AMD	114	5
79.64.020	AMD	32	3
79.64.040	AMD	32	4
79.100	ADD	195	101,402
79.100.010	AMD	195	604
79.100.060	AMD	195	601
79.100.100	AMD	195	603
79.100.120	AMD	195	602
79.100.130	AMD	195	201
79.100.150	AMD	195	102
79.155	ADD	32	1
79.155.090	AMD	32	5
79A.05	ADD	86	4,5
79A.05.315	REP	43	2
79A.05.320	REP	43	2
79A.05.325	REP	43	2
79A.05.330	REP	43	2
79A.05.335	AMD	86	1
79A.05.340	AMD	86	2
79A.05.345	AMD	86	3
79A.40.010	AMD	133	1
79A.40.020	AMD	133	2
79A.40.050	AMD	133	3
79A.40.060	AMD	133	4
79A.40.070	AMD	133	5
79A.45.060	AMD	133	6
79A.60.040	AMD	132	1
79A.60.700	AMD	132	2
79A.70.010	AMD	86	6
79A.70.020	AMD	86	7
79A.70.030	AMD	86	8
79A.70.040	AMD	86	9
80.28.280	AMD	216	501
80.36.375	AMD	118	1
81.53.281	AMD	222	702
81.77	ADD	170	1
81.112.210	AMD	153	1
82.02.010	AMD	140	30
82.04.100	AMD	140	1
82.04.120	AMD	216	303
82.04.190	REMD	97	302
82.04.213	REMD	140	2
82.04.250	AMD	97	401
82.04.250	AMD	97	402
82.04.260	AMD	140	3
82.04.260	AMD	140	4
82.04.260	AMD	140	5
82.04.260	AMD	140	6
82.04.285	AMD	97	303
82.04.290	AMD	97	403
82.04.290	AMD	97	404
82.04.310	AMD	216	302
82.04.330	AMD	140	7
82.04.331	AMD	140	8
82.04.4266	AMD	140	9
82.04.4277	AMD	225	104
82.04.460	AMD	97	304
82.04.462	AMD	97	305
82.04.625	AMD	140	10
82.08	ADD	195	301
82.08.010	AMD	140	11
82.08.020	AMD	140	12
82.08.02061	AMD	97	317
82.08.02565	AMD	140	13
82.08.02565	AMD	216	401
82.08.0257	AMD	140	15
82.08.0261	AMD	216	405
82.08.0273	AMD	140	17
82.08.02745	AMD	140	18
82.08.02807	AMD	97	306
82.08.0281	AMD	140	19
82.08.0287	AMD	97	503
82.08.0288	AMD	140	20
82.08.0293	AMD	140	22
82.08.160	AMD	221	923
82.08.820	AMD	140	23
82.08.855	AMD	97	601
82.08.890	AMD	97	602
82.08.9651	AMD	97	405
82.12	ADD	195	302

RCW		CH.	SEC.
82.12.022	AMD	216	304
82.12.02565	AMD	140	14
82.12.02565	AMD	216	402
82.12.0258	AMD	140	16
82.12.0282	AMD	97	504
82.12.0283	AMD	140	21
82.12.855	AMD	97	603
82.12.890	AMD	97	604
82.12.9651	AMD	97	406
82.14.030	AMD	216	307
82.14.050	AMD	216	403
82.14.060	AMD	216	404
82.14.230	AMD	216	305
82.14.430	AMD	140	24
82.14.505	AMD	112	120
82.16	ADD	216	301
82.16.050	AMD	140	25
82.29A	ADD	207	8
82.29A.010	AMD	207	2
82.29A.020	AMD	140	26
82.29A.020	AMD	207	3
82.29A.050	AMD	207	4
82.32	ADD	216	406
82.32.235	AMD	97	104
82.32.235	AMD	210	2
82.32.534	AMD	97	102
82.32.585	AMD	97	103
82.32.795	REP	97	201
82.33A.010	AMD	112	121
82.33A.020	REP	112	123
82.38.030	AMD	216	201
82.38.075	AMD	216	202
82.44.015	AMD	97	502
82.45.010	AMD	58	24
82.45.150	AMD	58	26
82.45.150	AMD	97	307
82.45.195	AMD	97	308
82.45.197	AMD	58	25
82.46.010	AMD	44	1
82.47.010	AMD	216	206
82.49	ADD	195	502
82.49.010	AMD	195	503
82.70.020	AMD	222	704
82.70.040	AMD	222	705
82.70.050	AMD	222	706
82.70.900	AMD	222	707
82.80.010	AMD	216	203
82.80.110	AMD	216	204
82.80.120	AMD	216	205
84.14.007	AMD	96	2
84.14.010	REMD	96	3
84.14.040	AMD	96	4
84.14.060	AMD	96	5
84.33.035	AMD	137	1
84.33.088	AMD	152	1
84.33.130	AMD	137	2
84.33.140	AMD	58	27
84.33.140	AMD	97	309
84.33.140	AMD	137	3
84.33.145	AMD	137	4
84.34	ADD	137	5
84.34	ADD	140	27
84.34.020	AMD	125	2
84.34.030	AMD	137	6
84.34.041	AMD	137	7
84.34.065	AMD	97	310
84.34.070	AMD	137	8
84.34.108	REMD	58	28
84.34.108	REMD	97	311
84.34.300	AMD	97	312
84.34.320	REMD	97	313
84.34.330	AMD	97	314
84.34.330	AMD	137	9
84.34.340	AMD	137	10
84.34.370	AMD	97	315
84.34.370	AMD	137	11
84.36	ADD	207	9
84.36.010	AMD	207	5
84.36.020	AMD	99	2
84.36.020	AMD	99	3
84.36.030	AMD	99	4
84.36.032	AMD	99	5
84.36.035	AMD	99	6
84.36.037	AMD	99	7
84.36.037	AMD	99	8
84.36.050	AMD	99	9
84.36.060	AMD	99	10
84.36.260	AMD	99	11
84.36.264	AMD	99	12
84.36.451	AMD	207	6
84.36.630	AMD	140	28
84.36.805	AMD	99	13
84.40.030	AMD	140	29
84.40.038	AMD	97	407
84.40.175	AMD	97	408
84.40.230	AMD	207	7
84.55.005	AMD	97	316
84.55.010	AMD	4	1
84.55.015	AMD	4	2
84.55.020	AMD	4	3

RCW SECTIONS AFFECTED BY 2014 STATUTES

RCW		CH.	SEC.
84.55.030	AMD	4	4
84.55.120	AMD	4	5
84.56.020	AMD	13	1
84.56.025	AMD	13	2
84.56.440	AMD	195	403
84.69.030	AMD	16	1
87.03.015	AMD	2	6
87.03.135	AMD	2	1
87.03.437	AMD	2	5
87.03.620	AMD	2	2
87.03.630	AMD	2	3
87.06.030	AMD	2	4
88.02	ADD	195	501
88.26	ADD	195	202
88.26.010	AMD	195	204
89.08	ADD	73	2
90.03.525	AMD	222	708
90.42.130	AMD	76	9
90.44.052	AMD	76	10
90.48.545	AMD	76	11
90.58.030	REMD	23	1
90.58.270	AMD	56	2
90.80.150	AMD	76	12
90.80.901	REP	76	14
90.82.043	AMD	76	13

LAWS 2007			LAWS 2014	
Ch.	Sec.	Action	Ch.	Sec.
304	4	AMD	145	1
465	3	AMD	221	924

LAWS 2009			LAWS 2014	
Ch.	Sec.	Action	Ch.	Sec.
520	96	AMD	221	925

LAWS 2012			LAWS 2014	
Ch.	Sec.	Action	Ch.	Sec.
63	1	AMD	174	6
181	1	AMD	71	1

LAWS 2013			LAWS 2014	
Ch.	Sec.	Action	Ch.	Sec.
76	33	AMD	37	262
291	39	AMD	195	605
306		ADD	222	403
306		ADD	222	602
306		ADD	222	603
306		ADD	222	703
306	101	AMD	222	101
306	102	AMD	222	102
306	103	AMD	222	103
306	106	AMD	222	104
306	107	AMD	222	105
306	201	AMD	222	201
306	202	AMD	222	202
306	203	AMD	222	203
306	204	AMD	222	204
306	205	AMD	222	205
306	207	AMD	222	207
306	208	AMD	222	208
306	209	AMD	222	209
306	210	AMD	222	210
306	211	AMD	222	211
306	212	AMD	222	212
306	213	AMD	222	213
306	214	AMD	222	214
306	215	AMD	222	215
306	216	AMD	222	216
306	217	AMD	222	217
306	218	AMD	222	218
306	219	AMD	222	219
306	220	AMD	222	220
306	221	AMD	222	221
306	222	AMD	222	222
306	223	AMD	222	223
306	301	AMD	222	301
306	302	AMD	222	302
306	303	AMD	222	303

LAWS 2013			LAWS 2014	
Ch.	Sec.	Action	Ch.	Sec.
306	304	AMD	222	304
306	305	AMD	222	305
306	306	AMD	222	306
306	307	AMD	222	307
306	308	AMD	222	308
306	309	AMD	222	309
306	310	AMD	222	310
306	311	AMD	222	311
306	312	AMD	222	312
306	401	AMD	222	401
306	402	AMD	222	402
306	404	AMD	222	404
306	405	AMD	222	405
306	406	AMD	222	406
306	407	AMD	222	407
306	517	AMD	222	501
306	518	AMD	222	502
306	519	AMD	222	503
306	603	AMD	222	601
338	1	AMD	225	1

LAWS 2013 2ND SP.S.			LAWS 2014	
Ch.	Sec.	Action	Ch.	Sec.
4		ADD	221	515
4		ADD	221	708
4		ADD	221	709
4		ADD	221	710
4		ADD	221	711
4		ADD	221	712
4		ADD	221	909
4		ADD	221	910
4	101	AMD	221	101
4	102	AMD	221	102
4	103	AMD	221	103
4	104	AMD	221	104
4	105	AMD	221	105
4	106	AMD	221	106
4	107	AMD	221	107
4	108	AMD	221	108
4	110	AMD	221	109
4	111	AMD	221	110
4	112	AMD	221	111
4	113	AMD	221	112
4	114	AMD	221	113
4	115	AMD	221	114
4	116	AMD	221	115
4	117	AMD	221	116
4	118	AMD	221	117
4	119	AMD	221	118
4	120	AMD	221	119

LAWS 2013 2ND SP.S.			LAWS 2014	
Ch.	Sec.	Action	Ch.	Sec.
4	121	AMD	221	120
4	122	AMD	221	121
4	123	AMD	221	122
4	124	AMD	221	123
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4	129	AMD	221	128
4	130	AMD	221	129
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4	150	AMD	221	148
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4	218	AMD	221	218
4	219	AMD	221	219
4	220	AMD	221	220
4	221	AMD	221	221
4	222	AMD	221	222

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4	301	AMD	221	301
4	302	AMD	221	302
4	303	AMD	221	303
4	304	AMD	221	304
4	305	AMD	221	305
4	306	AMD	221	306
4	307	AMD	221	307
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4	618	AMD	221	617
4	619	AMD	221	618
4	620	AMD	221	619
4	701	AMD	221	701
4	702	AMD	221	702
4	703	AMD	221	703
4	704	AMD	221	704

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Ch.	Sec.	Action	Ch.	Sec.
4	706	AMD	221	705
4	710	AMD	221	706
4	714	AMD	221	707
4	715	REP	221	713
4	720	REP	221	714
4	801	AMD	221	801
4	802	AMD	221	802
4	803	AMD	221	803
4	804	AMD	221	804
4	805	AMD	221	805
4	903	AMD	221	901
4	932	AMD	221	902
4	933	AMD	221	903
4	937	AMD	221	904
4	939	AMD	221	905
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35	39	AMD	221	907
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Chapter

Chapter

HEALTH CARE (See also HOSPITALS; LONG-TERM CARE; MARIJUANA; MEDICINE AND MEDICAL DEVICES; MENTAL HEALTH; PUBLIC ASSISTANCE; PUBLIC HEALTH AND SAFETY; WORKERS' COMPENSATION) - cont'd. Chapter

HEALTH CARE AUTHORITY (See also HEALTH CARE; INSURANCE; PUBLIC ASSISTANCE)

HEALTH CARE PROFESSIONS AND PROVIDERS (See also HEALTH, DEPARTMENT; MARIJUANA; MEDICINE AND MEDICAL DEVICES; PHARMACIES AND PHARMACISTS; PUBLIC HEALTH AND SAFETY)

HEALTH, DEPARTMENT

RECORDS - con't. **Chapter**

UTILITIES (See also AIR QUALITY AND POLLUTION; ENERGY; SOLID WASTE; TAXES - PUBLIC UTILITY TAX; UTILITIES AND TRANSPORTATION COMMISSION) - con't. **Chapter**

WORKERS' COMPENSATION - con't. **Chapter**

STATE MEASURES FILED WITH THE SECRETARY OF STATE

INITIATIVES TO THE PEOPLE

For information on Initiatives to the People, see http://secstate.wa.gov/elections/initiatives/statistics.aspx. For additional information, call the Office of the Secretary of State at (360) 902-4180.

INITIATIVES TO THE LEGISLATURE

For information on Initiatives to the Legislature, see http://secstate.wa.gov/elections/initiatives/statistics.aspx. For additional information, call the Office of the Secretary of State at (360) 902-4180.

REFERENDUM MEASURES

For information on Referendum Measures, see http://secstate.wa.gov/elections/initiatives/statistics.aspx. For additional information, call the Office of the Secretary of State at (360) 902-4180.

REFERENDUM BILLS

For information on Referendum Bills, see http://secstate.wa.gov/elections/initiatives/statistics.aspx. For additional information, call the Office of the Secretary of State at (360) 902-4180.

HISTORY OF CONSTITUTIONAL AMENDMENTS ADOPTED SINCE STATEHOOD

No. 1. Section 5, Article XVI. Re: **Permanent School Fund.** Adopted November, 1894.

No. 2. Section 1, Article VI. Re: **Qualification of Electors.** Adopted November, 1896.

No. 3. Section 2, Article VII. Re: **Uniform Rates of Taxation.** Adopted November, 1900.

No. 4. Section 11, Article I. Re: **Religious Freedom.** Adopted November, 1904.

No. 5. Section 1, Article VI. Re: **Equal Suffrage.** Adopted November, 1910.

No. 6. Section 10, Article III. Re: **Succession in Office of Governor.** Adopted November, 1910.

No. 7. Section 1, Article II. Re: **Initiative and Referendum.** Adopted November, 1912.

No. 8. Adding Sections 33 and 34, Article I. Re: **Recall.** Adopted November, 1912.

No. 9. Section 16, Article I. Re: **Taking of Private Property.** Adopted November, 1922.

No. 10. Section 22, Article I. Re: **Right of Appeal.** Adopted November, 1922.

No. 11. Section 4, Article VIII. Re: **Appropriation.** Adopted November, 1922.

No. 12. Section 5, Article XI. Re: **Consolidation of County Offices.** Adopted November, 1924.

No. 13. Section 15, Article II. Re: **Vacancies in the Legislature.** Adopted November, 1930.

No. 14. Article VII. Re: **Revenue and Taxation.** Adopted November, 1930.

No. 15. Section 1, Article XV. Re: **Harbors and Harbor Areas.** Adopted November, 1932.

No. 16. Section 11, Article XII. Re: **Double Liability of Stockholders.** Adopted November, 1940.

No. 17. Section 2, Article VII. Re: **40-Mill Tax Limit.** Adopted November, 1944.

No. 18. Adding Section 40, Article II. Re: **Restriction of motor vehicle license fees and excise taxes on motor fuels to highway purposes only.** Adopted November, 1944.

No. 19. Adding Section 3, Article VII. Re: **State to tax the United States and its instrumentalities to the extent that the laws of the United States will allow.** Adopted November, 1946.

No. 20. Adding Section 1, Article XXVIII. Re: **Legislature to fix the salaries of state elective officials.** Adopted November, 1948.

No. 21. Section 4, Article XI. Re: **Permit counties to adopt "Home Rule" charters.** Adopted November, 1948.

No. 22. Repealing Section 7 of Article XI. Re: **County elective officials.** (These officials can now hold same office more than two terms in succession.) Adopted November, 1948.

No. 23. Adding Section 16, Article XI. Re: **Permitting the formation, under a charter, of combined city and county municipal corporations having a population of 300,000 or more.** Adopted November, 1948.

No. 24. Article II, Section 33. Re: **Permitting ownership of land by Canadians who are citizens of provinces wherein citizens of the State of Washington may own land.** (All provinces of Canada authorize such ownership.) Adopted November, 1950.

No. 25. Adding Section 3(a), Article IV. Re: **Establishing Retirement Age for Judges of Supreme and Superior Courts.** Adopted November, 1952.

No. 26. Adding Section 41, Article II. Re: **Permitting the Legislature to Amend Initiative Measures.** Adopted November, 1952.

No. 27. Section 6, Article VIII. Re: **Extending Bonding Powers of School Districts.** Adopted November, 1952.

No. 28. Sections 6 and 10, Article IV. Re: **Increasing Monetary Jurisdiction of Justice Courts.** Adopted November, 1952.

No. 29. Article II, Section 33. Re: **Redefining "Alien," thereby permitting the Legislature to determine the policy of the state respecting the ownership of land by corporations having alien shareholders.** Adopted November, 1954.

No. 30. Adding Section 1A, Article II. Re: **Increasing the number of signatures necessary to certify a state initiative or referendum measure.** Adopted November, 1956.

No. 31. Section 25, Article III. Re: **Removing the restriction prohibiting the state treasurer from being elected for more than one successive term.** Adopted November, 1956.

No. 32. Section 2, Article XV. Re: **Filling vacancies in the state legislature.** Adopted November, 1956.

No. 33. Section 1, Article XXIV. Re: **Modification of state boundaries by compact.** Adopted November, 1958.

No. 34. Section 11, Article I. Re: **Employment of chaplains at state institutions.** Adopted November, 1958.

No. 35. Section 25, Article II. Re: **Pensions and Employees' Extra Compensation.** Adopted November, 1958.

No. 36. Section 1, Article II by adding a new subsection (e). Re: **Publication and Distribution of Voters' Pamphlet.** Adopted November, 1962.

No. 37. Section 1, Article XXIII. Re: **Publication of Proposed Constitutional Amendments.** Adopted November, 1962.

No. 38. Adding Section 2(c), Article IV. Re: **Temporary Performance of Judicial Duties.** Adopted November, 1962.

No. 39. Adding Section 42, Article II. Re: **Governmental Continuity During Emergency Periods.** Adopted November, 1962.

No. 40. Section 10, Article XI. Re: **Lowering minimum population for first class cities from 20,000 to 10,000. Also changing newspaper publication requirements for proposed charters.** Adopted November, 1964.

No. 41. Section 29, Article IV. Re: **Election of Superior Court Judges.** Adopted November, 1966.

No. 42. Repealing Section 33, Article II and Amendments 24 and 29. Re: **Alien Ownership of Lands.** Adopted November, 1966.

No. 43. Section 3, Article IX. Re: **Funds for Support of the Common Schools.** Adopted November, 1966.

No. 44. Section 5, Article XVI. Re: **Investment of Permanent Common School Fund.** Adopted November, 1966.

No. 45. Adding Section 8, Article VIII. Re: **Port Expenditures—Industrial Development—Promotion.** Adopted November, 1966.

No. 46. Adding Section 1A, Article VI. Re: **Voter Qualifications for Presidential Elections.** Adopted November, 1966.

No. 47. Adding Section 10, Article VII. Re: **Retired Persons Property Tax Exemption.** Adopted November, 1966.

No. 48. Section 3, Article VIII. Re: **Public Special Indebtedness, How Authorized.** Adopted November, 1966.

No. 49. Adding Section 1, Article XXIX. Re: **Investments of Public Pension and Retirement Funds.** Adopted November, 1968.

No. 50. Adding Section 30, Article IV. Re: **Court of Appeals.** Adopted November, 1968.

No. 51. Adding Section 9, Article VIII. Re: **State Building Authority.** Adopted November, 1968.

No. 52. Section 15, Article II. Re: **Vacancies in Legislature and in Partisan County Elective Office.** Also amending Section 6, Article XI. Re: **Vacancies in Township, Precinct or Road District Office.** Adopted November, 1968.

No. 53. Adding Section 11, Article VII. Re: **Taxation Based on Actual Use.** Adopted November, 1968.

No. 54. Adding Section 1, Article XXX. Re: **Authorizing Compensation Increase During Term.** Adopted November, 1968.

No. 55. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1972.

No. 56. Section 24, Article II. Re: **Lotteries and Divorce.** Adopted November, 1972.

No. 57. Section 5, Article XI. Re: **County Government.** Adopted November, 1972.

No. 58. Section 16, Article XI. Re: **Combined City-County.** Adopted November, 1972.

No. 59. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1972.

No. 60. Section 1, Article VIII. Re: **State Debt.** Also amending Section 3, Article VIII. Re: **Special Indebtedness, How Authorized.** Approved November, 1972.

No. 61. Adding new Article XXXI. Re: **Sex Equality, Rights and Responsibilities.** Adopted November, 1972.

No. 62. Section 12, Article III. Re: **Veto Power.** Adopted November, 1974.

No. 63. Section 1, Article VI. Re: **Qualifications of Electors.** Adopted November, 1974.

No. 64. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1976.

No. 65. Section 6, Article IV. Re: **Jurisdiction of Superior Courts.** Also amending Section 10, Article IV. Re: **Justices of the Peace.** Adopted November, 1976.

No. 66. Section 18, Article XII. Re: **Rates for Transportation.** Adopted November, 1977.

No. 67. Repealing Section 14, Article XII. Re: **Prohibition Against Combinations by Carriers.** Adopted November, 1977.

No. 68. Section 12, Article II. Re: **Legislative Sessions, When—Duration.** Adopted November, 1979.

No. 69. Section 13, Article II. Re: **Limitation on Members Holding Office in the State.** Adopted November, 1979.

No. 70. Adding Section 10, Article VIII. Re: **Residential Energy Conservation.** Adopted November, 1979.

No. 71. Adding Section 31, Article IV. Re: **Judicial Qualifications Commission—Removal, Censure, Suspension, or Retirement of Judges or Justices.** Adopted November, 1980.

No. 72. Sections 1 and 1(a), Article II. Re: **Legislative Powers, Where Vested and Initiative and Referendum, Signatures Required.** Adopted November, 1981.

No. 73. Adding Section 1, Article XXXII. Re: **Special Revenue Financing.** Adopted November, 1981.

No. 74. Adding Section 43, Article II. Re: **Redistricting.** Adopted November, 1983.

No. 75. Section 1, Article XXIX. Re: **May be Invested as Authorized by Law.** Adopted November, 1985.

No. 76. Adding Section 11, Article VIII. Re: **Agricultural Commodity Assessments—Development, Promotion, and Hosting.** Adopted November, 1985.

No. 77. Section 31, Article IV. Re: **Commission on Judicial Conduct—Removal, Censure, Suspension, or Retirement of Judges or Justices—Proceedings.** Adopted November, 1986.

No. 78. Section 1, Article XXVIII. Re: **Salaries for Legislators, Elected State Officials, and Judges—Independent Commission—Referendum.** Adopted November, 1986.

No. 79. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1986.

No. 80. Section 7, Article IV. Re: **Exchange of judges—Judge Pro Tempore.** Adopted November, 1987.

No. 81. Section 1, Article VII. Re: **Taxation.** Adopted November, 1988.

No. 82. Section 10, Article VIII. Re: **Residential Energy Conservation.** Adopted November, 1988.

No. 83. Section 3, Article VI. Re: **Who disqualified.** Also amending Section 1, Article XIII. Re: **Educational, reformatory and penal institutions.** Adopted November, 1988.

No. 84. Adding Section 35, Article I. Re: **Victims of Crimes—Rights.** Adopted November, 1989.

No. 85. Section 31, Article IV. Re: **Commission on Judicial Conduct.** Adopted November, 1989.

No. 86. Section 10, Article VIII. Re: **Energy and Water Conservation Assistance.** Adopted November, 1989.

No. 87. Section 6, Article IV. Re: **Jurisdiction of Superior Courts.** Adopted November, 1993.

No. 88. Section 11, Article I. Re: **Religious Freedom.** Adopted November, 1993.

No. 89. Section 3, Article 4. Re: **Election and Terms of Supreme Court Judges.** Adopted November, 1995.

No. 90. Section 2, Article VII. Re: **Limitation on levies.** Adopted November, 1997.

No. 91. Section 10, Article VIII. Re: **Energy, water, or stormwater or sewer services conservation assistance.** Adopted November, 1997.

No. 92. Section 1, Article VIII. Re: **State debt.** Adopted November, 1999.

No. 93. Section 1, Article XXIX. Re: **May be invested as authorized by law.** Adopted November, 2000.

No. 94. Section 7, Article IV. Re: **Exchange of judges - Judge pro tempore.** Adopted November, 2001.

No. 95. Section 2, Article VII. Re: **Limitation on levies.** Adopted November, 2002.

No. 96. Section 15, Article II. Re: **Vacancies in legislative and in partisan county elective office.** Adopted November 2003.

No. 97. Section 31, Article IV. Re: **Commission on judicial conduct.** Adopted November, 2005.

No. 98. Section 1, Article VII. Re: **Taxation.** Adopted November 2006.

No. 99. Section 12, Article VII. Re: **Budget stabilization account.** Adopted November 2007.

No. 100. Section 29, Article II. Re: **Convict labor.** Adopted November 2007.

No. 101. Section 2, Article VII. Re: **Limitation of levies.** Adopted November 2007.

No. 102. Section 6, Article XVI. Re: **Investment of higher education permanent funds.** Adopted November 2007.

No. 103. Section 1, Article VIII. Re: **State debt.** Adopted November 2010.

No. 104. Section 20, Article I. Re: **Bail, when authorized.** Adopted November 2010.

No. 105. Section 1A, Article VI. Re: **Voter qualifications for presidential elections.** Adopted November 2011.

No. 106. Section 12, Article VII. Re: **Budget stabilization account.** Adopted November 2011.

No. 106. Section 12, Article VII. Re: **Budget stabilization account.** Adopted November 2011.

No. 107. Section 1, Article VIII. Re: **State debt.** Adopted November 2012.